

Siddheswari Garments Limited



**ANNUAL REPORT
2005 - 2006**



Siddheswari Garments Limited

DIRECTOR :

MR. ABHISHEK PODDAR

MR. SANJAY KUMAR SHAH

MR. KAMAL KUMAR GUPTA

BANKERS :

BANK OF MAHARASHTRA

ABN AMRO BANK

PUNJAB NATIONAL BANK

AUDITORS :

M/S. AGARWAL MEMANI & CO.

CHARTERED ACCOUNTANTS

REGISTERED OFFICE :

9, INDIA EXCHANGE PLACE

3RD FLOOR, KOLKATA - 700 001

PHONE : 2210-7112 / 7234

FAX : 2220-3185

REGISTRAR & SHARE TRANSFER AGENTS :

S. K. COMPUTERS

34/1A, SUDHIR CHATTERJEE STREET

KOLKATA - 700 006

PHONE : 2219-4815 / 6979



Siddheswari Garments Limited

NOTICE

NOTICE is hereby given that the Twelfth Annual General Meeting of the Members of SIDDHESWARI GARMENTS LTD. will be held at the Registered office of the Company at 9, India Exchange Place, 3rd Floor, Kolkata - 700 001 on Tuesday, the 26th September, 2006 at 10.00 A.M. to transact the following business :-

being:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2006 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 Sri Sanjay Shah who retires at this meeting by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors of the Company and to fix their remuneration.

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Dated : 26th August, 2006.

Regd. Office :
9, India Exchange Place
(3rd Floor)
Kolkata - 700 001.

By order of the Board
For **Siddheswari Garments Ltd.**

A. Poddar
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. The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, the 22nd September, 2006 to Tuesday, the 26th September, 2006, both days inclusive.
3. Members are requested to bring their own copy of the Annual Report to the meeting.
4. 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.
5. 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.
6. Details of Directors seeking appointment/reappointment in terms of Clause 49 of the Listing Agreement.

Name	Date of Birth	Date of Appointment	Qualification Experience	Directorship in other Public Company	Common Membership in other Public Co.
S. Shah	10.06.76	10.06.03	C.A. Inter	NIL	NIL

Experience : Mr. Sanjay Shah is a professional having a wide experience in Finance and Accounts over a period of 10 years.



Siddheswari Garments Limited

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors take pleasure in presenting the Twelfth Annual Report and Audited Financial Results of the Company for the year ended on 31st March, 2006.

FINANCIAL RESULTS

	(Rs. in Lacs)	
	For the year ended 31.03.2006	Previous year ended 31.03.2005
Net Sales	30.61	88.24
Other Income	26.24	30.59
Total :	56.85	118.83
Less : Expenditure	50.64	114.33
Gross Profit / (Loss)	6.21	04.50
Less : Depreciation	2.59	3.20
Less : Interest	0.38	0.38
Profit / (Loss) before Tax	3.24	0.92
Less : Provision for Taxation	01.75	01.52
Less : Provision for FBT	0.03	--
Add : Provision for Deferred Tax	0.86	6.83
Net Profit / (Loss) (PAT)	2.32	6.23
Balance brought forward	24.06	17.83
Balance transferred to Balance Sheet	26.38	24.06

PERFORMANCE

The Company having been forced to close down its Manufacturing unit consequent to prolong labour unrest has since diverted its attention to NBFC activities with a view to protect the investors fund and also to capitalise the opportunities now opened up with bouyant securities market. The Company has since applied for registration as a NBFC Company to operate in the Securities Market in a full fledged manner. During the year the Company earned a gross income of Rs. 3.24 Lac while the Profit after tax was recorded as Rs. 1.46

DIVIDEND

There being in sufficient surplus, the Directors refrain 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.



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AUDITORS REPORT

The Report of the Auditors when read with the notes on financial statement in Sch. 17 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 recommended their re-appointment.

CORPORATE GOVERNANCE

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

DIRECTORS

Sri Sanjay Shah, Director of the Company retires by rotation at the ensuing Annual General Meeting and he is eligible for re-appointment.

Sri Sanjay Shah S/o. B. N. Shah aged about 30 years is a commerce graduate & C.A. Inter engaged in Company Management. He has more 10 years of extensive experience in Finance and Account. Sri Shah 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.

The production activities having remained suspended for the full year. The information required U/s. 271 (1) (e) of the Act are Not Available.

Earning and outgo of the foreign exchange during the year was NIL.

DELISTMENT

The Shares of the Company stand delisted from the Stock Exchange at Delhi pursuant to the resolution passed by the members in the Annual General Meeting held in 2002 in terms of SEBI guidelines for Voluntary Delisting.

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 : 26th August, 2006.

For and On behalf of the Board

Regd. Office :
9, India Exchange Place
3rd Floor, Kolkata - 700 001.

A. Poddar
Sanjay Kr. Shah
Directors



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CORPORATE GOVERNANCE

Corporate Governance essentially deals with how the Company is administered and the manner in which the Board of Director discharge its mission and responsibilities to ensure good management with accompanying accountability and transparency in the best interest of the shareholders and the investing public.

The report on Corporate Governance is divided into six parts :

1. Board of Director its Composition and functions.
2. Committees of Directors.
3. General Body Meetings.
4. Disclosures.
5. Means of communications and
6. Shareholders information.

1. BOARD OF DIRECTORS

- a) The Board of Director is comprised of 2 (two) Independent Non. Executive Director having no business or other relationship with the company that could hinder their independent judgement. and one executive Director. The company having no business activities for the last couple of year, one whole time executive Director has been appointed. On the other hand the paid up capital of the company being less than the prescribed limit under section 269 of the Companies Act, 1956, appointment of managing or manager is not mandatory in case of the Company. The day to day management of the Company is overviewed by the Board of Directors.

The particulars of Directors are as under :-

<u>Name of Director</u>	<u>Category</u>	<u>No. of other Directors</u>	<u>No. of Committee Membership</u>
Mr. Abhishek Poddar	Non-Executive, Independent	1	3
Mr. Sanjay Kr. Shah	Executive Director		3
Mr. Kamal Kr. Gupta	Non-Executive, Independent	—	2

- b) Board Procedure :

The function, responsibilities and accountability of the Board of Directors are clearly defined in addition to its primary role of monitoring and supervision of the Company Corporate activities. The general functions of the Board includes, inter alia.

- i) To direct and guide activities towards attaining Corporate Goals as above.
- ii) Approving appointments, monitoring Industrial relations, laying broad policy decisions, and management of Human Resources.
- iii) Formulation of Strategic business plans and monitoring implementation thereof and to review the same continuously.
- iv) Reviewing and approving financial plans and budgets.



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- v) Discuss, review and decide Expansions, modernisation and other new projects.
- vi) Review financial statement and last flow inventories on a periodic and also on a continuous basis.

C) Board Meetings :

Attendance of Director in such meetings are given hereunder :

<u>Name of Director</u>	<u>No. of Board Meeting Attended</u>	<u>No. of Committee Meeting Attended</u>	<u>Attendance at the last A. G. M.</u>
1. Mr. Abhishek Poddar	7	4	Yes
3. Mr. Sanjay Shah	7	4	Yes
4. Mr. Kamal Kr. Gupta	7	1	Yes

There is an well Laid procedure to sent detailed agenda papers to the directors along with the notice of the meetings sufficiently in advance with a view to enable the directors to discuss freely and effectively all the items of business transacted at such meetings, various discussion emerging from such agenda are duly implemented to streamline the systems and procedure followed by the company.

2. BOARD COMMITTEES

There are 3 (Three) permanent committees.

a) Audit Committee :

The Audit Committee is comprised of all Directors, namely Mr. Abhishek Poddar, Mr. Sanjay Shah, Mr. Kamal Kumar Gupta, Mr. Abhishek Poddar professional MBA has enough exposures and expertise in Accounting procedures, Act, as the Chairman of the Audit Committee. The Committee reviews the annual and periodic financial statements. Overviews the companies financial reporting processed, reviews the adequacy of internal control systems and internal audit functions, discusses with the internal and statutory auditors, recommends steps for ensuring the implementations of the suggestions / recommended by the internal/statutory auditors to regularize the internal control and financial reporting.

b) Share Transfer Committee :

The Company has a share transfer cum investor grievance committee comprising of Mr. Sanjay Shah and Mr. Abhishek Poddar as its members. The Committee meets at regular intervals depending upon the volume of transfer / transmission of shares and duplicate issue of share certificates.

c) Shareholders / Investors Grievance Committee :

The Committee consists two members, viz. Sri Abhishek Podder and Sri Sanjay Shah.

The Committee looks into the redressal of Shareholders & Investors Complaints relating to transfer of shares, non receipt of Balance Sheet etc. There is no grievances pending at the end of the year.



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d) Remuneration of Director :

Expecting Sanjay Kumar Shah all the Director of the Company are non executive and are drawing no remuneration as Director. The directors have not drawn any sitting fees during the year. Accordingly the constitution of any remuneration committee did not arise.

3. GENERAL BODY MEETINGS

The details of General Meetings held last 3 years.

<u>Year</u>	<u>Details of Meetings</u>	<u>Venue</u>	<u>Date</u>	<u>Time</u>
2004-2005	11th A G M	9, India Exchange Place, Kol-1	30.09.2005	10.00 A.M.
2003-2004	10th A G M	— Do —	29.09.2004	10.00 A.M.
2002-2003	9th A G M	— Do —	27.09.2003	10.00 A.M.

4. DISCLOSURES

There were no materially significant related party transactions of the company during the year with its Directors or the Management or relatives or subsidiaries that might have potential conflict with the interest of the company at large.

No strictures or penalties have been imposed on the company by any regulatory authority for non-compliance of any Law.

5. MEANS OF COMMUNICATION

The un-audited Financial Results and other notices are published in the Local Newspapers, Financial Express (English) & Kalantar Kagoj (Vernacular) and no individual communication are sent to the Shareholders except the notices convering the General Body Meetings and the Annual Reports & Accounts, which are sent to all shareholders and others concerned by pre-paid post under Certificate of Posting and in the manner prescribed under the Companies Act, 1956 and other statutory regulations.

6. SHAREHOLDERS INFORMATION

a) Annual General Meeting

Date & Time :- Tuesday, the 26th September, 2006 at 10 A.M.

Venue :- 9, India Exchange Place, Kolkata - 700 001.

b) Financial Calendar

The Financial of the Company is April to March, every year and the un-audited quarterly results are declared in the month following the respective quarter.

c) Date of Book Closure

From Friday the 22nd September, 2006 to Tuesday, the 26th September, 2006 both days inclusive.