



Amit International Limited

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ANNUAL REPORT
1997 - 98



Amit International Ltd.



MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	NA
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		

DIRECTORS

JETHALAL A. DOSHI, *Chairman*
 KIRTI J. DOSHI, *Managing Director*
 MANOJ J. DOSHI

BANKERS

INDIAN BANK

AUDITORS

VORA & MEHTA ASSOCIATES

REGISTERED OFFICE

403-A, DALAMAL CHAMBERS,
 29, NEW MARINE LINES,
 MUMBAI - 400 020.

PLANT

10/11 DANUDYOG SAHAKARI SANGH LTD.
 SILVASSA, DADRA & NAGAR HAVELI.

**REGISTRARS & SHARE
TRANSFER AGENTS**

MONDKAR COMPUTERS PVT. LTD.
 21, SHAKIL NIWAS, MAHAKALI CAVES RD.,
 ANDHERI (EAST), MUMBAI - 400 093.
 TEL.: 822 5975. FAX : 91 - 22 - 836 6620.

Amit International Ltd.

NOTICE TO THE MEMBERS

Notice is hereby given that the Fourth Annual General Meeting of the members of the Company will be held on Tuesday, September 29, 1998 at 10.00 a.m. at Green Room Garware Club House, Wankhede Stadium, 'D' Rd., Churchgate, Mumbai-400020 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 1998, Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Jethalal A. Doshi, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution.
 "RESOLVED THAT pursuant to the provision of section 61 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification (s) or re-enactment (s) thereof for the time being in force) and any other applicable rules, Regulations, if any, the company hereby accords its consent to the Board of Directors to discontinue the listing of the Equity Shares of the Company w.e.f. 1st April, 1999 on the Stock Exchange at Ahmedabad and / or Rajkot.
 "RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorised to do all such acts, deed and things that may be necessary to implement this resolution".

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 AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. The Explanatory Statement setting out the materials facts concerning the special businesses mentioned under item 4 of the Notice as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 22, 1998 to Tuesday, September 29, 1998 (both days inclusive).

By Order of the Board of Directors

Place : Mumbai
Date : 18.08.98

MAYUR MEHTA
Company Secretary

ANNEXURE TO NOTICE

Explanatory Statement as required under Section 173(2) of the Companies Act, 1956.

ITEMS NO. 4

The Company's 31,51,800 Equity Shares of Rs. 10/- each are presently listed on Mumbai, Ahmedabad and Rajkot Stock Exchange.

With the Extension of on line trading system of Mumbai Stock Exchange (BOLT) to various places including Ahmedabad and Rajkot. Ahmedabad and Rajkot Stock Exchanges thus stand integrated with Mumbai Stock Exchange. This system enables a person to deal in any Shares / Securities listed on Mumbai Stock Exchange from such places. Hence, the objective to have a separate listing on Ahmedabad and Rajkot Stock Exchange has ceased to be relevant. Further, over a period of time, trading in Company's Equity Shares has remained very thin on Ahmedabad and Rajkot Stock Exchanges. It is accordingly felt that interest of share holders of the Company as well as investing community will not in anyway get affected due to proposed delisting of the Company's Equity Shares on Ahmedabad and or Rajkot Stock Exchanges.

Your Directors accordingly commend passing of the resolution set out at Item No. 4 of the notice.

None of the directors are concerned or interested, directly or indirectly, in this resolution.

By Order of the Board of Directors

Place : Mumbai
Date : 18.08.98

MAYUR MEHTA
Company Secretary



DIRECTORS' REPORT

To the members of Amit International Limited

Your Directors have pleasure in presenting their Fourth Annual Report and Audited Statement of Accounts of the Company for the year ended March 31, 1998.

	(Rs. in Lacs)	
1) FINANCIAL RESULTS	1996-97	1995-96
Turnover	353.54	248.28
Profit (before Tax)	0.88	19.19
Provision for Taxation	0.10	1.00
Profit after Tax	0.78	18.19
Balance brought forward	60.82	41.85
Balance available for appropriation	<u>60.82</u>	<u>60.04</u>
Appropriated to :		
Profit & Loss A/c	<u>60.82</u>	<u>60.04</u>

2) OPERATIONS :

The turnover during the year registered growth of 42.39% at Rs. 353.55 Lacs over the previous year. The profit after tax during the year was lower at Rs. 0.78 Lacs principally due to provision of accumulated depreciation of previous years. Barring unforeseen circumstances, your Company expects to do better in the current year.

3) SUBSIDIARY COMPANY :

During the year, Rimmel Roger Inc., a Company incorporated in the United States of America with the object of dealing in Hosiery Products, became subsidiary of the Company. Pursuant to the provision to the Section 212 of the Companies Act, 1956, audited accounts as of March 31, 1998 together with the report of auditors of the subsidiary are attached.

4) PERSONNEL :

Employee relations continued to be cordial across the Company. The provision of Section 217 (2A) of the Companies Act, 1956, do not apply to the Company since none of the Employees of the company are in receipt of remuneration prescribed in the said section

5) CONSERVATION OF ENERGY/TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

Information required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988 are given in annexure which forms part of this report.

6) COMPARISON OF ACTUAL RESULTS WITH PROJECTION.

As required by clause 43 of Listing Agreement, the following is the comparison of actual financial results for 1997-98 with projections made in the prospectus dated August 24, 1995.

	(Rs. in Lacs)	
	Projection	Actual
Sales	1188.00	301.00
Profit before Tax	88.00	0.88
Profit after Tax	88.00	0.78

The adverse variations in Sales and Profitability are mainly due to delay in the procurement of imported machineries and recession in the International Market. The funds are being deployed as stated in the prospectus dated August 24, 1995.

7) DIRECTORS :

Mr. Jethalal A. Doshi retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

8) EXPLANATION ON AUDITORS REPORT :

As regards Auditors' comments vide para. 2(d)(a) and 2(d)(b) of their report, your directors request you to refer to notes 1(c) and 1(d) in schedule 'O' to the Accounts, which are self explanatory. As regards Auditors' comment vide para. 2(d)(c) of their reports, your directors have to inform you that the Company has its own system of exercising control over issue and consumption of raw materials at each stage.

9) AUDITORS :

M/s.VORA & MEHTA ASSOCIATES, Chartered Accountants, Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offers themselves for reappointment.

10) APPRECIATION :

Your Directors record their appreciation of the valuable services rendered by all employees of the Company, their gratitude to the bankers for their timely assistance and to company's shareholders and customers for their continued support.

For & on behalf of the Board of Directors

Place : Mumbai
Date : 18.08.98

JETHALAL DOSHI
Chairman

Amit International Ltd.

ANNEXTURE TO THE DIRECTORS' REPORT

A. DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY AS PER FORM A.

	<u>Current Year</u>	<u>Previous Year</u>
A. Power & Consumption		
(a) Purchased		
Units (In '000)	455	59
Total amount (Rs. in lacs)	14.16	1.43
Rate/Unit (Rs.)	3.11	2.41
(b) Own Generator		
(1) Through Diesel		
Generator Unit (In '000 kwhs)	—	—
Total Amount (Rs. in lacs)	—	—
Cost per unit (Rs.)	—	—
(2) Through Steam Testing		
Generator Units	—	—
Gas (Units In '000 kwhs)	—	—
Total amount (Rs. in lacs)	—	—
Cost per unit (Rs.)	—	—
B. Coal		
Quantity (Tones)	—	—
Total Cost	—	—
Average Rate	—	—
C. Furnace Oil		
Quantity (Kiloliters)	—	—
Total amount (Rs. in lacs)	—	—
Average Rate (Rs./Kiloliter)	—	—
D. Other/Internal Generation		
Quantity (Kiloliters)	—	—
Total Cost (Rs. in lacs)	—	—
Rate per unit (Rs.)	—	—
E. Consumption per unit of production		

Std. if any Current Year Previous Year

Product

Unit

Electricity

Furnace Oil

Coal

Others

From the records and other books maintained by the Company, in accordance with the provisions of the Companies Act, 1956, the Company is not in a position to give the information required as per this format for both the current and the previous year.

B. TECHNOLOGY ABSORPTION :**Research & Development :**

The Company has not set up Research & Development Division as yet. But your Company makes constant endeavour to improve upon colour, design and durability of its product, which play decisive role.

Technology Absorption, Adaptation & Innovation :

The Company has added several imported machines in its production process which has helped in enhancing Quality of the final output. The Company is in the process of negotiation for import of latest machineries available in the industry which is not only expected to increase the output but also help in earning more foreign exchange.

Foreign Exchange Earnings & Outgo :

During the year, the Company has earned foreign exchange equivalent to Rs. 295.27 lacs and expended foreign exchange equivalent to Rs. 1.40 lacs.



REPORT OF THE AUDITORS TO THE MEMBERS OF M/S. AMIT INTERNATIONAL LIMITED

We have audited the attached Balance Sheet of M/s.AMIT INTERNATIONAL LIMITED as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date annexed thereto and report that :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
2. Further to our comments in the Annexure to paragraph 1 above, We state that :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of accounts as required by Law have been kept by the Company so far as it appears from our examination of such books.
 - c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.
 - d) In our opinion and to the best of our information and according to the explanation given to us, the said Balance Sheet and Profit & Loss Account read together with the notes thereon and subject to
 - a) Note No. 1(c) regarding provision of arrears of depreciation and effect thereof on profit for the current year.
 - b) Note No. 1(d)(i) regarding change in method of valuation of closing stock of finished goods from selling price to estimated cost and effect thereof on current year profits.
 - c) Note No. 1(d)(iii) regarding non-maintenance of consumption & production slips.give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - i) in so far as it relates to the Balance Sheet, of the state of the Company's affairs as at 31st March, 1998 and
 - ii) in so far as it relates to the Profit and Loss Account, of the profit of the company for the year ended on that date.

For M/S. VORA & MEHTA ASSOCIATES
Chartered Accountants

Place : Mumbai
Date : 18.08.98

PARAG V. MEHTA
Proprietor
Membership No : 36867

Amit International Ltd.

ANNEXURE TO THE AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE OF M/s AMIT INTERNATIONAL LIMITED

- 1) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. All the fixed assets have been physically verified by the management and there is a regular programme of verification which in our opinion is reasonable having regard to the size of the company and the nature of its assets.
- 2) None of the fixed assets have been revalued during the year indicated.
- 3) The stocks of raw materials and finished goods have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- 4) The procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- 5) The discrepancies noticed on verification between the physical stocks and the book records were not material.
- 6) On the basis of our examination of stock records of raw materials and finished goods, we are of the opinion that the valuation of stock is fair and proper in accordance with the normally accepted accounting principles. However no stock records are maintained for bleaching chemicals & packing materials.
- 7) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 and from the companies under the same management are not, prima facie, prejudicial to the interest of the company.
- 8) In our opinion, loans which have been granted to companies, firms or other parties listed in the registers maintained under section 301 and to the companies under the same management are not, prima facie, prejudicial to the interest of the company. However no interest is charged on these loans.
- 9) In our opinion and according to the explanations given to us, the parties to whom the loans, or advances in the nature of loans, have been given by the company are repaying the principal amounts as stipulated. However no interest is charged on the loans.
- 10) In our opinion and according to the explanations given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business, with regard to purchase of raw materials including components, plant and machinery, equipment and other assets, and with regard to the sale of goods.
- 11) In our opinion and according to the information and explanation given to us, the transactions of purchase of goods and sale of goods, made in pursuance of contracts or arrangements entered in the registers maintained under section 301 of the Companies Act, 1956, aggregating during the year to Rs. 50,000/- (Rupees fifty Thousand) or more in respect of each party, have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods or services have been made with other parties.
- 12) As explained to us, in respect of raw materials & finished goods, there are no damaged goods during the period.