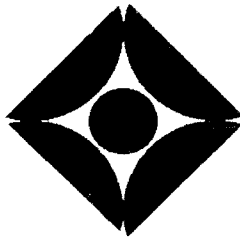


# **ANNUAL REPORT**

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## **2003 - 2004**

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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.

**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.

**Company had paid Annual Listing Fees for the Year 2004-2005.**

**ISIN No. INE313G01016**

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

**Sharepro Services**

Satram Estate, 3rd Floor, Above Bank of Baroda,  
Cardinal Gracious Road, Chakala, Andheri (E),  
Mumbai – 99.



## NOTICE

**NOTICE** is hereby given that the Twenty Sixth Annual General Meeting of the members of Dhoot Industrial Finance Limited will be held on Tuesday, the 28<sup>th</sup> September, 2004 at 4.30 p.m., at Conference Hall, W.I.A.A. Club, Ridge Road, Mumbai – 400 006 to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2004 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 Girish C. Choksey who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Shri Rajesh M. Loya 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 :-

**"IN SUPERCESSION OF EARLIER RESOLUTION** passed in Twenty Fifth Annual General Meeting held on 29<sup>th</sup> September, 2003 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 R&D Consultants Limited, 610 Dalamal Tower, 211, Nariman Point, Mumbai – 400 021, erstwhile Share Transfer Agent of the Company, be kept at the office of duly appointed Share Transfer Agents of the Company Sharepro Services, Satram Estate, 3<sup>rd</sup> Floor, Above Bank of Baoda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai – 400 099. where the necessary registers, indexes as mentioned above shall be available for inspection during business hours of the Share Transfer Agents from 10.30 a.m. to 5.30 p.m., except on Saturday and Public Holidays."

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

**"RESOLVED THAT** subject to the provisions of Articles 163 and 165 of Articles of Association of the company and further subject to the provisions of Section 198, 269 and 309 read with Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary, the consent of the shareholders of the company be and is hereby accorded to the increase in remuneration payable to Shri R. K. Dhoot, as a Managing Director of the Company from Rs. 25,000/- per month to Rs. 40,000/- per month with effect from 1st April, 2004 to 31st March, 2005, upon the terms and conditions and payments of remuneration, benefits and perquisites as set out in the agreement of appointment entered with the Company and the said agreement be and is hereby approved, amended hereto and ratified with the liberty to the Board of Directors to alter or vary the terms and conditions of the said appointment from time to time and in such manner as may be agreed to between the Board of Directors and Shri R.K. Dhoot."

**"RESOLVED FURTHER THAT** notwithstanding anything hereinabove stated, where in any financial year, during the currency of tenure of Shri R. K. Dhoot as a Managing Director, the company has no profits or its profits are inadequate it may pay him remuneration up to Rs. 4,80,000/- per annum plus perquisites not exceeding the limits specified under Section II of Schedule XIII of the Companies Act, 1956.

**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 is annexed herewith.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, the 21st September, 2004 to Thursday, the 28<sup>th</sup> September, 2004.
4. Members who have not encashed their refund / dividend warrants for the following financial year are requested to approach Sharepro Services the Company's Registrar & Share Transfer Agents for obtaining duplicate dividend warrants :-

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

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 : 23rd July, 2004.

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

**ITEM NO. 5 :**

This is to inform the Shareholders that the Company has changed the share transfer agents M/s. R & D Consultants Ltd. and appointed M/s. Sharepro Services as share transfer agents of the Company.

The Company will keep the Register of Members and Indexes of Shareholders at the office premises of Sharepro Services, the Share Transfer Agents of the Company.

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 any place 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.

#### ITEM NO. 6

By a Resolution passed by the Board of Directors at its Meeting held on 21st April, 2000, Shri R. K. Dhoot was appointed as the Managing Director of the Company for a period of five years from 1st April 2000 to 31st March 2005. The Board of Directors at their meeting held on 30th January 2004 increased the amount of salary payable to Shri R. K. Dhoot, Managing Director from Rs. 25,000/- per month to Rs. 40,000/- per month for the balance period of his appointment as managing director subject to the approval of the shareholders at the general meeting. The revised payment of remuneration perquisites and the other terms and conditions of re-appointment, as mentioned in the agreement of re-appointment entered into with him are as below:-

#### Remuneration:

##### I. Salary:

Rs. 40,000/- per month.

##### II. Perquisites

Shri R. K. Dhoot, managing Director shall also be eligible the following perquisites which shall not be included in the Computation of the ceiling of Minimum Remuneration specified here in below:-

- a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- c) Encashment of leave at the end of the tenure.
- d) Medical Reimbursement:  
Expenses incurred for self and family subject to a ceiling of One Month's salary in a block of 3 years.
- e) Leave Travel Concession :  
Leave Travel Concession for self and his family consists of spouse, dependent children and parents once in a year incurred in accordance with the rules specified by the company.
- f) Personal Accident Insurance :  
Premium not exceeding Rs. 7,000/- per annum.
- g) Club Fees :  
Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- h) Payment of Society car parking charges.

#### Other Conditions :

##### I. Sitting Fees :

He is not entitled to sitting fees for attending Meetings of the Board or of any Committees thereof.

##### II. Termination :

Termination of the office of Managing Director is by giving three month's notice by either party.

The Directors are of the opinion that Shri R.K. Dhoot's knowledge and experience will be immense value to the Company. The Board, therefore, recommends approval of the above Resolution.

The Agreement of re-appointment entered into with him as the Managing Director is available for

inspection to Members at the Registered Office of the Company on any working day between 11.30 a.m. and 1.00 p.m. upto the date of the Annual General meeting.

Except Shri R.K. Dhoot proposed appointee and Shri R.G. Dhoot, being his relative no other Directors of the Company are concerned or interested in the said Resolution.

The above may be considered as an abstract of the terms and conditions of appointment of Managing Director under section 307 of the Companies Act, 1956.

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 : 23rd July, 2004.

Details of the Directors seeking reappointment in Annual General Meeting to be held on 28<sup>th</sup> September, 2004

Name of Director	Shri. Girish C. Choksey	Shri. Rajesh M. Loya
Date of Birth	21.10.1942	20.07.1966
Qualification	Industrialist	Chartered Accountant
Expertise in specific functional area	Manufacturing of Construction Chemicals	Practicing Chartered Accountant
List of Public Limited Companies (in India) in which other Directorship held	Apcotex Lattices Limited. Cons Holdings Limited The Hindustan Mineral Products Company Ltd. Sammelan Investments and Trading Ltd.	
Chairman/Member of the Committee(s) of the Board of Directors of the Company.	—	—
Chairman / Member of the Committee(s) of Board of Directors of other Companies in which he is a Director		
a) Audit Committee	Dhoot Industrial Finance Ltd. Apcotex Lattices Ltd.	Dhoot Industrial Finance Ltd.
b) Remuneration Committee	Dhoot Industrial Finance Ltd.	Dhoot Industrial Finance Ltd.
c) Shareholders / Investors Grievance Committee	Dhoot Industrial Finance Ltd.	Dhoot Industrial Finance Ltd.



## DIRECTORS REPORT

Your Directors have pleasure in presenting the Twenty Sixth Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2004.

### 1. FINANCIAL HIGHLIGHTS :

(Rs. in Lakhs)

	Year ended March 31, 2004	Year ended March 31, 2003
Total Income	5343.86	3019.53
Profit before Depreciation and tax	109.59	31.36
Less : Depreciation	33.13	11.61
Profit Before Tax	76.46	19.75
Less: Provision for tax	8.85	1.52
Add : Deferred Tax (Net)	(4.80)	(2.44)
Profit After Tax	62.81	15.79
Add/(Less): Provision for earlier years	(6.76)	(12.97)
Add : Surplus Brought forward from previous years	121.23	118.41
Balance Carried to Balance Sheet	177.28	121.23

### 2. DIVIDEND :

The Directors do not recommend any dividend for the year ended March 31, 2004.

### 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.5343.86 lakhs and the profit after tax is at Rs.62.81 lakhs, compared to Rs. 3,019.53 lakhs and Rs. 15.79 lakhs in last year respectively.

### 4. DIRECTOR'S RESPONSIBILITY STATEMENT :

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

- (i) that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2004, 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 Financial Year ended 31<sup>st</sup> March, 2004 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 :**

The Company has voluntarily delisted the shares of the company on The Stock Exchange Ahmedabad

**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 Girish C. Choksey, Director is liable to retire by rotation and being eligible offers himself for reappointment.

Shri Rajesh M. Loya, Director is liable to retire by rotation and being eligible offers himself for reappointment.

**9. AUDITORS AND AUDITORS REPORT :**

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. Regarding the qualification in the Audit Report, the notes to the Accounts referred to in the Auditors's Report are self explanatory.

**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. 6.75 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 : 23rd July, 2004.



## 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 at 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, Independent
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 21, 2003	July 28, 2003	August 11, 2003	October 29, 2003	November 21, 2003	January 30, 2004	September 29, 2003
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

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	2	2	1
Shri. R. K. Dhoot	6	2	—
Shri. S. Venkatachalam	2	—	—
Shri. Abhay Firodia	6	3	—
Shri. Rajesh M. Loya	1	3	3
Shri. Girish C. Choksey	5	4	—

\* 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. 8.90 lakhs to Shri S. Venkatachalam, Non Executive Director towards discounting charges.

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

Six 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 21, 2003, July 28, 2003, August 11, 2003, October 29, 2003, November 21, 2003 and January 30, 2004.

### 3. Audit Committee :

(i) Brief Description of terms of reference :

The Company re-constituted Audit Committee as per the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the listing agreement with the Stock Exchange, Mumbai on 21<sup>st</sup> April, 2003.

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. Rajesh M. Loya	Chairman	Independent , Non Executive Director
2	Shri. Girish C. Choksey	Member	Independent , Non Executive Director
3	Shri. Abhay Firodia	Member	Independent, Non Executive Director
4	Shri. R. G. Dhoot	Member	Non Executive Director

Shri Rajesh M. Loya, chairman has accounting knowledge.