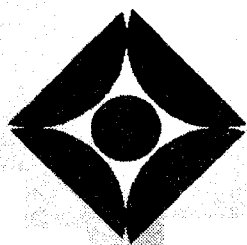


# **ANNUAL REPORT**

## **2005 - 2006**

Report  Junction.com



**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 Girish C. Choksey	
Shri Rajesh M. Loya	

**AUDITORS**

Bansi S. Mehta & Co.  
Chartered Accountants  
Mumbai

**BANKERS**

Indian Overseas Bank  
UTI Bank Limited  
The Ratnakar Bank Ltd.

**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. Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai 400 001.

Company had paid Annual Listing Fees  
for the Year 2005-2006.  
to Bombay Stock Exchange Ltd.  
ISIN No. INE313G01016

Members are requested to send Transfer and 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 (India) Pvt. Ltd.  
Satram Estate, 3<sup>rd</sup> Floor, Above Bank of Baroda,  
Cardinal Gracious Road, Chakala  
Andheri (E), Mumbai – 99.

**NOTICE**

**NOTICE** is hereby given that the Twenty Eighth Annual General Meeting of the members of Dhoot Industrial Finance Limited will be held on Wednesday, the 27<sup>th</sup> September, 2006 at 4.30 p.m., at Conference Hall, The Malabar Hill Club Ltd., B.G.Kher Marg, Malabar Hill, 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, 2006 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 Girish C. Choksey 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 provision of Section 293 (1) (d) and other applicable provision, if any of the Companies Act, 1956, consent of the shareholders be and is hereby given to the Board of Directors of the Company borrowing from time to time such sum or sums of money as they may deem requisite for the purpose of the business of the Company notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the company (apart from temporary loans obtained from Company's bankers in the ordinary cause of business) shall not exceed the aggregate of the paid up capital of the company and its free reserves by the sum of Rs. 100 Crores at any time."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to above resolutions, the Board of Directors be and is hereby authorized to finalise, settle and execute such documents, deeds, writings, papers, agreements, as may be required and do all such acts, deeds, matters, and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any difficulty or doubts that may arise in regard to borrowing as aforesaid."

**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 Wednesday, the 20th September, 2006 to Wednesday, the 27<sup>th</sup> September, 2006.

4. Members who have not encashed their refund / dividend warrants for the following financial year are requested to approach Sharepro Services (India) Pvt. Ltd. the Company's Registrar & Share Transfer Agents for obtaining duplicate dividend warrants :-

Financial Year ended	Due for transfer to Fund Established u/s 205C
31-03-1999	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 : 31st July, 2006.

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

### ITEM No. 5 :

At present the shareholders of the company had given to the Board of Directors to borrow in excess of paid up share capital and free reserves of the Company upto Rs. 15 Crores. The said limits is proposed to be increased to Rs. 100 Crores in view of increase in the business activities of the Company.

The Board request the shareholders to accords its approval.

None of the directors of the Company are 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 : 31st July, 2006.


**DHOOT INDUSTRIAL FINANCE LIMITED**

Details of the Directors seeking reappointment in Annual General Meeting to be held on 27<sup>th</sup> September, 2006

<b>Name of Director</b>	<b>Shri. Abhay Firodia</b>	<b>Shri. Girish C. Choksey</b>
Date of Birth	05/11/1944	21/10/1942
Qualification	B.A.	Industrialist
Expertise in specific functional area	Industrialist	Industrialist
List of Public Limited Companies (in India) in which Directorship held	Force Motors Ltd. ZF Steering Gears (India) Ltd. Sudarshan Chemicals Industries Ltd. Dhoot Industrial Finance Ltd.	Apcotex Lattices Ltd. Cons Holding Ltd. The Hindustan Mineral Products Co. Ltd. Sammelan Investments & Trading Ltd. Dhoot Industrial Finance Ltd.
Chairman / Member of the Committee(s) of Board of Directors of other Companies in which he is a Director		
a) Audit Committee	1	2
b) Remuneration Committee	1	1
c) Shareholders / Investors Grievance Committee	1	1

## DIRECTORS REPORT

Your Director's have pleasure in presenting the Twenty Eighth Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2006.

### 1. FINANCIAL HIGHLIGHTS :

(Rs. in Lacs)

	Year ended March 31, 2006	Year ended March 31, 2005
Total Income	8080.08	6278.46
Profit before Depreciation and tax	432.96	154.84
Less : Depreciation	40.77	26.34
Profit Before Tax	392.19	128.50
Less: Provision for tax	(19.15)	(18.00)
Add : Deferred Tax (Net)	(65.99)	7.22
Add : Fringe Benefit Tax	3.33	0.00
Profit After Tax	303.72	117.72
Add/(Less): Provision for earlier years	—	0.25
Add : Surplus Brought forward from previous years	295.25	177.28
Balance Carried to Balance Sheet	598.97	295.25

### 2. DIVIDEND :

To conserve the resources, the Directors do not recommend any dividend for the year ended March 31, 2006.

### 3. BUSINESS & PERFORMANCE :

During the year under review, total income is at Rs. 8080.08 lacs and the profit after tax is at Rs. 303.72 lacs, compared to Rs. 6278.46 lacs and Rs. 117.72 lacs in last year respectively.

We are pleased to inform the windmill has commenced production.

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

### 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, 2006, 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;



## DHOOT INDUSTRIAL FINANCE LIMITED

(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 31<sup>st</sup> March, 2006 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 Bombay Stock Exchange Ltd. 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 Girish C. Choksey, Director is liable to retire by rotation and being eligible offers himself for reappointment.

### 9. AUDITORS :

M/s. Bansi S. Mehta & Co. Chartered Accountants, Mumbai Auditors of the Company, hold office upto 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 :

The Company's project regarding generation, supply and distribution of electric power by use of non conventional renewable energy devices does not consume any energy. The Company has deployed indigenous technology for the generation of the electric power. The details required to be given in form A is not applicable. The Company has not earned any foreign exchange and there was foreign exchange outgo of Rs. 7.00 lacs.

### 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 : 31st July, 2006.

## 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 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 25, 2005	July 22, 2005	August 2, 2005	October 27, 2005	January 25, 2006	September 27, 2005
Shri. R. G. Dhoot	✓	✓	✓	✓	✓	✓
Shri. R. K. Dhoot	✓	✓	✓	✓	✓	✓
Shri. S. Venkatachalam	—	—	—	—	—	—
Shri. Abhay Firodia	—	—	—	—	—	—
Shri. Rajesh M. Loya	✓	✓	—	—	✓	✓
Shri. Girish C. Choksey	✓	—	—	—	✓	—





# DHOOT INDUSTRIAL FINANCE LIMITED

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

Name of Director	Number of Directorships in other Companies*	Committee memberships**	Committees Chairmanships**
Shri. R. G. Dhoot	3	3	—
Shri. R. K. Dhoot	6	2	—
Shri. S. Venkatachalam	2	—	—
Shri. Abhay Firodia	6	3	2
Shri. Rajesh M. Loya	2	3	3
Shri. Girish C. Choksey	5	2	—

\* This excludes Directorships held in Indian Private Limited companies.

\*\* Member/Chairman of Audit Committees and Share Transfer / Investor Grievance Committees.

(iv) Number of Board of Directors 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 25, 2005, July 22, 2005, August 2, 2005, October 27, 2005 and January 25, 2006.

## 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 Bombay Stock Exchange Ltd. 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 Director	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.

(iii) Meetings and Attendance during the year :

During the year under review the meeting of the Audit committee held on 19<sup>th</sup> April 2005, 5<sup>th</sup> July, 2005 , 14<sup>th</sup> July 2005, 15<sup>th</sup> October, 2005, and 15<sup>th</sup> January, 2006.

Details of attendance :

Name of Director	April 19, 2005	July 5, 2005	July 15, 2005	October 15, 2005	January 15, 2006
Shri. Rajesh Loya	✓	✓	✓	✓	✓
Shri. Girish C. Choksey	✓	✓	✓	✓	✓
Shri. Abhay Firodia	—	—	—	—	—
Shri. R. G. Dhoot	✓	✓	✓	✓	✓

#### 4. Remuneration Committee :

(i) Brief description of terms of reference :

**The Company has formed remuneration committee on 21<sup>st</sup> April, 2003.**

(ii) Composition, name of members and Chairperson :

Srn.	Name of Director	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

The Company paid a sum of Rs.4,80,000/- as remuneration to Mr. R. K. Dhoot, Managing Director, during the year under review. No sitting fees were paid to managing director.

No meetings of remuneration committee was held during the year under review in absence of any business to transact.

#### 5. Shareholders / Investors Grievance Committee :

The Company has formed Shareholders / Investors Grievance committee on 21<sup>st</sup> April, 2003, to look into shareholders and investors grievances.

(i) Name of Non-executive director heading the committee : **Shri Rajesh M. Loya**

(ii) Name and Designation of Compliance officer : **Mr. Bharat C. Mistry,**  
Account Executive

(iii) Number of Shareholders complaints received so far : **4**

(iv) Number not solved to the satisfaction of shareholders : **Nil**

(v) Number of pending share transfers : **1**

Details of attendance :

Name of Director	Category	April 5, 2005	July 5, 2005	July 15, 2005	October 15, 2006	January 15, 2006
Shri. Rajesh Loya	Independent, Non Executive director	✓	✓	✓	✓	✓
Shri. Girish C. Choksey	Independent, Non Executive director	✓	✓	✓	✓	✓
Shri. Abhay Firodia	Independent, Non Executive director	—	—	—	—	—
Shri. R. G. Dhoot	Non Executive Director	✓	✓	✓	✓	✓