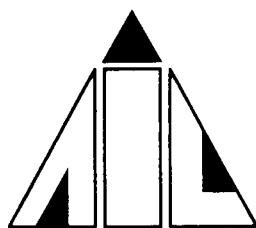


CERTIFIED TRUE COPY

FOR AMIT INTERNATIONAL LTD;

Deen
AUTHORISED SIGNATORY



Amit International Limited



ANNUAL REPORT
2001-2002

Amit International Limited



DIRECTORS

JETHALAL A. DOSHI, CHAIRMAN
KIRTI J. DOSHI, MANAGING DIRECTOR
MANOJ J. DOSHI

BANKERS

INDIAN BANK
NEPEAN SEA ROAD BRANCH,
98, NEPEAN SEA ROAD,
MUMBAI-400 006.

AUDITORS

M/S. VINOD S. MEHTA & CO.

REGISTERED OFFICE

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

REGISTRARS & SHARE TRANSFER AGENTS

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

NOTICE TO THE MEMBERS

Notice is hereby given that the Eighth Annual General Meeting of the members of the Company will be held on Saturday, September 21, 2002 at 10.00 a.m. at Green Room Garware Club House, Wankhede Stadium, "D" Road, Churchgate, Mumbai - 400 020 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2002, 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 Mr. J. 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 modifications, the following resolution as a Special Resolution.

"Resolved that pursuant to Section 314 (1) and other applicable provisions of the Companies Act, 1956, the consent of the Company be and is hereby accorded to Mr. Mahesh J. Doshi to hold office or place of profit in the company in capacity as General Manager-Finance of the company at an all inclusive initial monthly remuneration of Rs. 18,000/-

Resolved Further That the Board of Directors of the Company be and is hereby authorised to increase the remuneration of the said Mr. Mahesh J. Doshi, from time to time to the extent it may deem fit, provided that if and when the monthly remuneration of the said Mr. Mahesh J. Doshi is to exceed such sum as may be prescribed pursuant to the provisions of section 314 (1B) of the said Act, such increased remuneration shall not be paid without obtaining approval of the Central Government and that the prior consent of the Company be and is hereby accorded to Mr. Mahesh J. Doshi to continue to hold the office or place of profit in the Company at such increased remuneration.

5. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution

"Resolved That pursuant to Section 293 (1) (b) and other applicable provisions of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing moneys from time to time for the purpose of the business of the Company, notwithstanding that, the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of the business of the Company) exceed the aggregate of the paid-up capital of the Company and free reserves, that is to say, reserves not set apart for any specific purpose, provided however, that the moneys so borrowed shall not exceed Rs. 25 crores at any time.

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 Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 14, 2002 to Saturday, September 21, 2002 (both days inclusive).
3. The Company's shares are listed at Mumbai, Ahmedabad & Rajkot Stock Exchange. The listing fees for the year 2002-2003 has already paid to the Stock Exchange, Mumbai & Rajkot Stock Exchange. The Company has not paid the listing fees to the Ahmedabad Stock Exchange in view of an application made by the Company for de-listing of the shares from the said Exchange.

By Order of the Board of Directors

Place : Mumbai
Date : 29-06-2002

MAYUR MEHTA
Company Secretary

ANNEXTURE TO NOTICE

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956.

ITEM NO. 4

Mr. Mahesh J. Doshi, son of Mr. Jethalal A. Doshi and brother of Mr. Kirti J. Doshi, Directors of the Company, was appointed as a General manager Finance, with effect from 01.04.2002 on an all inclusive initial monthly remuneration of Rs. 18,000/-

For the said Mr. Mahesh J. Doshi to continue to hold the office or place of profit as an employee of the Company, the consent of the company accorded by a Special Resolution pursuant to Section 314 (1) and the first proviso thereto is required. As the ensuing Annual General Meeting is the first general meeting to be held after the appointment of Mr. Mahesh J. Doshi, the Special Resolution at item No. 4 has been proposed for approval.

Mr. Mahesh J. Doshi has obtained his graduation in Commerce and has varied and rich working experience of 20 years. Apart from looking after financial function, Mr. Mahesh J. Doshi also looks after general corporate affairs and also assists the Managing Director in day to day operations. Your Directors are of the opinion that the remuneration proposed for your approval is in line with the remuneration prevalent in the industry for similar position. Apart from the general revision of scales of remuneration in the corporate sector as such, some special consideration has to be shown to qualified and competent persons so as to retain them in employment for the overall benefit of the Company. Your Board is, therefore, seeking consent of the shareholders to enhance appropriately the remuneration payable to Mr. Mahesh J. Doshi from time to time. As the remuneration of Mr. Mahesh J. Doshi is bound to exceed the limit of Rs. 20,000/- per month, the limit beyond which presently any remuneration to relative of Directors can be paid only with the prior consent of the Company and the approval of the Central Government, the said Special Resolution at Item No. 4, also seeks consent to pay remuneration of more than Rs. 20,000/- per month from the day after passing the Special Resolution. Application to the Central Government will be made to seek their approval as well.

Your Board therefore recommends passing of the said Special Resolution giving consent to the holding office or place of profit by Mr. Mahesh J. Doshi at such remuneration as your Board may decide and fix.

Mr. Jethalal A. Doshi and Mr. Kirti J. Doshi may be regarded as concerned or interested in passing of the resolution.

ITEM NO. 5

Section 293 (1) (d) of the Companies Act, 1956, provided that except with the consent of the Company in General Meeting, the Board of Directors shall not borrow moneys in excess of the aggregate of the paid up capital of the Company and its free reserves.

The resolution set out at Item No. 5 is enabling resolution. This will help the company, to raise the requisite finance for its future projects without loss of time.

Your Directors recommend the passing of the said ordinary resolution.

None of the Directors is, directly or indirectly, concerned or interested in the resolution.

DIRECTORS' REPORT

To the members of Amit International Limited
Your Directors have pleasure in presenting their Eighth Annual Report and Audited Statement of Accounts of the Company for the year ended March 31, 2002.

	(Rs. in Lacs)	
1) FINANCIAL RESULTS	2001-2002	2000-2001
Turnover	366.01	441.06
Profit/(Loss) (before Tax)	28.78	(67.73)
Provision for Taxation (including Deferred tax)	11.65	—
Profit/(Loss) after Tax	17.13	(67.73)
Balance brought forward	(17.96)	51.06
Short provision of previous year	(1.13)	(1.30)
Deferred tax for previous year	(18.33)	—
Loss Transferred to balance sheet	(20.30)	(17.96)

2) OPERATIONS :

The turnover during the year at Rs. 366.01 lacs declined by 17% compared to that of the previous year. However, the profit before tax at Rs. 28.78 for the year under review was indeed satisfactory compared to loss of Rs. 67.73 in the previous year. The focussed approach on rationalisation and reduction of costs has yielded good result during the year. With continued focus on increase in topline and containment of costs, your directors hope to end the current year on better note.

3) DIVIDEND :

In view of the lower profits and requirement of the resources for future expansion, your directors regret their inability to recommend any dividend for the period under review.

4) SUBSIDIARY COMPANY :

The reports and accounts of M/s. Rimmel Rogers Inc., a subsidiary company, as of 31st March, 2002 are attached, as required by the Companies Act, 1956.

5) PERSONNEL :

The employee relations continued to be cordial across the Company. The provisions of Section 217 (2A) of the Companies Act, 1956, are not applicable to the Company as none of the employees of the Company were in receipt of remuneration prescribed under the said section.

6) 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.

7) DIRECTORS :

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

8) DIRECTOR'S RESPONSIBILITY STATEMENT

In compliance with the provisions of Section 217 (2AA) of the Companies Act, 1956 (the Act) your Directors hereby confirm that

- (i) In preparing the Annual Accounts for the year ended 31st March 2002 all the applicable accounting standards have been followed.
- (ii) Accounting policies were adopted and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company as at 31st March 2002 and of the profit or loss of the Company for year ended on that date.
- (iii) Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Company and for preventing / detecting fraud and irregularities have been taken.
- (iv) The Annual Accounts have been prepared on a "going concern" basis.

9) AUDITORS REPORT

As regards the auditors observation as to change in method in respect of accounting of gratuity from cash to mercantile basis, your directors have to inform you that this has been done to follow best accounting practice in preparation of accounts. As regards their comment vide paragraphs 6, 15 and 17 of annexure to their report, your directors request you to refer to note 1(d) (iii), 16(a) and 16(b) to the notes to accounts, which are self explanatory.

10) AUDITORS :

M/s. Viond S. Mehta & Co., Chartered Accountants, Auditors of the company, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offers themselves for reappointment.

11) 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 : 29-06-2002

JETHALAL A. DOSHI
Chairman

ANNEXURE 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)	452	536
Total amount (Rs. in lacs)	22.91	27.03
Rate/Unit (Rs.)	5.07	5.04
(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 (Kiloliter)	—	—
Total amount (Rs. in lacs)	—	—
Average Rate (Rs./Kiloliter)	—	—
D. Other/Internal Generation		
Quantity (Kiloliter)	—	—
Total Cost (Rs. in lacs)	—	—
Rate per unit (Rs.)	—	—
E. Consumption per unit of production		

Product

Unit

Electricity

Furnace Oil

Coal

Others

Std. if any

Current Year

Previous Year

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, but your Company makes constant endeavour to improve upon colour, design and durability of its products, which play decisive role.

Foreign Exchange Earnings & Outgo :

During the year, the Company has earned foreign exchange equivalent to Rs. 329.86 lacs and expended foreign exchange equivalent to Rs. 3.14 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, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India 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 in 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 those books.
 - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet and Profit and Loss Account comply with the Accounting Standards referred to in Sub - Section (3c) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representation received from Directors, as on 31st March 2002, and taken on record by the Board of Directors, We report that none of the directors is disqualified as on 31st March 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
3. Attention is invited to following note.
 - (i) Note No. 1(a) regarding change in method of accounting in respect of gratuity from cash basis to mercantile basis, due to which profits for the year are understated by Rs. 59,101/- and liabilities are overstated to that extent.

Subject to foregoing above, in our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

 - i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2002
and
 - ii) in the case of Profit & Loss Account, of the profits of the company for the year ended on that date.

For M/S. Vinod S. Mehta & Co.
Chartered Accountants

Place : MUMBAI
Date : 29.6.2002

PARAG V. MEHTA
Partner
Membership No. : 36867

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 procedures 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 stock 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 registers 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 register maintained under section 301 are not, prima facie, prejudicial to the interest of the company.
- 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.
- 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 regards 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 explanations 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 for similar goods or services have been made with other parties.
- 12) As explained to us, in respect of raw materials and finished goods there are no damaged goods during the year.
- 13) The company has not accepted any deposit from the public, within the meaning of Section 58A of The companies Act, 1956.

- 14) According to the management, there are no significant by-products or scrap.
- 15) The company has no internal audit system. However the internal controls exercised are in our opinion, is adequate and commensurate with the size of the company and the nature of its business.
- 16) The Central Government has not prescribed the maintenance of cost records u/s. 209(1)(d) of the Companies Act, 1956.
- 17) The Employee's State Insurance dues and also the provident fund dues have been generally regularly deposited with the appropriate authorities. However there is delay in payment in some cases.
- 18) There are no undisputed amounts payable in respect of wealth tax, sales tax, customs duty, income tax and excise duty outstanding, as at the last day of the year.
- 19) According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account other than those payable under contractual obligation or in accordance with generally accepted business practice.
- 20) The company is not a sick industrial company within the meaning of clause (o) of sub section(1) of section 3 of the Sick Industrial Companies (special Provisions) Act, 1985.

For M/S. Vinod S. Mehta & Co.
Chartered Accountants

Place : MUMBAI
Date : 29.6.2002

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PARAG V. MEHTA
Partner
Membership No. : 36867

BALANCE SHEET AS AT 31st March, 2002

	SCHEDULE	FOR THE YEAR ENDED 31st March 2002		FOR THE YEAR ENDED 31st March 2001	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
OWNED FUNDS					
Share Capital	A	3,15,18,000		3,15,18,000	
Reserves & Surplus	B	<u>3,49,24,500</u>		<u>3,49,24,500</u>	
			6,64,42,500		6,64,42,500
BORROWED FUNDS					
Secured Loans	C	1,39,34,651		1,01,77,059	
Unsecured Loans	D	<u>53,75,008</u>	1,93,09,659	<u>3,49,183</u>	1,05,26,242
Deferred Tax Liability			<u>29,63,000</u>		
	Total		<u><u>8,87,15,159</u></u>		<u><u>7,69,68,742</u></u>
APPLICATION OF FUNDS					
Fixed Assets	E		3,36,02,735		3,36,53,737
Investment	F		18,46,825		18,46,825
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories		60,17,644		74,31,367	
Sundry Debtors		76,55,295		87,24,605	
Cash & Bank Balance		1,02,29,904		97,92,908	
Loans & Advances		<u>2,82,21,988</u>		<u>1,25,86,368</u>	
		5,21,24,831		3,85,35,248	
Less :					
CURRENT LIABILITIES & PROVISIONS					
Current Liabilities	H	22,04,731		6,67,384	
Provision		<u>35,000</u>		<u>—</u>	
		22,39,731		6,67,384	
Net Current Assets			4,98,85,100		3,78,67,864
MISC. EXPENDITURE (To the Extent not written off or adjusted	I		13,50,160		18,03,372
Profit & Loss A/c.			<u>20,30,339</u>		<u>17,96,944</u>
	Total		<u><u>8,87,15,159</u></u>		<u><u>7,69,68,742</u></u>
NOTES TO ACCOUNTS		0			

As per our Report of even date

For M/S. VINOD S. MEHTA & CO.
CHARTERED ACCOUNTANTSPARAG V. MEHTA
Partner
MEMBERSHIP NO.36867MUMBAI
DATED : 29.6.2002MAYUR MEHTA
Company Secretary

For M/s. AMIT INTERNATIONAL LTD.

JETHALAL A. DOSHI
ChairmanKIRTI J. DOSHI
Managing DirectorMUMBAI
DATED : 29.6.2002