

Annual Report 1999-2000

Expanding the horizon of business



100% EOU

AMIT SPINNING INDUSTRIES LIMITED

AN ISO 9002 COMPANY

“.....The competitive situation was and will be chaotic. The true objective is to take chaos as given and learn to thrive on it.

The winners of tomorrow will deal proactively with chaos; will look at chaos per se as market advantage, not as a problem to be got around.

Chaos & uncertainty are and will be market opportunities for the wise; capitalizing on fleeting market anomalies will be the successful business's greatest accomplishment. It is with this in mind we must proceed.....”

-Tom Peters

(Preface of “Thriving on Chaos”)

*At Amit Spinning we have always tried to follow these principles. This is the reason that despite of a prolonged period of rough weather that the textile trade has faced, **ASIL** is continuously strengthening its position as a niche player.*

Our Goal is singular : *To achieve the highest level of Stakeholder satisfaction.*

Our Business Philosophy is simple : *Succeed by re-mapping and looking beyond the boundaries that confine the Textile business.*

Our Strategy is clear : *Through technology, value -addition and the highest level of customer service create a unique position in all our markets.*

**BOARD OF DIRECTORS**

Shri. K. K. Sheth	<i>Chairman</i>
Shri. Bharat P. Shah	<i>Vice Chairman & Managing Director</i>
Shri. H.N. Udani	<i>Director</i>
Shri. M.D.Vora	<i>Director</i>
Shri. Uday S. Kotak	<i>Director</i>
Shri. Y.R. Shah	<i>Director</i>
Shri A.B. Shah	<i>Director</i>
Shri K.R. Choksey	<i>Director</i>

MANAGEMENT TEAM

Shri. R.Sampath	President
Shri. M.M.Kamath	Vice President & Company Secretary
Shri. V.D.Mehta	Vice President (Marketing)

AUDITORS

M/s. B.S. Mehta & Co.
Chartered Accountants, Mumbai

BANKERS

Bank of Baroda.
Bank of India.
State Bank of Mauritius Ltd.

FINANCIAL INSTITUTIONS

Asian Finance & Investment Corpn. Ltd. (AFIC)
Industrial Development Bank of India.
SICOM Ltd.

REGISTERED & CORPORATE OFFICE

Lotus House, 5th Floor,
33-A, New Marine Lines,
Mumbai 400 020.
Tel. Nos.: 200 5195, 209 3068.
Fax Nos.: 2093043, 206 3243
E-mail:
asil@bom2.vsnl.net.in.
asil@bol.net.in

WORKS

Gat No.47 & 48, Sangavade Village,
Kolhapur -Hupari Road, Taluka-Karveer,
Dist. Kolhapur - 416 005.
Tel. No.: 0231-6760108, 676106.
Fax No.: 0231-676164
E-mail : asil@pn3.vsnl.net.in

WEBSITE

<http://www.amitgroup.com>

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Chairman's Statement*Dear Shareholder Friends,*

It's indeed pleasure to communicate to you through this letter in continuation of the trend started by Amit Spinning Industries Ltd. (ASIL) for last two years. I am happy to congratulate one and all at ASIL as they reach the 6th year of operations in the year 2000, and on declaration of maiden dividend.

The Indian Cotton Textile Industry has always been with ups and downs and has been going through the difficult phase for last few years. ASIL has not only successfully survived during this period but also made mark in the export market through its quality and consistency. Having started as a small player with unknown brand ASIL has come a long way. Its ability to perform in difficult industry has been achieved largely due to the people who have made possible delivery of quality products.

ASIL has now developed its base and is expanding and focusing on value added areas. Increase in competition normally result in decline in the margin on per unit of sale. For a growing company this need not necessarily result in overall reduction of profit which has been demonstrated by ASIL with its consistent growth.

It has however, yet to fulfill the promise of a high value addition and value creation. Some steps are initiated in this direction. I am sure with a dedicated, young and charged up team in place, the company is all set to change its LEAGUE and remap the horizons of business in years to come.

*Place : Mumbai.**Date : 26/06/2000**K.K.Sheth**Chairman*

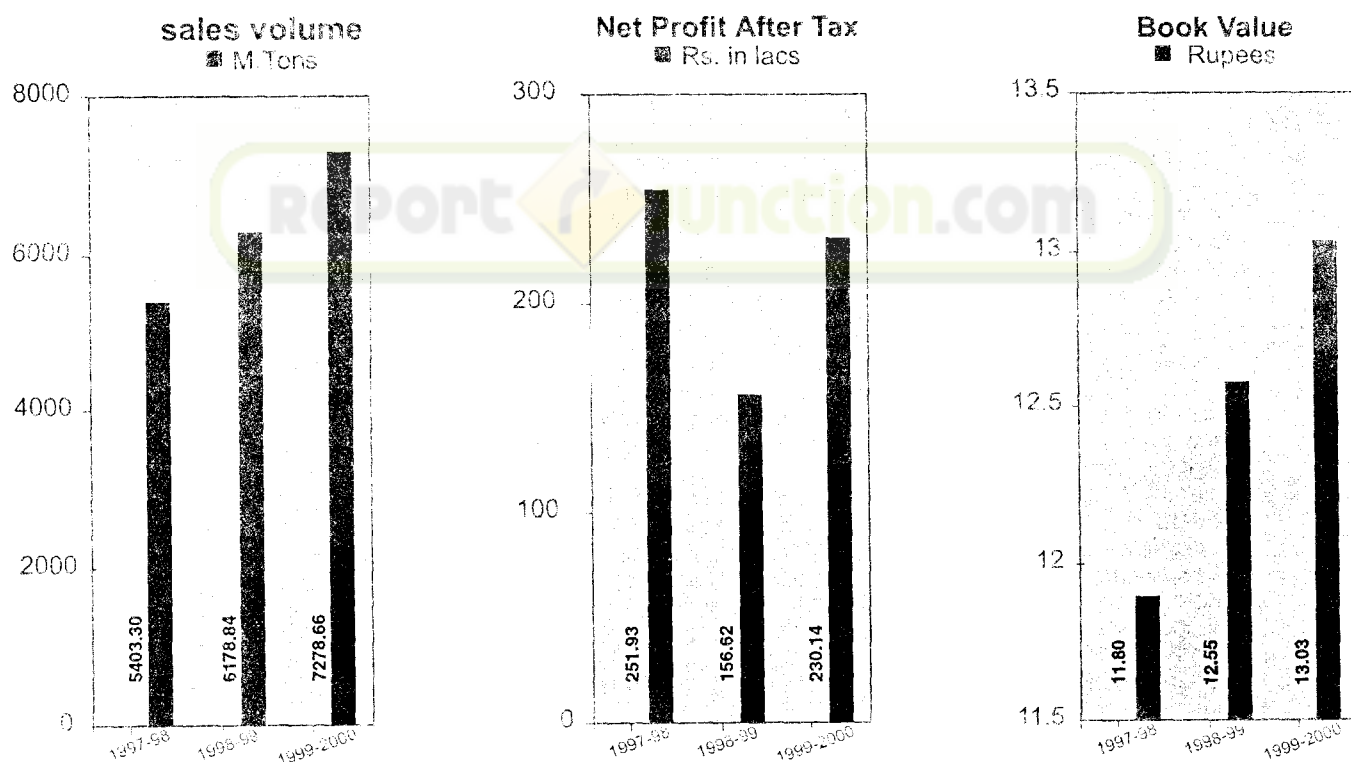
Managing Director's Review

Dear Shareholder Friends,

It has always been your management's endeavour to rise to the occasion and grab every opportunity. Despite various constraints of finance and performing in a highly volatile scenario, we had always believed that "Where there is a Will there is a Way." Importantly, our will and way both lead us towards value creation.

Beginning this year, the value creation at ASIL takes a new turn. In more than one way, we are attempting to improve, what we deliver, for eg.

1. **Dividend** : We have proposed a dividend payout of as much as half of the total profits generated by your company in the year gone by. We believe, with more sustainability in profits, we should be able to improve upon shareholder rewards in future.
2. **Entry into new product segments** : Your company has been consciously pushing for an entry into higher value added segments, based on its quality production platform for quite some time now. In a market, with severe price competition the only alternative for value creation could be "Changing the League" rather than anything else. By the end of current year, we shall be present in the finer counts and vertically integrated products, making the League Change process complete. This would reflect in our revenues and profitability growth in the years to come.
3. **Improving Performance Parameters** : Your company has registered notable improvement in some of the key performance parameters, as highlighted below :



To sum up, our ultimate goal would be to generate a satisfactory return on shareholders funds and a competitive Economic Value Added. The same is evident from performance produced and shown as above.

Place : Mumbai.
Date : 26/06/2000

Bharat P. Shah
Managing Director

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NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the Members of the **AMIT SPINNING INDUSTRIES LIMITED** will be held at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Mumbai 400 001 on the day of 18th September, 2000 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000 and Profit and Loss Account for the financial year ended on that date together with Directors' Report and Auditors' Report thereon.
2. To declare dividend on Preference Shares.
3. To declare dividend on Equity Shares.
4. To appoint a Director in place of Shri M.D. Vora who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Shri Uday S. Kotak who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

7. 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 17 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) and subject to necessary approvals, consent and permissions that may be required in this regard, the Object Clause of the Memorandum of Association of the Company be and is hereby altered and extended by inserting the following new sub-clauses 99 and 100 after the existing sub-clause 98 of the Clause IIIC of the Memorandum of Association of the Company.

99. Subject to provisions of the Companies Act, 1956 to amalgamate or to enter into partnership or into any arrangements or share of profits or union of interest, joint venture, Foreign collaboration, reciprocal concession with any person or persons or company or companies carrying on or engaged in or about to carry on or engage in or being authorized to carry on or engage in any business or transactions which their company is authorized to carry on or engage in or which can be carried on in conjunction therewith or which is capable of being conducted so as directed or indirectly to benefit the Company.
- 100 To carry on the business to design, develop, encourage, promote, maintain, make, undertake, contract, undertake research and development for value, lease, license, process, purchase, sell, import, export, supply, manufacture, make, produce, run, agents, authorized representatives, advisors, brokers, consultants, distributors, stockiest, research, groups or to engage in any way, whether singly or jointly in collaboration in association or in tie-up with other entities, in all kinds and types of software systems and in particular in designing and developing of various types, means and modes of advertising, communication, forms, transmitting data, information, technology, publicity representations, views, ideas, opinions, programs and software for online applications, interactive such activities also in respect of computers, communication and electronic hardware and software systems data collection, data entry, digitization of information available on various forms, processing of these data and selling parts or whole of the processed or raw data, running of training schools or other educational institution for the same, conducting training, seminars, providing consultancy services in all the above areas as well as to do all the above activities in any of the areas of computer software, hardware, accessories, peripherals, modems, multiplexers and other tools systems and like providing services in areas of internet, intranet, computer network, system integration including repairing upgrading and maintenance of such systems.

8. To consider and if thought fit, to pass with or without modifications, the following resolution as a special resolution

RESOLVED FURTHER THAT pursuant to the provisions of Section 149(2-A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), and subject to necessary approvals, consent and permissions that may be required in this regard, consent of the Company be and is hereby accorded to the Board of Directors for commencing all or any of the business/activities mentioned in sub-clauses 99 and 100 of Clause IIIC i.e. the Other object Clause of the Memorandum of Association of the Company at such time or times and in such manner as the Board may in its absolute discretion think fit and in the best interest of the Company.

AMIT SPINNING
INDUSTRIES LIMITED



RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things that may be required to be done 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 SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. INSTRUMENTS OF PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE AT LOTUS HOUSE, 5TH FLOOR, 33-A NEW MARINE LINES, MUMBAI 400 020 NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.
3. MEMBERS DESIRING ANY INFORMATION ON THE ACCOUNTS AT THE ANNUAL GENERAL MEETING ARE REQUESTED TO WRITE TO THE COMPANY ATLEAST SEVEN DAYS IN ADVANCE, SO AS TO ENABLE THE COMPANY TO KEEP THE INFORMATION READY AT THE MEETING.
4. AS A MEASURE OF ECONOMY, COPIES OF THE ANNUAL REPORT WILL NOT BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING. MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT TO THE MEETING.
5. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY SHALL REMAIN CLOSED FROM 18TH SEPTEMBER, 2000 TO 27TH SEPTEMBER, 2000 (BOTH DAYS INCLUSIVE) FOR ANNUAL CLOSURE AS PER THE LISTING AGREEMENTS.
6. THE DIVIDEND ON EQUITY SHARES FOR THE YEAR ENDED MARCH 31st 2000, AS RECOMMENDED BY THE DIRECTORS, IF DECLARED AT THE MEETING, WILL BE PAYABLE ON OR AFTER 18TH SEPTEMBER, 2000 TO THOSE MEMBERS, WHOSE NAMES SHALL STAND ON THE REGISTER OF MEMBERS AS ON 18TH SEPTEMBER, 2000

BY THE ORDER OF THE BOARD
For **AMIT SPINNING INDUSTRIES LIMITED**

(M.M. KAMATH)
Vice President & Company Secretary

Regd. Office:
Lotus House, 5th Floor,
33-A New Marine Lines
MUMBAI 400 020
Date: 26th June, 2000

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**EXPLANATORY STATEMENT
PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:**

ITEM NO : 7

The Company is presently envisaging various diversification projects and joint ventures for value addition .The existing clauses in the Memorandum of Association are sought to be amended to permit the implementation of the above projects. Hence, new clauses have been suggested . Inclusion of these new clauses require approval of the shareholders under Section 17 of the Companies Act, 1956.

Hence the proposed resolution seeking approval of shareholders.

The Directors recommend the proposal for approval by the shareholders.

None of the Directors is in any way concerned or interested in the said resolution.

ITEM NO: 8

The Company also proposes to take up for implementation of the project as above. The Company has to obtain shareholders approval for the implementation of the project under Section 149(2-A) of the Companies Act, 1956. Hence the proposed resolution seeking approval of the shareholders under Section 149(2-A) of the Act.

The Directors recommend the proposal for approval by the shareholders

None of the Directors is interested or concerned in the said resolution.



**BY THE ORDER OF THE BOARD
For AMIT SPINNING INDUSTRIES LIMITED**

(M.M. KAMATH)

Vice President
& Company Secretary

Place : Mumbai
Date : 26th June, 2000