

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

ASHOK N. GARODIA

(w.e.f. 29/05/2008)

ARVIND M. PODDAR

PAWAN D. PODDAR

Joint Managing Director

SHRIKISHAN D. PODDAR

Executive Director

VIJAYLAXMI A. PODDAR

Executive Director

ASHOK M. JALAN

Whole Time Director

WILLIAM V. FERNANDES

Company Secretary

(w.e.f. 10/06/2008)

PLANTS

Weaving

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

D-23/1, MIDC, Tarapur,
Boisar, Dist. Thane - 401 506
Maharashtra.

D-2/1, MIDC, Murbad,
Dist. Thane-421401
Maharashtra

Survey No 367,
P.O.: Saily
Silvassa (U.T.)-396230

E/125, MIDC, Tarapur,
Boisar, Dist. Thane - 401 506
Maharashtra

Yarn

G-1/1, MIDC, Tarapur Industrial Area,
Boisar, Dist. Thane - 401 506
Maharashtra.

G-4/1, MIDC, Tarapur Industrial Area,
Boisar, Dist. Thane - 401 506.
Maharashtra

Readymade Garments

481/1-2, Dabhel,
Daman,
Daman & Diu (U.T.) - 396 210

Plot No. 722, Dabhel,
Daman,
Daman & Diu (U.T.) - 396 210

BANKERS

Bank of Baroda
Central Bank of India
Corporation Bank

AUDITORS

Jayantilal Thakkar & Co.
Chartered Accountants

COST AUDITORS

Tholiya & Associates
Cost Accountants

INTERNAL AUDITORS

K. M. Garg & Co.
Chartered Accountants

SOLICITORS & LEGAL ADVISORS

Kanga & Co.
Advocates, Solicitors & Notary

CORPORATE OFFICE

B-5, Trade World,
Kamala City, Senapati Bapat Marg,
Lower Parel, Mumbai - 400013.

REGISTERED OFFICE

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

NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the Members of Siyaram Silk Mills Limited will be held on Saturday, 23rd August, 2008 at 10.45 a.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 Audited Profit and Loss Account for the year ended 31st March, 2008 and the Balance Sheet as at that date together with the Reports of Directors and Auditors thereon.
2. To declare Dividend on equity shares.
3. To appoint a Director in place of Shri Arvind M. Poddar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Shrikishan D. Poddar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Smt. Vijaylaxmi A. Poddar, who retires by rotation and being eligible, offers herself for re-appointment.
6. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), 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:

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

“**RESOLVED THAT** Shri Ashok N. Garodia, 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 29th May, 2008 and who holds office up to the date of this 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.”

By Order of the Board of Directors

William Fernandes

Company Secretary

Place : Mumbai

Dated : June 26, 2008.

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(2) of the Companies Act, 1956, in respect of Item No. 7 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 Wednesday, 20th August, 2008 to Saturday, 23rd August, 2008 (both days inclusive) for the purpose of payment of dividend for the year ended 31st March, 2008. Those Members whose names stand on the Register of Members of the Company as on 19th August, 2008, will be eligible for dividend.
5. Members holding shares in 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 dividend 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 2007-08, the Company has transferred the unclaimed and unpaid amount pertaining to the dividend for the financial year 1999-2000 amounting to Rs. 1,75,766.00 to the IEPF. Members who have not encashed their dividend warrants for the financial year 2000-01 and 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 and unpaid 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
31/03/2001	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
31/03/2007	11/08/2007	16/08/2014	06/09/2014

7. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Annual General Meeting.
8. The members are requested to:
- Quote Registered Folio/Client ID & DP ID in all their correspondence;
 - Bring their copy of the Annual Report and Attendance Slip duly signed;
 - Trade in the Equity Shares in the dematerialized form only;
 - 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, Shri. Arvind M. Poddar, Shri. Shrikishan D. Poddar, and Smt. Vijaylaxmi A. Poddar, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment. Shri Ashok N. Garodia, Additional Director seeks appointment as a Director of the Company. 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.

of the Company by the Board of Directors at its meeting held on 29th May, 2008. According to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company, he holds office as Director only up to the date of this Annual General Meeting. The Company has received notice in writing from a member along with a deposit of Rs.500/- proposing the candidature of Shri Ashok N. Garodia for the office of Director of the Company under section 257 of the Act.

Shri Ashok N. Garodia is not disqualified from being appointed as Director under section 274(1)(g) and has complied with the requirement of section 266A of the Act. The Company has received the requisite Form DD-A from Shri Ashok N. Garodia, in terms of Companies (Disqualification of Directors under section 274 (1) (g) of the Companies Act, 1956) Rules, 2003 confirming his eligibility for his appointment.

A brief resume of Shri Ashok N. Garodia as required under Clause 49 is given in Annexure to the notice.

The Board considers it desirable that the Company should continue to avail his guidance and advice and recommends the resolution for approval of the shareholders.

Except Shri Ashok N. Garodia, no Director of the Company is concerned or interested in the resolution.

ANNEXURE TO THE NOTICE

By Order of the Board of Directors

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

William Fernandes
Company Secretary

Item No. 7

Shri Ashok N. Garodia, was appointed as an Additional Director

Place: Mumbai

Dated: June 26, 2008.

Annexure to Items 3, 4, 5 & 7 of the Notice

Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting on 23rd August, 2008 (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 others Companies (excluding Private Companies) in which directorships held as on 31 st March, 2008
Shri Arvind M. Poddar	07/11/1957	29/05/1992	B. Com.	Industrialist with vast experience in the Textile Industry.	1. Balkrishna Industries Ltd. 2. GRL International Ltd. 3. S. P. Investrade (India) Ltd 4. Vishal Furnishings Ltd 5. Balkrishna Paper Mills Ltd. 6. BKT (EXIM) Ltd. 7. Siyaram Polycote Ltd.
Shri Shrikishan D. Poddar	09/08/1963	27/10/1989	B.Com	Industrialist with vast experience in the Textile Industry	1. Futuristic Concepts Media Ltd. 2. Oxemberg Clothing Ltd.
Smt. Vijaylaxmi A. Poddar	02/12/1960	23/10/1999	B.Com	Industrialist with vast experience in the Textile Industry.	1. Balgopal Holding & Traders Ltd. 2. Oxemberg Fashions Ltd. 3. Sanchana Trading & Finance Ltd. 4. Oxemberg Clothing Ltd.
Shri. Ashok N. Garodia	01/10/1956	29/05/2008	B.E. (Mech.)	Experience of 30 years in the field of manufacturing, operation management, supply chain management and Purchase/Import.	1. Dart Electronics Ltd.

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 30th Annual Report along with Audited Statement of Accounts for the year ended 31st March, 2008.

Financial Results

(Rupees in Crores)

	2007-08	2006-07
Net Turnover and other Income	493.59	454.46
Profit before Depreciation & Tax	28.80	38.65
Less: Depreciation	16.55	15.55
Profit before Tax	12.25	23.10
Less: Provision for Taxation		
Current Tax	0.71	3.55
Deferred Tax	1.51	(0.32)
Fringe Benefit tax	0.52	0.35
	2.74	3.58
Profit after Tax	9.51	19.52
Add: Adjustments relating to earlier year	(0.20)	0.55
	9.31	20.07
Add: Surplus brought forward from previous year	5.04	0.46
Surplus available for appropriation	14.35	20.53
Less: Transfer to General Reserve	4.00	10.00
Proposed Dividend	4.68	4.68
Tax on Dividend	0.80	0.80
	9.48	15.48
Balance Carried Forward to Balance Sheet	4.87	5.04

Operations:

During the year under review, the turnover of your Company was Rs. 493.59 Crores (previous year Rs. 454.46 Crores). The net profit after tax was at Rs. 9.51 Crores (previous year Rs. 19.52 Crores). The stress on the profitability was due to various factors like general recession in the textile industry, increase in the sales promotion and brand building expenditure to increase the Company's market share in the competitive market, incurrence of setting up expenditure in the business ventures like Retailing, Furnishing and creating of new brands.

Expansion:

During the year under review, the Company added 42 imported Looms of latest technology along with other preparatory machines and accessories for manufacturing fabrics and in its new venture of Home Furnishing.

In the Yarn Division, the Company has increased its yarn dyeing capacity during the year under review by adding additional yarn dyeing machines along with balancing equipments to manufacture value added yarn. The Company proposes to further increase the yarn dyeing capacity in the current year.

In the Readymade Garments Division, the Company has during the year installed 177 stitching machines to manufacture readymade garments, viz., shirts and trousers.

In the Retail sector, the Company has opened 65 Retail outlets including Franchisees and Company's own outlets. The Company proposes to expand this chain of marketing looking at over all market conditions from time to time.

The above expansion was funded by way of Term Loan from Banks under the TUF Scheme of Government of India and internal accruals of the Company.

Management Discussion and Analysis:

With the abolition of quota regime and prospects of increase in GDP of the Country there was an expectation of buoyancy for the Indian Textile Industry from the domestic as well as from international market. The Government also continued schemes/incentives to the textile industry as this being a core industry to drive the economy and increase employment. All these factors encouraged existing players and new entrants to built huge capacities. However the general slow down in the economy reduced the demand for the textile products. The situation worsened further with the increase of input costs on account of inflationary pressure and skyrocketing of Petroleum prices, resulting in increase in cost of production and reduced profitability.

Future Outlook:

The above scenario is likely to continue in the year 2008-09. However, the Company expects its volume to grow modestly despite adverse economic conditions like rising inflationary pressure contributing to increase in input costs and downward pressure on price realization. The Company has a strong presence in Polyester Viscose based fabric products and the demand for this is continuously growing. Its presence in value added dyed yarn segment is also expected to contribute to the topline. The Company to meet the challenges ahead, plans to expand its activities in the field of Readymade Garments, enhance its marketing capabilities by expanding its marketing channel and targets to double the number of retail outlets both Company owned and Franchisee outlets.

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.5.48 Crores including Corporate Dividend Tax.

Subsidiary Companies:

The Company has two 100% Subsidiaries, namely Siyaram Polycote Limited and Oxemberg Clothing Limited. As required by Section 212 of the Companies Act, 1956, the Accounts of the Subsidiary Companies are attached herewith. No commercial activities were carried out by the Subsidiaries during the year under review & since financial operations of subsidiaries will not have material impact on the financials of the holding Company, Consolidated Accounts in accordance with Accounting Standard AS-21 have not been prepared.

Directors:

Shri Arvind M. Poddar, Shri Shrikishan D. Poddar and Smt. Vijaylaxmi A. Poddar, Directors, 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 N. Garodia was appointed as an Additional Director of the Company w.e.f. 29th May, 2008 and holds office till the date of ensuing Annual General Meeting. Notice under section 257 of the Companies Act, 1956, has been received from a member proposing Shri Ashok N. Garodia as a Director of the Company. Necessary resolution has been put up in the Notice to the ensuing Annual General Meeting. Your Directors commend the resolution.

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

Corporate Governance:

A report on Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchange(s) forms part of the Annual Report.

Certificate from the Auditors of the Company confirming compliance of conditions of Corporate Governance as stipulated under the aforesaid clause 49 forms part of the Annual Report.

Fixed Deposits:

There were no unclaimed deposits as on 31st March, 2008.

Directors' 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 2008, 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 this 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 Annexure -II to this 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 : Manufacturing activities have been shifted to Tarapur. Negotiations for disposing of Land & Building is in progress.
- 2) Patalganga Unit : The Company has disposed the land and building pursuant to the approval obtained from shareholders through postal ballot on 29th October, 2007.

Forward Looking Statements

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 of 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. 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 26, 2008.

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, 2008

Sr. No	Name	Age	Designation	Remuneration Received (Gross) Rupees	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	56	Vice Chairman & Managing Director	82,27,948	B.Sc. (35)	28.01.1985	—
2.	Shri Shrikishan D. Poddar	45	Executive Director	45,25,203	B.Com (26)	22.06.2001	Balkrishna Industries Ltd. Executive Director (11 yrs)
3.	Smt Vijaylaxmi A. Poddar	48	Executive Director	52,33,991	B.Com (21)	01.04.2000	Sagar Silk Industries Ltd. Executive Director (4 yrs)
4.	Shri Pawan D. Poddar	54	Joint Managing Director	60,33,566	B.Com (33)	01.08.2006	Balkrishna Industries Ltd. Jt. Mg. Director (6 yrs)
5.	Shri Ashok M. Jalan*	49	Whole Time Director	22,04,595	B.Com (28)	08.04.1981	—

* Drawing remuneration in excess of Rs. 2,00,000/- p.m. for part of the year.

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 26, 2008.

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 07-08	Total for 06-07
A. Power & Fuel Consumption		
1 Electricity		
a) Purchased (units)	16518639	15213474
Total Amount (Rs)	65926126	54836837
Rate / unit	3.99	3.60
b) Own generation		
From Diesel Generators (units)	1023746	846239
Diesel oil consumption (Ltrs)	310616	266204
Units per ltr of Diesel oil	3.30	3.18
Cost / unit (Rs)	9.17	9.59
2 Coal / Pet Coke		
Quantity (Kgs)	865841	634586
Total Cost (Rs.)	4772375	3484200
Average rate per tonne	5512	5491
3 Furnace Oil / L.S.H.S.		
Quantity in Ltrs	96370	65720
Total Cost (Rs.)	2196473	1291814
Average rate (in '000 ltrs)	22792	19656
Total Value	82286219	67731941
B. Consumption per unit of Production		
1 Electricity (KWH)		
Cloth / Mtr	0.75	0.83
Yarn / kg	1.36	1.35
Garment / Nos.	0.53	0.51
2 Furnace oil / L.S.H.S		
Dyed Yarn / Kg	-	-
Garments / Nos.	0.06	0.07
3 Coal & Fuel Wood		
Dyed Yarn/Kg	0.43	-
Garment Nos		

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

B) TECHNOLOGY 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. 79,46,710/-
Total	-	Rs. 79,46,710/-

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. 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.1786.35 Earned – Rs.3871.03

For and on behalf of Board of Directors

Dharaprasad R. Poddar
Chairman

Place : Mumbai

Date : June 26, 2008.

CORPORATE GOVERNANCE REPORT

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

I. Company's Philosophy

The Company's philosophy on corporate governance is to attain the highest level of transparency in its dealing, equity in all facets of its operations, with the objective to enhance the long term shareholders value, while at the same time protect the interest of other stakeholders. The Company believes that proper Corporate Governance facilitates effective management and control of business. The Company endeavours to adopt best practices of Corporate Governance and adherence of the same in true spirit at all times.

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 Board of the Company has an optimum combination of Executive, Non Executive and Independent 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		Directorships in other Public Companies	Committee Positions	
		Board	Last AGM		Member	Chairman
Shri Dharaprasad R. Poddar	Chairman	6	Yes	3	-	-
Shri Ramesh D Poddar	Vice Chairman & Managing Director	5	Yes	1	-	-
Shri Pawan D. Poddar	Joint Managing Director	6	Yes	3	-	-
Shri Shrikishan D Poddar	Executive Director	4	Yes	2	-	-
Smt. Vijaylaxmi A. Poddar	Executive Director	5	No	4	-	-
Shri Arvind M Poddar	Non-Executive Director	6	Yes	7	-	-
Shri. Brijmohan L. Sarda	Non-Executive, Independent Director	6	Yes	-	-	-
Shri Ketan. P. Gupte	Non-Executive, Independent Director	4	Yes	-	-	-
Prof. (Dr.) Mangesh. D. Teli	Non-Executive, Independent Director	6	Yes	-	-	-
Shri. Shailesh S. Vaidya	Non-Executive, Independent Director	6	No	9	-	-
Shri Ashok M. Jalan	Whole Time Director	6	Yes	-	-	-

Shri Ashok N. Garodia has been appointed as an Additional Director of the Company w.e.f. 29th May, 2008.

Board Meetings:

During the year, 6 (Six) Board Meetings were held on 29th May, 2007, 5th June, 2007, 31st July, 2007, 3rd September, 2007, 31st October, 2007 and 31st January, 2008. The Annual General Meeting was held on 11th August, 2007.

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 4 times on 30th May, 2007, 31st July, 2007, 31st October, 2007 and 31st January, 2008.

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	4
Shri Ketan. P. Gupte	Member	3
Prof. (Dr.) Mangesh. D. Teli	Member	4

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 2 times on 30th May, 2007 and 31st October, 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	2
Shri Ketan. P. Gupte	Member	2
Prof. (Dr.) Mangesh. D. Teli	Member	2

Details of Directors Remuneration * for the year 2007- 08 are given below:-

Name of Directors	Salary & Other perquisites	Commission	Sitting fees	Total remuneration
Shri Dharaprasad R Poddar	Nil	Nil	60,000	60,000
Shri Ramesh D Poddar	82,27,948	Nil	Nil	82,27,948
Shri Pawan D Poddar	60,33,566	Nil	Nil	60,33,566
Shri Shrikishan D Poddar	45,25,203	Nil	Nil	45,25,203
Smt. Vijaylaxmi A Poddar	52,33,991	Nil	Nil	52,33,991
Shri Arvind M Poddar	Nil	Nil	1,05,000	1,05,000
Shri Brijmohan L. Sarda	Nil	Nil	1,05,000	1,05,000
Shri Ketan. P. Gupte	Nil	Nil	75,000	75,000
Prof.(Dr.) Mangesh. D. Teli	Nil	Nil	1,05,000	1,05,000
Shri Shailesh. S. Vaidya	Nil	Nil	60,000	60,000
Shri Ashok M. Jalan	22,04,595	Nil	Nil	22,04,595
Total	2,62,25,303	Nil	5,10,000	2,67,35,303

* 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 matters 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 22 times during the Financial Year ended 31st March, 2008.

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

Name of the Member	Designation	No. of Meetings attended
Shri Pawan D. Poddar	Chairman	21
Shri Ramesh D. Poddar	Member	21
Shri Arvind M. Poddar	Member	18
Shri Shrikishan D. Poddar	Member	18

During the year ended 31st March, 2008, 230 Shareholders' Complaints / Queries were received out of which 230 complaints were resolved. There were no outstanding complaints at the end of the year.

VI. Information on Annual General Meeting:

Financial Year	Date	Time	Venue
2004-2005	16 th July, 2005	11 a.m.	Plot No.G-4/1,MIDC, Tarapur, Boisar, Dist.Thane-401506
2005-2006	16 th Sept., 2006	11 a.m.	Plot No.G-4/1,MIDC, Tarapur, Boisar, Dist.Thane-401506
2006-2007	11 th Aug., 2007	3 p.m.	Plot No.G-4/1,MIDC, Tarapur, Boisar, Dist.Thane-401506

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

Details of Special Resolutions passed at the last Three A.G.M's /by Postal Ballot:

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 for sale, lease, transfer or otherwise dispose of the Company's undertaking at Plot No.45-B, Masat Industrial Estate, Silvassa. The resolution was passed by requisite majority.

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

- 2006-2007** : Appointment of Shri. Gaurav P. Poddar relative of a Director to hold an office or place of profit in the Company.
Appointment of Shri Ashok M. Jalan as a Whole time Director.
Appointment of Shri Ramesh D. Poddar as a Vice Chairman and Managing Director.
Appointment of Shri Shrikishan D. Poddar and Smt. Vijaylaxmi A. Poddar as Executive Directors.

Postal Ballot:

The Company has sought Shareholders' approval through postal ballot for sale, lease, transfer or otherwise dispose of the Company's undertaking situated at Patalganga. The resolution was passed by requisite majority.

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. Subsidiary Companies:

1. The Company has two 100% Subsidiaries viz M/s. Siyaram Polycote Limited and M/s. Oxemberg Clothing Limited, which are non material non listed Companies.
2. The Minutes of the Board Meetings of the Subsidiaries Companies are placed at and the financial Statements are reviewed at Board Meetings at reasonable intervals.

IX. Disclosures:

- (1) Disclosures on materially significant related party transactions,
Necessary disclosures are made in Note No. 13 of Schedule "Q".
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.

X. Means of Communication:

The Board of Directors of the Company approves and takes on record the quarterly, half yearly and 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.

XI. General Shareholder Information:

1. Annual General Meeting :

Date: 23rd August, 2008.
Time : 10.45 a.m.
Venue: 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, 2008 to 31 st March, 2009.
Results for the Quarter ending:	
June 30, 2008	On or before July 31, 2008
September 30, 2008	On or before October 31, 2008
December 31, 2008	On or before January 31, 2009
March 31, 2009	On or before April 30, 2009 or June 30, 2009

3. Date of Book Closure:

Wednesday, 20th August, 2008 to Saturday, 23rd August, 2008
(both days inclusive).

4. Dividend payment date:

On or after 23rd August, 2008 , if approved by the members at the forthcoming Annual General Meeting.

- 5. Listing of Equity Shares on the Stock Exchanges:**
- Bombay Stock Exchange Ltd., P. J. Towers, Dalal Sreet, Fort, Mumbai 400 001.
 - National Stock Exchange of India Ltd., Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051
Listing Fees as applicable have been paid.

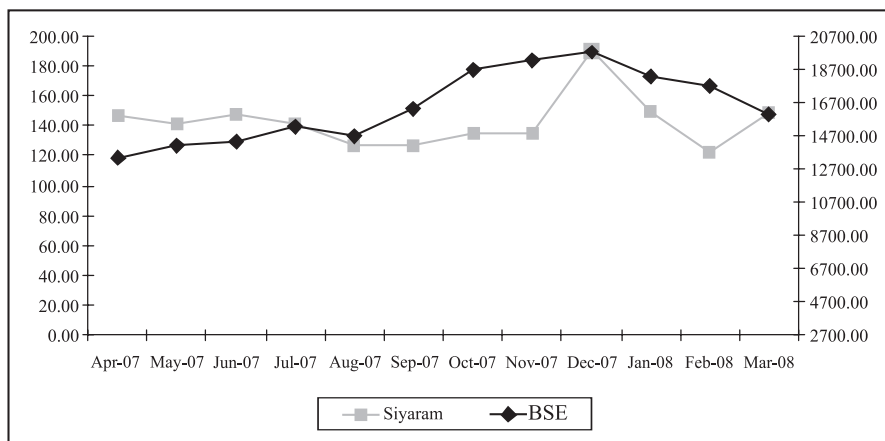
6. Stock Code/Symbol:

(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

7. Stock Market Data:

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April-2007	155.45	138.10	159.90	138.00
May-2007	148.50	134.00	159.00	132.10
June-2007	158.75	136.15	155.00	133.55
July-2007	146.00	136.00	151.00	131.65
Aug-2007	144.00	110.10	145.00	108.50
Sep-2007	142.60	111.00	141.60	111.00
Oct-2007	152.95	117.50	150.00	116.00
Nov-2007	150.00	120.10	150.00	113.00
Dec-2007	248.00	131.25	249.00	130.35
Jan-2008	207.45	92.00	207.95	107.55
Feb-2008	134.90	110.00	136.60	104.90
Mar-2008	120.95	76.20	127.00	76.00

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



9. 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

10. 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.

11. Distribution of Shareholding as on 31st March, 2008:

Sr. No.	No of shares	Holding	Amount (Rs.)	% to Capital	No of Holders	%to Total Holders
1	1 to 500	1036042	10360420	11.05	8450	90.15
2	501 to 1000	374427	3744270	4.00	531	5.67
3	1001 to 2000	227408	2274080	2.43	160	1.71
4	2001 to 3000	122249	1222490	1.30	49	0.52
5	3001 to 4000	80720	807200	0.86	23	0.25
6	4001 to 5000	69521	695210	0.74	15	0.16
7	5001 to 10000	262340	2623400	2.80	37	0.39
8	10001 and above	7199341	71993410	76.82	108	1.15
	TOTAL	9372048	93720480	100.00	9373	100.00

12. Shareholding pattern as on 31st March 2008:

Sr. No.	Category	No of shares held	Percentage of Shareholding
1.	Promoters	6206220	66.22
2.	Mutual Funds and UTI	585778	6.25
3.	Banks, Financial Institutions, Insurance Companies.	1841	0.02
4.	Private Corporate Bodies	335200	3.58
5.	Indian Public	2243009	23.93
	Grand Total	9372048	100.00

13. Dematerialization of shares and liquidity:

60.26% 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, 2008.

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).

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

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

15. Plant Locations:

As mentioned on Page No. 1 of this Annual Report.

16. 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
B-5, Trade World, Kamala City,
Senapati Bapat Marg,
Lower Parel (West), Mumbai- 400 013
Tel: 022-30400500
Fax : 022- 30400599
E-mail : sharedept@siyaram.com

Registrar & Share Transfer Agent
Registered Office
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 : csg-unit@tsrdarashaw.com
Website : www.tsrdarashaw.com

For and on behalf of the Board of Directors

Place: Mumbai,
Date: June 26, 2008.

DHARAPRASAD R. PODDAR
Chairman

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, 2008.

For **SIYARAM SILK MILLS LIMITED**

Ramesh D. Poddar

Vice Chairman & Managing Director

Place: Mumbai

Date: June 26, 2008.

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER 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 the 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

Chief Financial Officer

Place: Mumbai

Date: June 26, 2008.

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 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with the 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 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 26, 2008.

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, 2008 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 (Auditor's 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, 2008 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, 2008;
- 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 26, 2008.

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, 2008)

- 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 within 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 two companies covered in the register maintained under Section 301 of the Companies Act, 1956 aggregating to Rs. 3 crores.
- 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. 17 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, 2008 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, 2008 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
Central Excise Act, 1944	Penalty	Commissioner Appeal	2003-04	1.71

- 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 26, 2008.

BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedules	Rs. In Lacs	
		As At 31.03.2008	As At 31.03.2007
I. SOURCES OF FUNDS			
Shareholders' Funds			
Capital	A	937.38	937.38
Reserves & Surplus	B	12,699.09	12,338.97
		13,636.47	13,276.35
Loan Funds			
Secured Loans	C	18,592.22	11,251.55
Unsecured Loans	D	8,455.43	8,108.28
		27,047.65	19,359.83
Deferred Tax			
Deferred Tax Liabilities (Net) (See Note No. 8 of Schedule 'Q')		1,745.14	1,600.57
TOTAL		42,429.26	34,236.75
II. APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	30,277.51	23,729.80
Less : Depreciation		10,131.12	8,591.90
Net Block		20,146.39	15,137.90
Capital work - in - progress		483.69	2,676.86
		20,630.08	17,814.76
Investments	F	23.65	13.65
Current Assets, Loans and Advances			
Inventories	G	10,889.50	7,506.76
Sundry Debtors	H	13,257.07	12,775.10
Cash & Bank balances	I	112.36	140.38
Loans & Advances	J	3,347.85	2,170.18
		27,606.78	22,592.42
Less : Current Liabilities and Provisions	K		
Current Liabilities		4,464.93	4,584.84
Provisions		1,366.32	1,599.24
		5,831.25	6,184.08
Net Current Assets		21,775.53	16,408.34
TOTAL		42,429.26	34,236.75
Significant Accounting Policies	P		
Notes to Accounts	Q		

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

W.V.Fernandes
Company Secretary

For and on behalf of the Board

D.R.Poddar Chairman

R.D.Poddar Vice Chairman &
Managing Director

P.D.Poddar Joint Managing
Director

Mumbai, 26th June, 2008.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Schedules	Rs. In Lacs	
		Current Year	Previous year
INCOME			
Sales and Related Income	L	58,968.26	52,453.70
Trade discount, Returns, Rebate etc.		(10,358.64)	(7,783.05)
Net Sales		48,609.62	44,670.65
Other Income	M	748.97	775.24
TOTAL INCOME		49,358.59	45,445.89
EXPENDITURE			
Manufacturing and Other Expenses	N	45,405.90	40,909.01
Interest	O	1,072.17	671.91
Depreciation		1,655.49	1,554.98
TOTAL EXPENDITURE		48,133.56	43,135.90
PROFIT BEFORE TAX		1,225.03	2,309.99
Provision for Taxation		152.00	355.00
MAT credit Entitlement(refer note 6 in Schedule Q)		(81.00)	–
Provision for Fringe Benefit Tax		52.50	35.00
Provision for Deferred Tax		151.00	(32.00)
		274.50	358.00
PROFIT AFTER TAX		950.53	1,951.99
Excess/(Short) Provision of Income Tax (Net)		(17.00)	1.94
Excess Provision of doubtful debts written back		4.31	–
Excess/(Short) provision of Depreciation (Net)		(12.46)	2.28
Adjustments relating to earlier years		5.45	50.53
		930.83	2,006.74
Balance brought forward from last year		504.28	45.78
PROFIT AVAILABLE FOR APPROPRIATION		1,435.11	2,052.52
APPROPRIATIONS			
Proposed Dividend		468.60	468.60
Tax on Proposed Dividend		79.64	79.64
Transferred to General Reserve		400.00	1,000.00
Balance Carried to Balance Sheet		486.87	504.28
		1,435.11	2,052.52
Basic & diluted earnings per share in (Rs) (See Note No. 7 of Schedule 'Q')		9.93	21.41

Significant Accounting Policies
Notes to Accounts

P
Q

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

W.V.Fernandes
Company Secretary

For and on behalf of the Board

D.R.Poddar Chairman
R.D.Poddar Vice Chairman &
Managing Director
P.D.Poddar Joint Managing
Director

Mumbai, 26th June, 2008.

Schedules annexed to and forming part of the Balance Sheet as at and Profit and Loss Account for the year ended 31st March, 2008.

	As At 31-03-2008	Rs. In Lacs As At 31-03-2007
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	25.00	25.00
	<u>1,000.00</u>	<u>1,000.00</u>
Issued		
93,74,016 (Previous year 93,74,016) Equity Shares of Rs. 10/- each	<u>937.40</u>	<u>937.40</u>
Subscribed and Paid Up		
93,72,048 (Previous year 93,72,048) Equity Shares of Rs. 10/- each fully paid up	937.20	937.20
Add : Forfeited Equity shares (amount paid up)	0.18	0.18
	<u>937.38</u>	<u>937.38</u>
Note : Of the above:		
(1) 46,44,652 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
Less : Refunded during the year	<u>10.00</u>	<u>—</u>
	30.00	40.00
Share Premium Account		
As per last Balance Sheet	794.69	1,107.09
Less : Capitalized - Issue of Bonus Shares	<u>—</u>	<u>312.40</u>
	794.69	794.69
General Reserve		
As per last Balance Sheet	11,000.00	10,000.00
Add : Transferred from Profit and Loss Account	400.00	1,000.00
	<u>11,400.00</u>	<u>11,000.00</u>
Less : Charge on account of transitional provision under Accounting Standard 15	<u>12.47</u>	<u>—</u>
	11,387.53	11,000.00
Profit & Loss Account		
	486.87	504.28
	<u>12,699.09</u>	<u>12,338.97</u>
SCHEDULE 'C' - SECURED LOANS :		
(a) Working Capital Loans from Banks :-		
i) Cash Credit/ Demand Loans/ Short Term Loan	6,299.15	4570.90
ii) Packing Credit	865.58	696.98
iii) Bills Discounting	<u>217.56</u>	<u>43.74</u>
	7,382.29	5,311.62
(b) Term Loans from Banks	<u>11,209.93</u>	<u>5,939.93</u>
	<u>18,592.22</u>	<u>11,251.55</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 banks are secured by first charge by way of mortgage, hypothecation created/to be created on entire fixed assets of the company. Personally guaranteed by two directors, except Term Loan of Rs.9980 Lacs. (Previous year Rs. 4208 Lacs)

Rs. In Lacs

As At
31-03-2008 31-03-2007

SCHEDULE 'D' - UNSECURED LOANS :

(a) Fixed Deposits	3.00	122.79
(b) From Govt of Maharashtra (Interest Free Sales Tax Loan)	221.45	242.10
(c) Security Deposit from Dealers / others	1,707.54	1,309.26
(d) Short Term Loans from Banks*	5,000.00	5,790.27
(e) Short Term Loans from Banks in Foreign Currency *	1,523.44	643.86
	<u>8,455.43</u>	<u>8,108.28</u>

* Personally Guaranteed by two Directors

SCHEDULE - ' E ' FIXED ASSETS

(Rs.in Lacs)

DESCRIPTION	Gross Block (At Cost)				Depreciation				Net Block	
	As At 01.04.07	Additions	Sale/ Trasfer	As At 31.03.08	Up To 31.03.07	Deduction	For The Year	Up To 31.03.08	As At 31.03.08	As At 31.03.07
Freehold Land	100.39	-	-	100.39	-	-	-	-	100.39	100.39
Leasehold Land	723.08	52.09	3.60	771.57	11.01	0.69	4.46	14.78	756.79	712.07
Building	6481.42	2096.89	116.55	8461.76	932.23	83.52	171.30	1020.01	7441.75	5549.19
Factory Road	55.97	-	0.21	55.76	8.64	0.06	0.91	9.49	46.27	47.33
Plant & Machinery	14298.78	3357.12	23.53	17632.37	7014.80	19.58	1273.46	8268.68	9363.69	7283.98
Electrical Installation	403.04	260.36	-	663.40	111.58	-	22.89	134.47	528.93	291.46
Furniture & Equipments	1263.04	482.62	21.09	1724.57	395.05	19.17	148.18	524.06	1200.51	867.99
Vehicles	399.67	30.11	12.88	416.90	117.45	5.71	38.94	150.68	266.22	282.22
Intangible Assets:										
Computer Software	3.41	446.38	-	449.79	1.14	-	7.81	8.95	440.84	2.27
Trade Mark	1.00	-	-	1.00	-	-	-	-	1.00	1.00
Current Year Total	23729.80	6725.57	177.86	30277.51	8591.90	128.73	1667.95 #	10131.12	20146.39	15137.90
Previous Year Total	20373.68	5265.47	1909.35	23729.80	8269.48	1232.56 *	1554.98	8591.90	15137.90	-

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

- Co-operative societies are formed Rs.123.91 Lacs (Previous year Rs.125.87 lacs)(including Shares of the face value of Rs. 0.06 Lacs)
 - Co-operative societies are yet to be formed Rs.3228.93 Lacs(Previous year Rs.3228.93 lacs).
- # Includes short provision of depreciation of Rs.12.46 lacs in earlier years .
* Includes excess provision of depreciation of Rs.2.28 lacs in earlier years written back.

SCHEDULE 'F' - INVESTMENTS (At Cost) :

Long Term Investments

(a) Trade Investments : (unquoted) 48 Shares of Art Silk Co-operative Ltd. of Rs.100/- each fully paid	0.05	0.05
(b) Other Investments (Quoted) 13600 6.75% Tax Free Bonds of UTI of Rs. 100/- each.	13.60	13.60
(c) In Equity Shares of Subsidiary Companies (Unquoted) (fully paid up) Oxemberg Clothing Ltd.(50000 shares of Rs. 10/- each) Siyaram Polycote Ltd. (50000 shares of Rs. 10/- each)	5.00 5.00	- -
	<u>10.00</u>	-
	<u>23.65</u>	<u>13.65</u>
Aggregate cost of unquoted investments	10.05	0.05
Aggregate cost of quoted investments	13.60	13.60
Market value of quoted investments	13.80	13.53

Rs. In Lacs
 As At
 31-03-2007

 As At
 31-03-2008

SCHEDULE 'G' - INVENTORIES :

(At lower of cost and net realisable value)

(As taken, valued and certified by the Management)

Stores and Spares	504.33	583.87
Stock - in - trade : -		
Raw Materials	3,253.47	3,054.14
Finished Goods	5,710.88	<u>2,568.38</u>
	8,964.35	5,622.52
Goods in Process	1,420.82	<u>1,300.37</u>
	10,889.50	<u>7,506.76</u>

SCHEDULE 'H' - SUNDRY DEBTORS (Unsecured) :

Over Six Months :

Considered good	941.98	861.50
Considered doubtful	211.20	<u>215.51</u>
	1,153.18	1,077.01

Others :

Considered good	12,315.09	<u>11,913.60</u>
	13,468.27	12,990.61
Less : Provision for doubtful debts	(211.20)	<u>(215.51)</u>
	13,257.07	<u>12,775.10</u>

SCHEDULE 'I' - CASH & BANK BALANCES :

Cash Balance on hand	10.73	13.14
Bank Balances with Scheduled Banks : -		
In Current accounts *	100.86	126.61
In Fixed Deposit (Pledge with Sales Tax Dept. Rs. 0.77 Lacs)	0.77	<u>0.63</u>
Previous Year Rs.0.63 Lacs)	101.63	<u>127.24</u>
	112.36	<u>140.38</u>

 * (Including Rs.Nil (Previous year Rs.0.22 Lacs) towards US\$ Nil
 (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	2,263.15	1,037.48
Advances towards Share Application Money to Subsidiaries	-	10.00
Due from subsidiaries	-	0.63
MAT Credit Entitlement	81.00	-
Advance Income Tax and Tax Deducted at Source	1,003.08	1,114.08
Balances with Customs, Excise Authorities, etc.,	0.62	<u>7.99</u>
	3,347.85	<u>2,170.18</u>

Rs. In Lacs
As At
31-03-2007

As At
31-03-2008

SCHEDULE 'K' - CURRENT LIABILITIES AND PROVISIONS :

Current Liabilities

Sundry Creditors- Micro, Small and Medium Enterprises @	-	-
Others #	4,420.48	4,551.62
Interest Accrued but not due on Loans	10.36	-
Unpaid Dividend *	21.35	18.67
Unpaid Matured Debentures *	9.85	10.45
Interest on Debentures *	2.89	4.10
	<u>34.09</u>	<u>33.22</u>
	4,464.93	4,584.84

PROVISIONS

Provision for Taxation	661.50	965.00
Proposed Dividend	468.60	468.60
Tax on proposed dividend	79.64	79.64
Provision for Retirement benefits	156.58	86.00
	<u>1,366.32</u>	<u>1,599.24</u>
	<u>5,831.25</u>	<u>6,184.08</u>

@ The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act have not been given.

Includes Commission payable to Executive Directors Nil (Previous Year Rs.40 Lacs) .

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

Rs. In Lacs
Previous year

Current Year

SCHEDULE 'L' - SALES AND RELATED INCOME :

Sales	58,914.06	52,415.30
Less : Excise Duty Recovered on Sales	25.26	30.61
	<u>58,888.80</u>	<u>52,384.69</u>
Job Charges received (Tax deducted at source Rs.1.56 Lacs (Previous Year Rs.1.26 Lacs)	79.46	69.01
	<u>58,968.26</u>	<u>52,453.70</u>

SCHEDULE 'M' - OTHER INCOME :

Miscellaneous Income	332.46	305.70
Key men Insurance Policy Surrender Value(Net)	-	53.32
Interest received (Tax deducted at source Rs.12.94 Lacs Previous year Rs. 5.22 Lacs)	107.75	74.78
Rent received (Tax deducted at source Rs.23.03 Lacs Previous year Rs. 6.29 Lacs)	91.93	31.95
Profit on sale of Assets (Net)	110.59	257.56
Sundry credit balance written back	19.75	44.14
Gain on foreign currency transactions (Net)	86.49	7.79
	<u>748.97</u>	<u>775.24</u>

	Current Year	Rs. In Lacs Previous year
SCHEDULE 'N' - MANUFACTURING AND OTHER EXPENSES :		
Raw Materials consumed	21,108.50	17,745.56
Finished Goods purchases	6,234.35	5,537.40
Processing and Labour Charges	6,882.87	5,597.40
Excise Duty	0.64	-
Stores and Spares Consumed	1,249.32	1,057.12
Packing Materials Consumed	2,127.01	1,694.22
Power and Fuel	895.25	709.38
Water Charges	29.53	22.34
Payment to and Provisions for Employees :		
Salaries,Wages,Allowances and Bonus	2,606.71	2,142.18
Contribution to Provident, Gratuity and other funds	215.19	145.72
Staff Welfare Expenses	172.89	141.04
	<u>2,994.79</u>	<u>2,428.94</u>
Brokerage and Commission	1,055.36	895.40
Discount	371.80	317.84
Rent	255.59	102.17
Rates and Taxes	52.59	67.60
Freight and Forwarding Charges	516.53	405.04
Legal and Professional Charges	222.50	307.08
Directors Sitting Fees	5.10	5.25
Payment to Auditors	20.00	17.11
Insurance Charges	142.26	144.75
Advertisements and Sales Promotion Expenses	2,425.32	2,239.57
Travelling and Conveyance	618.44	506.72
Donations	-	11.14
Miscellaneous Expenses	925.16	682.22
Provision for doubtful debts	-	37.84
Repairs to :		
Buildings	57.39	142.66
Machineries	145.85	131.90
Others	332.70	199.99
	<u>535.94</u>	<u>474.55</u>
(Increase) / Decrease in Goods-in-process and Finished Stock		
Opening 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>
Less : Closing Stock		
Goods - in - process	1,420.82	1,300.37
Finished Goods	5,710.88	2,568.38
	<u>7,131.70</u>	<u>3,868.75</u>
	<u>(3,262.95)</u>	<u>(97.63)</u>
	<u>45,405.90</u>	<u>40,909.01</u>
SCHEDULE 'O' - INTEREST :		
On Fixed Deposits and Loans	1,035.52	655.65
To Banks and Others	201.24	16.26
	<u>1236.76</u>	<u>671.91</u>
Less : Capitalised	164.59	-
	<u>1072.17</u>	<u>671.91</u>

SCHEDULE 'P'**ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS :****Significant Accounting Policies****1) Basis of Accounting :**

Financial statements are prepared under the historical cost convention on accrual basis and in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

2) Use of Estimates:

The preparation of financial statements 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 results and estimates are recognised in the period in which the results are known / materialised.

3) Fixed Assets :

a) Fixed Assets are stated at cost net of Modvat/Cenvat and Vat wherever applicable and less depreciation. Cost comprises of purchase price and attributable cost (including financing cost).

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) Asset Impairment :

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each balance sheet date. Impairment loss, if any, is recognised in the year in which impairment takes place.

5) Intangible Assets:

Intangible Assets representing Computer Software are amortised over a period of three years.

6) Depreciation :

a) Depreciation on fixed assets (other than leasehold land and except as 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 retail shops operated on lease basis is written off over the period of lease or within Three years whichever is earlier.

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 wherever paid. Export Incentive under the DEPB Scheme/ Duty Drawback schemes has been recognised on the basis of entitlement 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) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account.

14) Employee Benefits

- (i) Short -term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- (ii) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employemnt and other long term benefits are charged to the profit and loss account.

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.

SCHEDULE 'Q'
Notes On Accounts :

	Current Year	Rs. In Lacs Previous year
1) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	760.79	1518.84
2) Contingent Liabilities in respect of:		
a) Guarantees given by the Company's bankers on behalf of the Company	130.75	160.53
b) Disputed claims for excise and sales tax	17.81	16.10
c) Custom Duty which may arise if obligation for export is not fulfilled.	-	137.76
d) Income tax penalty demand under dispute	40.75	40.75
e) Claims against the Company not acknowledge as debt State Government subsidy.	172.51	-

- 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) During the year the Company has adopted Accounting Standard 15 "Employee Benefits". In accordance with the stipulations of the Standard, the Company has adjusted Rs. 12.47 Lacs (net of deferred tax aggregating to Rs. 6.42 Lacs) towards the additional liability of Defined Benefit obligation in respect of gratuity and leave encashment up to 31st March, 2007 against the General Reserve as at 1st April, 2007.

The Company has calculated the various benefits provided to employees as under:

Defined Contribution Plan	Rs. In Lacs
Contribution to Defined Contribution plan, recognised as expense for the year are as under:	
Employer's contribution to Provident Fund	116.28
Employer's contribution to Superannuation Fund	25.16

Defined Benefit Plan

An actuarial valuation was carried out in respect of Gratuity and long term Leave encashment benefit plans based on the following assumptions

	Rs.in Lacs	
I) Reconciliation of opening and closing balances of Defined Benefit obligation		
	Gratuity	Leave encashment
	(Funded)	(unfunded)
Defined Benefit obligation at beginning of the year	138.61	36.02
Current Service Cost	17.31	1.49
Interest Cost	12.27	3.00
Actuarial (gain)/loss	37.35	12.86
Benefits paid	-4.97	-
Defined Benefit obligation at the year end.	200.57	53.38
II) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year	94.97	-
Expected return of plan assets	10.22	-
Actuarial gain/(loss)	0.86	-
Employer contribution	35.21	-
Benefits paid	-4.97	-
Fair value of plan assets at the end of the year	136.29	-
Actual return on plan assets	11.09	-
III) Reconciliation of fair value of assets and obligation		
Fair value of plan assets as at 31st March,2008.	136.29	NIL
Present value of obligation as at 31st March,2008	200.57	53.38
Amount recognized in Balance Sheet	64.28	53.38
IV) Expense recognized during the year (Under the head "Payments to and Provision for Employees - Refer Schedule 'N')		
Current Service Cost	17.31	1.49
Interest Cost	12.27	3.00
Expected return on plan assets	-10.22	-
Actuarial (gain) / loss	36.49	12.86
Net cost	55.85	17.35
V) Investment details	% invested	
	As at 31st March, 2008	
Insurance Policies (LIC)	100%	-

VI) Actuarial assumptions

	Gratuity (Funded)	Leave encashment (unfunded)
Mortality Table (LIC)		
Discount rate (per annum)	8%	8%
Expected rate of return on plan assets (per annum)	8%	8%
Rate of escalaton in salary (per annum)	4%	4%

The estimates of rate of escalation in salary considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevent factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors mainly, the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan asset management.

This being the first year of impementation, previous year figures have not been given.

- 5) Pursuant to Resolution passed by the Shareholders through Postal Ballot on 29.10.2007, regarding disposal of Patalganga and Murbad units, the Company has:-
- Disposed the land and building at patalganga and manufacturing activities have been shifted to Tarapur, after obtaining necessary permission from the State government. Due to this, the company has refunded capital incentives of Rs. 10 lacs.
 - The negotiation for disposing of the Murbad unit is in progress. Manufacturing activities have been shifted to Tarapur, after obtaining necessary permission from the state government. A demand of Rs. 172.51 Lacs have been raised by the State Government towards the part refund of incentives availed at Murbad along with interest thereon due to closure of the unit during the operational period. Recently, vide Circular dated 21.05.08, the State Government has reduced the operational period of the units situated in the backward areas. Accordingly the Company has represented on the basis of the circular to reduce/waive the demand raised by the State Government. The Company is hopeful of getting favourable reply from the State Government, hence the amount is shown under contingent liability.
- 6) The asset of Rs. 81 lacs recognized by the company at 'MAT Credit entitlement' shown under Loans and Advances which can be recovered and set off in subsequent years based on the provisions of Section 115JAA of the Income Tax Act, 1961.
- 7) Earning Per Share : ["EPS"] computed in accordance with Accounting Standard 20:

		Current Year	Previous Year
a) Net Profit available for equity shareholders	Rs.Lacs	930.83	2,006.74
b) The weighted average number of Equity Shares	Nos.	93,72,048	93,72,048
c) Face value per equity share	Rupees	10.00	10.00
d) Earnings per share Basic / Diluted	Rupees	9.93	21.41

- 8) The deferred tax 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 31/03/2008	Deferred Tax liability (Asset) As on 31/03/2007
(a) Deferred Tax Liabilities		
Difference between accounting and tax depreciation (Cumulative)	1899.23	1713.98
	1899.23	1713.98
(b) Deferred Tax Assets		
Provision for doubtful debts (to date)	(71.79)	73.52
Disallowances under section 43B for non payment of expenses	(82.11)	(39.89)
	(153.90)	(113.41)
Net Deferred Tax Liabilities (a-b)	1745.33	1600.57

Net current deferred tax liability of Rs.151 Lacs including Rs.6.42 Lacs on account of Deferred Tax Assets relating to gratuity up to 31/03/07 (Previous Year Deferred Tax Assets Rs.32 Lacs) had been charged to Profit & Loss Account besides current tax Rs. 152 Lacs (previous year Rs. 355 Lacs) being tax under Income Tax Act, 1961 and Fringe Benefit Tax Rs.52.50 Lacs (Previous Year Rs.35 Lacs).

- 9) Prior period items included under respective accounts in the Profit and Loss Account Rs. 2.02 Lacs debit (1.66 Lacs debit).

	Current Year Rs. In Lacs	Previous Year Rs. In Lacs
10) Payment to Auditors :		
a) Statutory Auditors		
i) Audit Fees	7.50	7.00
ii) Taxation Matters	1.90	1.85
iii) Certification	2.41	2.04
iv) Tax Audit Fees	2.50	2.00
v) Fees for other Services	2.30	2.00
vi) Reimbursement of Expenses (Including Service Tax)	3.39	2.22
	<u>20.00</u>	<u>17.11</u>
b) Cost Auditors		
Cost Audit Fees (Including Service Tax)	<u>0.79</u>	<u>0.79</u>
11) Managerial Remuneration		
a) Remuneration to Managing Directors and Executive Directors under Section 198 of the Companies Act, 1956:		
Remuneration	104.12	92.05
Contribution to Provident and Other Funds	23.10	23.30
Perquisites	120.01	77.48
Retirement benefits	15.02	9.18
Commission	-	40.00
	<u>262.25</u>	<u>242.01</u>
b) To Other Directors		
Meeting Fees	5.10	5.25
	<u>267.35</u>	<u>247.26</u>
12) 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	950.53	1951.99
Add :		
Provision for Taxations	274.50	358.00
Managerial Remuneration	262.25	242.01
Meeting Fees	5.10	5.25
Provision for Doubtful Debts	-	37.84
Excess Provision of Expenses in respect of earlier year	5.45	50.53
Excess (Short) Provision of Depreciation written back	(12.46)	2.28
	<u>534.84</u>	<u>695.91</u>
	<u>1,485.37</u>	<u>2,647.90</u>
Less:		
Capital Profit on Sale of Fixed Assets	119.92	193.77
Net Profit as per Section 349 of the Companies Act, 1956	<u>1,365.45</u>	<u>2,454.13</u>
b) Commission payable to the Managing Directors and Executive Directors as determined by the Board of Directors	<u>-</u>	<u>40.00</u>
In view of inadequacy of profit during the year no Commission is payable to Managing Directors and Executive Directors and minimum remuneration is paid as provided under Schedule XIII of the Companies Act, 1956.		
13) 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 - Vice Chairman & Managing Director, Mr. Pawan D. Poddar -Jt. Managing Director, Mr. Shrikishan D.Poddar - Executive Director, Mrs. Vijaylaxmi A.Poddar - Executive Director Mr. Ashok Jalan Sr.President & Director & Mr. Arvind M. Poddar - Director.		
(b) Relatives of Key Management Personnel (KMP) :		
Mrs.Ashadevi R. Poddar, Mrs. Vibha S. Poddar, Master Harshit S. Poddar, Mr.Avnish Poddar.		
(c) Other Related Parties (Enterprises - KMP having significant influence / Owned by Major Shareholders)		
Balkrishna Industries Ltd., Balkrishna Synthetics 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., Beeteetee Textile Industries Ltd., Futuristic Concepts Media Ltd., Vishal Furnishing Ltd., Fabwear Garments, Poddar Bio Diesel Pvt Ltd.,Poddar Brothers Investment Pvt. Ltd. & Balkrishna Tyres Ltd.		

(d) Related Party Transactions
(Rs. In Lacs)

Transactions	YEAR 2007-08			YEAR 2006-07		
	Other related Parties	Key Management Personnel & Relatives	Total	Other related Parties	Key Management Personnel & Relatives	Total
Managerial Remuneration	–	220.30	220.30	–	238.35	238.35
Sitting fees	–	1.05	1.05	–	1.55	1.55
Purchase of Goods/Services	4419.40	–	4419.40	3947.11	–	3947.11
Purchase of Fixed Assets	310.00	–	310.00	384.37	766.63	1151.00
Sale of Fixed Assets	14.02	–	14.02	3.00	–	3.00
Sales of Goods/materials	378.23	–	378.23	727.66	–	727.66
Rent / Property Tax Received	18.18	–	18.18	22.90	–	22.90
Recovery of expenses	1.28	–	1.28	4.85	–	4.85
Reimbursement of Expenses	26.71	–	26.71	12.56	–	12.56
Insurance Policy surrender value received	–	–	–	46.40	51.66	98.06
Insurance Policy surrender value paid	–	–	–	44.73	–	44.73
Rent Paid	3.96	2.39	6.35	5.94	16.17	22.11
Interest Received	24.86	–	24.86	1.01	–	1.01
Interest Paid	14.39	0.11	14.50	30.96	23.40	54.36
Intercorporate Deposits Received	1700.00	–	1700.00	2200.00	–	2200.00
Intercorporate Deposits Given	300.00	–	300.00	10.00	–	10.00
Commission Paid	–	–	–	0.31	–	0.31
Salary paid	–	18.33	18.33	–	11.63	11.63
Fixed Deposit repaid	–	65.00	65.00	–	–	–
Collateral Personal Guarantee	–	15112.23	15112.23	–	13477.68	13477.68
Debit balances outstanding as on 31/03/2008	47.88	–	47.88	34.72	–	34.72
Credit balances outstanding as on 31/03/2008	333.45	–	333.45	213.61	55.00	268.61

Notes :

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

14) The activities of the Company relate to only one Segment i.e. Textiles.

15) Leases - Operating Leases.

- The Company has taken various residential / commercial premises under cancellable operating leases. These lease agreements are normally renewed on expiry.
- During the year the Company has given on non-cancellable operating leases commercial premises, the cost of which Rs732.53 Lacs (Previous year Rs.366.69 Lacs) and the accumulated depreciation of Rs.238.99 Lacs (Previous year Rs. 87.48 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. 23.85 Lacs (Previous year Rs. 11.27 lacs).

The future minimum lease payments receivable in respect of aforesaid leases as at 31.03.2008 are as follows.

	Rs. In Lacs	
	Current Year	Previous Year
a) Not later than one year :	391.53	31.35
b) Later than one year and not later than Five years :	982.88	–
Total	<u>1,374.41</u>	<u>31.35</u>
iii) The rental expenses recognised in Profit and Loss account for operating lease taken after 1st April,2001.		
a) Minimum Rent	255.59	142.30
b) Contingent Rent	Nil	Nil

16) The Company has set up two wholly owned subsidiaries namely Siyaram Polycote Limited and Oxemberg Clothing Limited in March 2007 and has contributed Rs. 5 Lacs each towards Equity Share Capital. The subsidiary companies did not commence commercial operation by the end of the company's financial year. Also the financial state of affairs of the subsidiary companies as

on 31st March, 2008 is not material in the overall context of company's operations. Therefore consolidated financial statement for the period have not been drawn up and presented separately.

17) **Quantitive and other information:-**

a) Licensed and installed capacity :

	Current Year		Previous Year	
	Licensed Capacity	Installed Capacity	Licensed Capacity	Installed Capacity
Looms (Nos)	N.A.	409	N.A.	367
Stitching Machine (Nos.)	N.A.	616	N.A.	439
Yarn Dyeing Capacity (Tons) Per Annum	N.A.	4500	N.A.	4500

b) Actual Production :

	Unit	Current Year (Figures in Lacs)	Previous Year (Figures in Lacs)
i) Cloth @	Mtrs	411.45	349.10
ii) Yarn *	Kgs	20.29	20.08
iii) Readymade Garments	Nos	12.90	9.14
iv) Bed Linen Products	Nos	1.64	0.26

@ Including captive consumption 13.30 Lacs mtrs. (3.79 Lacs mtrs)

* Including captive consumption 3.47 Lacs Kgs. (3.93 Lacs Kgs.)

c) Finished Goods Purchased :

i) Cloth	Mtrs	83.37	73.13
	Rupees	6,025.37	5,481.40
ii) Readymade Garments	Nos	0.36	-
	Rupees	100.21	-
iii) Others	Rupees	108.77	56.00

d) Raw Materials consumed :

i) Yarn */ Fibre	Kgs	82.98	96.42
	Rupees	14,840.50	13,459.81
ii) Cloth *	Mtrs	20.74	13.10
	Rupees	1,537.73	933.38
iii) Grey Cloth	Mtrs	158.52	117.90
	Rupees	4,730.27	3,212.05

* After adjusting cost of 0.80 Lac Kgs (0.59 Lac Kgs) of yarn, and 1.01 Lacs Mtrs (2.26 Lac Mtrs) of cloth sold during the year, Rs. 55.51 Lacs (Rs.35.40 Lacs) and Rs. 67.44 Lacs (Rs.129.54 Lacs) respectively.

e) Sales (Net) :

i) Finish Cloth	Mtrs	448.09	420.01
	Rupees	40,178.69	38,742.75
ii) Readymade Garments	Nos	12.62	8.04
	Rupees	4,906.15	3,026.65
iii) Yarn *	Kgs	17.43	16.57
	Rupees	2,546.03	2,546.43
iv) Bed Linen Products	Nos	1.64	0.26
	Rupees	469.27	73.17
v) Others	Rupees	509.48	212.64

* includes 0.80 Lac kgs. of yarn (0.26 Lac kgs) purchased and sold during the year.

f) Opening 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

g) Closing Stock of Finished Goods :				
i) Cloth	Mtrs	57.83		24.40
	Rupees	4,921.82		1,932.67
ii) Readymade Garments	Nos	2.63		1.99
	Rupees	590.72		513.30
iii) Yarn	Kgs	1.03		0.84
	Rupees	144.91		115.22
iv) Others	Rupees	53.43		7.19
	Current Year		Previous Year	
	(Figures in Lacs)	%	(Figures in Lacs)	%
h) Consumption of Raw Materials : *				
i) Imported	514.04	2.44	131.02	0.74
ii) Indigenous	20,594.46	97.56	17,474.22	99.26
	21,108.50	100.00	17,605.24	100.00
* Refer Note written under 17d)				
i) Consumption of Stores & Spares :				
i) Imported	513.67	41.12	456.56	43.19
ii) Indigenous	735.65	58.88	600.56	56.81
	1,249.32	100.00	1,057.12	100.00
j) C.I.F. Value of Imports :				
i) Raw Materials	533.97		111.61	
ii) Stores & Spares	322.01		313.95	
iii) Capital Goods	538.58		1,338.32	
iv) Finished Goods	-		74.42	
k) Expenditure in Foreign Currency :				
i) Advertising & Sales Promotion	91.43		57.46	
ii) Travelling	53.99		97.47	
iii) Interest	142.47		68.49	
iv) Commission	74.10		89.79	
v) Others	29.80		23.62	
l) Earnings in Foreign Currency :				
i) FOB value of exports	3,736.87		2,180.82	
ii) Recovery towards freight and Insurance	134.16		45.12	
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 dividends 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 2006-07				
(Shareholder holding 81936 Equity Shares)		4.10		-
Final dividend in respect of Year 2005-06				
(27 Shareholder holding 241943 Equity Shares)		-		4.84

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 "Q"

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

Mumbai, 26th June, 2008.

For and on behalf of the Board

D.R.Poddar

Chairman

R.D.Poddar

Vice Chairman & Managing Director

P.D.Poddar

Joint Managing Director

W.V.Fernandes

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	2007-08	Rs. In Laacs 2006-07
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	1,225.03	2,309.99
Adjustments for :		
Depreciation	1,655.49	1,554.98
Foreign Exchange Gain	(86.49)	(7.79)
Profit on Sale of Fixed Assets.	(110.59)	(257.56)
Interest Received	(107.75)	(74.78)
Interest Expenses	1,072.17	671.91
Prov.for Doubtful Debts	-	37.84
Adjustments relating to earlier years	5.45	50.53
	<u>2,428.28</u>	<u>1,975.13</u>
Operating Profit before Working Capital changes	3,653.31	4,285.12
Adjustment for:		
Trade and Other Receivables	(1,237.86)	(3,029.29)
Inventories	(3,382.74)	(177.60)
Trade Payables	(78.48)	355.50
Income Tax paid/(Refund received) Net	(414.00)	(445.94)
	<u>(5,113.08)</u>	<u>(3,297.33)</u>
Cash generated from Operations	(1,459.77)	987.79
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(4,367.77)	(7,435.79)
Sale of Fixed Assets	159.72	936.63
Capital Subsidy Refunded	(10.00)	-
Advance towards Share Application Money	-	(10.00)
Interest Received	107.75	74.33
	<u>(4,110.30)</u>	<u>(6,434.83)</u>
Net Cash used in Investing Activities.		
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	24,284.36	23,152.68
Repayment of Borrowings	(16,596.53)	(16,784.64)
Exchange rate Difference	86.49	7.79
Interest Paid	(1,686.71)	(749.54)
Dividend Paid	(465.92)	(126.31)
Tax on Dividend paid	(79.64)	(17.53)
	<u>5,542.05</u>	<u>5,482.45</u>
NET CASH USED IN FINANCING ACTIVITIES.		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS.	(28.02)	35.41
CASH AND CASH EQUIVALENTS - OPENING BALANCE	140.38	104.97
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	112.36	140.38

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

For and on behalf of the Board

(C.V.Thakker)

Partner

Membership No. 6205

Mumbai, 26th June, 2008.

W.V.Fernandes

Company Secretary

D.R.Poddar

R.D.Poddar

P.D.Poddar

Chairman

Vice Chairman & Managing Director

Joint Managing Director



30TH ANNUAL REPORT 2007-08

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I.	REGISTRATION DETAILS					
	Registration No.	:	20451	State Code	:	11
	Balance Sheet Date	:	31.03.2008			
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	:	4242926	Total Assets	:	4242926
	Sources of Funds					
	Paid-up-Capital	:	93738	Reserves & Surplus	:	1269909
	Secured Loans	:	1859222	Unsecured Loans	:	845543
	Deferred Tax Liability	:	174514			
	Application of Funds					
	Net Fixed Assets	:	2063008	Investments	:	2365
	Net Current Assets	:	2177553	Misc. Expenditure	:	NIL
	Accumulated Losses	:	NIL			
IV	PERFORMANCE OF COMPANY (Amount in Rs. Thousands)					
	Turnover Including Other Income	:	4935859	Total Expenditure	:	4813356
	Profit Before Tax	:	122503	Profit after Tax	:	95053
	Earnings Per Share (in Rs.)	:	9.93	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			

For and on behalf of the Board

W.V.Fernandes
Company Secretary

D.R.Poddar Chairman
R.D.Poddar Vice Chairman & Managing Director
P.D.Poddar Joint Managing Director

Mumbai, 26th June, 2008.

Statement Pursuant to Section 212 of the Companies Act, 1956, relating to Company's interest in Subsidiary Companies for the financial year 2007-08

Sr. No.	Particulars	Name of Subsidiary	
		Siyaram Polycote Ltd	Oxemberg Clothing Ltd.
1	The Financial year of the subsidiary Companies ended on	31-Mar-08	31-Mar-08
2	Date from which the became subsidiary Company	15-Mar-07	16-Mar-07
3 a	Number of Shares held by Siyaram Silk Mills Ltd.with its nominee in the subsidiaries at the end of the financial year of the subsidiary companies	50000	50000
b	Extent of interest of holding company at the end of the financial year of the Subsidiary Company.	100%	100%
4	The net aggregate amount of the Subsidiary Companies Profit/(Loss) so far as it concerns the members of the Holding Company(Rs.in Lacs)	(Rs. 0.72)	(Rs. 0.72)
a	Not dealt with in the Holding companies account.		
	i) For the Financial year ended on 31st March, 2008 (Rs.in Lacs)	Loss. Rs. 0.72	Loss. Rs. 0.72
	ii) For the previous Financial year of the subsidiary Company since they became the Holding Company's subsidiary.	N.A.	N.A.
b	Dealt with in Holding Company's accounts:		
	i) For the Financial year ended on 31st March, 2008	Nil	Nil
	ii) For the previous Financial year of the subsidiary Company since they became the Holding Company's subsidiary.	N.A.	N.A.

For and on behalf of the Board

W.V.Fernandes
Company Secretary

D.R.Poddar Chairman
R.D.Poddar Vice Chairman & Managing Director
P.D.Poddar Joint Managing Director

Mumbai, 26th June, 2008.

SIYARAM POLYCOTE LIMITED

DIRECTORS' REPORT:

To the Members,

Your Directors submit the First Annual Report and Audited Statement of Accounts for the period ended 31st March, 2008.

Operations:

Your Company was incorporated on 15th March, 2007, as a wholly owned subsidiary of Siyaram Silk Mills Limited and got its Certificate of Commencement of Business on 26th March, 2007. No operations were carried on during the period under review. Your Directors do not recommend any dividend.

Directors:

Shri Pawan D. Poddar, Shri. Arvind K. Poddar and Shri. Avinsh. P. Poddar, were the first Directors of the Company, to hold office till the first Annual General Meeting.

Shri Pawan D. Poddar will be the Director to liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Fixed Deposits:

The company has not accepted any deposit from the public during the period under review.

Directors' 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 period ended 31st March 2008, applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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 period and of the loss of the Company for the period 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 period on going concern basis.

Particulars of Employees:

There were no employees whose particulars are required to be furnished under section 217 (2A) of the Companies Act, 1956.

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

As the Company has not started any operations, information pursuant to Section 217(1)(e) of the Companies Act, 1956 is not applicable.

Auditors:

The Auditors, M/s.Jayantilal Thakkar & Co., Chartered Accountants, Mumbai, hold office upto 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.

Appreciation:

Your Directors wish to place on record their appreciation for the assistance and co-operation received from various Statutory Authorities.

For and on behalf of the Board of Directors

PAWAN D. PODDAR
Chairman

Place: Mumbai

Dated: June 26, 2008.

1ST ANNUAL REPORT 2007-08

AUDITORS' REPORT

TO THE MEMBERS OF SIYARAM POLYCOTE LIMITED

1. We have audited the attached Balance Sheet of SIYARAM POLYCOTE LIMITED as at 31st March, 2008 and the related Profit and Loss Account and the Cash Flow Statement for the period 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 (Auditor's Report) Order, 2003, 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 and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the applicable 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 on 31st March, 2008 and taken on record by the Board of Directors, we report that no Director is disqualified from being appointed as a 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 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, 2008;

- ii] in the case of the Profit and Loss Account, of the loss for the period ended on that date; and
- iii] in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

For Jayantilal Thakkar & Co.
Chartered Accountants

C. V. Thakker
Partner
Membership No. 6205

Mumbai :
26th June, 2008

ANNEXURE TO THE AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the Members of Siyaram Polycote Limited on the financial statements for the period ended 31st March, 2008].

- i. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- ii. According to the information and explanations given to us, there are no contracts or arrangements referred to in Section 301 of the Companies Act, 1956, during the year to be entered in the Register required to be maintained under that Section. Accordingly, commenting on transactions made in pursuance of such contracts or arrangements does not arise.
- iii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the period, nor, have we been informed of any such case by the management.
- iv. The Clauses (i)(a), (i)(b), (i)(c), (ii)(a), (ii)(b), (ii)(c), (iii)(b), (iii)(c), (iii)(d), (iii)(f), (iii)(g), (iv), (vi), (vii), (viii), (ix)(a), (ix)(b), (x), (xi), (xii), (xiii)(a), (xiii)(b), (xiii)(c), (xiii)(d), (xiv), (xv), (xvi), (xvii), (xviii), (xix) and (xx) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, are not applicable in the case of the Company since in our opinion there is no matter which arises to be reported against these clauses in the aforesaid order.

For Jayantilal Thakkar & Co.
Chartered Accountants

C. V. Thakker
Partner
Membership No. 6205

Mumbai :
26th June, 2008

SIYARAM POLYCOTE LIMITED

SIYARAM POLYCOTE LTD

BALANCE SHEET AS AT 31ST MARCH, 2008

	SCHEDULES	As At 31.03.2008 (Rs.)
I SOURCES OF FUNDS		
1) Shareholders' Funds		
a) Capital	A	500,000.00
Total		<u>500,000.00</u>
II APPLICATION OF FUNDS		
1) Current Assets, Loans and Advances		
a) Cash and Bank Balances	B	439,537.00
		<u>439,537.00</u>
Less : Current Liabilities and Provisions	C	
a) Current Liabilities		11,236.00
		<u>11,236.00</u>
Net Current Assets		428,301.00
Debit Balance in Profit & Loss Account		71,699.00
Total		<u>500,000.00</u>
Accounting Policies And Notes Forming part of The Accounts	E	

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

Mumbai, 26th June, 2008

P.D.PODDAR

A.K.PODDAR

A.P.PODDAR

Director

Director

Director

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2008

	SCHEDULES	Current Year (Rs.)
Income		-
EXPENDITURE		-
Other Expenses	D	71,699.00
		<u>71,699.00</u>
LOSS BEFORE TAX FOR THE YEAR		71,699.00
Provision for Taxation		0.00
LOSS AFTER TAX FOR THE YEAR		<u>71,699.00</u>
Balance Carried to Balance Sheet		<u>71,699.00</u>
Accounting Policies and Notes Forming part of the Accounts	E	

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

Mumbai, 26th June, 2008

P.D.PODDAR

A.K.PODDAR

A.P.PODDAR

Director

Director

Director

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SIYARAM POLYCOTE LTD,

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2008.

SCHEDULE "A" SHARE CAPITAL

(Rs.)

Authorised Captial

50000 Equity Shares of Rs. 10 each

500,000.00

Issued, Called and Paid up:

50000 Equity Shares of Rs.10/ each fully paid up

500,000.00

50000 Equity Shares are held by Siyaram Silk Mills Ltd.- and its nominees

500,000.00

SCHEDULE "B" CASH AND BANK BALANCES

Cash on hand

500.00

Balance with Scheduled bank in Current Account

439,037.00

439,037.00

SCHEDULE "C" CURRENT LIABILITIES

Sundry Creditors- Micro, Small and Medium Enterprises

-

Others

11,236.00

11,236.00

SCHEDULE "D" OTHER EXPENSES

Audit Fees

11,236.00

Legal and Professional fees

24,795.00

Miscellaneous Expenses

84.00

Printing and Stationery

270.00

Bank charges

100.00

Preliminary Expenses

35,214.00

71,699.00

SCHEDULE ' E '

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 notified under section 211(3c) of the Companies act, 1956, and with the relevant provisions of the Companies Act, 1956.

(B) NOTES ON ACCOUNTS :

- 1) The Company was incorporated on 15th Mach,2007 all the shares are held by the holding company i.e Siyaram Silk Mills Ltd and its nominees.
- 2) Additional information pursuant to paragraph 3 of Part II of Schedule VI to the Companies Act, 1956 is not applicable since company has not started its operation.
- 3) As there is no profit during the year, EPS has not been calculated.
- 4) Disclosure of Related parties

A. Controlling Companies	Relationship
i) Siyaram Silk Mills Ltd.	Holding Company
B. Transaction with related parties	Nil
- 5) The current period is from the date of incorporation i.e 15th March,2007 till 31st March, 2008 this is the first financial statement of the Company previous year figures has not been given.

SIGNATURES TO SCHEDULES

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

Mumbai, 26th June, 2008

P.D.PODDAR

A.K.PODDAR

A.P.PODDAR

Director

Director

Director

SIYARAM POLYCOTE LIMITED

SIYARAM POLYCOTE LTD

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.	: U74999MH2007PLC168821	State Code	: 11
Balance Sheet Date	: 31.03.2008		

II CAPITAL RAISED DURING THE YEAR

Public Issue	: NIL	Rights Issue	: NIL
Bonus Issue	: NIL	Private Placement	: 500

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities	: 500	Total Assets	: 500
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Sources of Funds

Paid-up-Capital	: 500	Reserves & Surplus	: NIL
Secured Loans	: NIL	Unsecured Loans	: NIL
Deferred Tax Liability	: NIL		

Application of Funds

Net Fixed Assets	:	Investments	: NIL
Net Current Assets	: 428	Misc. Expenditure	: NIL
Accumulated Losses	: 72		

IV PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turnover Including Other Income	: NIL	Total Expenditure	: 72
Loss Before Tax	: 72	Loss after Tax	: 72
Earnings Per Share (in Rs.)	:	Dividend Rate %	: NIL

V GENERIC NAME OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (As per monetary terms)

NO ACTIVITIES DURING THE YEAR

P.D.PODDAR	Director
A.K.PODDAR	Director
A.P.PODDAR	Director

Mumbai, 26th June, 2008

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OXEMBERG CLOTHING LIMITED

DIRECTORS' REPORT:

To the Members,

Your Directors submit the First Annual Report and Audited Statement of Accounts for the period ended 31st March, 2008.

Operations:

Your Company was incorporated on 16th March, 2007, as a wholly owned subsidiary of Siyaram Silk Mills Limited and got its Certificate of Commencement of Business on 22nd March, 2007. No operations were carried on during the period under review. Your Directors do not recommend any dividend.

Directors:

Shri Pawan D. Poddar, Smt Vijaylaxmi A. Poddar and Shri Shrikishan K. Poddar, were the first Directors of the Company, to hold office till the first Annual General Meeting.

Shri Pawan D. Poddar will be the Director to liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Fixed Deposits:

The company has not accepted any deposit from the public during the period under review.

Directors' 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 period ended 31st March 2008, applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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 period and of the loss of the Company for the period 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 period on going concern basis.

Particulars of Employees:

There were no employees whose particulars are required to be furnished under section 217 (2A) of the Companies Act, 1956.

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

As the Company has not started any operations, information pursuant to Section 217(1)(e) of the Companies Act, 1956 is not applicable.

Auditors:

The Auditors, M/s. Jayantilal Thakkar & Co., Chartered Accountants, Mumbai, hold office upto 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.

Appreciation:

Your Directors wish to place on record their appreciation for the assistance and co-operation received from various Statutory Authorities.

For and on behalf of the Board of Directors

PAWAN D. PODDAR
Chairman

Place: Mumbai
Dated: June 26, 2008.

OXEMBERG CLOTHING LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF OXEMBERG CLOTHING LIMITED

1. We have audited the attached Balance Sheet of OXEMBERG CLOTHING LIMITED as at 31st March, 2008 and the related Profit and Loss Account and the Cash Flow Statement for the period 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 (Auditor's Report) Order, 2003, 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;
 - a) 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 and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the applicable 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 on 31st March, 2008 and taken on record by the Board of Directors, we report that no Director is disqualified from being appointed as a 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 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 :
 - ii] in the case of the Profit and Loss Account, of the loss for the period ended on that date; and
 - iii] in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

- ii] in the case of the Profit and Loss Account, of the loss for the period ended on that date; and
- iii] in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

For Jayantilal Thakkar & Co.
Chartered Accountants

C. V. Thakker
Partner
Membership No. 6205

Mumbai :
26th June, 2008

ANNEXURE TO THE AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the Members of Oxemberg Clothing Limited on the financial statements for the period ended 31st March, 2008].

- i. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- ii. According to the information and explanations given to us, there are no contracts or arrangements referred to in Section 301 of the Companies Act, 1956, during the year to be entered in the Register required to be maintained under that Section. Accordingly, commenting on transactions made in pursuance of such contracts or arrangements does not arise.
- iii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the period, nor, have we been informed of any such case by the management.
- iv. The Clauses (i)(a), (i)(b), (i)(c), (ii)(a), (ii)(b), (ii)(c), (ii)(b), (iii)(c), (iii)(d), (iii)(f), (iii)(g), (iv), (vi), (vii), (viii), (ix)(a), (ix)(b), (x), (xi), (xii), (xiii)(a), (xiii)(b), (xiii)(c), (xiii)(d), (xiv), (xv), (xvi), (xvii), (xviii), (xix) and (xx) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, are not applicable in the case of the Company since in our opinion there is no matter which arises to be reported against these clauses in the aforesaid order.

For Jayantilal Thakkar & Co.
Chartered Accountants

C. V. Thakker
Partner
Membership No. 6205

Mumbai :
26th June, 2008

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OXEMBERG CLOTHING LTD

BALANCE SHEET AS AT 31ST MARCH, 2008

	SCHEDULES	As At 31.03.2008 (Rs.)
I SOURCES OF FUNDS		
1) Shareholders' Funds		
a) Capital	A	500,000.00
Total		<u>500,000.00</u>
II APPLICATION OF FUNDS		
1) Current Assets, Loans and Advances		
a) Cash and Bank Balances	B	438,859.00
		<u>438,859.00</u>
Less : Current Liabilities and Provisions	C	
a) Current Liabilities		11,236.00
		<u>11,236.00</u>
Net Current Assets		427,623.00
Debit Balance in Profit & Loss Account		<u>72,377.00</u>
	Total	<u><u>500,000.00</u></u>
Accounting Policies and Notes Forming part of the Accounts	E	

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

Mumbai, 26th June, 2008

P.D.PODDAR

V.A.PODDAR

S.K.PODDAR

Director

Director

Director

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2008

	SCHEDULES	Current Year (Rs.)
Income		—
		<u>—</u>
EXPENDITURE		
Other Expenses	D	72,377.00
		<u>72,377.00</u>
LOSS BEFORE TAX FOR THE PERIOD		<u>72,377.00</u>
Provision for Taxation		<u>0.00</u>
LOSS AFTER TAX FOR THE YEAR		<u>72,377.00</u>
Balance Carried to Balance Sheet		<u>72,377.00</u>
Accounting Policies And Notes Forming part of The Accounts	E	

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

Mumbai, 26th June, 2008

P.D.PODDAR

V.A.PODDAR

S.K.PODDAR

Director

Director

Director

OXEMBERG CLOTHING LIMITED

OXEMBERG CLOTHING LTD

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2008.

	(Rs.)
SCHEDULE "A" SHARE CAPITAL	
Authorised Capital	
50000 Equity Shares of Rs. 10 each	500,000.00
Issued, Subscribed and Paid up:	
50000 Equity Shares of Rs.10/ each fully paid up	500,000.00
50000 Equity Shares are held by Siyaram Silk Mills Ltd.- and its nominees	500,000.00
	500,000.00
SCHEDULE "B" CASH AND BANK BALANCES	
Cash on hand	500.00
Balance with Scheduled bank in Current Account	438,359.00
	438,859.00
SCHEDULE "C" CURRENT LIABILITIES	
Sundry Creditors- Micro, Small and Medium Enterprises	-
Others	11,236.00
	11,236.00
SCHEDULE "D" OTHER EXPENSES	
Audit Fees	11,236.00
Legal and Professional fees	25,395.00
Miscellaneous Expenses	84.00
Printing and Stationery	270.00
Bank charges	100.00
Preliminary Expenses	35,292.00
	72,377.00

SCHEDULE ' E '

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 notified under section 211(3c) of the Companies act, 1956, and with the relevant provisions of the Companies Act, 1956.

(B) NOTES ON ACCOUNTS :

- 1) The Company was incorporated on 16th Mach,2007 and all the shares are held by the holding company i.e Siyaram Silk Mills Ltd and its nominees.
- 2) Additional information pursuant to paragraph 3 of Part II of Schedule VI to the Companies Act, 1956 is not applicable since company has not started its operation.
- 3) As there is no profit during the year, EPS has not been calculated.
- 4) Disclosure of Related parties

A. Controlling Companies	Relationship
i) Siyaram Silk Mills Ltd.	Holding Company
B. Transaction with related parties	Nil
- 5) The current period is from the date of incorporation i.e 16th March,2007 till 31st March, 2008 this is the first financial statement of the Company previous year figures has not been given.

SIGNATURES TO SCHEDULES

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

Mumbai, 26th June, 2008.

P.D.PODDAR

V.A.PODDAR

S.K.PODDAR

Director

Director

Director

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OXEMBERG CLOTHING LTD

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.	:	U18101MH2007PLC168851	State Code	:	11
Balance Sheet Date	:	31.03.2008			

II CAPITAL RAISED DURING THE YEAR

Public Issue	:	NIL	Rights Issue	:	NIL
Bonus Issue	:	NIL	Private Placement	:	500

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities	:	500	Total Assets	:	500
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Sources of Funds

Paid-up-Capital	:	500	Reserves & Surplus	:	NIL
Secured Loans	:	NIL	Unsecured Loans	:	NIL
Deferred Tax Liability	:	NIL			

Application of Funds

Net Fixed Assets	:	NIL	Investments	:	NIL
Net Current Assets	:	428	Misc. Expenditure	:	NIL
Accumulated Losses	:	72			

IV PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turnover Including Other Income	:	NL	Total Expenditure	:	72
Loss Before Tax	:	72	Loss after Tax	:	72
Earnings Per Share (in Rs.)	:		Dividend Rate %	:	NIL

V GENERIC NAME OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (As per monetary terms)

NO ACTIVITIES DURING THE YEAR

P.D.PODDAR	Director
V. A. PODDAR	Director
S.K. PODDAR	Director

Mumbai, 26th June, 2008