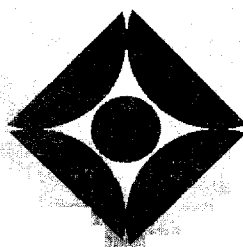


ANNUAL REPORT

2004 - 2005

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D H O O T

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 2005-2006.
to The Stock Exchange, Mumbai
ISIN No. INE313G01016

Members are requested to send 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
912, Raheja Centre, Nariman Point,
Mumbai – 400 021.



DHOOT INDUSTRIAL FINANCE LIMITED

NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the members of Dhoot Industrial Finance Limited will be held on Tuesday, the 27th September, 2005 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 31st March, 2005 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 R. G. Dhoot 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 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 for the appointment of Shri R. K. Dhoot, as a Managing Director of the Company for a period of 5 years with effect from 1st April, 2005 to 31st March, 2010, 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 is annexed herewith.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from Tuesday, the 20th September, 2005 to Tuesday, the 27th September, 2005.

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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
31-03-1998	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 : 22nd July, 2005.

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

ITEM No. 5 :

By a Resolution passed by the Board of Directors at their Meeting held on 25th March, 2005. Shri R. K. Dhoot was reappointed as the Managing Director of the Company for a period of five years from 1st April 2005 to 31st March 2010. The 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:

- Name and Designation** : Shri R. K. Dhoot Managing Director.
- Period of Appointment** : April 2005 to March 2010
- Remuneration** : As below :-
1. Salary of Rs. 40,000/- per month.
 2. Perquisites : Perquisites shall be allowed in addition to salary. Perquisites shall be restricted to an amount equal to the annual salary or Rs. 4,80,000/- per annum whichever is less.

Part - A

i) Medical reimbursement :

Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.



DHOOT INDUSTRIAL FINANCE LIMITED

ii) Leave Travel Concession :

Leave travel concession for self and family once in a year incurred in accordance with the rules of the Company.

iii) Club Fees :

Fees of clubs subject to a maximum of two clubs. No admission and life membership fees will be paid.

iv) Personal Accident Insurance :

Personal accident insurance of an amount, the annual premium shall not exceed Rs. 7000/-.

Note: For the purpose of perquisites stated hereinabove, 'Family' means the spouse, the dependent children and dependent parents of the appointee.

Part - B

- i) Contribution to provident Fund and Superannuation Fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act 1961. Gratuity payable shall not exceed half a months salary for each completed year of service.
- ii) Earned Leave : On full pay and allowances as per the rules of the Company but not exceeding one month's leave for every eleven months of service. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- iii) Reimbursement of refreshment expenses actually incurred during office hours in the office premises.

Part - C

Provision of car for use on company's business, car parking charges and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company.

3. In the event of the loss or inadequacy of profits during the aforesaid periods, the company shall pay remuneration to the Managing Director by way of salary, perquisites and other allowances not exceeding the ceiling limit of Rs. 4,80,000/- per annum or Rs. 40,000/- per month and in addition thereto the perquisites not exceeding the limits specified under section II of Part II of schedule XIII to the Companies Act, 1956.
4. The Managing Director shall be entitled to annual privilege leave on full salary for a period of thirty days and such leave be availed of at such time as may be previously approved by the Board provided that the Board shall be entitled at its sole discretion to permit the Managing Director to accumulate such leave for not more than ninety days, provided further that the leave not availed of by the Managing Director shall not be encashable.
5. The Managing Director shall be entitled to :
 - a) The reimbursement of entertainment expenses actually and properly incurred by him.
 - b) The reimbursement of traveling, hotel and other expenses incurred by him in India and abroad exclusively on the business of the company in accordance with the rules and regulations of the company in force from time to time or as approved by the Board of Directors.
6. As long as Shri R. K. Dhoot functions as Managing Director, he shall not be paid any sitting fee for attending the meeting of the Board of Directors or Committee thereof.

7. As long as Shri R. K. Dhoot function as Managing Director, he shall not become interested or concerned directly or through his wife and/ or minor children in any selling agency of the company in future except with the consent of the company as per the provisions of the law in force as applicable to the company.
8. The Managing Director shall not during the continuance of his employment with the company or at any time thereafter divulge or disclose to any person whomsoever or to make any use whatsoever for his own purpose or for any purpose other than that of the company or any information or knowledge obtained by him during his employment as to the business or affairs of the company or its methods or as to any trade secrets or secret process of the company and the Managing Director shall during the continuance of his employment hereunder also use his best endeavours to prevent any other person from so doing PROVIDED HOWEVER that such divulgence or disclosure by the Managing Director to officers and employees of the company for the purpose of business of the company shall not be deemed to be contravention of this clause.
9. If the Managing Director shall at any time be prevented by ill health or accident or any physical or mental disability from performing his duties hereunder, he shall inform the company and supply it with details as it may reasonable require and if he shall be unable by reason of ill health or accident or disability for a period of 180 days in any period of twelve consecutive calender months to perform his duties hereunder, the company may forthwith terminates his employment hereunder.
10. The Company shall be entitled to forthwith terminate the agreement if the Managing Director becomes insolvent or makes any composition or arrangement with his creditors or he ceases to be a Director of the Company.
11. In case of death of the Managing Director in the course of his employment with the company, the Company shall pay to his legal representatives the salary and other emoluments payable hereunder for the then current month together with any such further sum as the Board in its sole and uncontrolled discretion may determine.
12. If the Managing Director is guilty of inattention or negligence in the conduct of the business or of any other act or omission or inconsistent with his duties as Managing Director or any breach of this Agreement which in the opinion of the Board renders his retirement from the office of Managing Director desirable, the company may not less than ninety days notice in writing to the Managing Director determines this agreement and upon the expiration of such notice the Managing Director shall cease to be the Managing Director of the company.
13. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate the Agreement, at any time by giving to the other party 180 days notice in writing in that behalf without the necessity of showing any cause and on the expiry of the period of such notice this Agreement shall determined and the Managing Director shall cease to be the Managing Director of the Company provided that the aforesaid notice may be waived mutually.
14. The terms and conditions of the said appointment and/ or Agreement may be altered and varied from time to time by the Board as may it may, in its discretion deem fit so as to exceed the limits specified in schedule XIII of the Companies Act, 1956, or any amendment or relaxation made hereafter in that regard.
15. This Agreement represents the entire agreement, "between parties hereto on the subject matter hereof.

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

**DHOOT INDUSTRIAL FINANCE LIMITED**

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. This explainer, statement 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 : 22nd July, 2005.

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Details of the Directors seeking reappointment in Annual General Meeting to be held on 27th September, 2005

Name of Director	Shri. R. G. Dhoot	Shri. S. Venkatachalam	Shri. R. K. Dhoot
Date of Birth	13/08/1944	30/01/1938	29/09/1968
Qualification	Industrialist	BE.Msc (Int.Mgt.) England Dip M, F, Inst M. MBIM	Chartered Accountant
Expertise in specific functional area	Industrialist	Consultant Advisor	Industrialist
List of Public Limited Companies (in India) in which other Directorship held	Meenakshi Industries Limited Alpine Trading And Finance Limited Dhoot Industrial Finance Limited Rajashree Holdings Ltd.	Nagarjuna Construction Co. Ltd. Dhoot Industrial Finance Ltd.	Young Buzz India Limited Anukool Traders & Finance Ltd. Aakarshak Syn Thetics Ltd. Avilok Trade & Finance Ltd. Pushpak Finance & Investment Ltd Dhoot Industrial Finance Ltd. The Oudh Sugar Mills Ltd. Ashish Trading And Finance 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.	—	—
b) Remuneration Committee	Dhoot Industrial Finance Ltd.	—	—
c) Shareholders / Investors Grievance Committee	Dhoot Industrial Finance Ltd.	—	—



DHOOT INDUSTRIAL FINANCE LIMITED

DIRECTORS REPORT

Your Director's have pleasure in presenting the Twenty Seventh Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2005.

1. FINANCIAL HIGHLIGHTS :

(Rs. in Lakhs)

	Year ended March 31, 2005	Year ended March 31, 2004
Total Income	6278.46	4815.05
Profit before Depreciation and tax	154.85	109.60
Less : Depreciation	26.34	33.13
Profit Before Tax	128.51	76.47
Less: Provision for tax	(18.00)	(8.85)
Add : Deferred Tax (Net)	7.22	(4.80)
Profit After Tax	117.73	62.82
Add/(Less): Provision for earlier years	0.25	(6.76)
Add : Surplus Brought forward from previous years	177.28	121.22
Balance Carried to Balance Sheet	295.26	177.28

2. DIVIDEND :

To conserve the resources, the Directors do not recommend any dividend for the year ended March 31, 2005.

3. BUSINESS & PERFORMANCE :

During the year under review, total income is at Rs.6278.46 lakhs and the profit after tax is at Rs.117.73 lakhs, compared to Rs. 4815.05 lakhs and Rs. 62.82 lakhs in last year respectively.

The Company is exploring new areas for expanding its business activities.

4. DIRECTORS' RESPONSIBILITY STATEMENT :

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

- that in the preparation of the annual accounts for the financial year ended 31st March, 2005, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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 ended 31st March, 2005 on a 'going concern' basis.

5. FIXED DEPOSIT :

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

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 R. G. Dhoot, 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.

Shri R. K. Dhoot, seeks reappointment as Managing Director of the company.

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.4.83 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 : 22nd July, 2005.