



Amit International Limited

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Annual Report
2004 - 2005

Directors **Jethalal A. Doshi**, Chairman
Kirti J. Doshi, Managing Director
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
4th Floor, 52 29, New Marine Lines.
Mumbai - 400 020.

**Registrars & Share
Transfer Agent** Mondakar Computers Pvt. Ltd.
21, Shakil Niwas, Mahakali Caves Road,
Andheri (East), Mumbai - 400 093.
Tel.: 2822 5875 | Fax : 2836 6629

NOTICE TO THE MEMBERS

NOTICE IS HEREBY GIVEN THAT THE ELEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF AMIT INTERNATIONAL LIMITED WILL BE HELD ON WEDNESDAY, SEPTEMBER 28, 2005 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, 2005, 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. A. Chhatbar who retires by rotation and, being eligible, offers himself for re-appointment.
- 3 To appoint a director in place of Mr. D. S. Shah 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 a Special Resolution.

"RESOLVED THAT pursuant to the provisions of section 372A and other applicable provisions, if any, of the Companies Act, 1956, the consent of the members of the company be and is hereby accorded to the board of directors (which term shall include any committee formed by the board of directors) to make an investment in the equity share capital of Topsun Rim Iron Ore Industries Pvt. Ltd., a joint venture for mining and sale of Iron ore and other minerals formed with a Chinese company, or grant loans to it or both, not exceeding in aggregate Rs 7,50,00,000 (rupees seven cores fifty lacs only).

RESOLVED FURTHER THAT the making of investment and giving of loans authorized by this resolution shall be over and above the limit of investment prescribed under section 372A of the Companies Act, 1956 from time to time."

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

RESOLVED THAT pursuant to the applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (hereinafter referred to as "Delisting Guidelines") and subject to the provisions of the Companies Act 1956, (including any statutory modification or re-enactment thereof for the time being in force) Securities Contracts (Regulation) Act, 1956 and the rules framed thereunder, Listing Agreement, and all other applicable rules; regulations, and guidelines and subject to approval, consent, permission or sanction of the Securities and Exchange Board of India, stock exchanges where the shares of the company are listed and any other appropriate authorities, institutions or regulators as may be necessary and subject to such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the company, the consent of the company be and is hereby accorded to delist the equity shares of the company from Stock Exchanges at Ahmedabad and Rajkot at such time or time as the Board may decide."

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 material facts concerning the special business mentioned under item nos.5 & 6 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 21, 2005 to September 28, 2005 (both days inclusive).
- 4 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

K.J. Doshi
Managing Director

REGISTERED OFFICE:
403-A, Dalamal Chambers,
29, New Marine Lines,
Mumbai- 400 020

Place: Mumbai
Date: 11/08/2005

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ANNEXURE TO NOTICE**Explanatory Statement as required under Section 173(2) of the Companies Act, 1956.****ITEM NO. 5:**

The company proposes to invest in equity capital of Topsun Rim Iron Ore Industries Pvt. Ltd., a joint venture formed with a Chinese company, and /or grant loans to the said joint venture company, an amount not exceeding in aggregate Rs. 7,50,00,000. The company proposes to fund this amount out of its existing resources, and partly out of funds raised through borrowing or placement of the preference shares, if the circumstances require. Your board recommends the resolution mentioned at item no. 5 of the accompanying notice for your approval. None of the directors is, directly or indirectly, concerned or interested in the resolution.

ITEM NO. 6:

The Securities and Exchange Board Of India has issued the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 containing provisions for voluntary delisting of shares by the companies. The Company's equity shares are presently listed on the stock exchange, Mumbai, Ahmedabad and Rajkot stock exchanges. With the extensive networking of the stock exchange, Mumbai (BSE) as also the extension of BSE terminals to other cities as well, investors have access to online trading in equity shares of the company across the country. Further, the bulk of the trading in the company's equity shares takes place on BSE, and it is observed since the listing of the company's equity shares on stock exchange at Ahmedabad and Rajkot that the trading on these exchanges has been virtually absent. This resolution is being proposed as a part of cost reduction measure. The delisting on Ahmedabad and Rajkot exchange, as and when effected, shall not affect interest of the investors at all. Your board recommends the resolution mentioned at item no. 6 of the accompanying notice for your approval. None of the directors of the Company are, in any way, concerned or interested in the said resolution.


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By Order of the Board of Directors

Kirti Doshi
Managing Director

REGISTERED OFFICE:

403-A, Dalamal Chambers,
29, New Marine Lines,
Mumbai- 400 020

Place: Mumbai

Date: 11/08/2005

DIRECTORS' REPORT

Your directors present their Eleventh Annual Report and the Audited Statement of Accounts of the company for the year ended March 31, 2005.

(Rs. in lacs)

1. FINANCIAL RESULTS

| | 2004-05 | 2003-04 |
|---|----------|---------|
| Total Income | 332.83 | 294.27 |
| Profit/(loss) before depreciation, interest and tax | (105.23) | 23.69 |
| Less: Interest | 13.56 | 1.75 |
| Less : Depreciation | 9.32 | 20.10 |
| Profit before tax | (128.11) | 1.84 |
| Less : Provision for Deferred tax | 0.35 | 4.77 |
| Profit/(loss) after tax for the year | (128.46) | (2.93) |

2. DIVIDEND

In view of loss incurred 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 332.83 lacs was 13% higher compared to turnover in the previous year. However, the profitability suffered mainly due to loss incurred on sale of fixed assets. With continued focus on reduction in cost and proposed investment in joint venture, the directors are optimistic about the performance of the company in the coming years.

4. RESPONSIBILITY STATEMENT

The Directors confirm:

- (i) 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;
- (ii) 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, 2005 and of the loss of the company for the year ended on that date.
- (iii) 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
- (iv) 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, 2005 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, 2005.

9. DIRECTORS

Mr. A. B. Chhatbar and Mr. D. S. Shah retire by rotation at the ensuing annual general meeting, and being eligible, offers themselves for re-appointment. Mr. Manoj Doshi resigned as a director during the year.

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.

For and on behalf of Board of Directors

J. A. Doshi
Chairman

Place : Mumbai
Date : 30/06/2005

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) | 101 | 388 |
| Total amount (Rs.in lacs) | 5.25 | 20.48 |
| Rate / Unit (Rs.) | 5.19 | 5.27 |
| (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

Std if any _____ Current year _____ Previous year _____

Products,
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:**1 Research and Development**

The company has not set up Research and Development division but your company did make 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 were 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.207.70 lacs, while the outgo in foreign exchange amounted to Rs.2.99 lacs.

For and on behalf of the Board of Directors

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Kirti Doshi
Managing Director

Place: Mumbai
Date: 30/06/2005

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. 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.232.83 lacs, but the profitability suffered due to loss incurred on sale of assets.
- 8) **Material developments in Human resources/Industrial front**
There were no material developments in human resources or industrial front.

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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 five directors, of which one director is executive and the rest are non-executive. The managing director Mr. K. J. Doshi is an 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 | 9 | 9 | Yes | — | 2 | — | — |
| Mr. Kirti J. Doshi | 9 | 9 | Yes | 1 | 2 | — | — |
| Mr. Oswald D'souza H | 9 | 7 | Yes | — | — | — | — |
| Mr. A. B. Chhatbar H | 9 | 9 | Yes | — | — | — | — |
| Mr. D. S. Shah H | 9 | 6 | Yes | — | — | — | — |

H Independent directors

Nine meetings of the board of directors were held during the year ended on March 31, 2005. The dates on which the said meetings were held are: 30/04/2004, 30/07/2004, 14/08/2004, 22/09/04, 30/10/04, 06/01/05, 28/01/05, 31/01/05 and 12/03/2005.

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. The three meetings of audit committee were held on 30/07/04, 30/10/04 and 31/01/05, which were attended by all the committee members

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 4, 20, 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. No investor grievance were received during the year ended on March 31, 2005. No transfer of shares was pending at the end of the said period.

6) General Body Meetings

The last annual general meeting was held at 10.000 a.m. at the registered office of the company, while the two annual general meetings prior thereto were held at Green Room, Garware Club House, Wankhede Stadium, "D" road, Church Gate, Mumbai – 400 020 at 10.00 a.m. One special resolution under section 372A of the Companies Act, 1956 is