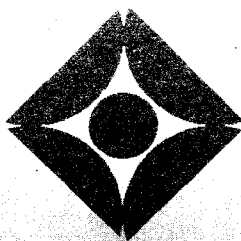


# **ANNUAL REPORT**

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## **2002 - 2003**

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**D H O O T**

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**INDUSTRIAL FINANCE LIMITED**

**BOARD OF DIRECTORS**

Shri Rajgopal Dhoot	<i>Chairman</i>
Shri Rohit Kumar Dhoot	<i>Managing Director</i>
Shri S. Venkatachalam	
Shri Abhay Firodia	
Shri Rajesh M. Loya	
Shri Girish C. Choksey	

**AUDITORS**

Bansi S. Mehta & Co.  
Chartered Accountant  
Mumbai

**BANKERS**

Indian Overseas Bank  
UTI Bank Limited

**REGISTERED OFFICE**

504, Raheja Centre,  
214, Nariman Point,  
Mumbai - 400 021.

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**Name and Address of Stock Exchanges on which shares of the Company are listed :**

1. The Stock Exchange, Mumbai,  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai 400 023.
2. The Stock Exchange, Ahmedabad,  
Kamdhenu Complex, Shahjanand College,  
Panjarapole, Ahmedabad 380 015.

**Company had paid Annual Listing Fees for the 2002-2003.**

**Members are requested to send transers and all the communications relating to notification of change in address, enquiries regarding transfer of shares, dividend etc. to the Share Transfer Agents of the Company at the following address :**

**R & D Consultants Limited**  
**Unit : Dhoot Industrial Finance Ltd.**  
610, Dalamal Tower, 211  
Nariman Point, Mumbai 400 021.  
Tel. No. : 22834347/74, Email : rndcons@vsnl.net  
Fax No. : 22855759



## NOTICE

**NOTICE** is hereby given that the Twenty Fifth Annual General Meeting of Dhoot Industrial Finance Limited will be held on Monday, the 29th September, 2003 at 2.30 p.m., at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai - 400 001 to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2003 and Profit and Loss Account for the year ended on that date and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in the place of Shri Abhay Firodia who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Shri S. Venkatachalam who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

### SPECIAL BUSINESS :

5. To consider, and if thought fit, to pass, with or without any modification(s), the following resolution, as a Special Resolution :-

**"RESOLVED THAT** pursuant to the provisions of Section 61 of the Companies Act, 1956 and Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003 and further subject to the approval or consent under other law or guidelines for the time being in force approval of shareholders be and is hereby granted to the Board of Directors to apply for the voluntary delisting of the shares of the Company from The Stock Exchange, Ahmedabad.

6. To consider, and if thought fit, to pass, with or without any modification(s), the following resolution, as a Special Resolution :-

**"IN SUPERCESSION OF EARLIER RESOLUTION** passed in Twenty First Annual General Meeting held on 28th September, 1999 pursuant to Section 163 of the Companies Act, 1956 the Company hereby approves that the Register of Members, Index of Members, instead of being kept at the MCS Limited, Andheri (East) Mumbai - 400 093 erstwhile Share Transfer Agent of the Company, be kept at the office of duly appointed Share Transfer Agents of the Company R&D Consultants Limited, 610 Dalamal Tower, 211, Nariman Point, Mumbai - 400 021, where the necessary registers, indexes as mentioned above shall be available for inspection during business hours of the Share Transfer Agents from 9.30 a.m. to 5.30 p.m., except on Saturday and Public Holidays."

### NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY**, Proxies in order to be effective must be received at the Registered Office not later than 48 hours before the commencement of the meeting.
2. Explanatory Statement Pursuant to section 173(2) of the Companies Act, 1956 in respect of item no. 5 & 6 annexed herewith.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from Monday, the 15th September, 2003 to Monday, the 29th September, 2003.
4. Members who have not encashed their dividend warrants for the following financial year are requested to approach R&D Consultants Limited the Company's Registrar & Share Transfer Agents for obtaining duplicate dividend warrants :-

Financial Year ended	Due for transfer to Fund Established u/s 205C
31-03-1996	08/11/2003
31-03-1997	18/11/2004
31-03-1998	16/11/2005
31-03-1999	16/11/2006
31-03-2000	15/11/2007

5. Shareholders are requested to bring their copies of the Annual Report alongwith them to the General Meeting, as copies of the Report will not be distributed again at the Meeting as a measure of economy.

By Order of the Board  
For **DHOOT INDUSTRIAL FINANCE LIMITED**

**Rajgopal Dhoot**  
Chairman

**Registered Office :**

504, Raheja Centre,  
214, Nariman Point,  
Mumbai - 400 021

Place : Mumbai

Date : 11th August, 2003.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

### **ITEM NO. 2 & 3 :**

Shri Abhay Firodia and Shri. S. Venkatachalam retire from the Board by rotation, and being eligible, offer themselves for reappointment.

Pursuant to the requirement of listing agreement of the Stock Exchange relating to the Corporate Governance, a statement containing brief resume in respect of the above Directors is attached hereto.

### **ITEM NO. 5 :**

Presently the Company's Equity Shares are listed on Stock Exchanges at Mumbai & Ahmedabad. With the extensive networking of the The Stock Exchange, Mumbai (BSE) and the extension of BSE terminals to other cities as well, investors have access to online dealing in the Company's Equity Shares across the country. Trading in the Company's shares on The Stock Exchange, Ahmedabad is almost nil.

The Securities and Exchange Board of India (Delisting of Securities) Guidelines-2003, inter alia, provided that a company may voluntarily delist from Stock Exchanges where its securities are listed without giving any exit opportunity to the investors provided that the Securities of the Company have been listed for a minimum period of 3 years on any Stock Exchange and the securities continue to be listed in a Stock Exchange having a nation wide trading terminals. According to the provisions of the said guidelines, it

**DHOOT INDUSTRIAL FINANCE LIMITED**

is necessary to obtain the prior approval of shareholders of the Company by a special resolution passed at its General Meeting besides compliance with such other conditions as may be specified by the concerned Stock Exchanges.

The proposed delisting will not adversely affect the investors. The Company's Equity Shares will continue to be listed on The Stock Exchange, Mumbai (BSE). The delisting will take effect after all approvals, permissions and sanctions are received. Your approval is therefore, sought by way of a special resolution for voluntary delisting of Company's equity shares from The Stock Exchange, Ahmedabad without an exit opportunity in terms of the said guidelines.

Your Directors recommend the Special Resolution for approval of members.

None of the Directors of the Company are in any way concerned or interested in the resolution.

**ITEM NO. 6 :**

The term of appointment of M/s. MCS Ltd., Mumbai to act as Share Transfer Agents of Company expired on 14th July, 2003. The Board of Directors due to administrating convenience decided to appoint M/s. R & D Consultants Limited, Mumbai as Share Transfer Agents of the Company w.e.f. 15th July, 2003.

Consequent upon change in the location of Share Transfer Agent of the company and as required by Section 163 of the Companies Act, 1956 your approval is necessary to keep the Register of Members and indexes of Shareholders at the office place of M/s. R & D Consultants Limited other than registered office of the Company.

Hence this special resolution for your approval.

None of the Directors of the Company are in any way concerned or interested in the resolution.

By Order of the Board

For **DHOOT INDUSTRIAL FINANCE LIMITED**

**Rajgopal Dhoot**  
Chairman

**Registered Office :**

504, Raheja Centre,  
214, Nariman Point,  
Mumbai - 400 021

Place : Mumbai

Date : 11th August, 2003.

Details of the Directors seeking reappointment in Annual General Meeting to be held on 29th September, 2003

Name of Director	Shri. Abhay Firodia	Shri. S. Venkatachalam
Date of Birth	05/11/1944	30/01/1938
Qualification	BA	BE, Msc(Int. Mgt) England Dip M, F Inst M, MBIM
Expertise in specific functional area	Industrialist	Consultant Advisor
List of Public Limited (in India) in which outside Directorship held	1. Jaya Hind Industries Limited 2. Dhoot Compack Limited 3. Sudarshan Chemical Industries Limited 4. Bharat Hotels Limited 5. Bajaj Tempo Limited 6. ZF Steering Gear (India) Ltd.	1. Nagarjuna Construction Co. Companies Ltd.
Chairman/Member of the Committee(s) of the Board of Directors of the Company.	Member of Audit Committee Member of Remuneration Committee Member of Shareholders / Investors Grievance Committee	—
Chairman / Member of the Committee(s) of Board of Directors of other Companies in which he is a Director		
a) Audit Committee	—	—
b) Remuneration Committee	—	—
c) Shareholders / Investors Grievance Committee	—	—



## DIRECTORS REPORT

Your Director's have pleasure in presenting the Twenty Fifth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2003.

### 1. FINANCIAL HIGHLIGHTS :

	Year ended March 31, 2003	Year ended March 31, 2002
		(Rs. In Lakhs)
Total Income	2910.91	2322.14
Profit before Depreciation and tax	31.36	23.67
Less : Depreciation	11.61	9.72
Profit Before Tax	19.75	13.95
Less: Provision for tax	1.52	2.30
Add : Deferred Tax (Net)	(2.44)	0.97
Profit After Tax	15.79	12.62
Add/(Less): Provision for earlier years	(12.97)	(0.45)
Add : Surplus Brought forward from previous years	118.41	106.24
Balance Carried to Balance Sheet	121.23	118.41

### 2. DIVIDEND :

The Directors do not recommend any dividend for the year ended March 31, 2003.

### 3. BUSINESS & PERFORMANCE :

The company has strengthened its position in trading activities in the year. During the year under review, total income is at Rs.2910.91 lakhs and the profit after tax is at Rs. 15.79 lakhs, compared to Rs. 2,322.14 lakhs and Rs. 12.62 lakhs in last year respectively.

### 4. DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) by the Companies Act, 1956, your Directors confirm :-

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2003, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts for the year financial ended 31st March, 2003 on a 'going concern' basis.

### 5. FIXED DEPOSIT :

The Company has not accepted any fixed deposit during the year under review.

**6. DE-LISTING OF SHARES :**

It is proposed to de-list equity shares of the Company from the Stock Exchange, Ahmedabad due to non trading and increasing costs. Your Directors recommend approval of the Special Resolution for the purpose.

**7. CORPORATE GOVERNANCE :**

Your company has complied with the Corporate governance regulations as laid down in clause 49 of the listing agreement with the Stock Exchange, Mumbai. A detailed compliance report on Corporate Governance is enclosed in this report.

**8. DIRECTORS :**

Shri Abhay Firodia, Director is liable to retire by rotation and being eligible offers himself for reappointment.

Shri S. Venkatachalam, Director is liable to retire by rotation and being eligible offers himself for reappointment.

**9. AUDITORS :**

M/s. Bansi S. Mehta & Co. Chartered Accountants, Auditors of the Company, held office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

**10. PARTICULARS OF EMPLOYEES :**

None of the employees received remuneration during the year in excess of the limit specified under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975, as amended.

**11. PARTICULARS FOR CONSERVATIONS OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :**

Since the Company is not engaged in manufacturing activities the details required under section 217(1)(e) of the Companies Act, 1956 are not given. The Company has not earned any foreign exchange and there was foreign exchange outgo of Rs. 2.29 lakhs.

**12. ACKNOWLEDGEMENT :**

The Board takes this opportunity to thank Customers, Bankers, Shareholders and Employees for the co-operation and assistance extended to the company and they look forward to their continued support.

By Order of the Board

For DHOOT INDUSTRIAL FINANCE LIMITED

Rajgopal Dhoot  
Chairman

**Registered Office :**  
504, Raheja Centre,  
214, Nariman Point,  
Mumbai - 400 021

Place : Mumbai  
Date : 11th August, 2003.





## COMPLIANCE REPORT ON CORPORATE GOVERNANCE AS PRESCRIBED IN ANNEXURE-2 OF THE LISTING AGREEMENT :

### MANDATORY REQUIREMENTS :

#### 1. A brief Statement on the company's philosophy on code of governance.

Your Company is fully committed to good corporate governance practices as laid down by SEBI. It envisages attainment of the Company's affairs transparency & accountability in the functioning of the Company and helps the management in the efficient conduct of the Company's affairs and in protecting the interest of various participants like shareholders, employees, lenders, clients etc. And all the same time places due emphasis on compliance of various statutory laws.

#### 2. Board of Directors :

##### (i) Composition and category of Directors

The Board of Directors is constituted in compliance with the Companies Act, 1956 and listing agreement with the Stock Exchanges :-

Composition and Category of Directors			
Srn	Name	Designation	Category
1	Shri. R. G. Dhoot	Chairman	Non Executive
2.	Shri. R. K. Dhoot	Managing Director	—
3.	Shri. S. Venkatachalam	Director	Non Executive
4.	Shri. Abhay Firodia	Director	Non Executive, Independent
5.	Shri. Rajesh M. Loya	Director	Non Executive
6.	Shri. Girish C. Choksey	Director	Non Executive, Independent

##### (ii) Attendance of each Director at BoDs meetings and Last AGM

Name of Director	Board Meeting					AGM
	April 26, 2002	July 31, 2002	August 06, 2002	October 30, 2002	January 29, 2003	September 28, 2002
Shri. R. G. Dhoot	✓	✓	✓	✓	✓	✓
Shri. R. K. Dhoot	✓	✓	✓	✓	✓	✓
Shri. S. Venkatachalam	—	✓	—	—	—	—
Shri. Abhay Firodia	—	—	—	—	—	—
Shri. Rajesh M. Loya	✓	—	✓	—	—	✓
Shri. Girish C. Choksey	—	✓	—	—	✓	—

(iii) Number of other BoDs or Board Committees he/she is a member or Chairperson of :

Name of Director	* Number of BoDs on which Member	Number of Board Committee on which member	Number of Board Committees on which chairperson
Shri. R. G. Dhoot	3	3	1
Shri. R. K. Dhoot	5	1	—
Shri. S. Venkatachalam	2	—	—
Shri. Abhay Firodia	7	3	—
Shri. Rajesh M. Loya	—	1	—
Shri. Girish C. Choksey	5	1	2

\* This excludes Directorships held in Indian Private Limited companies / Foreign companies and trustee/ membership of managing committees of various trusts and other bodies.

None of the above Directors is a member in more than 10 committees or acts as Chairman of more than 5 committees across all companies in which he is a Director.

During the year Company has paid Rs. 9.58 lakhs to Shri S. Venkatachalam, Non Executive Director towards discounting charges.

(iv) Number of BoD meetings held, dates on which held :

Five Board meeting were held in the year with a gap of less than four months between any two meetings. The meetings were held on April 26, 2002, July 31, 2002, August 6, 2002, October 30, 2002 and January 29, 2003.

### 3. Audit Committee :

(i) Brief Description of terms of reference :

The Company has constituted Audit Committee as per the provisions of Section 292A of the Companies Act, 1956. The Company reconstituted the composition of Audit Committee on 26th April, 2002 in conformity with the requirements of Clause 49 of the listing agreement with the Stock Exchange, Mumbai.

The purpose of the Audit Committee is to provide independent and objective evaluation of financial reporting, accounting functions, internal audit and controls, to assure the objectivity, credibility and correctness of the company's financial reporting process and disclosures of its financial information.

(ii) Composition, name of members and Chairperson :

Srn.	Name of Member	Title	Status
1	Shri. Girish C. Choksey	Chairman	Independent , Non Executive Director
2	Shri. Abhay Firodia	Member	Independent, Non Executive Director
3.	Shri. R. G. Dhoot	Member	Non Executive Director

Shri Girish C. Choksey has a strong accounting knowledge.

(iii) Meetings and Attendance during the year :

During the year under review the meeting of the Audit committee held on 19th April, 2002, 14th July, 2002, 23rd October, 2002 and 22nd January, 2003.