



Amit International Limited

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**Annual Report
2003 - 2004**



DIRECTORS

JETHALAL A. DOSHI, Chairman
KIRTI J. DOSHI, Managing Director
MANOJ J. DOSHI
OSWALD D'SOUZA
ASHWIN CHHATBAR
DINESH SHAH

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. : 2822 5975 • FAX : 2836 6620

NOTICE TO THE MEMBERS

Notice is hereby given that the Tenth Annual General Meeting of the members of the Company will be held on Thursday, September 30, 2004 at 10.00 a.m. at Registered Office of the Company at 403-A, Dalamal Chambers, 29, New Marine Lines, Mumbai - 400 020 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2004, the Profit and Loss Account for the year ended on that date together with the reports of the Board of Directors and the 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 a director in place of Mr. Manoj J. Doshi who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next annual general meeting and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as "the said Act" which shall include any statutory modification or re-enactment thereof) read with schedule XIII to the said Act and subject further to the approval of the central government, if and as when required, the consent of the members of the company be and is hereby accorded to the appointment of Mr. K. J. Doshi as managing director of the company for a period of 5 (five) years with effect from October 1, 2003, on the terms and conditions as set out in the agreement dated October 1, 2003 ("the said agreement") submitted to this meeting which agreement is hereby specifically approved and approves of the payment of remuneration determined in the manner set out in the said agreement or by the board of directors (hereinafter referred to as the "Board" which shall include any member(s) nominated by the Board for the purpose) within the limits specified in section I of part II of the said schedule XIII to the said Act, with liberty to the Board to alter and vary the terms and conditions of the said appointment and/or remuneration and/or the said agreement provided, however, that the remuneration paid to Mr. K.J. Doshi shall not exceed, at any time, the limits specified in part I of section II schedule XIII to the said Act for the time being in force.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, the remuneration determined by the Board from time to time, be paid to Mr. K.J. Doshi as the minimum remuneration subject to the ceiling limit specified in sub-paragraph (A) of paragraph 1 of section II of part II of the said schedule XIII to the said Act for the time being in force

RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary or expedient to give effect to this resolution".

6. To consider, and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149(2A) of the Companies Act, 1956, consent of the company be and is hereby accorded to the commencement and execution of all or any of the business and activities contained in clauses 37 to 50, as stated hereunder, appearing under 'other objects' clause of the company's Memorandum of Association, by the board of directors as and when it thinks fit

37. To carry on the business of manufacturers of and dealers in chemicals of any nature and kind whatsoever and as wholesale or retail chemists, druggists, analytical or pharmaceutical chemists, drysalers, importers, exporters and manufacturers or an dealers in heavy chemicals, alkalies, acids, drugs, tannins, essences, pharmaceutical, sizing, medicinal, chemical, industrial and other preparations and articles of any nature and kind whatsoever, mineral and other waters.
38. To convert, treat, or turn to account by any process or method of manufacture, chemical, synthetic or otherwise or many other manner, timber, wood, cotton, liners, droppings, fly cotton waste, cotton seeds, bamboo, grass, straw jute, jute silks, seisal, fibre, flax, hemp, hessian, gunnies, sugar cane, bagasse, leather, asbestos, rags, waste paper, water, haycinth, or any kind of pulp or other substances.
39. To carry on the business of forestry and utilize and market or deal in the products.
40. To carry on the business of any plastic or rubber industry or business of manufacture of plastics or rubber materials for use in such industries or business.

41. To carry on business of the manufacturers and dealers, importers and exporters of natural and synthetic resins, moulding, powders, adhesives and cements, oil paints, distempers, cellular paints, colours, varnishes, enamel, gold and silver leaf enamels, spirits and other allied articles.
 42. To act as analysis on commercial basis for various clients including government, semi-government and statutory bodies, to undertake chemical, physical and microbiological analysis of chemical compounds, mixtures to act as analytical consultants and be member of various statutory bodies got up for framing of specification of different materials.
 43. To work mines or queries and to prospect for search for, find, wing, get, work, crush, smelt, manufacture or otherwise deal with coal, coal tar, limestone, chalk, clay, ores, metals, oils and minerals and their derivatives precious and other stones or deposits or products and generally to carry on the business of mining in all branches.
 44. To manufacture, produce, refine, prepare, purchase, store, sell and generally to trade and deal in hair oils, edible or vegetable oils, medical oils and minerals oils and all products and biproduct thereof including soap, paint, varnish lubricants, illuminants, ghee and butter substitutes, oil cloth, candles, tallow substitutes, glycerin, stearine.
 45. To carry on the business of Merchant Banking, Financial Services, Underwriters, Managers, advisory Registrars and Transfer Agent, brokers and to apply for Membership of any Stock Exchange including OTC and National Stock exchange or any other Stock Exchange.
 46. To acquire by purchase, lease, exchange or otherwise and make advances on the security of and deal in land & buildings and hereditaments of any tenure or description and any estate or interest therein and at rights over or connected with land and to turn the rights over connected with land, and to turn the same to account as may seem expedient, and in particular by laying out and preparing land for building purposes and preparing building sites, by planting, paving, draining and cultivating land and by constructing, reconstructing, pulling down, altering, improving, decorating, furnishing and maintaining officers, flat, service, flats, houses, bungalows, chawls, factories, warehouses, shops, cinema houses, whereas by consolidating or connecting or sub-dividing properties, and by leasing letting or building lease or building agreement, selling (by installments or otherwise) and otherwise disposing of the same and to carry on the trade or business of builders and contractors for construction work of any kind and for demolition of any structure.
 47. To carry on business of manufacturing, assembling dealing in Computer and Peripherals.
 48. To carry on business of manufacture and dealing in Agrobased products.
 49. To buy, acquire on lease or license, mine queries or deposits and to carry on business as jewelers, goldsmiths, silversmiths, electroplaters, engravers, metal crafts and to deal in, importers, exporters and agent of diamonds, ruby, gems precious stones, bullion, gold, silver platinum, radiant and other precious metals and minerals or allows thereof. And to manufacture goods. Ornaments, plates, cups, shields, cutlery, bronze antique, decorative articles.
 50. To carry on the business of leasing and hire purchase finance and to provide on lease or on hire purchase all types of industrial and office plant, equipment, appliances and apparatus, machinery, vehicles and buildings."
7. To consider, and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:
- "RESOLVED THAT"** pursuant to section 21 and other applicable provisions, if any, of the Companies Act. 1956 and subject to the approval of the Central Government, the approval of the members of the company be and is hereby accorded for the change in name of the company from "Amit International Limited" to "Rim International Ltd." or such other name as may be approved by registrar of companies / regional director.
- "RESOLVED FURTHER THAT"** the same "Amit International Limited" wherever it appears in the memorandum and Articles of Association of the company be substituted by the name "Rim International Ltd. for such other name as may be approved by the registrar of companies / regional director upon the said change in the name of the company becoming effective"

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.

DIRECTORS' REPORT

Your directors present their Tenth Annual Report and the Audited Statement of Accounts of the company for the year ended March 31, 2004.

	(Rs. in Lacs)	
1. FINANCIAL RESULTS	2003-2004	2002-2003
Total Income	294.29	296.23
Profit before depreciation, interest and tax	23.69	26.02
Less: Interest	1.75	1.33
Less : Depreciation	20.10	19.14
Profit before tax	1.84	5.55
Less :Provision for Deferred tax	—	3.88
Profit after tax for the year	—	1.67

2. DIVIDEND

In view of meagre profits during the year under review, your directors regret their inability to recommend any dividend for the year.

3. OPERATIONS

The turnover during the year at Rs.294.29 lacs was marginally lower compared to that of the previous year. However, the profit before tax at Rs.2.02 lacs was adversely affected mainly due to loss incurred on sale of assets. With continued focus on increase in top line and rationalisation of costs, your directors hope to end the current year on better note.

4. RESPONSIBILITY STATEMENT

The Directors confirm:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- That they have selected appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for the year ended on March 31, 2004 and of the profit of the company for the year ended on that date.
- That they have 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; and
- that they have prepared the annual accounts on going concern basis.

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

The particulars as required under section 217(1) (e) of the Companies Act, 1956, read with the Companies

(Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are attached and forms part of this report.

6. PARTICULARS OF EMPLOYEES

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 was in receipt of remuneration prescribed under the said section.

7. SUBSIDIARY COMPANY

The reports and accounts of M/s Rimmel Rogers Inc., subsidiary of the company, as of March 31, 2004 are attached.

8. CORPORATE GOVERNANCE

As required by the Listing Agreement, certificate of auditors on compliance of conditions of Corporate Governance is annexed to this report. The Management Discussion and Analysis report and compliance report on Corporate Governance as required by clause 49 of the Listing Agreement form part of the annual report for the period ended March 31, 2004.

9. DIRECTORS

Mr. J. A. Doshi and Mr. Manoj Doshi retire by rotation at the ensuing annual general meeting, and being eligible, offers themselves for re-appointment. During the year, Mr. K. J. Doshi was appointed as a Managing Director.

10. AUDITORS

M/s Vinod S. Mehta, Auditors of the company, hold office until the conclusion of the ensuing annual general meeting. M/s Vinod S. Mehta, being eligible, have offered themselves for re-appointment and have confirmed that their appointment, if made, would be within the limits prescribed under section 224 (1B) of the Companies Act, 1956.

11. AUDITORS' REPORT

As regards comments made by the Auditors vide clause 2 (c) and 9 (a) of annexure to their report, your directors have to inform you that records of packing materials are not maintained as value involved is insignificant, and there were delay in deposit of employee state insurance dues in certain cases purely due to administrative reasons respectively.

For and on behalf of Board of Directors

Place : Mumbai
Date : 14/08/2004

J.A. DOSHI
Chairman

- 2 The explanatory statement setting out the material facts concerning the special business mentioned under item no. 5 to 7 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 September 16, 2004 to September 30, 2004 (both days inclusive).
- 4 Re-appointment of directors retiring by rotation
Mr. J.A. Doshi
 Mr. J. A. Doshi is the industrialist and one of the promoters of the company Mr. Mr. Doshi has valuable and extensive experience of over 50 years in textile trade in general and knitting industry in particular. He is also a director of Devankit Textiles Pvt. Ltd.
Mr. Manoj J. Doshi
 Mr. Manoj Doshi is a commerce graduate and has vast experience in international trade. He has spent long period in studying the hosiery industry in US and Canada. Mr. Manoj Doshi is not a director of any other company.
- 5 Members holding shares in physical form are requested to notify the change, if any, in their address and bank mandate details to the registrar and share transfer agent M/S Mondkar Computers Pvt.Ltd. 21,Shakil Niwas, Mahakali Caves Road, Andheri(East), Mumbai- 400 093.

By Order of the Board of Directors

Place : Mumbai
 Date : 14-8-2004

MAYUR MEHTA
Company Secretary

ANNEXURE TO NOTICE

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

ITEM NO. 5 :

Consequent to resignation of Mr. J. A. Doshi as managing director of the company, the Board of Directors has appointed Mr. Kirti J. Doshi as Managing Director for a period of 5 (five) years w.e.f. October 1, 2003 subject to approval of the shareholders of the company.

The company has entered into an agreement, as submitted to this meeting, with Mr. Kirti J. Doshi on October 1, 2003 for his appointment and payment of remuneration as managing director of the company. The said agreement is open for inspection at the registered office of the company between 11.00 a.m. and 1.00 p.m. on all working days up to the date of the ensuing annual general meeting.

Your board recommends the resolution mentioned at item no. 5 of the accompanying notice for your approval.

Mr. Kirti J. Doshi is deemed to be concerned or interested in the resolution as it relates to his appointment and remuneration payable to him. None of the other directors is, in any way, concerned or interested in the resolution.

ITEM NO. 6 :

In view of increased competition and falling margins in the existing line of business, activity, the company has a plan to enter into other business activity which, under the circumstances, can advantageously combined and carried on with the business of the company. The company is seeking enabling approval of the members at present.

None of the directors of the company is in any way, concerned or interested, in the resolution.

ITEM NO. 7 :

Consequent to venturing of the company in other business activities, your directors are opinion that there may be a need to change the name of the company to reflect the new business that may be undertaken. Your directors recommend the passing of this resolution.

None of the directors of the company is in any way, concerned or interested, in the resolution.

ANNEXURE TO THE DIRECTORS REPORT

Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY**(a) Energy conservation measures taken during the year:**

The thrust on energy conservation continued during the year across all manufacturing locations and the combined use of systems and devices was made to conserve the energy. The training on the subject was also imparted to technical personnel during the year.

(b) Proposals being implemented for reduction of consumption of energy:

Currently, there are no proposals for reduction of conservation of energy.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods:

The energy conservation measures undertaken during the year has resulted in saving in expenditure on electricity and have thereby effectively contributed in reducing the cost of production.

(d) Total energy consumption and energy consumption per unit as per Form A

	Current Year	Previous Year
A. Power & Fuel Consumption		
1 Electricity		
(a) Purchased		
Units (in 000 kwhs)	388	396
Total amount (Rs.in lacs)	20.48	21.35
Rate / Unit (Rs.)	5.27	5.39
(b) Own Generation		
(i) Through Diesel Generator		
(Unit in '000)	—	—
Total amount (Rs. in lacs)	—	—
Cost per unit (Rs.)	—	—
(ii) Through Steam Testing Generator		
Gas (Units in '000)	—	—
Total amount (Rs. in lacs)	—	—
Cost per unit (Rs.)	—	—
2 Coal		
Quantity (Tonnes)	—	—
Total Cost	—	—
Average Rate	—	—
3 Furnace Oil		
Quantity (Kilolitres)	—	—
Total amount (Rs. in lacs)	—	—
Average Rate (Rs./Kilolitre)	—	—
4 Other Internal Generation		
Quantity (units in 1000 kwh) (previous year kiloliters)	—	—
Total Cost (Rs. in lacs)	—	—
Rate per litre (Rs.)	—	—

B Consumption per unit of production

Products,
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:**1 Research and Development**

The company has not set up Research and Development division but your company makes constant endeavours to improve colour, design, and durability of its products, which plays decisive role.

2 FOREIGN EXCHANGE EARNING AND OUTGO :

(a) Activities related to exports, initiative taken to increase exports, development of new export markets for products :

The constant efforts are made to increase the exports to American, Canadian and European markets.

(b) Total foreign exchange used and earned:

During the year under review, the company earned foreign exchange on account of exports amounting to Rs.252.60 lacs, while the outgo in foreign exchange amounted to Rs.2.56 lacs.

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For and on behalf of the Board of Directors

Place : Mumbai
Date : 14/08/2004

J. A. Doshi
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1) Industry structure and developments

Socks knitting industry largely consists of small scale producers, of which industry your company is a part, but your company has opted for automation and use of latest available technology. There are no major developments in the recent past.

2) Opportunities and Threats

Opening up of global trade and abolition of quota system by importing countries is a major opportunity. The major threat is the competition from other Asian countries enjoying low cost of production.

3) Product Performance

The only product manufactured by the company is socks of all varieties whereof are well accepted world over.

4) Outlook:

The short term as well as long term outlook looks quite positive for the business of the company

5) Risks and Concerns

There are no major risks or concerns.

6) Internal Control Systems and their adequacy

The company has laid out comprehensive internal control procedures in all areas of business activities. Though the company has no formal internal audit function, all the necessary controls over procurement and use of the materials and other assets are exercised by the directors themselves on day-to-day basis.

7) Financial performance with respect to operational performance

The turnover during the year ended stood at Rs.294.29 lacs, while the profit before tax stood at Rs.1.84 Lacs

8) Material developments in Human resources/Industrial front

There were no material developments in human resources or industrial front.

CORPORATE GOVERNANCE REPORT

1) Company's Philosophy on Code of Governance

The Company's philosophy on Code of Governance is aimed at assisting the board of directors in efficient conduct of the business to achieve financial objectives and in meeting its obligations to stakeholders and discharge its corporate responsibilities.

2) Board of Directors

The present strength of your company's board is six directors, of which one director is executive and the rest are non-executive. The Managing Director Mr. K. J. Doshi is executive director. The attendance of each director at the meeting of the board of directors, last Annual General Meeting and their directorships/ committee membership in other companies is as under:

Name of director	No. of board meetings		Attendance at last AGM	No. of other directorships		Membership of other Board Committees.	
	Held	Attended		Public	Pvt.	Member	Chairman
Mr. J. A. Doshi	4	4	Yes	---	2	---	---
Mr. Kirti J. Doshi	4	4	Yes	1	2	---	---
Mr. Manoj J. Doshi	4	---	No	1	1	---	---
Mr. Oswald D'souza *	4	4	Yes	---	---	---	---
Mr. A. B. Chhatbar *	4	4	Yes	---	---	---	---
Mr. D. S. Shah *	4	4	Yes	---	---	---	---

* Independent directors

Four meetings of the board of directors were held during the year ended on March 31, 2004. The dates on which the said meetings were held are: 30/06/2003, 31/07/2003, 20/10/2003 and 31/01/2004.

3) Audit Committee

The audit committee consists of Mr. A. Chhatbar, Mr. Oswald D'souza and Mr. D. S. Shah. Mr. A. B Chhatbar is chairman of the audit committee. The terms of reference and powers of the audit committee are those prescribed under clause 49 of the listing agreement as well as under section 292A of the Companies Act, 1956.

4) Remuneration of Directors

No remuneration is paid to non-executive directors of the company. Further, the directors have waived the payment of sitting fees for meetings of the board of directors. The remuneration paid to executive director is as under.

Mr. Kirti Doshi Rs. 2,10,000

The remuneration paid comprises of consolidated salary only.

The above remuneration was approved by a resolution passed by the Remuneration Committee constituted by the board of directors pursuant to the Companies Act, 1956.

5) Investors Grievance Committee

The company has constituted the Investors Grievance Committee. Mr. D. S. Shah is the Chairman of the committee and Mr. M. Mehta, Company Secretary is the Compliance Officer. No investor grievance were received during the year ended on March 31, 2004. No transfer of shares was pending at the end of the said period.

6) General Body Meetings

The last 3 annual general meetings of the company were held at Green Room, Garware Club House, Wankhede Stadium, "D" road, Church Gate, Mumbai - 400 020. All these meetings were held at 10.00 a.m. At the last annual general meeting, the special resolution for the appointment of managing director was passed. No special resolution is proposed at the ensuing Annual General Meeting.

7) Disclosures

No material, financial and commercial, transaction was entered into with the promoters, the directors, or the management that may have potential conflict with the interest of the Company.

There has been no incidence of non-compliance by the company on any matter relating to the capital markets and hence the question of penalties or strictures being imposed on the company by the stock exchanges or SEBI or any statutory authority does not arise.