



Amit International Limited

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**ANNUAL REPORT
2006 - 2007**

Amit International Limited



DIRECTORS : Jethalal A. Doshi, Chairman
Kirti 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,
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 5875 Fax : 2836 6629

NOTICE TO THE MEMBER

NOTICE IS HEREBY GIVEN THAT THE THIRTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF AMIT INTERNATIONAL LIMITED WILL BE HELD ON SATURDAY, SEPTEMBER 29, 2007 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, 2007, 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.

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 close from September 24, 2007 to September 29, 2007 (both days inclusive).
- 3 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.
4. Profile of the directors seeking re-appointment is as under:

Mr. A. S. Chhatbar : Mr. Chhatbar, a commerce graduate, has vast and rich experience in finance and accountancy discipline. He has over 10 years of rich work experience in this area, Mr. Chhatbar is not a director of any other company. He does not hold any shares in the company.

Mr. D. S. Shah : Mr. D. S. Shah, a first generation entrepreneur, has acquired skills in general management of a company and manufacturing operations over his 21 years of work experience. He is not a director of any other company, He holds 500 shares in the company.

• **By Order of the Board of Directors**

Registered office:
403-A, Dalamal Chambers,
29, New Marine Lines,
Mumbai 400 020.

Place: Mumbai

Date: 18.08.2007.

K. J. Doshi
Managing Director

DIRECTORS' REPORT

Your directors present their Thirteenth annual report and the audited statement of accounts of the company for the year ended March 31, 2007.

1. FINANCIAL RESULTS

	2006-07	(Rs. In lacs) 2005-06
Total Income	597.69	689.09
Profit / before depreciation, interest and tax	18.40	75.31
Less: Interest	8.35	6.80
Less : Depreciation	5.64	3.24
Profit before tax	4.41	65.27
Provision for tax	0.85	3.75
Profit after Tax	3.56	61.52

2. DIVIDEND

With a view to conserve resources, your directors do not recommend any dividend for the year.

3. OPERATIONS

The total income during the year at 597.69 lacs was 13% lower compared to total income in the previous year mainly due to appreciation of Indian rupee against US\$ and also due to steep competition from China and other Asian Countries. The profit after tax stood at Rs 3.56 lacs against profit of RS 61.52 lacs in the previous year. The company has set up a unit for Crushing/Screening of iron ore, and has commenced operations during the current year.

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, 2007 and of the profit 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.

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

There is no Subsidiary Company.

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, 2007.

9. Directors

Mr. A. Chhantbar and Mr. D. S. Shah retire by rotation at the ensuing annual general meeting, and being eligible, offer themselves for re-appointment.

10. AUDITORS

M/s Vinod S. Mehta & Co., Auditors of the company, hold office until the conclusion of the ensuing annual general meeting. M/s Vinod S. Mehta & Co., 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 auditors observation vide para 9(a) in schedule to their report, your directors have to inform you that certain delays in payment of statutory dues were only administrative in nature.

12. APPRECIATION:

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

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For and on behalf of Board of Directors

Kirti Doshi

Managing Director

Place: Mumbai

Date: 28.06.2007

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.

(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)	—	—
Total amount (Rs. in lacs)	—	—
Rate / Unit (Rs.)	—	—
(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 ElectricityFurnace
OilCoalOthers

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. The company has also not purchased any technology during previous five years.

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. 577.80 lacs, while the outgo in foreign exchange amounted to Rs. 545.19 lacs.

For and on behalf of the Board of Directors

Kirti Doshi

Managing Director

Place: Mumbai

Date: 28.06.07

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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1) **Industry structure and developments**

Socks knitting and Hosiery knitting industry largely consists of small scale producers, of which industry your company is a part. During the year, the company was only engaged in trading activity. There are no major developments in the recent past. The appreciation of rupee against major currencies has affected the performance of companies in the industry.

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 products traded by the company are socks, Boxer Shorts, Vests, Crew Neck T-Shirts etc. All items 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. 597.69, and the company has made profit of Rs. 3.56 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 and in meeting its obligations to stakeholders.

2) Board of Directors :-

The present strength of your company's board is five directors. The chairman Mr. J.A. Doshi is a non-executive director. Mr. Kirti J. Doshi, is the managing director. The information on attendance of each director at the meeting of the board of directors held during the year ended March 31, 2007, last annual general meeting and their directorships/ committee membership in other public companies is as under:

Name of director	Category	No. of board Meetings		Attendance at last AGM	Other directorships in public companies	Membership of Other Committee position	
		Held	Attended			Member	Chairman
Mr. J. A. Doshi	Non-Executive	6	6	Yes	1	-	-
Mr.Kirti J. Doshi	Executive	6	6	Yes	1	-	-
Mr.Oswald D'souza	Non-Executive & Independent	6	6	Yes	-	-	-
Mr.A. Chhatbar	Non-Executive & Independent	6	5	Yes	-	-	-
Mr.D. S.Shah	Non-Executive & Independent	6	5	Yes	-	-	-

Note: During the year ended March 31, 2007, the meetings of the board of directors were held on 30/06/06, 31/07/06, 27/09/06, 31/10/06, 18/12/06, 31/01/07.

3) Audit Committee

The audit committee comprises of Mr. A. Chhatbar, Mr. D. S. Shah and Mr.Oswald D'souza. Mr. A. Chhatbar is the chairman. 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 information on meetings of and attendance at the audit committee meetings held during the year ended March 31, 2006 is as under.

Name of director	No. of meetings	
	Held	Attended
Mr. Mr. A. Chhatbar	4	4
Mr. Mr. D. S. Shah	4	4
Mr.Oswald D'souza	4	4

During the year ended March 31, 2007, the meetings of the audit committee were held on 30/06/06, 31/07/06, 27/09/06, 31/10/06, 18/12/06, 31/01/07.

4) Remuneration of Directors

The details of remuneration paid to the directors during the year ended on March 31, 2007 are as under.

(i) Non-Executive Directors

The non-executive directors have waived the sitting fees.

(ii) Executive Director

(Rs in lacs)

Name of director	Salary & Allowances(Rs)	Perquisites(Rs)	Service contract details
Mr. Kirti J. Doshi	5.40	- NIL	The service contract is for five years from 01-10-03. The notice period is three months from either side.

Notes (1) All components of remuneration are fixed in nature.

(iii) The non-executive directors have unanimously waived payment of sitting fees.

- (iv) Mr. J.A. Doshi and Mr. D.S. Shah hold 4,13,437 equity shares and 500 equity shares respectively in the company.

5) Investors Grievance Committee

The company has constituted the Investors Grievance Committee. Mr. A. Chhatbar is the chairman of the committee. The complaints received from the investors are being regularly attended to and are believed to be resolved to their satisfaction. The status of the investors' complaints is reviewed by the Investors Grievance Committee. During the year ended March 31, 2007, the company did not receive any complaint from the shareholders.

6) General Body Meetings

The last annual general meeting of the company was held at Green room, Garware, Club House, Wankhede Stadium, "D" Road, Churchgate Mumbai 400 020. The meeting for the year 2003-04, 2004 - 05 and 2005 - 06 was held at Green room, Garware, Club House, Wankhede Stadium, "D" Road, Churchgate Mumbai 400 020 respectively. All three meetings were held at 10.00 a.m. Special resolution for delisting of shares and one under section 372A of the Companies Act, 1956 were passed at the last annual general meeting. At the meeting held for the year 2003-04, a special resolution for amendment of articles of association and for change of name of the company were passed. During the year 05-06, two special resolutions were passed under section 372A of the Companies Act, 1956 for issue of corporate guarantee and for making the investments.

7) Disclosures

- (i) The company has not entered into any materially significant related party transaction that may have potential conflict with the interest of the company at large.
- (ii) To the best of the company's knowledge, there has been no incidence of non-compliance with laws governing capital market during last three years. During the last three years, no penalty or strictures have been imposed on the company by the stock exchanges, SEBI or any statutory authority on any matter related to capital market.
- (iii) The company is yet to adopt Whistle Blower Policy.
- (iv) Details of compliance with mandatory requirements of clause 49 of the listing agreement and status on non-mandatory requirement are set out in this report.

8) Means of Communication

The quarterly results are normally published in Free Press Journal and Navbharat Times. The company has not made any presentation to institutional investors or to the analysts.

9) General Shareholder Information

• AGM

Date and Time: 29-09-2007, Saturday

Venue: Green Room Garware Club House, Wankhede Stadium, "D" Road, Churchgate, Mumbai - 400 020.

• Financial Year : Twelve months ending March 31, 2007

• Dates of Book closure : 24/9/07 to 29/9/07 (both days Inclusive)

• Listing on Stock Exchanges and Stock Code

Bombay Stock Exchange Limited.

Phiroze Jeejeebhoy Tower

Dalal Street, Mumbai-400

(Stock code: 531300)

Saurashtra Kutch Stock Exchange Limited

Popatbhai Sorathis Bhavan

Sadar Bazar

Rajkot 360 001

Note: The company has paid the annual listing fees for the year 2006-07.