

Siddheswari Garments Limited



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**ANNUAL REPORT
2002 - 2003**



Siddheswari Garments Limited

DIRECTOR :

MR. MANOJ TOSHNIWAL

MR. ABHISHEK PODDAR

MR. KANHAIYA KHAITAN

(Since Resigned)

MR. SANJAY KUMAR SHAH

(Addl. Director)

BANKERS :

BANK OF MAHARASHTRA

ABN AMRO BANK

PUNJAB NATIONAL BANK

AUDITORS :

M/S. AGARWAL MEMANI & CO.

CHARTERED ACCOUNTANTS

REGISTERED OFFICE :

PRAFULLA KANAN, KRISHNAPUR

KOLKATA - 700 059

PHONE : 2576-0473, 2210-7234

FAX : 2220-3185

REGISTRAR & SHARE TRANSFER AGENTS :

AMI COMPUTERS (I) LTD.

60A & 60B, CHOWRINGHEE ROAD

KOLKATA - 700 020

PHONE : 2280-0812/0901



Siddheswari Garments Limited

NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the Members of SIDDHESWARI GARMENTS LIMITED will be held at BE-127, Salt Lake City, Kolkata - 700 064 on Saturday, the 27th September, 2003 at 10.00 A.M. to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2003 and the Profit and Loss Account for the year ended on that date along with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Abhishek Poddar who retires at this meeting by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :-

"RESOLVED that Shri Sanjay Kumar Shah be and is hereby appointed as a Director of the Company whose period in office shall be subject to retirement by rotation."

Certified True Copy

SIDDHESWARI GARMENTS LTD.

Sanjay Shah

Director.

Dated : 22th August, 2003.

Regd. Office :
Prafulla Kanan,
Krishnapur
Kolkata - 700 059.

By order of the Board
For Siddheswari Garments Ltd.

M. Toshniwal
Director



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NOTES :-

1. A member entitled to attend and vote at the meeting, is also entitled to appoint a proxy/ proxies to attend and vote in his/her stead and that a proxy need not be a member. The instrument appointing a proxy(ies), in order to be effective, should reach the Registered Office of the Company at least 48 hours before the meeting.
2. Explanatory Statement Pursuant to Sec. 173 (2) of the Companies Act, 1956 is annexed.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, the 25th September, 2003 to Saturday, the 27th September, 2003, both days inclusive.
4. Members are requested to bring their own copy of the Annual Report to the meeting.
5. Members having multiple folio's in the identical order of names or Joint Accounts, are requested to intimate the Company the folio numbers of such accounts and forward the respective Share Certificates to the Registered Office of the Company for necessary consolidation of holdings under a single folio and return the certificates after due endorsement.
6. Shares of the Company are listed at the Stock Exchange at Mumbai, in addition to the Regional Stock Exchange at Kolkata. The Company is upto date in payment of Annual Listing Fees to the above Stock Exchange.

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EXPLANATORY STATEMENT PURSUANT TO SEC 173 (2) OF THE COMPANIES ACT, 1956

Item No. 4

Sri Sanjay Kr. Shah who was appointed as an Additional Director during the year is due to vacate his office at the forthcoming A.G.M.

Meantime the Company has received a notice U/S 257 of the Companies Act, 1956 from a Share holder communicating his desire to propose the resolution as set out under Item No. 4 of the Notice.

Sri Sanjay Kr. Shah is a professional with vast experience & exposure in Finance and Accounts and his services to the Company is considered most valuable for the interest of the Company. Your Directors recommend adoption of the resolution as set out under Item No. 4 for the interest of the Company. Non of the Directors is personally interested and/or concerned in this resolution.



Siddheswari Garments Limited

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors take pleasure in presenting the Ninth Annual Report and Audited Financial Results of the Company for the year ended on 31st March, 2003.

FINANCIAL RESULTS

	(Rs. in Lacs)	
	For the year ended 31.03.2003	Previous year ended 31.03.2002
Net Sales	08.50	20.10
Other Income	31.92	24.47
Total :	40.42	44.57
Less : Expenditure	22.90	36.89
Gross Profit / (Loss)	17.52	7.68
Less : Depreciation	4.71	4.71
Less : Interest	.40	.51
Profit / (Loss) before Tax	12.41	2.46
Less : Provision for Taxation	01.02	.32
Add : Provision for Deferred Tax	.86	.26
Net Profit / (Loss) (PAT)	12.25	2.40
Less : Income Tax for earlier Year	.00	.58
Add : Excess Income Tax for earlier	0.28	—
Less : Deferred Tax Liability	—	18.49
Balance brought forward	4.93	21.60
Balance transferred to Balance Sheet	17.46	4.93

PERFORMANCE

During the year under review, there had been total suspension of work consequent to serious Industrial disputes. With a view to retain its market, the Company initially endeavoured to a restricted production process by way of time-sharing basis with other manufacturing units. But unfortunately it was forced to abandon the process under constant threats and disturbances. Consequently Company failed in its commitments which resulted in serious loss of market.

INDUSTRY OUTLOOK

The Garments Industry has a bright prospect both in domestic and Export Market. The availability of Cheap Labour, and raw materials has increased demands in the Export Market.

OPPORTUNITIES AND THREATS

In the Garments Industry, the competition is mainly from the large number of small manufacturers who are engaged in an unhealthy competition of price cuttings. The major problem faced by the Industry is the entry of a large number of producers from the other Asian Countries who hold an advantageous position pursuant to a rapid and repetitive devaluation of currencies in such Asian Countries which enables them quote comparatively lower prices in the International market.



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RISK AND CONCERN

Absence of discipline in the labour forces and militant Trade-union activities in this part of the country is not conducive to a healthy Industrial Growth.

The rising internal competition and recessionary condition affect the performance. Moreover export realisation remains under pressure due to stiff competition from other Asian Countries.

Labour relations are strained with continuous non-cooperation and unhelpful attitude of certain trade unions. Intermittent work stoppage, strike and refusal to comply to the agreed norms associated with other violation of work practices which have resulted in deplorable work culture, with no sign of improvement in the situation.

AUDITORS REPORT

The Report of the Auditors when read with the notes on financial statement in Sch. 19 is self explanatory and does not require any further elaboration.

AUDITORS

M/s. Agarwal Memani & Co., Chartered Accountants, the Auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and your Directors recommend their re-appointment.

DIVIDEND

There being in sufficient surplus, the Directors abstain from recommending any dividend for the year under review.

DIRECTORS RESPONSIBILITY STATEMENT

In compliance of the Sec. 217 (2AA) of the Companies Act 1956, your Directors confirm that :

- (i) in the preparation of the Annual Accounts, the Accounting Standards laid down by ICAI, have been strictly followed ;
- (ii) the directors have selected such accounting policies and adopted 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 at the end of the financial year and of the profit & loss of the company for that period ;
- (iii) proper and sufficient care has been taken for the maintenance of adequate records in accordance with provisions of the Companies Act 1956, for safeguarding the assets of the company and detecting fraud and other irregularities ;
- (iv) the annual accounts have been prepared on the 'on-going' concern basis.

CORPORATE GOVERNANCE

A separate report is annexed to this report as Annexure - 'A'.



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DEMATERIALISATION

In terms of the provisions under the Depositories Act, 1996, delivery of shares of your company in Dematerialised Form have been implemented w.e.f. 26.12.2000 and necessary connectivity with NSDL & CDSL has been established for share transactions in dematerialised form. Members wishing to maintain their holdings of shares in dematerialised form may act through their respective Depository Participants (DP). The ISIN Code allotted to the shares of this Company is INE797C01019.

DIRECTORS

Shri Abhishek Poddar, Director of the Company retires by rotation at the ensuing Annual General Meeting and he is eligible for re-appointment.

Shri Abhishek Poddar S/o. Shri Sushil Kumar Poddar aged about 25 years is a commerce graduate and MBA is engaged in Company Management. He has more than 04 years of extensive experience in Management and Administration. Shri Poddar actively participates in the business administration of the Company and his re-appointment as a Director of the Company will be beneficial in the interest of the Company.

PARTICULARS OF EMPLOYEES

There being no employee, employed during the year, drawing remuneration in excess of the prescribed ceiling, the provisions of Section 217 (2A) of the Companies Act, 1956, is not applicable in connection with this company.

CONSERVATION OF ENERGY, ETC.

A statement containing necessary information, as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 is annexed hereto as annexure 'B'.

DELISTMENT

Pursuant to the resolution passed by the members in the Last Annual General Meeting, the formalities laid down by SEBI in its guidelines for Voluntary Delisting of Shares, are being processed for delisting of Company's Shares from the Stock Exchange at Delhi.

ACKNOWLEDGMENTS

Your Directors wish to place on records, their sincere appreciation of the Valuable co-operation and support received from the Financial Institutions, Banks, Government departments and Agencies both at the Central and State levels. The Directors would like to express thanks to the sincere services of Workers, Staff and Executives of the Company.

Dated : 10th July, 2003.
Regd. Office :
Prafulla Kanan, Krishnapur
Kolkata - 700 059.

For and On behalf of the Board

M. Toshniwal
Director



Siddheswari Garments Limited

ANNEXURE 'A'

REPORT OF CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY.

The Company believes in complying with all Statutory requirements and ensuring, discipline, transparency and accountability in its day to day operations.

2. BOARD OF DIRECTORS

a) Composition :

The Board is comprised of only three directors, all of whom are Non-executive, Independent Directors. There is no designated Chairman of the Board. At the Board meetings, the senior member present is voted to the Chair. The Members of the Board are :

<u>Name of Director</u>	<u>Category</u>
1. Shri Manoj Kr. Toshniwal	Promoter, Non-Executive, Independent
2. Shri Abhishek Poddar	Non-Executive, Independent
3. Shri Kanhaiya Khaitan	Non-Executive (Since resigned)
4. Shri Sanjay Shah	Non-Executive (Addl. Director)

b) Attendance of each member in the Board meetings & last A.G.M. and membership of other Company's Board/Committees :

<u>Name of Director</u>	<u>No. of Board Meeting Attended</u>	<u>Last A.G.M. Attended</u>	<u>No. of Directorship in other Company</u>	<u>No. of Common Membership in other Company</u>
1. Shri Manoj Kr. Toshniwal	5	Yes	1	—
2. Shri Abhishek Poddar	—	—	—	—
3. Shri Kanhaiya Khaitan	5	Yes	—	—
4. Shri Sanjay Shah	—	—	—	—

c) Remuneration of Directors, Sitting Fees, Salary, Perquisites etc.

None of the Directors do receive any remuneration by way Salaries, Perquisites or Sitting fees.

d) Board Procedures :

The notice of Board meetings alongwith the detailed agenda papers are sent to each and every director well in advance of the Board meetings in which the directors freely discuss the issues covered by the respective agenda and also any matter they feel relevant for the business of the company and after a detailed discussion on every point brought before the meeting the directors arrive at a consensus decision and pass unanimous resolutions on each and every policy matter.



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e) Disclosures :

i) The Company did not have any Related Party transactions with its directors and/or with their relatives which may have any potential conflict with the interest of the company at large.

ii) The Company is generally regular in compliance of all requirements of the Regulatory Authorities relating to Capital Market operations and no penalty or strictures was ever imposed on the company during the last 3 years.

3. BOARD COMMITTEES

In compliance with the requirements under clause 49 of the Listing Agreement, for implementation of Corporataries Governance in the manner prescribed therein the Board of Director of the company have since constituted various committees of Director as detailed below :

a) Audit Committee :

The Audit Committee is comprised of all the directors of the company with Shri Kanhaiya Khaitan (since replaced by Shri Sanjay Shah) as Chairman. The terms of reference of this Committee is in conformity with the terms prescribed under the listing Agreement. The committee reviews the Annual and periodic Financial Statements. Overviews the Company's Financial Reporting processes, reviews the adequacy of internal control systems and internal Audit functions, discusses with the internal and statutory Auditors, recommends steps for ensuring the implementation of the suggestions recommended by the Internal/ Statutory Auditors to regularise the Internal control and Financial Reporting.

b) Investors Grievance Committee :

The Company has constituted a committee comprising of Shri A. Poddar and Shri K. Khaitan (since replaced by Shri S. Shah) to meet at least once in a month to deal with matters relating to Shareholders/Investors grievances connected with Transfer/Transmission/ Splitting/Consideration/Duplicate issue of Shares/Share Certificates in coordination with the Company RTA. As on the date of the year closing on 31.03.2003, there is not a single grievance remaining unresolved.

c) Share Transfer Committee :

The Share Transfer Committee was there even before the implementation of the Code of Corporate Governance. Initially, this Committee was comprised of 2 (two) members with Shri M. K. Toshniwal as Chairman and Shri K. Khaitan as its member. On the vacation of office by Shri K. Khaitan, Shri A. K. Poddar has been inducted in the committee. The committee generally meets once in a month to approve transfer/transmission/splitting/ consolidation, etc. depending on the and volume of requests for such actions received from the Shareholders/Investors.

4. MEANS OF COMMUNICATION

The un-audited Financial Results and other notices are published in the local newspapers, Financial Express & Khabar Kagaj and no individual communication are sent except in case of notice for Annual General Meetings & Annual Reports and/or notices for other General Meetings which are sent by pre-paid under Certificate of Posting to all the Shareholders in the manner prescribed under the Act.