

# **Siddheswari Garments Limited**



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**ANNUAL REPORT  
2001 - 2002**



## **Siddheswari Garments Limited**

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**DIRECTOR :**

**MR. MANOJ TOSHNIWAL**

**MR. KANHAIYA KHAITAN**

**MR. ABHISHEK PODDAR**

**BANKERS :**

**BANK OF MAHARASHTRA**

**ABN AMRO**

**PUNJAB NATIONAL BANK**

**AUDITORS :**

**M/S. AGARWAL MEMANI & CO.**

**CHARTERED ACCOUNTANTS**

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**REGISTERED OFFICE :**

**PRAFULLA KANAN, KRISHNAPUR**

**KOLKATA - 700 059**

**PHONE : 576-0473/0468**

**FAX : 576-0468**

**REGISTRAR & SHARE TRANSFER AGENTS :**

**AMI COMPUTERS (I) LTD.**

**60A & 60B, CHOWRINGHEE ROAD**

**KOLKATA - 700 020**

**PHONE : 280-0812/0900**



## Siddheswari Garments Limited

### NOTICE

NOTICE is hereby given that the Eighth 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 28th September, 2002 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, 2002 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 Kanhaiya Khaitan 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 Special Resolution :-

"RESOLVED that pursuant to the provisions of Section 149 (2A) (b) of the Companies Act 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to commence business of investing moneys of the Company, not immediately required for the purpose of the Company, in the Equity or Preference Share Capital or other securities of any other body corporate as empowered under Clause (53) of the 'Other objects' subject to the limitations of Section 372A of the Act."

Dated : 2nd September, 2002.

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

By order of the Board  
For Siddheswari Garments Ltd.

M. Toshniwal  
Director



## **Siddheswari Garments Limited**

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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 Friday, the 20th September, 2002 to Saturday, the 28th September, 2002, 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 Exchanges at Mumbai and Delhi, in addition to the Regional Stock Exchange at Kolkata. The Company is upto date in payment of Annual Listing Fees to the above Stock Exchanges.



## **Siddheswari Garments Limited**

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

#### **Item No. 4**

Your Company manufactures and markets knitted garments and Hosiery items, this business it commenced immediately on its incorporation in 1994. The object clauses II C of the Memorandum of Association of the Company provides under sub-clause (53) of 'Other Objects' an item reading as "To invest in, acquire, sell, transfer, subscribe for hold and otherwise deal in and invest in any shares, bonds, stock, obligations issued or guaranteed by any Company or Companies constituted and carrying on business in India or elsewhere and debentures, debenture-stocks, bonds, obligations and securities issued and guaranteed by any government, public body or authority whether in India or elsewhere either out of its own funds or out of funds that it might borrow and to act as investors, guarantors either with or without interest or security provided the Company shall not do any banking business as defined under the Banking Regulations Act, 1949".

Pursuant to Section 149 (2A) of the Companies Act, 1956 a Company cannot pursue any business in relation to any objects stated in its Memorandum of Association as 'Other Objects' of the Company unless prior consent of the Company by a special Resolution obtained. As proposed in the Resolution set out under Item No. 4 of the notice the business of investments in share and securities being included under 'Other Objects' in the Memorandum of Association of the Company, the Company cannot commence such business unless commencement of such business is approved by a special Resolution in a general meeting.

The manufacturing operations of the Company remaining suspended due to various labour problems for an indefinite period, your director consider it desirable to beneficially engage in the business of shares and securities for the interest of the Company and its shareholders, and therefore, recommends adoption of the resolution set out under Item No. 4 of the notice.

None of the Directors of the Company are personally interested and/or concerned in the subject resolution.

The Memorandum of Association of the Company is open for inspection of the members at the Registered Office of the Company during the business hours on any Working Day.



## Siddheswari Garments Limited

### DIRECTORS' REPORT

#### TO THE MEMBERS

Your Directors take pleasure in presenting the Eighth Annual Report and Audited Financial Results of the Company for the year ended on 31st March, 2002.

#### FINANCIAL RESULTS

	(Rs. in Lacs)	
	For the year ended 31.03.2002	Previous year ended 31.03.2001
Net Sales	20.10	17.21
Other Income	24.47	24.32
Total :	44.57	41.53
Less : Expenditure	36.89	33.36
Gross Profit / (Loss)	7.68	8.17
Less : Depreciation	4.71	1.15
Less : Interest	.51	1.57
Profit / (Loss) before Tax	2.46	5.45
Less : Provision for Taxation	.32	0.46
Add : Provision for Deferred Tax	.26	—
Net Profit / (Loss) (PAT)	2.40	4.99
Less : Income Tax for earlier Year	.58	—
Less : Deferred Tax Liability	18.49	—
Balance brought forward	21.60	16.61
Balance transferred to Balance Sheet	4.93	21.60

#### PERFORMANCE

During the year under review, there had been suspension of work due 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 could not operate freely 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 is causing 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 in the other Asian Countries who hold an advantageous position pursuant to a repid and repetitive devaluation of currencies in such Asian Countries which enables the producers of other Asian Countries to quote comparatively lower prices in the International market.



## Siddheswari Garments Limited

### 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 China and 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 have resulted in deplorable work culture, with no improvement in the situation.

### AUDITORS REPORT

The Report of the Auditors is self explanatory and does not require any further elaboration.

### AUDITORS

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 no 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

The code of Corporate Governance as provided in the Listing Agreements of the Stock Exchanges where the Shares of the Company are listed is due to be compulsorily implemented by 31st March, 2003, as far as your company is concerned. The company has taken adequate steps to ensure that all mandatory provisions of the code of Corporate Governance is implemented well in advance of the appointed date.



## Siddheswari Garments Limited

### 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).

### DIRECTORS

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

Shri Kanhaiya Khaitan S/o. Shri Sajan Khaitan aged about 33 years is a commerce graduate and is engaged in the business of Industrial Supplies and have more than 10 years of extensive experience in Management and Administration. Shri Khaitan 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 'A'.

### 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 : 2nd September, 2002.  
Regd. Office :  
Prafulla Kanan, Krishnapur  
Kolkata - 700 059.

For and On behalf of the Board

**M. Toshniwal**  
Director