

FABRIC TO FASHION
Siyaram's[®]

29TH ANNUAL REPORT 2006-2007



COME HOME TO FASHION





LORD GANESH TEMPLE AT SAILY, SILVASSA UNIT

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BOARD OF DIRECTORS

DHARAPRASAD R. PODDAR

Chairman

RAMESH D. PODDAR

Vice-Chairman & Managing Director

BRIJMOHAN L. SARDA

Prof. (Dr.) MANGESH D. TELI

KETAN P. GUPTA

SHAILESH S. VAIDYA

ARVIND M. PODDAR

PAWAN D. PODDAR

Joint Managing Director

SHRIKISHAN D. PODDAR

VIJAYLAXMI A. PODDAR

Executive Directors

ASHOK M. JALAN

Whole Time Director

OM PRAKASH SINGH

Company Secretary

REGISTERED OFFICE

H-3/2, MIDC, A-Road, Tarapur, Boisar,
Dist. Thane - 401 506. Maharashtra.

BANKERS

Bank of Baroda
Central Bank of India
Corporation Bank

AUDITORS

M/s. Jayantilal Thakkar & Co.
Chartered Accountants

COST AUDITORS

M/s. Tholiya & Associates
Cost Accountants

INTERNAL AUDITORS

M/s. K. M. Garg & Co.
Chartered Accountants

SOLICITORS & LEGAL ADVISORS

M/s. Kanga & Co.
Advocates, Solicitors & Notary

CORPORATE OFFICE

B-5, Trade World,
Kamala City, Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013.

PLANTS

Weaving	Yarn	Readymade
H-3/2, MIDC, A-Road, Tarapur, Boisar, Dist. Thane - 401 506 Maharashtra.	G-1/1, MIDC, Tarapur Industrial Area, Boisar, Dist. Thane - 401 506 Maharashtra.	481/1-2, Dabhel, Daman, Daman & Diu (U.T.) - 396 210
D-23/1, MIDC Tarapur, Boisar, Dist. Thane - 401 506 Maharashtra.	A-31, MIDC, Patalganga, Dist. Raigad - 410 220 Maharashtra.	
D-2/1, MIDC, Murbad Dist. Thane - 421 401 Maharashtra		
Survey No 367, P.O.: Saily Silvassa (U.T.) - 396 230		

NOTICE

NOTICE is hereby given that the Twenty-ninth Annual General Meeting of the Members of Siyaram Silk Mills Limited will be held on Saturday, the 11th August, 2007 at 3.00 p.m. at Plot No. G-4/1, MIDC, Tarapur, Boisar, Dist. Thane – 401 506, Maharashtra, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2007 and the Balance Sheet as on that date together with the Report of Directors and Auditors thereon.
2. To declare Dividend on equity shares for the year ended 31st March 2007.
3. To appoint a Director in place of Prof. (Dr.) Mangesh D. Teli, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Dharaprasad R. Poddar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

“**RESOLVED THAT** M/s. Jayantilal Thakkar & Co., Chartered Accountants, Mumbai, the retiring Auditors of the Company, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors.”

SPECIAL BUSINESS:

6. 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 314 and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to Shri Gaurav P. Poddar, a relative of Shri Dharaprasad R. Poddar, Chairman of the Company, to hold an office or place of profit, as an Executive with effect from 1st November, 2006, on the terms and conditions and remuneration (including perquisites) as set out in the Explanatory Statement annexed to the notice.

“**RESOLVED FURTHER THAT** the consent of the Company be and is hereby accorded to pay to Shri Gaurav P. Poddar such remuneration, perquisites and other benefits as are payable to the said cadre and such yearly increment as the Board of Directors deem fit in their absolute discretion within the ceiling prescribed under the provisions of the Companies Act, 1956 and the Rules framed thereunder or with such approvals as may be required from appropriate authorities.”

“**RESOLVED FURTHER THAT** the Management may entrust upon him such duties and functions as deemed fit and alter /

change his designation as it may be considered appropriate from time to time.”

7. To consider and if thought fit, to pass with or without modifications the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Shri Ashok M. Jalan, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and Article 121 of the Articles of Association of the Company with effect from 30th January, 2007 to hold office up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as Director of the Company liable to retire by rotation.”

8. To consider and if thought fit, to pass with or without modifications the following Resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such approval from the Central Government or any other authority, as may be required, consent of the Company be and is hereby accorded to the appointment of Shri Ashok M. Jalan as a Whole-time Director, designated as Senior President cum Director of the Company for a period of five years commencing from 30th January, 2007 on such remuneration and the terms and conditions as set out in the explanatory statement annexed to the notice convening this meeting with liberty to the Board of Directors (hereinafter referred to as “Board”) to alter and vary the remuneration, terms and conditions of the said appointment, as may be agreed to between the Board and Shri Ashok M. Jalan.”

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

9. To consider and, if thought fit, to pass with or without modifications, the following Resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Shri Ramesh D. Poddar as Vice-Chairman and Managing Director of the Company for a period of five years with effect from 1st November, 2007 to 31st October, 2012 on such remuneration and terms & conditions as approved by the Board of Directors in its meeting held on 5th June, 2007 and as set out in the explanatory statement attached to the notice with liberty to

the Board of Directors to alter and vary the terms and conditions of the said appointment and remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the Company and Shri Ramesh D. Poddar.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps and do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution”.

10. To consider and, if thought fit, to pass with or without modifications, the following Resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Shri Shrikishan D. Poddar as Executive Director of the Company for a period of five years with effect from 1st November, 2007 to 31st October, 2012 on such remuneration and terms & conditions as approved by the Board of Directors in its meeting held on 5th June, 2007 and as set out in the explanatory statement attached to the notice with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the Company and Shri Shrikishan D. Poddar.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps and do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution”.

11. To consider and, if thought fit, to pass with or without modifications, the following Resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Smt. Vijaylaxmi A. Poddar as Executive Director of the Company for a period of five years with effect from 1st November, 2007 to 31st October, 2012 on such remuneration and terms & conditions as approved by the Board of Directors in its meeting held on 5th June, 2007 and as set out in the explanatory statement attached to the notice with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the Company and Smt. Vijaylaxmi A. Poddar.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps and do all such acts, deeds,

matters and things as may be necessary, proper or expedient to give effect to this resolution”.

By Order of the Board of Directors
For Siyaram Silk Mills Ltd.

(**Om Prakash Singh**)
Company Secretary

Place : Mumbai
Dated : June 5, 2007

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/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Item Nos. 6 to 11 is annexed hereto.
3. Proxy Forms, in order to be effective, should be duly completed, stamped and signed and must be lodged with the Company at its Registered Office not less than forty-eight hours before the commencement of the meeting. A blank proxy form is enclosed herewith.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 2nd August, 2007 to 11th August, 2007 (both days inclusive) for the purpose of payment of dividend for the year ended 31st March, 2007. Those Members whose names stand on the Register of Members of the Company as on 1st August, 2007, will be eligible for dividend.
5. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, ECS mandates, nomination, power of attorney, change of address, change in name etc. to their Depository Participant (DP). These changes will be automatically reflected in Company's records, which will help the Company to provide efficient and better service to the members.

Members holding shares in physical form are requested to intimate all changes with respect to their bank details, change of address, change in name etc. to the Company at its Corporate Office/ Registered Office or its Share Transfer Agent.
6. Pursuant to the provisions of Section 205C of the Companies Act, 1956, the amount of dividends remaining unclaimed and unpaid for a period of seven years from the date of declaration, is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, during the financial year 2006-07, the Company has transferred the unpaid and unclaimed amount pertaining to the dividend for the financial year 1998-99 amounting to Rs. 1,61,254.40 to the IEPF. Members who have not encashed their dividend warrants for the financial year 1999-2000 onwards are requested to make their claims to the Company immediately. Members may please note that no claim shall lie either against the Fund or the Company in respect of dividends which remain unclaimed and unpaid for a period of

seven years from the date of declaration and no payment shall be made in respect of such claims.

Information in respect of such unclaimed dividends when due for transfer to the said Fund is given below:

Financial year ended	Date of Declaration of Dividend	Last date for claiming unpaid dividend	Due date for transfer to IEP Fund
31/03/2000	31/07/2000	30/07/2007	29/08/2007
31/03/2001	27/08/2001	26/08/2008	25/09/2008
31/03/2002	14/09/2002	13/09/2009	13/10/2009
31/03/2003	04/09/2003	08/09/2010	07/10/2010
31/03/2004	06/03/2004	10/03/2011	09/04/2011
31/03/2005	16/07/2005	20/07/2012	11/08/2012
31/03/2006	31/10/2005 - interim	21/11/2012	12/11/2012
31/03/2006	16/09/2006 - final	19/10/2013	09/11/2013

Members wishing to claim dividend, which remains unclaimed, are requested to submit their claims to the Company's Corporate Office. Members are requested to note that no payment shall be made in respect of any such claims of dividends not encashed or claimed within seven years from the date that they first became due for payment.

7. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
8. The members are requested to:
 - (i) Quote Registered Folio/Client ID & DP ID in all their correspondence;
 - (ii) Bring their copy of the Annual Report and Attendance Slip duly signed;
 - (iii) Trade in the Equity Shares in the dematerialized form only;
 - (iv) Send queries related to accounts to the Company at least 15 days before the date of the meeting.
9. Appointment / Re-appointment of Directors:

At the ensuing Annual General Meeting, Prof. (Dr.) Mangesh D. Teli and Shri Dharaprasad R. Poddar, Directors of the Company retires by rotation and being eligible, offer themselves for re-appointment. Shri Ashok M. Jalan, Additional Director seeks appointment as a Director of the Company. The term of office of Shri Ramesh D. Poddar, Vice Chairman & Managing Director, Shri Shrikishan D. Poddar and Smt. Vijaylaxmi A. Poddar, Executive Directors, will be expiring on 31st October, 2007 and a Special Resolutions under Item Nos. 9 to 11 for reappointing them for 5 years from 1st November, 2007 is proposed for the approval of Members. The information, pertaining to these Directors to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, is furnished as Annexure to the Notice.

ANNEXURE TO THE NOTICE

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 6

Shri Gaurav P. Poddar, a relative of Shri Dharaprasad R. Poddar, Chairman of the Company, was appointed as an Executive of the Company with effect from 1st November, 2006 by the Board of Directors at their meeting held on 27th October, 2006 on the following remuneration and perquisites:

- 1) Basic Salary – Rs. 30,000 per month in the scale of Rs. 30,000-2,000-34,000.
- 2) House Rent Allowance @ 10% of the Basic Salary.
- 3) Medical Reimbursement - Rs. 1,250/- per month.

In addition, he will also be entitled to Provident Fund, Bonus, Leave, Gratuity, Leave Travel Concession and other perquisites applicable to other Executives of the Company in the said cadre.

Shri Gaurav P. Poddar being related to the Chairman of the Company, hence, this resolution is placed for approval of the Shareholders under the provisions of Section 314 of the Companies Act, 1956.

None of the Directors except Shri Dharaprasad R. Poddar being related to Shri Gaurav P. Poddar is concerned or interested in this Resolution.

Item Nos. 7 & 8

Shri Ashok M. Jalan was appointed as an Additional Director and Whole-time Director designated as Senior President cum Director of the Company for a period of 5 (five) years with effect from 30th January, 2007. In terms of Section 260 of the Companies Act, 1956, and Article No. 121 of the Articles of Association of the Company, Shri Ashok M. Jalan holds the office up to the date of ensuing Annual General Meeting. The Company has received Notice from a member along with deposit of Rs. 500/- signifying his intention to propose Shri Ashok M. Jalan as a Director. Accordingly, the Resolution at Item No. 7 of the Notice is being proposed for his appointment as Director of the Company.

Before the appointment of Shri Ashok M. Jalan as a Wholetime Director, he was Senior President of the Company. His experience and performance eminently qualifies him for the appointment as a Wholetime Director.

The gist of terms and conditions relating to his appointment as Whole-time Director are as follows:

1. **Salary :**
Rs. 1,50,000/- per month to Rs. 6,00,000/- per month.
The same is bifurcated as under:
 - (i) Basic Salary : Rs. 1,01,000/- per month.
 - (ii) House Rent Allowance : 50% of the Basic Salary

2. **Commission:**
No commission is payable to him.

3. **Perquisites:**
In addition to the salary, he shall also be entitled to the following perquisites, as per the Rules of the Company:

- a) **Medical Reimbursement:**
Reimbursement of medical expenses incurred for self and family, as per the Rules of the Company.

b) Leave Travel Assistance:

Reimbursement of actual travelling expenses for proceeding on leave once in a year for self and family as per the Rules of the Company.

Explanation

For the purpose of the perquisites under (a) & (b) above, family shall mean the spouse, the dependent children and the dependent parents.

c) Personal Accident Insurance:

Actual Premium paid.

d) Provident Fund:

Contribution to Provident Fund is payable as per the Rules of the Company.

e) Contribution to Superannuation Fund:

Rs. 9,000/- per month.

f) Gratuity:

Gratuity shall be payable as per the Rules of the Company.

g) Leave and Encashment of Leave:

He will be entitled to leave with full pay and encashment of the accumulated leave, as per the Rules of the Company.

h) Use of Car:

The Company shall provide fully maintained car with driver.

i) Bonus & Ex-gratia:

Bonus & Ex-gratia will be paid, as per the Rules of the Company.

j) Telephones, Facsimile and other communication facilities:

The Company shall provide free telephones, facsimile and other communication facilities at his residence.

For the purpose of leave, provident fund, superannuation, gratuity and other retiring benefits to which he may be entitled, account shall be taken of his service with the Company prior to his appointment as Whole-time Director.

4. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of his tenure, the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above subject to compliance with the applicable provisions of Schedule XIII to the Act, if and to the extent necessary, with the approval of the Central Government.

The above may be treated as an abstract of the agreement between the Company and Shri Ashok M. Jalan pursuant to Section 302 of the Companies Act, 1956.

None of the Directors other than Shri Ashok M. Jalan is concerned or interested in this resolution.

Item Nos. 9 to 11

The existing tenure of Shri Ramesh D. Poddar, Vice Chairman and Managing Director, Shri Shrikishan D. Poddar and Smt. Vijaylaxmi A. Poddar, Executive Directors of the

Company will be expiring on 31.10.2007. The Board of Directors of the Company in their meeting held on 5.6.2007 have reappointed them in their similar capacities for a further period of five years from 1.11.2007 to 31.10.2012 on the following remuneration and terms and conditions:

1. Salary:

Name	Designation	Basic Salary (p.m.)
Shri Ramesh D. Poddar	Vice Chairman and Managing Director	Rs. 2,25,000
Shri Shrikishan D. Poddar	Executive Director	Rs. 2,00,000
Smt. Vijaylaxmi A. Poddar	Executive Director	Rs. 2,00,000

2. Commission:

The commission will be fixed by the Board of Directors of the Company subject to overall ceiling stipulated under the provisions of the Companies Act, 1956.

3. Perquisites:

In addition to the salary and commission, the following perquisites shall also be allowed:

a) Housing:

The Company shall provide fully furnished residential accommodation along with all amenities, facilities and utilities. In case no accommodation is provided, they are entitled for rent allowance to the extent of 60 % of the basic salary.

b) Medical Reimbursement:

Reimbursement of medical expenses incurred in India or abroad including hospitalization, nursing home and surgical charges and premium for medical insurance incurred for self and family.

c) Leave Travel Concession:

Reimbursement of actual traveling expenses for proceeding on leave once in a year in respect of himself and family.

d) Club Membership Fees:

Fees of Clubs including admission and life membership.

e) Personal Accident Insurance:

The actual premium paid.

f) Provident Fund, Superannuation Fund and Annuity Fund:

Contributions to Provident Fund, Superannuation and Annuity Fund will not be included in the computation of remuneration to the extent these singly or put together are not taxable under the Income Tax Rules, 1962.

g) Gratuity:

Gratuity shall be payable at half month's salary for each completed year of service and will not be included in computation of remuneration.

h) Leave and encashment of leave:

The Managing/Executive Directors shall be entitled to leave with full pay as per the rules of the Company and will be entitled to encash the accumulated leave at the end of the tenure/retirement.

- i) Use of car with driver:
The Company shall provide fully maintained car with driver.
- j) Free telephone, Facsimile and other communication facilities:
The Company shall provide free telephone, facsimile and other communication facilities at the appointees' residence.

For the purpose of the perquisites, family shall mean the spouse, the dependent children and the dependent parents of the respective appointee.

4. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any Financial Year during the currency of their tenure, the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above subject to compliance with the applicable provisions of Schedule XIII to the Act, if and to the extent necessary, with the approval of the Central Government.

The copy of the Resolutions passed by the Board of Directors in its meeting held on 5th June, 2007 approving the reappointment of Shri Ramesh D. Poddar, Vice Chairman and Managing Director, Shri Shrikishan D. Poddar, Executive Director and Smt. Vijaylaxmi A. Poddar, Executive Director is available for

inspection by the Members of the Company at its Corporate Office between 11.00 A.M. to 1.00 P. M. on all working days till the date of Annual General Meeting.

This Explanatory Statement together with the accompanying Notice may also be regarded as an abstract under Section 302 of the Companies Act, 1956.

Memorandum of Interest :

Shri Ramesh D. Poddar, Vice Chairman & Managing Director, Shri Shrikishan D. Poddar, Executive Director are related to each other and to Shri Dharaprasad R. Poddar, Chairman and Shri Pawan D. Poddar, Joint Managing Director of the Company.

Smt Vijaylaxmi A. Poddar, Executive Director are related to Shri Arvind M. Poddar, Director of the Company.

None of the Directors other than the above is concerned or interested in the Resolution at item nos. 9 to 11 of the Notice.

The Board of Directors recommends these resolution for your approval.

By Order of the Board of Directors
For Siyaram Silk Mills Ltd.

(OM PRAKASH SINGH)
Company Secretary

Place : Mumbai
Dated : June 5, 2007

Annexure to Items 3, 4 and 7 to 11 of the Notice

Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting on 11th August, 2007 (In pursuance of clause 49 of the Listing Agreement)

Name of the Director	Date of Birth	Date of Appointment on the Board	Qualifications	Expertise in specific functional area	List of other companies (excluding private companies) in which directorships held as on March 31, 2007
Prof.(Dr.) Mangesh D. Teli	10/07/1952	08/06/2004	B. Sc (H) B.Sc. (Tech) Ph D (Tech) FTA	Textile Chemical Processing.	—
Shri Dharaprasad R. Poddar	02/09/1926	20/05/1993	Non Matriculate	Industrialist.	1) Balkrishna Industries Ltd. 2) Paramount Minerals & Chemicals Ltd. 3) Rajkamal Processors Ltd.
Shri Ashok M. Jalan	02/10/1959	30/01/2007	B.Com.	Administration, Commercial & Operation	—
Shri Ramesh D. Poddar	08/11/1952	24/01/1989	B.Sc.	Industrialist.	1. Balkrishna Industries Ltd. 2. Balkrishna Synthetics Ltd. 3. Balkrishna Paper Mills Ltd. 4. BKT (Exim) Ltd.
Shri Shrikishan D. Poddar	09/08/1963	27.10.1989	B.Com	Industrialist.	1. Futuristic Concepts Media Ltd. 2. Oxemberg Clothing Ltd.
Smt. Vijaylaxmi A. Poddar	02/12/1960	23.10.1999	B.Com	Industrialist.	1. Balgopal Holding & Traders Ltd. 2. Oxemberg Fashions Ltd. 3. Sanchana Trading & Finance Ltd. 4. Oxemberg Clothing Ltd.

DIRECTORS' REPORT

To the Members,

Your Directors have a pleasure in presenting the 29th Annual Report along with Audited Statement of Accounts for the year ended 31st March 2007.

Financial Results:

	(Rupees in Crores)	
	2006-07	2005-06
Net Turnover and other Income	454.46	403.74
Profit before Depreciation & Tax	38.65	38.51
Less: Depreciation	15.55	14.21
Profit before Tax	23.10	24.30
Less: Provision for Taxation		
Current Tax	3.55	5.25
Deferred Tax	(0.32)	2.94
Fringe Benefit Tax	0.35	0.50
	<u>3.58</u>	<u>8.69</u>
Profit after Tax	19.52	15.61
Add: Adjustments relating to earlier year	0.55	0.58
	20.07	16.19
Add: Surplus brought forward from previous year	0.46	2.83
Surplus available for appropriation	20.53	19.02
Less: Transfer to General Reserve	10.00	15.00
Interim Dividend	-	1.87
Proposed Dividend	4.68	1.25
Tax on Dividend (Interim & Final)	0.80	0.44
	<u>15.48</u>	<u>18.56</u>
Balance Carried Forward to Balance Sheet	<u>5.04</u>	<u>0.46</u>

Operations:

The Net Turnover & other income of your Company registered a growth of 12% during the year under review at Rs. 454.46 crores against Rs. 403.74 crores in the previous year. The profit after tax of the Company increased to Rs. 19.52 crores as against Rs. 15.61 crores in the previous year.

The year witnessed growth in all business areas of the Company. Demand for Company's products continued to grow, supported by favourable domestic market conditions. There was stress on the profitability owing to the combined effect of incurrence of set up expenditure for new businesses like Retail & Furnishings and firming up of interest rates.

Expansion:

During the year under review, your Company has added 99 Looms at its plants at Tarapur and Silvassa. This led to increase in the fabric weaving capacity by 50 Lac Mtrs. per annum. In the current year, the Company is proposing to install 24 Looms for manufacturing furnishing fabrics along with balancing equipments. The

implementation of this project is in the final stage of its completion.

The Company has increased its yarn dyeing capacity during the year under review by 1,500 Tons per annum. In the current year, the Company proposes to further increase its yarn dyeing capacity by installing latest technology dyeing machines along with twisting and doubling machines for manufacturing value added yarn.

The Company has entered into sunrise retail sector and aims at penetrating deeper into domestic markets. Under this strategy, the Company is opening exclusive retail shops, wherein all the brands of the Company would be available under one roof. The Company has already opened few shops. This will enable the Company to cater to the up coming niche market of entire profile and increasing purchasing power.

The Company has launched a new brand of Readymade Garments and developed new products in the existing brands to remain one of the permanent players in the competitive textile market. The Company's R&D Department is fully geared up to develop the fabrics and Readymade Garments as per the latest trends and designs.

The Company is widening its network of marketing channel by appointing Dealers, Retailers, Franchisees and C&F Agents to increase its market size.

Risk & Internal Adequacy:

Economic growth has a direct impact on the performance of your company. The outlook for 2007-08 is optimistic and the economy is expected to grow at the rate of 9%. Expectation of good monsoon, reasonable growth rate in agriculture, industrial growth and general increase in purchasing power of Indian consumers, are all the factors that point towards continuation of buoyancy in demand for your Company's products. Your Company, therefore, expects a reasonable growth in its overall business.

However, rising interest cost, increased competition and currency appreciation has put pressure on your Company's margins and these factors are expected to have an effect in the forthcoming year also. To mitigate the effect of these factors, your Company is gearing up for increasing operational efficiencies and curtailing costs.

The Company's internal control systems are adequate and are routinely tested and certified by internal and statutory auditors. Moreover, the Company is in the process of upgrading these systems with internationally acclaimed software.

Allotment of Bonus Shares:

Pursuant to resolution passed by the shareholders in 28th Annual General Meeting, the Board has allotted Bonus shares on 27th October, 2006 in the ratio of one equity share for every two equity shares held, aggregating to 31,24,016 equity shares.

Dividend:

Your Directors are pleased to recommend a Dividend of 50% for the year i.e. Rs. 5 per Equity Share. The Proposed Dividend will absorb a sum of Rs. 548.24 lacs including Corporate Dividend Tax.

Forfeiture of Shares:

The Company has forfeited 1968 shares due to non-payment of calls made in earlier years.

Subsidiary Companies:

The Company has formed two 100% Subsidiaries, namely Siyaram Polycote Limited on 15th March, 2007 and Oxemberg Clothing Limited on 16th March, 2007 and has paid Rs. 5 lacs to each towards the Share Application Money. No commercial activities were carried out by the Subsidiaries and the first Financial Year will be ending on 31st March, 2008, hence, no accounts of the Subsidiaries have been attached and the Statement required under Section 212 of the Companies Act, 1956 has also not been prepared.

Directors:

Prof. (Dr.) Mangesh D. Teli and Shri Dharaprasad R. Poddar retire by rotation and being eligible offer themselves for re-appointment. Necessary resolutions for their re-appointment are placed before the shareholders. Your Directors commend the resolutions.

Shri Ashok M. Jalan has been appointed as an Additional Director and Whole-time Director designated as Senior President cum Director of the Company w.e.f. 30th January, 2007 and holds the office till conclusion of ensuing Annual General Meeting. Notice under section 257 of the Companies Act, 1956, have been received from the members proposing Shri Ashok M. Jalan as a Director of the Company and the necessary resolutions have been put up in the Notice to the ensuing Annual General Meeting. Your Directors commend the resolution.

The Board also approved the reappointment of Shri Ramesh D. Poddar, Vice Chairman and Managing Director, Shri Shrikishan D. Poddar and Smt. Vijaylaxmi A. Poddar, Executive Directors for a term of five years commencing from 1st November, 2007. Members approval to the said appointments will be obtained in the forthcoming Annual General Meeting of the Company.

Brief resume of Directors being appointed/ re-appointed is provided in the notice convening the Annual General Meeting of the Company as required by Clause 49 of the listing agreement.

Corporate Governance:

Corporate Governance pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate report on Corporate Governance and Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

Fixed Deposits:

There were no unclaimed deposits as on 31st March, 2007.

Responsibility Statement:

As stipulated under Section 217 (2AA) of the Companies Act, 1956, your Directors confirm as under:

- i) that in the preparation of the accounts for the financial year ended 31st March 2007, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 of the Company for the year under review;
- iii) that the Directors have taken proper and sufficient care for 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;
- iv) That the Directors have prepared the accounts for the financial year on going concern basis.

Particulars of Employees:

Particulars of remuneration paid to employees as required by Section 217 (2A) of the Companies Act, 1956 read with Companies (Particular of Employees) Rules, 1975 are given hereto and forms part of the Report in Annexure -I.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in the Annexure-II to the report.

Auditors:

The Auditors, M/s. Jayantilal Thakkar & Co., Chartered Accountants, Mumbai, retire at the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. Members are requested to re-appoint them as Auditors and to fix their remuneration.

Cost Auditors:

Pursuant to the directives of the Central Government under the provisions of Section 233 B of the Companies Act, 1956, M/s. Tholiya & Associates, Cost Accountants, Mumbai have been appointed to conduct cost audit relating to the products manufactured by the Company.

Other Matters:

- 1) Murbad Unit: The operation of the unit remained suspended as majority of the workers have opted for VRS.
- 2) Masat Unit: The Company had sought necessary permissions from shareholders through postal ballot on 14th February 2005, for the sale / disposal of Masat Unit. The process of disposal has now been completed.
- 3) Patalganga Unit: The unit has been under suspension of operations.

Cautionary Statement:

Statement in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning

applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

Appreciation:

Your Company is grateful for the continued co-operation and assistance extended to it by the Government and Semi-Government

Authorities, Financial Institutions and banks in meeting financial requirements of the Company. Your Directors also express their warm appreciation for the dedicated and sincere services rendered by the Employees of the Company.

For and on behalf of the Board of Directors

DHARAPRASAD R. PODDAR
Chairman

Place : Mumbai
Dated : June 5, 2007.

ANNEXURE-I

Statement containing information as per Section 217 (2A) of the Companies Act 1956 and the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2007

Sr. No.	Name	Age	Designation	Remuneration Received (Gross)	Qualification & Experience	Date of Commencement of Employment	Last Employment held (Name of Employer, Post held & Period)
---------	------	-----	-------------	-------------------------------	----------------------------	------------------------------------	---

Employed throughout the year and were in receipt of remuneration in aggregate of not less than Rs. 24,00,000/- or Rs. 2,00,000/- per month.

1.	Shri Ramesh D. Poddar	55	Vice Chairman & Managing Director	60,37,793	B.Sc. (34)	28.01.1985	-
2.	Shri Shrikishan D. Poddar	44	Executive Director	53,18,087	B.Com (25)	22.06.2001	Balkrishna Industries Ltd. (11 years)
3.	Smt Vijaylaxmi A. Poddar	47	Executive Director	52,13,021	B.Com (20)	01.04.2000	Sagar Silk Industries Ltd. (4 years)

Employed for Part of the year with an average salary above Rs. 2, 00,000/- per month.

4.	Shri Arvind M. Poddar	49	Executive Director	34,36,162	B.Com (29)	29.05.1992	Rajkamal Processors Ltd. (7 Months)
5.	Shri Pawan D. Poddar	53	Joint Managing Director	38,29,995	B.Com (32)	01.08.2006	Balkrishna Industries Ltd. (6 years)

1. Shri Ramesh D. Poddar - Vice Chairman and Managing Director, Shri Pawan D. Poddar, Jt Managing Director and Shri Shrikishan D. Poddar - Executive Director of the Company are related to each other and to Shri Dharaprasad R. Poddar - Chairman.

2. Smt Vijaylaxmi A. Poddar - Executive Director and Shri Arvind M. Poddar - Director are related to each other.

3. Gross Remuneration includes Salary, Allowance Perquisites, Company's contribution to Provident Fund, Superannuation Fund, Gratuity Fund, Commission, Provision for Gratuity and Leave Salary.

For and on behalf of the Board of Directors

DHARAPRASAD R. PODDAR
Chairman

Place: Mumbai
Dated: June 5, 2007

ANNEXURE - II

Additional Information as required under the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988.

A) CONSERVATION OF ENERGY

- a) Energy conservation measures taken by the Company
 - (i) Electrical Energy:
 - (a) Reducing the maximum demand by evenly distributing the loads throughout the day and increasing efficiency of plant and equipments.
 - (b) Improving power factor by optimum choice of power factor improvements capacitors.
 - (c) Monitoring the overall energy consumption, by reducing losses and improvement of efficiency of all Class A utilities.
 - (ii) Fuel Oil Consumption:

The Company is carrying out at all its plants, regular maintenance of steam lines/stem traps and user equipments to ensure high efficiency levels throughout the year. The new improvements are reviewed regularly and implemented wherever found suitable.
- b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy:

The Company is reviewing various proposals for reduction in consumption of energy, mainly by way of replacement of existing equipments by modern and energy efficient equipments.
- c) Impact of the measures (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods. As per Form "A".
- d) Total energy consumption per unit of production: As per Form "A".

Form "A".

PARTICULARS	TOTAL FOR 06-07	TOTAL FOR 05-06
A. Power & Fuel Consumption		
1 Electricity		
a) Purchased (units)	15213474	15190898
Total Amount (Rs)	54836837	46634705
Rate / unit	3.60	3.07
b) Own generation		
From Diesel Generators (units)	846239	426896
Diesel oil consumption (Ltrs)	266204	135117
Units per ltr of Diesel oil	3.18	3.16
Cost / unit (Rs.)	9.59	8.23
2 Coal / Pet Coke		
Quantity (Kgs)	634586	629163
Total Cost (Rs.)	3484200	2632748
Average rate per Tonne	5491	4185
3 Furnace Oil / L.S.H.S.		
Quantity in Ltrs	65720	43720
Total Cost (Rs.)	1291814	812129
Average rate (in '000 ltrs)	19656	18580
Total Value	67731941	53593678
B. Consumption per unit of Production		
1 Electricity (KWH)		
Cloth / Mtr	0.83	0.70
Yarn / Kg	1.35	1.54
Garment / Nos.	0.51	0.64
2 Furnace oil / L.S.H.S		
Dyed Yarn / Kg	-	-
Garments / Nos.	0.07	0.13

Note: The Company manufactures a wide range of products and the consumption of Energy will vary significantly depending upon the actual product-mix.

B) TECHNICAL ABSORPTION:

Efforts made in technology absorption as per Form "B"

FORM 'B'**I. Research and Development (R & D):**

1. Specific Areas in which R & D carried out by the Company:
Product and quality Improvement, development of new designs, products, cost control and energy conservation.
2. Benefits derived as a result of the above R & D:
The R & D activities have resulted into development of new designs and Products.
3. Future plan of Action: Development of new varieties and Product mix.
4. Expenditure on R & D

Capital	– Rs. Nil
Recurring	– Rs. 36,20,475/-
Total	– Rs. 36,20,475/-

II. Technology absorption, adoption and innovation:-

1. The Company has been developing in-house modifications/improvements in process technology in its various manufacturing sections which, when found suitable, are integrated into the regular manufacturing operation.
2. Benefits derived as a result of the above efforts:
 - (a) Quality improvement
 - (b) Energy Conservation
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished: Not Applicable.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

- a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:

The Company is continuously making efforts to export its products throughout the World mainly to Europe, Far East, Middle East, Africa, Australia, America & Latin American Countries. The Company's products have been well accepted in the international markets and the Company is confident that the sales turnover will gradually improve in the coming years.

- b) Total Foreign Exchange Used and Earned (Rs. in lacs)
Used - Rs.2175 Earned - Rs. 2226

For and on behalf of Board of Directors

Place: Mumbai
Date: June 5, 2007

Dharaprasad R. Poddar
Chairman

REPORT ON CORPORATE GOVERNANCE

(As required under Clause 49 of the Listing Agreements entered into with Stock Exchanges)

I. Company's Philosophy:

Siyaram Silk Mills Limited is committed to the best practices in the area of Corporate Governance. The Company believes that proper Corporate Governance facilitates effective management and control of business. The fundamental objective of the Company's Corporate Governance is enhancement of the long term shareholders value while at the same time protecting the interests of other stakeholders. Your Company is committed to good Corporate Governance and transparency in its dealings, being emphasis on timely regulatory compliances.

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company's Corporate Governance philosophy has been further strengthened through the Code of Conduct, the Company Business Excellence Model, the Code of Conduct for Prevention of Insider Trading, as also the Code of Corporate Disclosure Practices. As required, a declaration duly signed by the Vice Chairman & Managing Director to that effect is attached as Annexure-A.

II. Board of Directors:

The Company has a Non-Executive Chairman and the number of Independent Directors is more than one-third of the total number of Directors. The numbers of Non-Executive Directors (NEDs) is more than 50% of the total number of Directors.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are given below:

Name of Directors	Category of Directors	Attendance		Outside Directorships excluding Private Companies	Committee Positions	
		Board	Last AGM		Member	Chairman
Shri Dharaprasad R. Poddar	Chairman	5	Yes	3	-	-
Shri Ramesh D. Poddar	Vice Chairman & Managing Director	5	Yes	4	-	-
Shri Pawan D. Poddar (1)	Joint Managing Director	5	Yes	2	-	-
Shri Shrikishan D. Poddar	Executive Director	5	Yes	2	-	-
Smt. Vijayalaxmi A. Poddar	Executive Director	5	Yes	4	-	-
Shri Arvind M. Poddar (2)	Non-Executive Director	5	Yes	8	-	-
Shri Ashok Kumar P. Mahansaria (3)	Non-Executive Director	2	N.A.	2	-	-
Shri Pramod S.Jalan (3)	Non-Executive, Independent Director	2	N.A.	1	-	-
Shri Brijmohan L. Sarada	Non-Executive, Independent Director	5	Yes	-	-	-
Shri Ketan P. Gupte	Non-Executive, Independent Director	5	Yes	-	-	-
Prof. (Dr.) Mangesh. D. Teli	Non-Executive, Independent Director	4	Yes	-	-	-
Shri Shailesh S. Vaidya	Non-Executive, Independent Director	5	Yes	8	-	-
Shri Ashok M. Jalan (4)	Whole-time Director	1	N.A.	-	-	-

Notes:

- (1) Appointed as Joint Managing Director w.e.f. 1.8.2006.
- (2) Resigned as Joint Managing Director w.e.f. 31.7.2006. He, however, continues to be a Director.
- (3) Ceased to be a Director w.e.f. 29.7.2006.
- (4) Appointed as Whole-time Director w.e.f. 30.01.2007.

Board Meetings:

During the Financial Year 2006-2007, 5 (Five) Board Meetings were held on 26th May, 2006, 12th June, 2006, 31st July, 2006, 27th October, 2006 and 30th January, 2007. The Annual General Meeting was held on 16th September, 2006.

Board procedures:

The Agenda is circulated well in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. In addition to the information required under Annexure IA to Clause 49 of the Listing Agreement, the Board is also kept informed of major events/items and approvals taken wherever necessary. The Managing Director, at the Board Meetings, keeps the Board apprised of the overall performance of the Company.

III. Audit Committee:

The broad terms of reference of the Audit Committee are to review reports of the Internal Auditors and discuss the same with them periodically, to meet Statutory Auditors to discuss their findings, suggestions and other related matters and to review weaknesses in internal controls reported by Internal and Statutory Auditors. The scope of activities of the Audit Committee is as set out in Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

The Audit Committee consists wholly of Independent Directors having requisite knowledge of Finance, Accounts and Company Law. The Chairman of the Committee was present at the last Annual General Meeting.

During the year under review, the Committee met 5 times on 26th May, 2006, 12th June, 2006, 31st July, 2006, 27th October, 2006 and 30th January, 2007.

Attendance at Audit Committee Meetings:

Name of the Member	Designation	No. of meeting attended
Shri Brijmohan L. Sarda	Chairman	5
Shri Pramod S. Jalan #	Member	2
Shri Ketan P. Gupte	Member	5
Prof. (Dr.) Mangesh. D. Teli *	Member	2

up to July 29, 2006 * from July 31, 2006

IV. Remuneration Committee:

Terms of reference of the Remuneration Committee, includes considering the matters relating to the Company's Policies on remuneration payable and determining the package to the Managing Directors, Executive Directors and Whole-time Directors, sitting fees payable and commission to be paid to the Directors.

The Remuneration Committee consists of Shri Brijmohan L. Sarda - Chairman, Shri Ketan P. Gupte and Prof. (Dr.) Mangesh. D. Teli.

During the year the Remuneration Committee met 3 times on 12th June, 2006, 31st July, 2006 and 30th January, 2007.

Name of the Committee Members along with their attendance is given below-

Name of the Member	Designation	No. of meeting attended
Shri Brijmohan L. Sarda	Chairman	3
Shri Pramod S. Jalan #	Member	1
Shri Ketan P. Gupte	Member	3
Prof. (Dr.) Mangesh D. Teli *	Member	1

up to July 29, 2006 * from July 31, 2006

Directors' Remuneration:

Details of Remuneration* for the year 2006-07 are given below:-

Name of Directors	Salary & Other perquisites	Commission	Sitting fees	Total remuneration
Shri Dharaprasad R. Poddar	-	-	50,000	50,000
Shri Ramesh D. Poddar	50,37,793	10,00,000	Nil	60,37,793
Shri Pawan D. Poddar	31,63,328	6,66,667	42,500	38,72,495
Shri Shrikishan D. Poddar	43,18,087	10,00,000	Nil	53,18,087
Smt. Vijayalaxmi A. Poddar	42,13,021	10,00,000	Nil	52,13,021
Shri Arvind M. Poddar	31,02,829	3,33,333	40,000	34,76,162
Shri Ashok Kumar P. Mahansaria	Nil	Nil	22,500	22,500
Shri Pramod S. Jalan	Nil	Nil	42,500	42,500
Shri Brijmohan L. Sarda	Nil	Nil	1,07,500	1,07,500
Shri Ketan P. Gupte	Nil	Nil	1,07,500	1,07,500
Prof. (Dr.) Mangesh D. Teli	Nil	Nil	62,500	62,500
Shri Shailesh S. Vaidya	Nil	Nil	50,000	50,000
Shri Ashok M. Jalan	3,65,385	-	Nil	3,65,385
Total	2,02,00,443	40,00,000	5,25,000	2,47,25,443

* Remuneration includes Salary, Allowance, Perquisites, Company's contribution to Provident Fund, Superannuation Fund, Gratuity Fund, Provision for Gratuity and Leave Salary.

V. Share Transfer and Shareholders Investors' Grievance Committee:

The Shareholders/Investors Grievance Committee deals with the matter relating to transfer of Shares, issue of duplicate/ new shares sub-divided and consolidated share certificates, Shareholders/Investors Grievance and its redressal.

The above said Committee has met 13 times in the Financial Year ended 31st March, 2007:

Members	No. of Meetings attended
Shri Pawan D. Poddar - Chairman	13
Shri Ramesh D. Poddar	11
Shri Arvind M. Poddar	13
Shri Shrikishan D. Poddar	11
Shri Ashok Kumar P. Mahansaria*	1

* up to July 29, 2006.

During the year ended 31st March, 2007, 182 Shareholders Complaints / Queries were received out of which 181 complaints were resolved. There was 1 complaint pending by the end of the year.

VI. Information on Annual General Body Meeting:

Financial Year	Date	Time	Venue
2003-2004	22 nd July, 2004	11. a.m.	Plot No. G-4/1, MIDC, Tarapur, Boisar, Dist. Thane-401 506
2004-2005	16 th July 2005	11 a.m.	Plot No. G-4/1, MIDC, Tarapur, Boisar, Dist. Thane-401 506
2005-2006	16 th Sept., 2006	11 a.m.	Plot No. G-4/1, MIDC, Tarapur, Boisar, Dist. Thane-401 506

No Extra-ordinary General Meeting was held in the last 3 financial years.

Following Special Resolutions passed at the last Three A.G.M:

2003-2004 : No Special Resolution was passed in financial year 2003-2004.

2004-2005 : For increase in the sitting fees payable to Non-Executive Directors within the limits prescribed by the Ministry of Company Affairs.

Postal Ballot:

The Company has sought Shareholders approval through postal ballot during the year 2004-05 for sale, lease, transfer or otherwise dispose of the Company's undertaking engaged in the manufacturing of texturised yarn unit situated at Plot No. 45-B, Masat Industrial Estate, Silvassa. The resolution was passed by majority.

2005-2006 : Appointment of Smt. Ashadevi R. Poddar, Smt. Vibha S. Poddar and Shri Avnish P. Poddar, relatives of Directors as Executive of the Company.

Issue and allotment of Bonus Shares in the ratio of one Equity Share for every two existing Equity Shares held by the Shareholders as on record date.

VII. Code of Conduct :

The code of conduct for the Directors and the Employees of the Company has been laid down by the Board and it is internally circulated and necessary declaration has been obtained.

VIII. Disclosures:

(1) Disclosures on materially significant related party transactions.

Necessary disclosures are made in Notes No. B (12) (d) of Schedule "P".

None of the transactions with any of the related parties were in conflict with the interest of the Company.

(2) No penalties or strictures have been imposed on the Company by the stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

IX. Means of Communication:

The Board of Directors of the Company approves and takes on record the un-audited quarterly results, half yearly results and audited annual results and announces forthwith results to all the Stock Exchanges, where the shares are listed. The same are published within 48 hours in one English daily newspaper and one Marathi newspaper (Mumbai edition).

The Management Discussions and Analysis Report forms part of the Annual Report.

X. General Shareholder Information:

1. Annual General Meeting: Date: Time : Venue:	11 th August, 2007 3.00 p.m. Plot No. G-4/1, MIDC, Tarapur, Boisar, Dist. Thane – 401 506, Maharashtra
2. Financial Calendar (Tentative)	
Financial Year of the Company	1 st April, 2007 to 31 st March, 2008
Results for the Quarter ending:	
June 30, 2007	On or before July 31, 2007
September 30, 2007	On or before October 31, 2007
December 31, 2007	On or before January 31, 2008
March 31, 2008	On or before April 30, 2008 or June 30, 2008
3. Date of Book Closure:	Thursday, 2 nd August, 2007 to Saturday, 11 th August, 2007 (both days inclusive).
4. Dividend payment date	On or after 17 th August, 2007, if approved by the members at the forthcoming Annual General Meeting.
5. Listing of Equity Shares on the Stock Exchanges:	1. Bombay Stock Exchange Ltd., P. J. Towers, Dalal Sreet, Fort, Mumbai-400 001 2. National Stock Exchange of India Ltd., Exchange Plaza, Bandra-Kurla Complex Bandra (East), Mumbai-400 051. Listed w.e.f. 29 th January, 2007. Listing Fees as applicable have been paid.

5. Stock Code/Symbol:

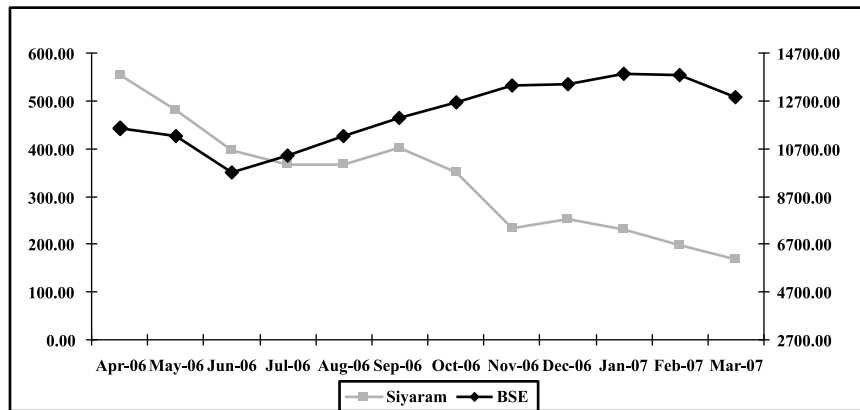
(a) Stock Exchange	Stock Code
1. Bombay Stock Exchange Ltd.	503811
2. National Stock Exchange of India Ltd.	SIYSIL
(b) Demat ISIN Numbers in NSDL & CDSL for Equity Shares	INE 076B01010

6. Stock Market Data:

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April-2006	589.00	520.00	-	-
May-2006	575.00	385.00	-	-
June-2006	499.65	293.00	-	-
July-2006	435.00	300.10	-	-
Aug-2006	395.00	336.10	-	-
Sep-2006	460.00	345.05	-	-
Oct-2006 *	479.70	223.00	-	-
Nov-2006	269.55	200.00	-	-
Dec-2006	303.30	200.00	-	-
Jan-2007	244.75	216.00	249.00	200.00
Feb-2007	220.00	175.00	235.00	161.00
Mar-2007	191.50	143.20	210.00	131.00

* Price from October 2006 is Ex-Bonus.

7. Performance of Siyaram Silk Mills Limited share price in comparison to BSE Sensex.



8. Registrar and Transfer Agents:

Name & Address : TSR Darashaw Ltd.,
6-10, 1st Floor,
Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road,
Mahalaxmi, Mumbai 400 011

Telephone No. : 91 (022) 66568484
Fax No. : 91 (022) 66568494
E-mail : csg-unit@tsrdarashaw.com
Website : www.tsrdarashaw.com

9. Share Transfer System:

The shares received for transfers duly completed in all respect in physical form are registered and dispatched normally within three weeks. Demat confirmations are normally sent within two weeks. All transfer requests received are processed and approved by the Shareholders & Investors' Grievance Committee.

10. Distribution of Shareholdings as on 31st March, 2007:

Sr. No.	No. of shares	Holding	Amount (Rs.)	% to Capital	No. of Holders	% to Total Holders
1	1 to 500	965012	9650120	10.30	7932	90.09
2	501 to 1000	346275	3462750	3.70	507	5.76
3	1001 to 2000	203050	2030500	2.17	146	1.66
4	2001 to 3000	114725	1147250	1.22	46	0.52
5	3001 to 4000	79991	799910	0.85	23	0.26
6	4001 to 5000	59376	593760	0.63	13	0.15
7	5001 to 10000	223419	2234190	2.38	32	0.36
8	10001 and above	7380200	73802000	78.75	106	1.20
TOTALS		9372048	93720480	100.00	8805	100.00

11. Shareholding pattern as on 31st March 2007:

Sr. No.	Category	No. of shares held	Percentage of Shareholding
1.	Promoters	6206220	66.22
2.	Mutual Funds and UTI	585878	6.25
3.	Banks, Financial Institutions, Insurance Companies	1841	0.02
4.	Foreign Institutional Investors	234433	2.50
5.	Private Corporate Bodies	367849	3.92
6.	Indian Public	1966980	21.00
7.	NRI's / OCB's	8847	0.09
Grand Total		9372048	100.00

12. Dematerialization of shares and liquidity:

59.72% of the Share Capital is held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) as on 31st March, 2007.

Trading in Equity Shares of the Company is permitted only in dematerialized form with effect from 8th May, 2000, as per Notification issued by the Securities and Exchange Board of India (SEBI).

13. Outstanding GDRs / ADRs / Warrants or any Convertible instruments:

As of date the Company has not issued these types of securities.

14. Plant Locations:

As mentioned on page No. 1 of this Annual Report

15. Address for Correspondence:

Registered Office

Siyaram Silk Mills Limited

H-3/2, MIDC, A-Road,

Tarapur, Boisar,

Dist.: Thane - 401 506

Maharashtra

Tel: 02525 – 329910/11

Fax : 02525 – 272475

Corporate Office

Siyaram Silk Mills Limited

B-5, Trade World, Kamala City,

Senapati Bapat Marg,

Lower Parel (West),

Mumbai - 400 013

Tel: 022-30400500

Fax : 022- 30400599

Email : sharedept@siyaram.com

Registrar & Share Transfer Agent

TSR Darashaw Ltd.

6-10, 1st Floor,

Haji Moosa Patrawala Industrial Estate,

20, Dr. E. Moses Road, Mahalaxmi,

Mumbai - 400 011

Tel: 22-66568484 • Fax: 022-66568494

E-mail: cs-g-unit@tsrdarashaw.com

Website: www.tsrdarashaw.com

For and on behalf of the Board of Directors

DHARAPRASAD R. PODDAR

Chairman

Place: Mumbai,

Date: June 5, 2007

**Annexure – A
Declaration**

I, Ramesh D. Poddar, Vice Chairman & Managing Director hereby declare that all the Members of the Board and the Senior Management have affirmed compliance with the Code of Conduct for the year ended March 31, 2007.

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For **SIYARAM SILK MILLS LIMITED**

Ramesh D. Poddar
Vice Chairman & Managing Director

Place: Mumbai
Date: June 5, 2007

CERTIFICATION BY MANAGING DIRECTOR AND VICE PRESIDENT - FINANCE TO THE BOARD

We, the undersigned certify that:

- (a) We have reviewed financial statements for the year and that to the best of our knowledge and belief :
- i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements give a true and fair view of the state of affairs of Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept overall responsibility for the Company's internal control system for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all levels of management and statutory auditors, and report significant issues to the Audit Committee of the Board. The auditors and audit committee are appraised of any corrective action taken with regard to significant deficiencies and material weaknesses.
- (d) We indicate to the Auditors and to the Audit Committee:
- i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year;
 - iii) instances of significant fraud of which we have become aware of and which involve management or other employees who have a significant role in the Company's internal control system over the financial reporting.

However, during the year there were no such changes or instances.

For **SIYARAM SILK MILLS LIMITED**

Ramesh D. Poddar
Vice Chairman & Managing Director

Surendra S. Shetty
Vice President - Finance

Place: Mumbai
Date: June 5, 2007.

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To the Members of

Siyaram Silk Mills Limited

We have examined the compliance of conditions of Corporate Governance by Siyaram Silk Mills Limited, for the year ended on 31st March 2007, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For JAYANTILAL THAKKAR & CO.

Chartered Accountants

C. V. THAKKER

Partner

Membership No. 6205

Place : Mumbai,

Dated : June 5, 2007

AUDITORS' REPORT**TO THE SHAREHOLDERS OF SIYARAM SILK MILLS LIMITED**

1. We have audited the attached Balance Sheet of **SIYARAM SILK MILLS LIMITED**, as at 31st March, 2007 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies' (Auditors' Report) Order, 2003 (the Order) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law, have been kept by the Company, so far as appears from our examination of those books.
 - c) The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - e) On the basis of information and explanations given to us and written representations received from the Directors of the Company as at 31st March, 2007 and taken on record by the Board of Directors, we report that no Director is disqualified from being appointed as Director of the Company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, read together with the Accounting Policies and

notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
- ii) In the case of the Profit and Loss Account of the profit for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Jayantilal Thakkar & Co.
Chartered Accountants

C. V. Thakker
Partner
Membership No. 6205

Mumbai :
June 5, 2007

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 3 of our report of even date on the accounts of Siyaram Silk Mills Limited for the year ended on 31st March, 2007)

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and the situation of its fixed assets.
- b) Fixed Assets have been physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed have been properly dealt with in the books of accounts.
- c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- ii) a) The inventories other than that with third parties have been physically verified by the management at reasonable intervals. There is a procedure of obtaining confirmation in respect of inventory with the third parties.
- b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion, the Company has maintained proper records of inventory. The discrepancies between the physical stocks and the book stocks were not material

and have been properly dealt with in the books of account.

- iii) a) The Company has granted unsecured loan to one company covered in the register maintained under Section 301 of the Companies Act, 1956 aggregating to Rs. 10 lacs.
- b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of unsecured loan given by the Company are not prima facie, prejudicial to the interest of the Company.
- c) The Borrowing Company is regular in repaying the principal amount as stipulated and has been regular in payment of interest.
- d) There is no overdue amount of loans given.
- e) The Company has taken unsecured loans from three companies covered in the register maintained under Section 301 of the Companies Act, 1956 aggregating to Rs. 22 crores.
- f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of unsecured loans taken by the Company are not prima facie, prejudicial to the interest of the Company.
- g) The Company is regular in payment of the principal amounts and interest thereon.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- v) a) According to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b) According to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered into the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other applicable provisions of the Companies Act, 1956 and the rules framed thereunder. No order has been passed by

- Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any Tribunal.
- vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- viii) We have broadly reviewed, without carrying out a detailed examination, the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not however, made detailed examination of the records with a view to determining whether they are accurate or complete.
- ix) a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed amount of Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Service-tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it and according to the information and explanations given to us, no undisputed amounts payable were outstanding as at 31st March, 2007 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, the particulars of statutory dues as at 31st March, 2007 which have not been deposited on account of and dispute are as follows :

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the Amount relates	amount Rs. In lacs
Central Excise Act, 1944	Cenvat	Appellate Tribunal	1997-98	0.23
Central Excise Act, 1944	Penalty	Commissioner Appeal	1998-99	0.25
Central Excise Act, 1944	Levy of Duty	Additional Commissioner	1990-92	14.68
Central Excise Act, 1944	Levy of Duty	Commissioner Appeals	2002-03	0.94

- x) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.
- xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit/nidhi/mutual benefit fund/society and clause 4 (xiii) of the Order is not applicable.
- xiv) The Company is not dealing or trading in shares, securities, debentures and other investments and clause 4 (xiv) of the Order is not applicable.
- xv) On the basis of the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet and other records of the Company, we are of the opinion that, funds raised on short-term basis have not, prima facie, been used for long-term investment.
- xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- xix) The Company did not have any outstanding debentures during the year.
- xx) The Company has not raised any money by public issues during the year.
- xxi) Based on the audit procedures performed and according to the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Jayantilal Thakkar & Co.
Chartered Accountants

C. V. Thakker
Partner

Membership No. 6205

Mumbai :
June 5, 2007

BALANCE SHEET AS AT 31ST MARCH, 2007

	SCHEDULE	Rs. In Lacs	AS AT 31.03.2007 Rs. In Lacs	AS AT 31.03.2006 Rs. In Lacs
I. SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Capital	A	937.38		624.96
Reserves & Surplus	B	<u>12,338.97</u>	13,276.35	<u>11,192.87</u>
				11,817.83
LOAN FUNDS				
Secured Loans	C	11,251.55		8,305.54
Unsecured Loans	D	<u>8,108.28</u>	19,359.83	<u>4,686.27</u>
				12,991.81
DEFERRED TAX				
Deferred Tax Liabilities (Net) (See Note No. B/6 of Schedule 'P')			1,600.57	1,632.56
TOTAL			<u><u>34,236.75</u></u>	<u><u>26,442.20</u></u>
II. APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	E	23,729.80		20,373.68
Less: Depreciation		<u>8,591.90</u>		<u>8,269.48</u>
Net Block		15,137.90		12,104.20
Add: Capital work-in-progress		<u>2,676.86</u>	17,814.76	<u>506.53</u>
				12,610.73
INVESTMENTS				
	F		13.65	13.65
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	G	7,506.76		7,329.16
Sundry Debtors	H	12,775.10		9,936.21
Cash & Bank balances	I	140.38		104.97
Loans & Advances	J	<u>2,170.18</u>		<u>1,571.28</u>
		<u>22,592.42</u>		<u>18,941.62</u>
LESS : CURRENT LIABILITIES AND PROVISIONS				
Liabilities	K	4,584.84		4,221.03
Provisions		<u>1,599.24</u>		<u>902.77</u>
		<u>6,184.08</u>		<u>5,123.80</u>
NET CURRENT ASSETS			<u>16,408.34</u>	<u>13,817.82</u>
TOTAL			<u><u>34,236.75</u></u>	<u><u>26,442.20</u></u>
ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS				
	P			

The Schedules and Notes referred to above form an integral part of the Accounts.
As per our report of even date attached
FOR JAYANTILAL THAKKAR & CO.
Chartered Accountants

(C.V. THAKKER)
Partner
Membership No. 6205

D.R. PODDAR

Chairman

R.D. PODDAR

*Vice Chairman &
Managing Director*

P.D. PODDAR

Joint Managing Director

O.P. SINGH

Company Secretary

Mumbai, 5th June, 2007

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	SCHEDULE	Rs. In Lacs	Current year Rs. In Lacs	Previous year Rs. In Lacs
INCOME				
Sales and Related Income	L		52,453.70	44,936.65
Trade discount, Returns, Rebate etc.			(7,783.05)	(5,551.21)
Net Sales			44,670.65	39,385.44
Other Income	M		775.24	988.22
TOTAL INCOME			45,445.89	40,373.66
EXPENDITURE				
Manufacturing and Other Expenses	N		40,909.01	36,110.48
Interest	O		671.91	412.58
Depreciation			1,554.98	1,420.80
TOTAL EXPENDITURE			43,135.90	37,943.86
PROFIT BEFORE TAX			2,309.99	2,429.80
Provision for Income Tax		(355.00)		(525.00)
Provision for Fringe Benefit Tax		(35.00)		(50.00)
Provision for Deferred Tax		32.00		(294.00)
			(358.00)	(869.00)
PROFIT AFTER TAX			1,951.99	1,560.80
Excess Provision of Income Tax written back			1.94	-
Excess Provision of doubtful debts written back			-	6.48
Excess provision of Depreciation written back			2.28	0.01
Adjustments relating to earlier years			50.53	51.22
			2,006.74	1,618.51
Balance brought forward from last year			45.78	283.52
PROFIT AVAILABLE FOR APPROPRIATION			2,052.52	1,902.03
APPROPRIATIONS :				
Proposed Dividend			468.60	124.99
Interim Dividend			-	187.44
Tax on Proposed/ Interim Dividend			79.64	43.82
Transferred to General Reserve			1,000.00	1,500.00
Balance Carried to Balance sheet			504.28	45.78
			2,052.52	1,902.03
Basic & diluted earning per share in (Rs) (See Note No. B/5 of Schedule 'P')			21.41	17.28

ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

P

The Schedules and Notes referred to above form an integral part of the Accounts.

As per our report of even date attached
FOR JAYANTILAL THAKKAR & CO.
Chartered Accountants

(C.V. THAKKER)
Partner
Membership No. 6205

D.R. PODDAR

Chairman

R.D. PODDAR

Vice Chairman &
Managing Director

P.D. PODDAR

Joint Managing Director

O.P. SINGH

Company Secretary

Mumbai, 5th June, 2007

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007.

	AS AT 31-03-2007 Rs. In Lacs	AS AT 31-03-2006 Rs. In Lacs
SCHEDULE 'A' - SHARE CAPITAL :		
AUTHORISED		
97,50,000 Equity Shares of Rs. 10/- each	975.00	975.00
25,000 11% Redeemable Cumulative preference Shares of Rs. 100/- each	<u>25.00</u>	<u>25.00</u>
	<u>1,000.00</u>	<u>1,000.00</u>
ISSUED		
93,74,016 (Previous year 62,50,000) Equity Share of Rs. 10/- each	<u>937.40</u>	<u>625.00</u>
SUBSCRIBED AND PAID UP		
93,72,048 (Previous year 62,50,000) Equity Shares of Rs. 10/- each fully paid up	937.20	625.00
Less : Unpaid Allotment money (from others)	<u>-</u>	<u>0.04</u>
	937.20	624.96
Add : Forfeited Equity Shares (amount paid up)	<u>0.18</u>	<u>-</u>
	<u>937.38</u>	<u>624.96</u>
Note : Of the above:		
(1) 46,44,652 (Previous year 15,20,636) Equity Shares have been allotted as fully paid up Bonus Shares by capitalisation of General Reserve and Share Premium Account.		
(2) 14,67,724 Equity Shares of Rs. 10/- each were allotted on conversion of Convertible Debentures.		
SCHEDULE 'B' - RESERVES AND SURPLUS :		
CAPITAL RESERVE		
Special Capital Incentive As per last Balance Sheet	40.00	40.00
SHARE PREMIUM ACCOUNT		
As per last Balance Sheet	1,107.09	1,107.09
Less : Capitalized - Issue of Bonus Shares	<u>312.40</u>	<u>-</u>
	794.69	1,107.09
GENERAL RESERVE		
As per last Balance Sheet	10,000.00	8,500.00
Transferred from Profit and Loss Account	<u>1,000.00</u>	<u>1,500.00</u>
	11,000.00	10,000.00
SURPLUS AS PER PROFIT & LOSS ACCOUNT		
	<u>504.28</u>	<u>45.78</u>
	<u>12,338.97</u>	<u>11,192.87</u>
SCHEDULE 'C' - SECURED LOANS :		
(a) Working Capital Loans from Banks :-		
i) Cash Credit/ Demand Loans/ Short Term Loan	4,570.90	3,361.24
ii) Packing Credit	696.98	1,281.73
iii) Bills Discounting	<u>43.74</u>	<u>79.14</u>
	5,311.62	4,722.11
(b) Term Loans from Bank	<u>5,939.93</u>	<u>3,583.43</u>
	<u>11,251.55</u>	<u>8,305.54</u>

NOTES : -

- (1) Working capital loans from Banks are secured by hypothecation of Stocks, Book Debts and personally guaranteed by two directors.
- (2) The Term Loans from bank are secured by first charge by way of mortgage, hypothecation created on entire fixed assets of the Company, Personally guaranteed by two directors, except Term Loan of Rs. 4208 Lacs. (Previous year Rs. 897 Lacs)

AS AT	AS AT
31-03-2007	31-03-2006
Rs. In Lacs	Rs. In Lacs

SCHEDULE 'D' - UNSECURED LOANS :

(a) Fixed Deposits	122.79	1,655.99
(b) From Govt of Maharashtra (Interest Free Sales Tax Loan)	242.10	262.76
(c) Security Deposit from Dealers / others	1,309.26	1,267.52
(d) Short Term Loans from Banks*	5,790.27	1,500.00
(e) Short Term Loans from Banks in Foreign Currency*	643.86	-
	<u>8,108.28</u>	<u>4,686.27</u>

* Personally Guaranteed by two Directors

SCHEDULE - 'E' FIXED ASSETS :

(Rs. in Lacs)

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	AS AT 31-3-06 Rs.	ADDITIONS Rs.	SALE/ TRANSFER Rs.	AS AT 31-3-07 Rs.	UPTO 31-03-06 Rs.	DEDUCTION Rs.	FOR THE YEAR Rs.	UPTO 31-3-07 Rs.	AS AT 31-3-07 Rs.	AS AT 31-3-2006 Rs.
FREEHOLDLAND	52.46	47.93	—	100.39	—	—	—	—	100.39	52.46
LEASEHOLDLAND	126.58	605.19	8.69	723.08	5.18	1.61	7.44	11.01	712.07	121.40
BUILDING	4859.30	2287.50	665.38	6481.42	944.72	149.75	137.26	932.23	5549.19	3914.58
FACTORY ROAD	57.85	—	1.88	55.97	8.18	0.48	0.94	8.64	47.33	49.67
PLANT & MACHINERY	13527.92	1845.17	1074.31	14298.78	6718.34	954.17	1250.63	7014.80	7283.98	6809.58
ELECTRICAL INSTALLATION	380.37	44.83	22.16	403.04	113.91	20.71	18.38	111.58	291.46	266.46
FURNITURE & EQUIPMENTS	1025.53	356.59	119.08	1263.04	391.95	100.89	103.99	395.05	867.99	633.58
VEHICLES	343.67	73.85	17.85	399.67	87.20	4.95	35.20	117.45	282.22	256.47
INTANGIBLE ASSETS :-										
COMPUTER SOFTWARE	—	3.41	—	3.41	—	—	1.14	1.14	2.27	—
TRADEMARK	—	1.00	—	1.00	—	—	—	—	1.00	—
CURRENT YEAR TOTAL	20373.68	5265.47	1909.35	23729.80	8269.48	1232.56#	1554.98	8591.90	15137.90	12104.20
PREVIOUS YEAR TOTAL	19703.88	1469.52	799.72	20373.68	7509.98	661.30*	1420.80	8269.48	12104.20	—

Note : Building includes cost of Ownership Flats/Office premises/Industrial units in respect of which:

- i) Co-operative societies are formed Rs. 125.87 Lacs (Previous year Rs. 125.87 Lacs) (including Shares of the face value of Rs. 0.06 Lacs)
- ii) Co-operative societies are yet to be formed Rs. 3228.93 Lacs (Previous year Rs. 1151.70 Lacs).
- # Includes excess provision of depreciation of Rs. 2.28 Lacs in earlier years written back.
- * Includes excess provision of depreciation of Rs. 0.01 Lacs in earlier years written back.

AS AT	AS AT
31-03-2007	31-03-2006
Rs. In Lacs.	Rs. In Lacs

SCHEDULE 'F' - INVESTMENTS (At Cost) :
LONG TERM INVESTMENTS

(a) Trade Investments : (unquoted)	0.05	0.05
48 Shares of Art Silk Co-operative Ltd. of Rs.100/- each fully paid		
(b) Other Investments (Quoted)		
13600 6.75% Tax Free Bonds of UTI of Rs. 100/- each.	13.60	13.60
	<u>13.65</u>	<u>13.65</u>
Aggregate cost of unquoted investments	0.05	0.05
Aggregate cost of quoted investments	13.60	13.60
Market value of quoted investments	13.53	13.93

	AS AT 31-03-2007 Rs. In Lacs.	AS AT 31-03-2006 Rs. In Lacs
SCHEDULE 'G' - INVENTORIES :		
(At lower of cost and net realisable value)		
(As taken, valued and certified by the Management)		
Stores and Spares	583.87	505.44
Stock-in-trade :		
Raw Materials	3,054.14	3,052.60
Finished Goods	<u>2,568.38</u>	<u>2,222.36</u>
	5,622.52	5,274.96
Goods in Process	<u>1,300.37</u>	1,548.76
	<u><u>7,506.76</u></u>	<u><u>7,329.16</u></u>
SCHEDULE 'H' - SUNDRY DEBTORS (Unsecured) :		
Over Six Months :		
Considered good	861.50	818.18
Considered doubtful	<u>215.51</u>	<u>178.48</u>
	1,077.01	996.66
Others :		
Considered good	11,913.60	9,118.03
	<u>12,990.61</u>	<u>10,114.69</u>
Less : Provision for doubtful debts	<u>(215.51)</u>	<u>(178.48)</u>
	<u><u>12,775.10</u></u>	<u><u>9,936.21</u></u>
SCHEDULE 'I' - CASH & BANK BALANCES :		
Cash Balance on hand	13.14	4.31
Bank Balances with Scheduled Banks :		
In Current accounts *	126.61	83.21
In Fixed Deposit	<u>0.63</u>	<u>17.45</u>
(Pledge with Sales Tax Dept. Rs. 63,147/- Previous year Rs. 10,000/-)	<u>127.24</u>	<u>100.66</u>
	<u><u>140.38</u></u>	<u><u>104.97</u></u>
* (Including Rs. 0.22 Lacs (Previous year Rs. 0.22 Lacs) towards US \$ 500 (Previous year US \$ 500) held in EEFC a/c with Central Bank of India)		
SCHEDULE 'J' - LOANS AND ADVANCES (Unsecured, Considered Good) :		
Advances recoverable in cash or in kind or for value to be received	1,037.48	808.59
Advances towards Share Application Money to Subsidiaries	10.00	-
Due from subsidiaries	0.63	-
Advance Income Tax and Tax Deducted at Source	1,114.08	756.20
Balances with Customs, Excise Authorities, etc.,	7.99	6.49
	<u><u>2,170.18</u></u>	<u><u>1,571.28</u></u>

	AS AT 31-03-2007 Rs. In Lacs.	AS AT 31-03-2006 Rs. In Lacs	
SCHEDULE 'K' - CURRENT LIABILITIES AND PROVISIONS :			
CURRENT LIABILITIES			
Sundry Creditors #	4,469.40	4,062.98	
Due to small scale industrial undertaking	82.22	121.92	
Unpaid Dividend *	18.67	19.99	
Unpaid Matured Debentures *	10.45	11.78	
Interest on Debentures *	<u>4.10</u>	<u>4.36</u>	
	<u>33.22</u>	<u>36.13</u>	
	4,584.84	4,221.03	
# Includes Commission payable to Executive directors Rs. 40 Lacs (Previous year Rs. 50 Lacs)			
* There are no amount due and outstanding to be credited to Investor Education and Protection Fund			
PROVISIONS			
Provision for Taxation (includes Fringe Benefit Tax)	965.00	665.00	
Proposed Dividend	468.60	124.99	
Tax on proposed dividend	79.64	17.53	
Provision for Retirement benefits	<u>86.00</u>	<u>95.25</u>	
	<u>1,599.24</u>	<u>902.77</u>	
	6,184.08	5,123.80	
SCHEDULE 'L' - SALES AND RELATED INCOME :			
	Rs. In Lacs	Current year Rs. In Lacs	Previous year Rs. In Lacs
Sales	52,415.30		44,862.06
Less : Excise Duty Recovered on Sales	<u>30.61</u>		<u>39.85</u>
		52,384.69	44,822.21
Job Charges received (Tax deducted at source Rs. 1.26 Lacs (Previous year Rs. 2.48 Lacs)		<u>69.01</u>	<u>114.44</u>
		52,453.70	44,936.65
SCHEDULE 'M' - OTHER INCOME :			
Miscellaneous Income		305.70	337.19
Dividend		-	33.05
Key men Insurance Policy Surrender Value (Net)		53.32	382.95
Interest received (Tax deducted at source Rs. 5.22 Lacs Previous year Rs. 4.73 Lacs)		74.78	70.65
Rent received (Tax deducted at source Rs. 6.29 Lacs Previous year Rs. 5.18 Lacs)		31.95	24.45
Profit on sale of Assets (Net)		257.56	111.83
Profit on sale of Investments		-	4.89
Sundry credit balance written back		44.14	23.21
Gain on foreign currency transactions (Net)		<u>7.79</u>	<u>-</u>
		775.24	988.22

	Rs. In Lacs	Current year Rs. In Lacs	Previous year Rs. In Lacs
SCHEDULE 'N' - MANUFACTURING AND OTHER EXPENSES :			
Raw Materials consumed		17,745.56	16,114.11
Finished Goods purchases		5,537.40	4,543.90
Processing and Labour Charges		5,551.48	5,346.78
Stores and Spares Consumed		1,057.12	876.94
Packing Materials Consumed		1,694.22	1,502.39
Power and Fuel		709.38	531.55
Water Charges		22.34	19.61
Payment to and Provisions for Employees :			
Salaries, Wages, Allowances and Bonus	2,142.18		1,441.83
Contribution to Provident, Gratuity and other funds	145.72		123.32
Staff Welfare Expenses	141.04		88.54
		<u>2,428.94</u>	<u>1,653.69</u>
Brokerage and Commission		895.40	857.12
Discount		317.84	299.74
Rent		102.17	83.08
Rates and Taxes		67.60	56.59
Freight and Forwarding Charges		405.04	373.15
Legal and Professional Charges		307.08	324.75
Directors Sitting Fees		5.25	3.70
Payment to Auditors		17.11	15.07
Insurance Charges		144.75	206.56
Advertisements and Sales Promotion Expenses		2,239.57	1,627.07
Travelling and Conveyance		506.72	348.66
Donations		11.14	-
Miscellaneous Expenses *		728.14	553.13
Loss on foreign currency transactions (Net)		-	27.04
Bad Debts and Irrecoverable Amount Written Off		-	5.99
Provision for doubtful debts		37.84	-
Repairs to :			
Buildings	142.66		247.79
Machineries	131.90		79.96
Others	199.99		162.83
		<u>474.55</u>	<u>490.58</u>
* Includes Investment written off Rs.Nil (Previous year Rs. 0.03)			
(INCREASE)/DECREASE IN GOODS-IN-PROCESS AND FINISHED STOCK			
Opening Stock			
Goods-in-process	1,548.76		1,632.83
Finished Goods	2,222.36		2,387.57
		<u>3,771.12</u>	<u>4,020.40</u>
Less: Closing Stock			
Goods-in-process	1,300.37		1,548.76
Finished Goods	2,568.38		2,222.36
		<u>3,868.75</u>	<u>3,771.12</u>
		<u>(97.63)</u>	<u>249.28</u>
		<u>40,909.01</u>	<u>36,110.48</u>
SCHEDULE 'O' - INTEREST :			
On Fixed Deposits and Loans		655.65	365.55
To Banks and Others		16.26	47.03
		<u>671.91</u>	<u>412.58</u>

SCHEDULE 'P'

ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS :

(A) SIGNIFICANT ACCOUNTING POLICIES

1) Basis of Accounting :

Financial statements are prepared under historical cost convention on accrual basis and in accordance with generally accepted accounting practices in India and comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable and with the relevant provisions of the Companies Act, 1956.

2) Use of Estimates :

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which results are known / materialised.

3) Fixed Assets :

- a) Fixed Assets are stated at cost net of modvat/cenvat and less depreciation. Cost comprises of purchase price and attributable cost (including financing cost). Original cost of fixed assets acquired through foreign currency loan is adjusted on account of fluctuations in exchange rates.
- b) Expenditure (including financing costs) incurred for fixed assets, the construction/installation/acquisition of which is not completed upto the year end is included under the capital work-in-progress and on such completion the same is related/classified to the respective fixed assets.

4) Impairment :

The carrying amount of assets is reviewed at each balance sheet date for any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is, the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

5) Intangible Assets :

Intangible Assets are stated at cost of acquisition less accumulated amortisation. Computer Software are amortised over a period Three years.

6) Depreciation :

- a) Depreciation on fixed assets (other than leasehold land and except stated in d) below) is provided for in accordance with Schedule XIV to the Companies Act, 1956 on the straight-line method.
- b) Depreciation at the rate of hundred percent has been provided on the assets costing not more than Rs.5000/- in the year of addition.
- c) Premium on leasehold land is amortized over the residual period of the lease and proportionate amount of premium written off is being charged to Profit & Loss account.
- d) Cost of Furniture and Fixtures of retails shops operated on leased basis is written off over the period of Three years.

7) Investments :

Long Term Investments are stated at cost (including attributable expenses of acquisition). Provision for diminution being made if necessary to recognize a decline other than temporary, in the value thereof.

8) Valuation of Inventories :

Stores and Spares, Goods in process, Raw Materials and Finished Goods are valued at cost or net realizable value whichever is lower. The cost is arrived at on first in first out basis and includes related overheads and excise duty payable on Finished Goods lying in factory premises/bonded warehouses.

9) Sales :

Sales are inclusive of excise duty. Export Incentive under the DEPB Scheme has been recognised on the basis of licences issued and included in Sales.

10) Modvat / Cenvat :

Modvat / Cenvat benefit is accounted for by reducing the purchase cost of the materials / fixed assets.

11) Excise Duty :

Excise Duties wherever recovered are included in Sales. Excise Duty paid on goods cleared and provision made in respect of finished goods lying at factory premises/bonded warehouses are shown separately as an item of manufacturing and other expenses and included in the valuation of finished goods.

12) Capital Reserve :

Special Capital Incentive in the nature of project capital subsidy is credited to Capital Reserve.

13) Foreign Exchange Transaction :

a) Transactions in foreign currencies are accounted for at prevailing exchange rates, Gains and losses arising out of subsequent fluctuations are accounted for on actual payment / realizations in the profit and loss account. The Current Assets and Current Liabilities related to foreign currency transactions, other than those covered by forward contracts, remaining unsettled at the end of the year are adjusted at the rates prevailing at the year end, except for Pre-Shipment Credits in Foreign Currencies (PCFCs) which have been stated at the amounts received on the date of disbursement, since the PCFCs are liquidated against future export proceeds, at the rate of exchange at which the loans were disbursed.

b) Gain or losses in respect of forward foreign exchange contracts are recognised as income or expense over the life of the contract and on cancellation the same are recognised as income or expense of the year. Premium in respect of forward contracts are accounted over the period of contract.

14) Retirement Benefits :

Liability is provided and funded for retirement benefits of Provident fund, superannuation fund and Gratuity in respect of all eligible employees of the company. Liability of leave encashment benefits at the end of the tenure/retirement or encashable at the option of employees is charged to the Profit and Loss account on the basis of actuarial valuation. In respect of Managing Directors and Executive Directors, the additional liability towards the gratuity as per the terms of appointment over and above the liability covered under the policy of Life Insurance Corporation of India, is provided for on the basis of actuarial valuation.

15) Research and Development :

Revenue expenditure on research and development is charged to Profit & Loss Account as incurred, Capital expenditure on assets acquired for research and development is added to fixed assets and depreciated at applicable rates.

16) Borrowing Costs :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

17) Deferred Tax :

Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rate of tax, to the extent that the timing difference are expected to crystallize.

18) Leases :

Lease rentals in respect of assets acquired under operating lease are charged off to the Profit & Loss Account as incurred. Lease rentals of assets given under operating lease are credited to the Profit & Loss Account as accrued.

19) Provision, Contingent Liabilities and Contingent Assets :

A Provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

20) Derivatives :

The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward contracts reduces the risk or cost to the company and the company does not use the foreign exchange forward contracts for trading or speculation purposes. The company records the gain or loss on effective hedges in the profit and loss account of that period.

(B) NOTES ON ACCOUNTS :

	Current year Rs. In Lacs	Previous year Rs. In Lacs
1) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	1,518.84	1,486.42
2) Contingent Liabilities in respect of:		
a) Guarantees given by the company's bankers on behalf of the Company	160.53	183.40
b) Disputed claims for excise.	16.10	16.10
c) Custom Duty which may arise if obligation for export is not fulfilled.	137.76	101.55
d) Income tax penalty demand under dispute	40.75	20.34

- 3) The Excise Department has valued texturised and twisted yarn manufactured at Silvassa Unit on the higher side and raised additional demand of Rs.203 Lacs. On appeal, the excise Tribunal, Delhi has passed the order in favour of Company. However, the Department has filed an appeal in the Supreme Court, which is pending. The Company does not expect any liability on this account.
- 4) The Company had filed a writ petition against the withdrawal of the Brand Fixation Scheme (Duty Draw Back) by the Central Board of Excise and Customs (CBEC) vide their Circular No. 39-2001 dated 16.07.2001 with retrospective effect as the Company's claim was prior to the above said circular. Recently, the Supreme Court has issued the order directing the Department to pass all such claims. Accordingly, the Company will be receiving the balance amount of claim of Rs. 152 Lacs.
- 5) Earning Per Share : ["EPS"] computed in accordance with Accounting Standard 20:

		Current year	Previous year
a) Net Profit available for equity shareholders	Rs. in Lacs.	2,006.74	1,618.51
b) The weighted average number of Ordinary Shares	Nos.	93,72,048	62,50,000
c) The nominal value per Ordinary share	Rupees	10.00	10.00
d) Earning Per Share Basic / Diluted	Rupees	21.41	17.28*

* EPS figures for the Previous Year ended 31.03.2006 are re-stated on account of Bonus Shares issued during the financial year 2006-07.

- 6) The deferred tax credit for the year has been recognized in the Profit & Loss Account. Break up of deferred tax liabilities and (assets) into major components of respective balances are as under:

	Deferred Tax liability/(Asset) As on 31/03/2007 (Rs. in Lacs)	Deferred Tax liability/(Asset) As on 31/03/2006 (Rs. in Lacs)
Deferred Tax Liabilities		
Difference between accounting and tax depreciation (Cumulative)	1713.98	1737.13
	1713.98	1737.13
Deferred Tax Assets		
a) Provision for doubtful debts (to date)	(73.52)	(60.07)
b) Disallowances under section 43B for non payment of expenses	(39.89)	(44.50)
Total (a + b)	(113.41)	(104.57)
Net Deferred Tax Liabilities	1600.57	1632.56

Note: Net current deferred tax Assets of (Rs.32 Lacs) (Previous Year Deferred Tax liability Rs. 294 Lacs) had been charged to Profit & Loss Account besides current tax Rs. 355 Lacs (previous year Rs. 525 Lacs) being tax under Income Tax Act, 1961 and Fringe Benefit Tax Rs.35 Lacs(Previous Year Rs.50 Lacs).

- 7) Prior period items included under respective accounts in the Profit and Loss Account Rs. 1.66 Lacs debit (Rs. 2.15 Lacs debit).
- 8) Remuneration paid to a relative of the Chairman Rs.1.84 Lacs is subject to the approval of shareholders in next Annual General Meeting.

	Current Year Rs. In Lacs	Previous Year Rs. In Lacs
9) Payment to Auditors :		
a) Statutory Auditors		
i) Audit Fees	7.00	6.00
ii) Taxation Matters	1.85	1.70
iii) Certification	2.04	1.70
iv) Tax Audit Fees	2.00	1.30
v) Fees for other Services	2.00	2.45
vi) Reimbursement of Expenses (Including Service Tax)	2.22	1.92
	17.11	15.07

	Rs. In Lacs	Current Year Rs. In Lacs	Previous Year Rs. In Lacs
b) Cost Auditors			
i) Cost Audit Fees (Including Service Tax)		<u>0.79</u>	<u>0.66</u>
10) Managerial Remuneration :			
a) Remuneration to Managing Directors and Executive Directors under Section 198 of the Companies Act, 1956:			
Remuneration*		92.05	90.00
Contribution to provident and other funds		23.30	24.30
Perquisites		77.48	63.65
Retirement benefits		9.18	6.95
Commission		<u>40.00</u>	<u>50.00</u>
		242.01	234.90
b) To other directors			
Meeting fees		<u>5.25</u>	<u>3.70</u>
		<u>247.26</u>	<u>238.60</u>
* Remuneration paid to Shri Ashok Jalan is Rs. 3.66 Lacs is subject to the approval of shareholders in next annual general meeting.			
11) Computation of net profit in accordance with Section 198,309 and 349 of the Companies Act, 1956 and the commission payable to the Managing Directors and the Executive Directors.			
a) Computation of Net Profit			
Profit after tax as per Profit and Loss Account		1,951.99	1560.80
Add :			
Provision for Current Tax	355.00		525.00
Provision for Fringe Benefit Tax	35.00		50.00
Provision for Deferred Tax (Assets)	(32.00)		294.00
Managerial Remuneration	242.01		234.90
Meeting Fees	5.25		3.70
Provision for Doubtful Debts	37.84		—
Excess Provision of Expenses in respect of earlier year	50.53		51.22
Excess Provision of Depreciation written back	<u>2.28</u>		<u>0.01</u>
		695.91	1,158.83
		2,647.90	2,719.63
Less:			
Capital Profit on Sale of Fixed Assets	193.77		71.85
Profit on sale of Investments	<u>-</u>		<u>4.89</u>
		193.77	76.74
Net Profit as per Section 349 of the Companies Act, 1956		<u>2,454.13</u>	<u>2,642.89</u>
b) Commission payable to the Managing Directors and Executive Directors as determined by the Board of Directors		<u>40.00</u>	<u>50.00</u>

12) Related party disclosures :

(List of related parties with whom the transactions have been taken place during the year)

(a) Key Management Personnel (KMP) :

Mr. Ramesh D. Poddar - Managing Director, Mr. Arvind Poddar-Jt. Managing Director upto 31.07.2006, Mr. Pawan D. Poddar-Jt. Managing Director from 01.08.2006, Mr. Shrikishna D. Poddar - Executive Director, Mrs. Vijayalaxmi A. Poddar, Executive Director, Mr. Ashok Jalan-Sr. President & Director from 30.01.2007.

(b) Relatives of Key Management Personnel (KMP) :

Mrs. Ashadevi R. Poddar, Mrs. Vibha S. Poddar, Mr. Abhishek S. Poddar, Master Harshit S. Poddar, Mr. Rajiv A. Poddar, Mr. Arvind M. Poddar, Mr. Anurag Poddar from 01.08.2006, Mr. Avnish Poddar from 01.08.2006.

(c) Other Related Parties (Enterprises - KMP having significant influence / Owned by Major Shareholders)

Balkrishna Industries Ltd., Govind Rubber Ltd., S.P. Investrade (I) Ltd., Sanchana Trading & Finance Ltd., S.P. Finance & Trading Ltd., Santiago Textile Mills (P) Ltd., Balgopal Holdings and Traders Ltd, Oxemberg Fashion Ltd., Beetee Textile Industries Ltd., Futuristic Concepts Media Ltd., Vishal Furnishing Ltd., Fabwear Garments, Rameshkumar Poddar HUF.

(d) Related Party Transactions (Rs. in Laacs)

Transactions	Current Year			Previous Year		
	Other related Parties	Key Management Personnel & Relatives	Total	Other related Parties	Key Management Personnel & Relatives	Total
Managerial Remuneration	-	238.35	238.35	-	234.90	234.90
Sitting Fees	-	1.55	1.55	-	1.54	1.54
Purchase of Goods/Services	3947.11	-	3947.11	4185.76	-	4185.76
Purchase of Fixed Assets	386.73	766.63	1153.36	5.95	-	5.95
Sale of Fixed Assets	3.00	-	3.00	88.00	-	88.00
Sales of Goods/Materials	727.66	-	727.66	367.88	-	367.88
Rent / Property Tax Received	22.90	-	22.90	42.86	-	42.86
Recovery of Expenses	4.85	-	4.85	0.02	-	0.02
Reimbursement of Expenses	12.56	-	12.56	0.04	-	0.04
Insurance Policy surrender value received	46.40	51.66	98.06	-	382.95	382.95
Insurance Policy surrender value paid	44.73	-	44.73	-	-	-
Rent Paid	5.94	16.17	22.11	8.59	22.16	30.75
Interest Received	1.01	-	1.01	7.71	-	7.71
Interest Paid	30.96	23.40	54.36	23.15	35.24	58.39
Intercorporate Deposits Received	2200.00	-	2200.00	1974.50	-	1974.50
Intercorporate Deposits Given	10.00	-	10.00	774.00	-	774.00
Commission Paid	0.31	-	0.31	-	-	-
Salary paid	-	11.63	11.63	-	-	-
Early Payment discount	2.36	-	2.36	-	-	-
Collateral Personal Guarantee	-	13477.68	13477.68	-	7408.35	7408.35
Debit balances outstanding As on 31/03/2007	34.72	-	34.72	36.61	-	36.61
Credit balances outstanding As on 31/03/2007	213.61	55.00	268.61	239.39	227.00	466.39

(e) Transaction with subsidiary :

Oxemberg Clothing Ltd :						
Recovery of Legal Expenses			0.32	-	-	-
Advance against Share Application Money			5.00	-	-	-
Debit balances outstanding As on 31/03/2007			0.32	-	-	-
Siyaram Polycot Ltd. :						
Recovery of Legal Expenses			0.32	-	-	-
Advance against Share Application Money			5.00	-	-	-
Debit balances outstanding As on 31/03/2007			0.32	-	-	-

Notes :

- i) Parties identified by the Management and relied upon by the Auditors.
- ii) No amount in respect of the related parties have been written off/back or are provided for during the year.

- 13) The activities of the Company relate to only one Segment i.e. Textiles.
- 14) Leases - Operating Leases.
- i) The Company has taken various residential / commercial premises under cancellable operating leases. These lease agreements are normally renewed on expiry.
- ii) During the year the Company has given on non-cancellable operating leases commercial premises, the cost of which Rs 366.69 Lacs(Previous year Rs.416.32 Lacs) and the accumulated depreciation of Rs.87.48 Lacs (Previous year Rs. 96.01 lacs) are included under Fixed Assets Schedule. The depreciation provided on the above Assets in the Profit and Loss Account for the year is Rs. 11.27 Lacs (Previous year Rs. 13.51 lacs).

The future minimum lease payments receivable in respect of aforesaid leases as at 31.03.2007 are as follows :

	Current Year	Previous Year
	Rs. In Lacs	Rs. In Lacs
a) Not later than one year	31.35	20.49
b) Later than one year and not later than five years		0.75
Total	31.35	21.24
iii) The rental expenses recognised in Profit and Loss account for operating lease taken after 1st April, 2001.		
a) Minimum rent	142.30	83.10
b) Contingent rent	Nil	Nil

15) a) Licensed and installed capacity :

	Current Year		Previous Year	
	Licensed Capacity	Installed Capacity	Licensed Capacity	Installed Capacity
Looms (Nos)	N.A.	367	N.A.	268
Texturising Machines (Nos)	N.A.	0	N.A.	3
Stitching Machine (Nos.)	N.A.	439	N.A.	439
Yarn Dyeing Capacity (Tons) Per Annum	N.A.	4500	N.A.	3000

b) Actual Production :

	Unit	Current Year	Previous Year
		(Figures in Lacs)	(Figures in Lacs)
i) Cloth @	Mtrs	349.10	327.79
ii) Yarn *	Kgs	20.08	17.73
iii) Readymade Garments	Nos	9.14	6.22
iv) Bed Linen Products (On Job work basis)	Nos	0.26	0.03

@ Including captive consumption 3.79 Lacs mtrs. (1.12 Lacs mtrs)

* Including captive consumption 3.93 Lacs Kgs. (5.05 Lacs Kgs.)

c) Finished Goods Purchased :

i) Cloth	Mtrs	73.13	60.67
	Rupees	5,481.40	4,532.50
ii) Others	Rupees	56.00	11.40

d) Raw Materials consumed :

i) Yarn */ Fibre	Kgs	96.42	91.87
	Rupees	13,459.81	11,996.07
ii) Cloth *	Mtrs	13.10	10.03
	Rupees	933.38	707.33
iii) Grey Cloth	Mtrs	117.90	111.17
	Rupees	3,212.05	3,238.20

* After adjusting cost of 0.59 Lac Kgs (0.71 Lac Kgs) of yarn, and 2.26 Lacs Mtrs (1.69 Lac Mtrs) of cloth sold during the year, Rs.10.78 Lacs (Rs.88.45 Lacs) and Rs. 129.54 Lacs (Rs.84.06 Lacs) respectively.

		Current Year (Figures in Lacs)	Previous Year (Figures in Lacs)
e) Sales (Net) :			
i) Finish Cloth *	Mtrs	420.01	387.82
	Rupees	38,742.75	34,734.59
ii) Readymade Garments	Nos	8.04	5.98
	Rupees	3,026.65	2,286.79
iii) Yarn *	Kgs	16.57	13.35
	Rupees	2,546.43	1,977.36
iv) Bed Linen Products	Nos	0.26	0.03
	Rupees	73.17	14.62
v) Others	Rupees	212.64	257.64
* includes 0.26 Lac kgs. Of yarn (0.71 Lac kgs) purchased and sold during the year.			
f) Opening Stock of Finished Goods :			
i) Cloth	Mtrs	25.97	26.45
	Rupees	1,937.43	2,154.39
ii) Readymade Garments	Nos	0.89	0.65
	Rupees	194.28	148.16
iii) Yarn	Kgs	0.67	0.63
	Rupees	85.24	81.61
iv) Others	Rupees	5.41	3.41
g) Closing Stock of Finished Goods :			
i) Cloth	Mtrs	24.40	25.97
	Rupees	1,932.67	1,937.43
ii) Readymade Garments	Nos	1.99	0.89
	Rupees	513.30	194.28
iii) Yarn	Kgs	0.84	0.67
	Rupees	115.22	85.24
iv) Others	Rupees	7.19	5.41
h) Consumption of Raw Materials : *			
i) Imported		131.02	30.60
		0.74	0.19
ii) Indigenous		17,474.22	15,911.00
		99.26	99.81
		17,605.24	15,941.60
		100.00	100.00
* Refer Note No.under 13 d)			
i) Consumption of Stores & Spares :			
i) Imported		456.56	287.60
		43.19	30.66
ii) Indigenous		600.56	589.34
		56.81	69.34
		1,057.12	876.94
		100.00	100.00
j) C.I.F. Value of Imports :			
i) Raw Materials		111.61	35.82
ii) Stores & Spares		313.95	335.12
iii) Capital Goods		1,338.32	550.73
iv) Finished Goods		74.42	24.06
v) Packing Materials		-	7.99

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
k) Expenditure in Foreign Currency :		
i) Advertising & Sales Promotion	57.46	31.21
ii) Travelling	97.47	85.27
iii) Interest	68.49	140.75
iv) Commission	89.79	157.15
v) Others	23.62	22.82
l) Earnings in Foreign Currency :		
i) FOB value of exports	2,180.82	2,901.69
ii) Recovery towards freight and Insurance	45.12	109.96

m) Amounts remitted during the year in Foreign Currency on account of Dividend.

The Company has not made remittances in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittance in foreign currencies on account of dividend have been made by or on behalf of Non-resident shareholders. The particulars of dividend paid to Non-resident shareholders are as under:

Dividend in respect of Year 2005-06 (Final Dividend)

(27 Shareholder holding 241943 Equity Shares)	4.84	—
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Dividend in respect of Year 2005-06 (Interim Dividend)

(21 Shareholder holding 250597 Equity Shares)	—	7.52
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Dividend in respect of Year 2004-05

(23 Shareholder holding 224570 Equity Shares)	—	8.98
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16) The Name of Small Scale Industrial Undertaking to whom the Company owes a sum which is outstanding for more than 30 days as on 31st March, 2007 is M/s Tayabi Tags.

17) The Company formed 2 (Two) 100% Subsidiaries, namely Siyaram Polycote Limited on 15th March, 2007 and Oxemberg Clothing Limited on 16th March, 2007 and has paid Rs. 5 Lacs each, towards the Share Application Money. No commercial activities were carried out by the Subsidiaries and the first Financial Year will be ending on 31st March, 2008, hence, no accounts of the Subsidiaries have been attached and the Statement required under Section 212 of the Companies Act, 1956 has also not been prepared.

18) Figures in brackets in these notes are in respect of previous year.

19) Figures of previous year have been regrouped/rearranged, wherever necessary.

SIGNATURES TO SCHEDULES "A" TO "P"

The Schedules and Notes referred to above form an integral part of the Accounts.

as per our report of even date attached
FOR JAYANTILAL THAKKAR & CO.

Chartered Accountants

D.R. PODDAR

Chairman

C.V.THAKKER

Partner

Membership No. 6205

R.D. PODDAR

Vice Chairman & Managing Director

P.D. PODDAR

Joint Managing Director

Mumbai, 5th June, 2007

O.P. SINGH

Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.	:	20451	State Code	:	11
Balance Sheet Date	:	31.03.2007			
		Date Month Year			

II CAPITAL RAISED DURING THE YEAR

Public Issue	:	NIL	Rights Issue	:	NIL
Bonus Issue	:	NIL	Private Placement	:	NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(Amount in Rs. Thousands)

Total Liabilities	:	4042083	Total Assets	:	4042083
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Sources of Funds

Paid-up-Capital	:	93738	Reserves & Surplus	:	1233897
Secured Loans	:	1125155	Unsecured Loans	:	810828
Deferred Tax Liability	:	160057			

Application of Funds

Net Fixed Assets	:	1781476	Investments	:	1365
Net Current Assets	:	1640834	Misc. Expenditure	:	NIL
Accumulated Losses	:	NIL			

IV PERFORMANCE OF COMPANY

(Amount in Rs. Thousands)

Turnover Including Other Income	:	4544589	Total Expenditure	:	4313590
Profit Before Tax	:	230999	Profit after Tax	:	195199
Earnings Per Share (in Rs.)	:	21.41	Dividend Rate %	:	50

V GENERIC NAME OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

(As per monetary terms)

Item Code No. (ITC Code)	:	5515	11
Product Description	:	Woven Fabrics	
Item Code No. (ITC Code)	:	5402	52
Product Description	:	Dyed Yarn	
Item Code No. (ITC Code)	:	6201	00
Product Description	:	Readymade Garments	

D.R. PODDAR	Chairman
R.D. PODDAR	Vice Chairman & Managing Director
P.D. PODDAR	Joint Managing Director
O.P. SINGH	Company Secretary

Mumbai, 5th June, 2007

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

	2006-07	2005-06
	Rs. in Lacs	Rs. in Lacs
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	2,309.99	2,429.80
ADJUSTMENTS FOR :		
Depreciation	1,554.98	1,420.80
Foreign Exchange Gain	(7.79)	27.04
Profit on Sale of Fixed Assets	(257.56)	(111.83)
Income from Units/Dividend	-	(33.05)
Interest Received	(74.78)	(70.65)
Interest Expenses	671.91	412.58
Prov. for Doubtful Debts	37.84	-
Adjustments relating to earlier years	50.53	51.22
Bad Debt W/off	-	5.99
Profit on Sale of Investments	-	(4.89)
Investment w/off	-	0.03
	1,975.13	1,697.24
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	4,285.12	4,127.04
ADJUSTMENT FOR:		
Trade and Other Receivables	(3,029.29)	(2,751.78)
Inventories	(177.60)	(914.50)
Trade Payables	355.50	2,043.06
Income Tax paid/(Refund received) Net	(445.94)	(504.12)
	(3,297.33)	(2,127.34)
CASH GENERATED FROM OPERATIONS	987.79	1,999.70
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(7,435.79)	(1,857.27)
Sale of Fixed Assets	936.63	250.26
Purchase of Investments	-	(614.79)
Advance towards Share Application Money	(10.00)	-
Sale of Investments	0.00	619.68
Dividend Received	0.00	33.05
Interest Received	74.33	70.43
	(6,434.83)	(1,498.64)
NET CASH USED IN INVESTING ACTIVITIES		
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	23,152.68	8,744.85
Repayment of Borrowings	(16,784.64)	(8,219.55)
Exchange rate Difference	7.79	-
Interest Paid	(749.54)	(478.00)
Dividend Paid	(126.31)	(434.46)
Tax on Dividend paid	(17.53)	(61.35)
	5,482.45	(448.51)
NET CASH USED IN FINANCING ACTIVITIES		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	35.41	52.55
EXCHANGE RATE CHANGES ON CASH & CASH EQUIVALENTS GAIN/(LOSS)	-	(26.81)
CASH AND CASH EQUIVALENTS - OPENING BALANCE	104.97	79.23
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	140.38	104.97

NOTE:

- 1) Figures in brackets represent outflows.
- 2) The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 on "Cash Flow Statement" issued by The Institute of Chartered Accountants of India.
- 3) Figures of previous year have been regrouped/ rearranged, wherever necessary.

As per our report of even date attached
FOR JAYANTILAL THAKKAR & CO.
Chartered Accountants

D.R.PODDAR

Chairman

(C.V. THAKKER)
Partner

R.D.PODDAR

Vice Chairman & Managing Director

Membership No. 6205

P.D. PODDAR

Joint Managing Director

Mumbai, 5th June, 2007

O.P. SINGH

Company Secretary

ATTENDANCE SLIP

SIYARAM SILK MILLS LIMITED

Regd Office: H-3/2 MIDC, A. Road, Tarapur, Boisar, Dist. Thane - 401 506

Name of Shareholder	
Folio No.	
DP ID	
Account ID	
No. of Share	

I hereby record my presence at the 29th Annual General Meeting of the Company held on Saturday, the 11th August, 2007 at 3.00 p.m. at Plot No. G-4/1, MIDC, Tarapur, Boisar, Dist. Thane - 401 506.

Name of the Shareholder/ Proxy	Signature of the Shareholder/ Proxy

- Note: 1. A Member / Proxy holder attending the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.
 2. A Member / Proxy holder attending the meeting should bring copy of the Annual Report for reference at the meeting.



FORM OF PROXY

SIYARAM SILK MILLS LIMITED

Regd Office: H-3/2 MIDC, A. Road, Tarapur, Boisar, Dist. Thane - 401 506

Folio No.	
DP ID	
Account ID	
No. of Share	

I/We.....of.....
in the district of, being a Member/Members of the above named Company hereby appointof in the district of.....or failing him of.....in the district of..... as my/our proxy to attend and vote for me /us on my/our behalf at the 29th Annual General Meeting of the Company to be held on Saturday, the 11th August, 2007 at 3.00 p.m. at Plot No. G-4/1, MIDC, Tarapur, Boisar, Dist. Thane - 401 506.

Signed this day of.....2007.

- Note. 1. This instrument of Proxy shall be deposited at the Regd. Office of the Company not less than 48 (FORTY EIGHT) hours before the time of holding of the aforesaid meeting.
 2. A Proxy need not be a member of the Company.

Signature-

Affix Re. 1.00 Revenue Stamp



A large rectangular area with rounded corners, enclosed by a thin black border. The interior of this area is filled with a grid of small, evenly spaced dots, providing a guide for writing or drawing.

FINANCIAL HIGHLIGHTS

(Figures in Lacs)

YEAR	2006-07	2005-06	2004-05	2003-04	2002-03
PRODUCTION					
Cloth (Mtrs)	349	328	246	224	202
Yarn (Kgs.)	20	18	13	24	25
Garments (Nos.)	9	6	6	6	7
Gross Sales (Rs.)					
Local	50167	41965	30903	28392	30821
Export	2287	3012	3061	3406	2143
Gross Profit	3865	3851	2280	2112	2079
Depreciation	1555	1421	1185	1004	985
Profit Before Tax	2310	2430	1095	1108	1094
Provision for Tax	358	869	283	361	392
Net Profit	1952	1561	812	747	702
Dividend (%)	50	50	40	40	36
Net Worth per Share of Rs. 10/- each*	142	189	169	160	153
Earning Per Share	21	17	14	12	11
Net Cash Accrual	2927	2919	1905	1745	1748
Gross Block of Fixed Assets	26407	20880	19823	18332	16483

* The Company had allotted Bonus Shares in the ratio of 3:5 in 1984, 1:2 in 1988 and 1:2 in 2006.



Siyaram Silk Mills Limited

Registered Office
H-3/2, MIDC, A-Road,
Tarapur, Boisar,
Dist.: Thane - 401 506
Maharashtra
Tel: 02525 – 329910/11
Fax : 02525 – 272475

Corporate Office
B-5, Trade World, Kamala City,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai - 400 013
Tel: 022-30400500
Fax : 022- 30400599
Email : sharedept@siyaram.com

Registrar & Share Transfer Agent
TSR Darashaw Ltd.
6-10, 1st Floor,
Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai - 400 011
Tel: 22-66568484 • Fax: 022-66568494
E-mail: cs-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com