

**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**

**DILEEP H. SHINDE**  
(w.e.f. 30/01/2009)

**PRAMOD S. JALAN**  
(w.e.f. 30/01/2009)

**ARVIND M. PODDAR**

**PAWAN D. PODDAR**  
Joint Managing Director

**SHRIKISHAN D. PODDAR**  
Executive Director

**VIJAYLAXMI A. PODDAR**  
Executive Director

**ASHOK M. JALAN**  
Senior President cum Director

**WILLIAM V. FERNANDES**  
Company Secretary  
(w.e.f. 10/06/2008)

**PLANTS****Weaving**

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

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

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

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

**Yarn**

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

G-4/1(A), MIDC, Tarapur,  
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

**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 31<sup>st</sup> Annual General Meeting of the Members of Siyaram Silk Mills Limited will be held on Saturday, 12<sup>th</sup> September, 2009 at 11.00 a.m., at Plot No. G-4/1(A), MIDC, Tarapur, Boisar, Dist. Thane – 401 506, Maharashtra, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2009 and the Profit and Loss Account for the year ended on that date along with the Reports of the Directors and Auditors thereon.
2. To declare dividend on the Equity Shares of the Company for the financial year ended 31<sup>st</sup> March, 2009.
3. To appoint a Director in place of Shri Shailesh S. Vaidya, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Brijmohan L. Sarada, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Ketan P. Gupte, who retires by rotation and being eligible, offers himself 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, 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 Dileep H. Shinde, 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 30<sup>th</sup> January, 2009 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 a Director of the Company, liable to retire by rotation.”
8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**  
“**RESOLVED THAT** Shri Pramod S. Jalan, who was appointed as an Additional Director of the Company, pursuant to Section 260 of the Companies Act, 1956 and Article 121 of the Articles of Association of the Company, with effect from

30<sup>th</sup> January, 2009 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 a Director of the Company, liable to retire by rotation.”

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of sections 198, 269, 309, 310, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other permissions, sanctions and approvals as may be required, if any, consent of the Company be and is hereby accorded to the payment of remuneration to Shri Pawan D. Poddar, Joint Managing Director, during the remaining period of his tenure of appointment i.e. from 1<sup>st</sup> August, 2009 to 31<sup>st</sup> July, 2011 and on the terms and conditions as set out in the explanatory statement attached to this notice.

**RESOLVED FURTHER THAT** the Board of Directors (which expression shall mean and include Committee thereof) be and is hereby authorised to do all acts, deeds and things as it may in its absolute discretion deem necessary, expedient and proper to give effect to the above resolution.”

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to section 314 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other permissions, sanctions and approvals as may be required, if any, the consent of the Company be and is hereby accorded to Shri Abhishek S. Poddar, who is a relative of a Director of the Company, to hold an office or place of profit as an Executive of the Company on the terms, conditions and remuneration as set out in the explanatory statement attached to this notice.

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

**RESOLVED FURTHER THAT** the Board of Directors (which expression shall mean and include a Committee thereof) be and is hereby authorised to do all acts, deeds and things as it may in its absolute discretion deem necessary, expedient and proper to give effect to the above resolution.”

By Order of the Board  
(William V. Fernandes)  
Company Secretary

Place: Mumbai

Date : 27<sup>th</sup> June, 2009.

**NOTES:**

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote at the meeting instead of himself/ herself. The proxy need not be a member of the Company.**

2. 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.

3. The Explanatory Statement, as required by section 173(2) of the Companies Act, 1956 in respect of special business is annexed hereto.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 8<sup>th</sup> September, 2009 to Friday, 11<sup>th</sup> September, 2009 (both days inclusive) for the purpose of payment of dividend for the year ended 31<sup>st</sup> March, 2009. Those Members whose names stand on the Register of Members of the Company as on 7<sup>th</sup> September, 2009, will be eligible for dividend.

5. Members holding shares in dematerialised 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 they became due for payment, is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, during the financial year 2008-09, the Company has transferred the unclaimed and unpaid amount pertaining to the dividend for the financial year 2000-01 amounting to Rs.1,97,015/- to the IEPF. Members who have not encashed their dividend warrants for the financial year 2001-02 and onwards are requested to make their claim 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 they became due for payment.

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
31/03/2002	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	19/08/2012
31/03/2006	31/10/2005-interim	21/11/2012	20/12/2012
31/03/2006	16/09/2006- final	19/09/2013	18/10/2013
31/03/2007	11/08/2007	16/08/2014	15/09/2014
31/03/2008	23/08/2008	28/08/2015	27/09/2015

7. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a duly certified copy of the Board resolution authorising 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;
- Send queries related to accounts, to the Company at least 15 days before the date of the meeting.

9. In case of Jointholders attending the meeting, only such Jointholder who is higher in the order of names will be entitled to vote.

10. Appointment / Re-appointment of Directors:

At the ensuing Annual General Meeting, Shri Shailesh S. Vaidya, Shri Brijmohan L. Sarda, and Shri Ketan P. Gupte, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment. Shri Dileep H. Shinde and Shri Pramod S. Jalan, Additional Directors seek 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.

**ANNEXURE TO THE NOTICE**

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

**Item Nos. 7 & 8.**

Shri Dileep H. Shinde and Shri Pramod S. Jalan, were appointed as Additional Directors of the Company by the Board of Directors at its meeting held on 30<sup>th</sup> January, 2009. According to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company, they hold office as Directors 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/- each proposing the candidatures of Shri Dileep H. Shinde and Shri Pramod S. Jalan for the office of Director of the Company under section 257 of the Companies Act, 1956.

Shri Dileep H. Shinde and Shri Pramod S. Jalan are not disqualified from being appointed as Director under section 274(1)(g) and have complied with the requirement of section 266A of the Act. The Company has received the requisite Form DD-A from Shri Dileep H. Shinde and Shri Pramod S. Jalan, in terms of Companies (Disqualification of Directors under section 274 (1) (g) of the Companies Act, 1956) Rules, 2003 confirming their eligibility for appointment.

A brief resume of Shri Dileep H. Shinde and Shri Pramod S. Jalan as required under Clause 49 is given in the annexure hereto.

The Board considers it desirable that the Company should continue to avail their guidance and advice and recommends the resolution(s) for approval of the members.

Except Shri Dileep H. Shinde and Shri Pramod S. Jalan, no Director of the Company is concerned or interested in the resolution(s).

**Item No. 9**

The members at the 28<sup>th</sup> AGM held on 16<sup>th</sup> Sept., 2006 had approved the appointment of Shri Pawan D. Poddar, Joint Managing Director w.e.f. 1<sup>st</sup> August, 2006 to 31<sup>st</sup> July, 2011 and remuneration payable to him in terms with Schedule XIII of the Companies, 1956.

The Remuneration Committee and Board of Directors of the Company at their respective meetings held on 27<sup>th</sup> June, 2009 have approved payment of remuneration to Shri Pawan D. Poddar, Joint Managing Director for the remaining period of his tenure i.e. from 1<sup>st</sup> August, 2009 to 31<sup>st</sup> July, 2011 as mentioned below, subject to approval of members of the Company and other approvals, permissions and sanctions as may be required:

**1. Basic Salary:** Rs.2,00,000/- (Rupees Two Lacs only) p.m.

**2. Commission:**

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

**3. Perquisites**

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

**a) Housing:**

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

**b) Medical Reimbursement:**

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

**c) Leave Travel Concession:**

Reimbursement of actual traveling expenses for

proceeding on leave once in a year in respect of himself and family.

**d) Club Membership Fees:**

Fees of Clubs including admission and life membership.

**e) Personal Accident Insurance:**

The actual premium paid.

**f) Provident Fund, Superannuation Fund and Annuity Fund:**

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

**g) Gratuity:**

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

**h) Leave and encashment of Leave:**

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

**i) Use of car with driver :**

The Company shall provide fully maintained car with driver.

**j) Free telephone, facsimile and other communication facilities:**

The Company shall provide free telephone, facsimile and other communication facilities at the appointees' residence.

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

**Minimum Remuneration.**

In the event of absence or inadequacy of profits in any financial year during the tenure of his appointment, the Joint Managing Director shall be paid remuneration by way of salary, perquisites, allowance and other benefits as the Board of Directors may deem fit subject to the limits prescribed in part II of Schedule XIII of the Companies Act, 1956 (including any Statutory modification or re-enactment thereof) as minimum remuneration.

Information as required under Schedule XIII of the Companies Act, 1956 is given below:

**I GENERAL INFORMATION**

1) **Nature of Industry:** Textile Industry.

2) **Date or expected date of commencement of commercial production:**

Not applicable (Company is an existing Company).

- 3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**  
Not applicable.

- 4) **Financial performance based on given indicators:**

(Rs. in lacs)

Particulars	Year	Year	Year
	2008-09	2007-08	2006-07
Total Revenue	53,726.61	49,358.59	45,445.89
Total Expenditure	52,382.76	48,133.56	43,135.90
Profit after Tax	1,144.22	950.53	1,951.99
Dividend Rate	50%	50%	50%

- 5) **Export Performance and Net Foreign Exchange.**

Foreign exchange earnings on FOB basis amounted to Rs.4659.19 Lacs as against foreign exchange outgo of Rs.1695.37 Lacs for the financial year ended 31<sup>st</sup> March, 2009.

- 6) **Foreign investments or collaborations, if any:**

The Company is listed and as on 31<sup>st</sup> March, 2009, the foreign holdings in the Company were 0.22%. There are no foreign collaborators.

## II. INFORMATION ABOUT THE APPOINTEE:

- 1) **Background details :**

Shri Pawan D. Poddar, Joint Managing Director, is an Industrialist with more than 2 decades experience in the Textile Industry. He is a Promoter Director and is on the Board for more than a decade. The Company has benefited immensely from his guidance and advice during his tenure as Director of the Company.

- 2) **Past Remuneration:**

Shri Pawan D. Poddar in terms with the sanction accorded by the members at the 28<sup>th</sup> Annual General Meeting held on 16<sup>th</sup> Sept., 2006, was paid remuneration of Rs.51,16,861/- for the year ended 31<sup>st</sup> March, 2009.

- 3) **Job Profile and suitability:**

Shri Pawan D. Poddar has rich experience and knowledge in Tyre and Textile Industries and particularly in dyeing and processing of yarn. He as Joint Managing Director of the Company is responsible apart from other activities, for the operations of yarn division of the Company. He has over the years contributed significantly to the growth and profitability of the Company.

- 4) **Remuneration proposed:** As given herein above.

- 5) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

Shri Pawan D. Poddar skills and experience places him in a correspondingly equal level to similar managerial personnel in the Textile Industry. Considering the general

industry and the specific company profile, the proposed remuneration is in line with the industry levels and that of comparable textile companies in India.

- 6) **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:**

Shri Pawan D. Poddar is a Promoter Director of the Company. He is related to Shri Dharaprasad R. Poddar, Chairman, Shri Ramesh D. Poddar, Vice Chairman and Managing Director and Shri Shrikishan D. Poddar, Executive Director of the Company.

## III. OTHER INFORMATION:

### Reasons for loss or inadequate profits, steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms.

The Company is operating in the Textile Industry which is known to be highly competitive, characterised by continuously changing taste and technology and with low margins. However, the Company has more than a decade of continuous profit and dividend payment track record and since its inception has never incurred losses. Even during the current recession the Company has registered not only growth in turnover but also higher profitability. The Company has taken appropriate steps to ensure profitability in future.

The remuneration payable to Shri Pawan D. Poddar, Joint Managing Director is within the limits of Part II of Schedule XIII of the Companies Act, 1956 and this is only an enabling disclosure for payment of remuneration.

The shareholders are also requested to refer to the Directors' Report and Financial Statements, which forms part of the Annual Report for the year 2008-09, which is sent with this notice, for a detailed analysis on the performance and future outlook of the Company.

## IV. DISCLOSURES

The proposed remuneration package of Shri Pawan D. Poddar, Joint Managing Director is detailed in the resolution. The Corporate Governance Report which forms part of the Directors' Report contains details of remuneration paid to all Directors of the Company.

The above may also be treated as an abstract of the terms of appointment of Shri Pawan D. Poddar under section 302 of the Companies Act, 1956.

Shri Dharaprasad R. Poddar, Chairman, Shri Ramesh D. Poddar, Vice Chairman and Managing Director, Shri Shrikishan D. Poddar, Executive Director being related to Shri Pawan D. Poddar may be deemed to be concerned or interested in this resolution.

None of the other Directors of the Company are interested or concerned in the resolution.

Your Directors recommend the resolution for your approval.

### Item No.10.

The Board of Directors at their meeting held on 30<sup>th</sup> January, 2009 had appointed Shri Abhishek S. Poddar, a relative of Shri Shrikishan

Poddar, Executive Director, Shri Dharaprasad R. Poddar, Chairman, Shri Ramesh D. Poddar, Vice Chairman and Managing Director and Shri Pawan D. Poddar, Joint Managing Director, to hold office or place of profit as an Executive of the Company w.e.f. 1<sup>st</sup> February, 2009 subject to approval of the members, on the following remuneration and perquisites

- Basic Salary of Rs.30,000/- (Rupees Thirty Thousand Only) per month in the scale of Rs. 30,000 – 2000 – 34,000.
- House rent allowance of Rs.3,000/- (Rupees Three Thousand Only) at the rate of 10% on the Basic Salary.
- Reimbursement of Medical Expenses to the extent of Rs.1,250/-p.m. (Rupees One Thousand Two Hundred Fifty Only) per month.
- In addition, he will also be entitled to Provident Fund, Bonus, Leave, Gratuity, Leave Travel Concession and other perquisites as applicable to other Executives of the Company in the cadre.

Shri Abhishek Poddar being a relative of a Director, his appointment requires approval of the members pursuant to the provisions of Section 314 of the Companies Act, 1956. Accordingly special resolution at item no 10 is placed for approval of the members.

None of the Directors except Shri Dharaprasad Poddar, Shri Pawan Poddar, Shri Ramesh Poddar and Shri Shrikishan Poddar are concerned or interested in this resolution.

Your Directors recommend the resolution for your approval.

By Order of the Board

**(William V. Fernandes)**

Company Secretary

Place: Mumbai

Date : 27<sup>th</sup> June, 2009.

**Annexure to Items 3, 4, 5, 7 & 8 of the Notice**

Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting on 12<sup>th</sup> September, 2009 (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 <sup>st</sup> March, 2009
Shri Shailesh S. Vaidya	03.11.1957	31.10.2005	B.Com., LLB.	Legal	1. Dwarkesh Sugar Industries Limited. 2. Prabhukripa Overseas Ltd. 3. Suashish Diamonds Limited 4. C. Mahendra Exports Limited. 5. Welspun Power and Steel Limited 6. Allied Digital Services Limited 7. Orbit Corporation Limited. 8. Avighna India Limited 9. Gold Crest Finance (India) Limited
Shri Brijmohan L. Sarda	09.04.1949	23.06.2001	B.Com, FCA	Accounts, Finance and Taxation	N.A.
Shri Ketan P. Gupte	20.07.1941	28.01.2004	B.Com(H),CAIIB, PGDB, PGDBA	Banking and Business Administration	N.A.
Shri Dileep H. Shinde	23.09.1950	30.01.2009	Bachelor of Textile Engg., PGDM	Project Finance and Investment Banking	1. Ankur Drugs & Pharma Ltd.
Shri Pramod S. Jalan	15.02.1954	30.01.2009	B. Com, FCA	Accounts and Finance	N.A.

**DIRECTORS' REPORT**

To the Members,

Your Directors have pleasure in presenting the 31<sup>st</sup> Annual Report along with Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2009.

**Financial Results:**

	(Rupees in Crores)	
	2008-09	2007-08
Net Turnover and other Income	<u>537.27</u>	493.59
Profit before Depreciation and Tax	<u>33.82</u>	28.80
Less: Depreciation	<u>19.18</u>	16.55
Profit before Tax	<u>14.64</u>	12.25
Less: Provision for Taxation		
Current Tax	<u>2.20</u>	0.71
Deferred Tax	<u>0.50</u>	1.51
Fringe Benefit tax	<u>0.50</u>	0.52
	<u>3.20</u>	2.74
Profit after Tax	<u>11.44</u>	9.51
Add: Adjustments relating to earlier year	<u>-</u>	(0.20)
	<u>11.44</u>	9.31
Add: Surplus brought forward from previous year	<u>4.87</u>	5.04
Surplus available for appropriation	<u>16.31</u>	14.35
Less: Transfer to General Reserve	<u>5.00</u>	4.00
Proposed Dividend	<u>4.68</u>	4.68
Tax on Dividend	<u>0.80</u>	0.80
	<u>10.48</u>	9.48
Balance Carried Forward to Balance Sheet	<u>5.83</u>	4.87

**Operations:**

During the year under review, the turnover of your Company was Rs.537.27 crores against Rs.493.59 crores in the previous year, registering a growth of 8.85%. The net profit after tax was at Rs.11.44 crores against Rs.9.51 crores in the previous year, registering a growth of 20.29%. Despite the recession, your Company registered good growth both in its top as well as bottom line.

In the year under review, your Company has followed a cautious approach and concentrated on consolidation of the capacities. Investments were done mainly in increasing efficiencies, in removing imbalances and in ancillary equipments, with a view to control costs, improve quality and augment productivity.

**Dividend:**

Your Directors are pleased to recommend a Dividend of 50% for the year i.e. Rs. 5/- per Equity Share, with a total outlay of Rs.5.48 crores including Tax on Dividend.

**Management Discussion and Analysis:**

The year under review offered a mixed bag scenario for the textile industry. The major part of the year was marked by weakening of market sentiments, contraction in demand, credit squeeze and policy measures to control overheating of the economy. The latter part was more characterised by stable rural demand, surplus liquidity and easing of interest rates, Central Government announcing fiscal package to boost the economy and sentiments echoing prospects of moderate growth. A combined effect of these variables created a mixed impact in the macro-economic scenario.

Your Company, however, has been successful in mitigating the impact of negative variables and exploiting the positive ones to its advantage. Growth in Domestic sales has been at 9% and in Export sales at 23% - a commendable performance in difficult times.

Your Company was also able to improve its product portfolio, reduce its investments in inventories, rationalise the amounts locked up in Debtors, prune unproductive costs and decrease borrowings. This enabled it to increase the bottomline despite increase in major costs.

**Future Outlook:**

Your Company expects good growth throughout the year 2009 -10. Expectation of global markets returning to growth trajectory, likely improvement in domestic demand, the probable boost various sectors may get from the fiscal stimulus package, expectation of normal monsoon etc., are all positive variables that may significantly contribute to the growth of the economy. At the same time, slower than expected recovery of the World economy, larger fiscal/revenue deficit in India, rising fuel prices and its impact on input costs etc., are the factors that may adversely affect the growth story.

Your Company, however, is poised well to deal with the situation that may arise. Strong presence in the domestic market, well-established brands, resilient distribution network, lesser dependence on overseas market, steps taken by the Company to counter the effects of recession all may augur well for the future growth of the Company. Considering the macro and micro economic fundamentals, your Company expects a modest to good growth in the current financial year.

**Subsidiary Companies:**

During the year under review the Company has disinvested its investment in its two 100% Subsidiaries, namely Siyaram Polycote Limited and Oxemberg Clothing Limited. As on date the Company has no subsidiaries.

**Directors:**

Shri Shailesh Vaidya, Shri Brijmohan L. Sarda and Shri Ketan P. Gupte, 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 Dileep H. Shinde and Shri Pramod S. Jalan were appointed as Additional Directors of the Company w.e.f. 30<sup>th</sup> January, 2009 and holds office till the date of ensuing Annual General Meeting. Notice under section 257 of the Companies Act, 1956, has been received from member(s) proposing them as Directors of the Company. Necessary resolution has been put up in the Notice to the ensuing Annual General Meeting. Your Directors commend the resolutions.

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 31<sup>st</sup> March, 2009.

**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 31<sup>st</sup> March 2009, 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.

**Industrial Relations:**

Industrial relations with staff and workmen during the year under review continued to be cordial.

**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 and 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 and Associates, Cost Accountants, Mumbai have been appointed to conduct cost audit relating to the products manufactured by the Company.

**Other Matters:**

Murbad Unit: Manufacturing activities have been shifted to Tarapur. Negotiations for disposing of Land and Building is in progress.

**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, banks and shareholders. 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 : 27<sup>th</sup> June, 2009.



**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, 2009.

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/- p.a. or Rs.2,00,000/- p.m.							
1.	Shri Ramesh D. Poddar	57	Vice Chairman & Managing Director	55,76,905	B.Sc. (36)	28.01.1985	—
2.	Shri Shrikishan D. Poddar	46	Executive Director	44,37,067	B.Com (27)	22.06.2001	Balkrishna Industries Ltd. Executive Director (11 yrs)
3.	Smt Vijaylaxmi A. Poddar	49	Executive Director	43,90,406	B.Com (22)	01.04.2000	Sagar Silk Industries Ltd. Executive Director (4 yrs)
4.	Shri Pawan D. Poddar	55	Joint Managing Director	51,16,861	B.Com (34)	01.08.2006	Balkrishna Industries Ltd. Jt. Mg. Director (6 yrs)
5.	Shri Ashok M. Jalan	50	Senior President cum Director	29,62,696	B.Com (29)	08.04.1981	—

- 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.
- Smt Vijaylaxmi A. Poddar - Executive Director and Shri Arvind M. Poddar - Director are related to each other.
- Gross Remuneration includes Salary, Allowances Perquisites, Company's contribution to Provident Fund, Superannuation Fund, Gratuity Fund, Provision for Gratuity and Leave Salary.

For and on behalf of the Board of Directors

**DHARAPRASAD R. PODDAR**  
Chairman

Place : Mumbai  
Dated : 27<sup>th</sup> June, 2009.

**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**

- Energy conservation measures taken by the Company
  - Electrical Energy:
    - Reducing the maximum demand by evenly distributing the loads throughout the day and increasing efficiency of plant and equipments.
    - Improving power factor by optimum choice of power factor improvement capacitors.
    - Monitoring the overall energy consumption, by reducing losses and improvement of efficiency of all Class A utilities.
  - 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.
- 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.
- 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 08-09	Total for 07-08
<b>A. Power &amp; Fuel Consumption</b>		
1 Electricity		
a) Purchased (units)	<b>1,80,90,693</b>	1,65,18,639
Total Amount (Rs)	<b>7,07,41,692</b>	6,59,26,126
Rate / unit	<b>3.91</b>	3.99
b) Own generation		
From Diesel Generators (units)	<b>14,38,591</b>	10,23,746
Diesel oil consumption (Ltrs )	<b>4,28,985</b>	3,10,616
Units per ltr of Diesel Oil	<b>3.35</b>	3.30
Cost / unit (Rs)	<b>10.31</b>	9.17
2 Coal / Pet Coke		
Quantity (Kgs)	<b>10,47,078</b>	8,65,841
Total Cost (Rs.)	<b>76,82,137</b>	47,72,375
Average rate per tonne	<b>7,337</b>	5,512
3 Furnace Oil / L.S.H.S.		
Quantity in Ltrs	<b>1,86,428</b>	96,370
Total Cost (Rs.)	<b>33,33,633</b>	21,96,473
Average rate ( in '000 ltrs)	<b>17,882</b>	22792
Total Value	<b>9,65,94,965</b>	8,22,86,219
<b>B. Consumption per unit of Production</b>		
1 Electricity ( KWH)		
Cloth / Mtr	<b>0.72</b>	0.75
Yarn / kg	<b>1.81</b>	1.36
Garment / Nos.	<b>0.34</b>	0.53
2 Furnace Oil / L.S.H.S		
Dyed Yarn / Kg	-	-
Garments / Nos.	<b>0.06</b>	0.06
3 Coal & Fuel Wood		
Dyed Yarn/Kg	<b>0.48</b>	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. 30,07,273/-

Recurring – Rs. 2,27,15,781/-

**Total – Rs. 2,57,23,054/-**

**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.1,695.37                      Earned – Rs.4,659.19

For and on behalf of Board of Directors

**Dharaprasad R. Poddar**  
Chairman

Place : Mumbai  
Date : 27<sup>th</sup> June, 2009.

**CORPORATE GOVERNANCE REPORT**

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

Corporate Governance is a set of customs, principles, policies, practices, processes, values, which may be termed as internal factors as well as laws and regulations i.e external factors that govern the manner in which the affairs of a Company are being managed or conducted. Proper Corporate Governance practices help in developing an inbuilt mechanism to ensure that the Company's affairs are being conducted in the desired manner whilst attaining the Company's aims and objectives. The Philosophy of Corporate Governance is generally based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. The Company's Corporate Governance Philosophy gives sufficient and significant insight of the culture and mindset of an Organisation. Stakeholders across the globe thus show keen interest in the Corporate Governance philosophy and practices of an Organisation.

In India, the law and regulation relating to Corporate Governance is contained in Clause 49 of the Listing Agreement which is applicable to all Listing Companies. Organisations may however in addition choose to develop and implement its own Corporate Governance practices or even adopt best practices prevailing internationally.

**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 a spirit which goes beyond mere regulatory compliance.

The Company recognizes that good Corporate Governance is a continuing exercise and is committed to follow the best practices in the overall interest of the stakeholders. 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's 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 number of Non-Executive Directors (NEDs) is more than 50% of the total number of Directors. As the Company's Chairman is a Non Executive Director as well as a Promoter of the Company, the number of Independent Directors is 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 - Non-Executive & Non-Independent Director	5	No	3	-	-
Shri Ramesh D Poddar	Vice Chairman & Managing Director	5	Yes	1	-	-
Shri Pawan D. Poddar	Joint Managing Director	5	Yes	3	-	-
Shri Shrikishan D Poddar	Executive Director	3	Yes	2	-	-
Smt. Vijaylaxmi A. Poddar	Executive Director	5	No	4	-	-
Shri Arvind M Poddar	Non-Executive & Non Independent Director	5	Yes	11	-	-
Shri Brijmohan L. Sarda	Non-Executive & Independent Director	3	Yes	-	-	-
Shri Ketan. P. Gupte	Non-Executive & Independent Director	5	No	-	-	-
Prof. (Dr.) Mangesh. D. Teli	Non-Executive & Independent Director	5	Yes	-	-	-
Shri Shailesh S. Vaidya	Non-Executive & Independent Director	3	No	9	-	-
Shri Ashok M. Jalan	Senior President cum Director	5	Yes	-	-	-
*Shri Ashok N. Garodia	Non-Executive & Independent Director	3	Yes	1	-	-
**Shri Dileep H. Shinde	Non-Executive & Independent Director	1	-	1	-	-
**Shri Pramod S. Jalan	Non-Executive & Independent Director	1	-	-	-	-

\* Shri Ashok N. Garodia was appointed as a Director of the Company w.e.f. 23<sup>rd</sup> August, 2008.

\*\* Shri Dileep H. Shinde and Shri Pramod S. Jalan were appointed as Additional Directors of the Company w.e.f. 30<sup>th</sup> January, 2009.

#### Board Meetings:

During the year, 5 (Five) Board Meetings were held on 29<sup>th</sup> May, 2008, 26<sup>th</sup> June, 2008, 30<sup>th</sup> July, 2008, 27<sup>th</sup> October, 2008 and 30<sup>th</sup> January, 2009. The Annual General Meeting was held on 23<sup>rd</sup> August, 2008.

#### 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(s), 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 Agreement 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 Company Secretary, Shri William V. Fernandes, acts as the Secretary of the Committee. The Chairman of the Committee was present at the last Annual General Meeting.

During the year under review, the Committee met 5 times on 29<sup>th</sup> May, 2008, 26<sup>th</sup> June, 2008, 30<sup>th</sup> July, 2008, 24<sup>th</sup> October, 2008 and 30<sup>th</sup> January, 2009.

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

Name of the Member	Designation	No. of meeting attended
Shri Brijmohan L. Sarda	Chairman	3
Shri Ketan. P. Gupte	Member	5
Prof. (Dr.) Mangesh D. Teli	Member	5

#### 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 no meeting of the Remuneration Committee was held.

**Details of Directors Remuneration \* for the year 2008- 09 are given below:-**

Name of Directors	Salary & Other perquisites	Sitting fees	Total remuneration
Shri Dharaprasad R Poddar	Nil	50,000	50,000
Shri Ramesh D Poddar	55,76,905	Nil	55,76,905
Shri Pawan D Poddar	51,16,861	Nil	51,16,861
Shri Shrikishan D Poddar	44,37,067	Nil	44,37,067
Smt. Vijaylaxmi A Poddar	43,90,406	Nil	43,90,406
Shri Arvind M Poddar	Nil	1,00,000	1,00,000
Shri Brijmohan L. Sarda	Nil	60,000	60,000
Shri Ketan. P. Gupte	Nil	1,00,000	1,00,000
Prof.(Dr.) Mangesh. D. Teli	Nil	1,00,000	1,00,000
Shri Shailesh. S. Vaidya	Nil	30,000	30,000
Shri Ashok M. Jalan	29,62,696	Nil	29,62,696
Shri Ashok N. Garodia	Nil	30,000	30,000
Shri Dileep H. Shinde	Nil	10,000	10,000
Shri Pramod S. Jalan	Nil	10,000	10,000
<b>Total</b>	<b>2,24,83,935</b>	<b>4,90,000</b>	<b>2,29,73,935</b>

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

#### V. Share Transfer and Shareholders'/ Investors' Grievance Committee:

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

The above said Committee has met 23 times during the financial year ended 31<sup>st</sup> March, 2009.

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	23
Shri Ramesh D. Poddar	Member	21
Shri Arvind M. Poddar	Member	20
Shri Shrikishan D. Poddar	Member	21

The Company Secretary, Shri William V. Fernandes, has been designated as Compliance Officer.

During the year ended 31st March, 2009, 84 Shareholders Complaints / Queries were received out of which 84 complaints were resolved. There were no outstanding complaints at the end of the year. For effective and efficient grievance management, the Company has dedicated e-mail ID, sharedept@siyaram.com.

#### VI. Information on Annual General Meeting:

Financial Year	Date	Time	Venue
2005-2006	16 <sup>th</sup> Sept., 2006	11.00 a.m.	Plot No.G-4/1, MIDC, Tarapur, Boisar, Dist.Thane-401506.
2006-2007	11 <sup>th</sup> Aug., 2007	03.00 p.m.	Plot No.G-4/1, MIDC, Tarapur, Boisar, Dist.Thane-401506.
2007-2008	23 <sup>rd</sup> Aug., 2008	10.45 a.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:

- 2005-2006** : Appointment of Smt. Ashadevi R. Poddar, Smt. Vibha S. Poddar and Shri Avnish P. Poddar, relatives of Directors as Executive of the Company.
- Issue and allotment of Bonus Shares in the ratio of one Equity Share for every two existing Equity Shares held by the Shareholders as on record date.

- 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.

- 2007-2008** : No special resolutions were passed.

**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:**

During the year under review the Company has disinvested its investment in its subsidiary. Hence as on date the Company has no Subsidiaries.

**IX. Disclosures:**

- (1) Disclosures on materially significant related party transactions.  
Necessary disclosures are made in Note No.14 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: 12th September, 2009.  
Time : 11.00 a.m.  
Venue: Plot No.G-4/1(A), MIDC, Tarapur, Boisar, Dist. Thane – 401 506, Maharashtra

**2. Financial Calendar (Tentative)**

Financial Year of the Company	1st April, 2009 to 31st March, 2010.
Results for the Quarter ending:	
June 30, 2009	On or before July 31, 2009
September 30, 2009	On or before October 31, 2009
December 31, 2009	On or before January 31, 2009
March 31, 2010	On or before April 30, 2010 or June 30, 2010.

- 3. Date of Book Closure:** Tuesday, 8th September, 2009 to Friday, 11th September, 2009 (both days inclusive).

- 4. Dividend payment date:** On or after 12th September, 2009, 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.

## SIYARAM SILK MILLS LIMITED



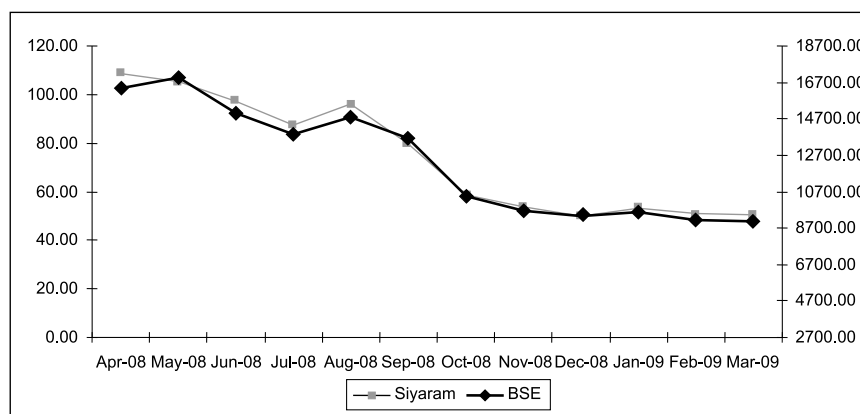
### 6. Stock Code/Symbol:

(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-2008	118.00	90.00	118.00	90.75
May-2008	115.00	96.15	124.90	91.50
Jun-2008	111.40	82.70	110.00	81.00
Jul-2008	95.00	79.50	107.00	83.00
Aug-2008	106.00	86.00	106.00	85.25
Sep-2008	91.90	67.80	99.00	68.10
Oct-2008	76.85	40.15	85.00	45.00
Nov-2008	63.00	44.60	70.00	45.00
Dec-2008	59.00	41.10	55.00	42.40
Jan-2009	60.95	46.00	60.00	45.00
Feb-2009	56.00	45.55	58.95	45.50
Mar-2009	57.00	43.50	55.00	44.00

### 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, 1<sup>st</sup> 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](mailto:csg-unit@tsrdarashaw.com)  
**Website :** [www.tsrdarashaw.com](http://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 31<sup>st</sup> March, 2009:**

Sr. No.	No. of shares	Holding	Amount (Rs.)	% to Capital	No. of Holders	% to Total Holders
1.	1 to 500	10,44,064	1,04,40,640	11.14	8571	90.51
2.	501 to 1000	3,64,469	36,44,690	3.89	520	5.49
3.	1001 to 2000	2,21,060	22,10,600	2.36	156	1.65
4.	2001 to 3000	1,40,724	14,07,240	1.50	56	0.59
5.	3001 to 4000	83,000	8,30,000	0.89	24	0.25
6.	4001 to 5000	65,048	6,50,480	0.69	14	0.15
7.	5001 to 10000	2,24,182	22,41,820	2.39	32	0.34
8.	10001 and above	72,29,501	7,22,95,010	77.14	97	1.02
	<b>TOTAL</b>	<b>93,72,048</b>	<b>9,37,20,480</b>	<b>100.00</b>	<b>9470</b>	<b>100.00</b>

**12. Shareholding pattern as on 31<sup>st</sup> March 2009:**

Sr. No.	Category	No. of shares held	Percentage of Shareholding
1.	Promoters	62,84,735	67.06
2.	Financial Institutions	2,300	0.02
3.	Banks and Insurance Companies	1,841	0.02
4.	Private Corporate Bodies	2,80,732	3.00
5.	Mutual Funds	5,75,008	6.14
6.	Non Resident Individuals	20,242	0.22
7.	Indian Public	22,07,190	23.54
	<b>Grand Total</b>	<b>93,72,048</b>	<b>100.00</b>

**13. Dematerialization of shares and liquidity:**

63.35% of the Share Capital is held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as on 31st March, 2009.

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:**

**SIYARAM SILK MILLS LIMITED**

**Registered Office**

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

**Corporate Office**

B-5, Trade World, Kamala City,  
Senapati Bapat Marg,  
Lower Parel (West), Mumbai- 400 013  
Tel: 022-30400500/501  
Fax : 022- 30400599  
E-mail : [sharedept@siyaram.com](mailto:sharedept@siyaram.com)

**REGISTRAR & SHARE TRANSFER AGENT**

**TSR Darashaw Limited**

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](mailto:csg-unit@tsrdarashaw.com)  
Website : [www.tsrdarashaw.com](http://www.tsrdarashaw.com)

For and on behalf of the Board of Directors

**DHARAPRASAD R. PODDAR**

Chairman

Place : Mumbai,

Date : 27<sup>th</sup> June, 2009.

**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, 2009.

For **SIYARAM SILK MILLS LIMITED**

Place : Mumbai

Date : 27<sup>th</sup> June, 2009.

**Ramesh D. Poddar**

Vice Chairman & Managing Director



**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  
Place : Mumbai,  
Dated : 27<sup>th</sup> June, 2009

**Surendra S. Shetty**  
Chief Financial Officer

**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 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

For **Jayantilal Thakkar & Co.**  
Chartered Accountants

**C.V.Thakker**  
Partner  
Membership No. 6205

Place : Mumbai,  
Dated : 27<sup>th</sup> June, 2009.

**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 31<sup>st</sup> March, 2009 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 31<sup>st</sup> March, 2009 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 31<sup>st</sup> March, 2009;
    - 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 27, 2009

**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 31<sup>st</sup> March, 2009)

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and the situation of its fixed assets.
  - b) Fixed Assets have been physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed have been properly dealt with in the books of accounts.
  - c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- ii) a) The inventories other than that with third parties have been physically verified by the management at reasonable intervals. There is a procedure of obtaining confirmation in respect of inventory with the third parties.
  - b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion, the Company has maintained proper records of inventory. The discrepancies between the physical stocks and the book stocks were not material and have been properly dealt with in the books of account.
- iii) a) The Company has granted unsecured loan to four companies covered in the register maintained under Section 301 of the Companies Act, 1956, aggregating to Rs.13.85 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 seven companies covered in the register maintained under Section 301 of the Companies Act, 1956, aggregating to Rs.23.82 crores.

	Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Rs. in Lacs.
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.	Central Excise Act, 1944	Cenvat	Appellate Tribunal	1997-98	0.23
g] The Company is regular in payment of the principal amounts and interest thereon.	Central Excise Act, 1944	Penalty	Commissioner Appeal	1998-99	0.25
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.	Central Excise Act, 1944	Levy of Duty	Additional Commissioner	1990-92	14.68
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 Section 301 of the Companies Act, 1956, have been so entered.	Central Excise Act, 1944	Levy of Duty	Commissioner Appeal	2002-03	0.94
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 lacs in respect of any party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.	Central Excise Act, 1944	Levy of Duty and Penalty	Commissioner Appeal	2003-04	5.44
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 the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any Tribunal.	Income tax Act, 1961	TDS	Commissioner Appeal	2006-07 2007-08	64.82
vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.	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.				
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.	xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institutions or banks.				
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 31 <sup>st</sup> March, 2009, for a period of more than six months from the date they became payable.	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.				
b] According to the information and explanations given to us, the particulars of statutory dues as at 31 <sup>st</sup> March, 2009, which have not been deposited on account of any dispute are as follows:	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*

Mumbai, June 27, 2009

*Membership No.6205*

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009**

	Schedules	Rs. in Lacs	
		As At 31.03.2009	As At 31.03.2008
<b>I. SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Capital	<b>A</b>	<b>937.38</b>	937.38
Reserves & Surplus	<b>B</b>	<b>13,294.64</b>	12,699.09
		<b>14,232.02</b>	13,636.47
<b>Loan Funds</b>			
Secured Loans	<b>C</b>	<b>18,198.11</b>	18,592.22
Unsecured Loans	<b>D</b>	<b>5,073.75</b>	8,455.43
		<b>23,271.86</b>	27,047.65
<b>Deferred Tax</b>			
Deferred Tax Liabilities (Net) (See Note No. 9 of Schedule 'Q')		<b>1,795.14</b>	1,745.14
<b>TOTAL</b>		<b>39,299.02</b>	42,429.26
<b>II. APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	<b>E</b>	<b>32,508.24</b>	30,277.51
Less : Depreciation		<b>12,007.23</b>	10,131.12
Net Block		<b>20,501.01</b>	20,146.39
Capital work-in-progress		<b>180.20</b>	483.69
		<b>20,681.21</b>	20,630.08
<b>Investments</b>	<b>F</b>	<b>0.05</b>	23.65
<b>Current Assets, Loans and Advances</b>			
Inventories	<b>G</b>	<b>9,716.06</b>	10,889.50
Sundry Debtors	<b>H</b>	<b>11,378.92</b>	13,257.07
Cash & Bank balances	<b>I</b>	<b>212.75</b>	112.36
Loans & Advances	<b>J</b>	<b>3,449.97</b>	3,347.85
		<b>24,757.70</b>	27,606.78
<b>Less : Current Liabilities and Provisions</b>	<b>K</b>		
Current Liabilities		<b>4,530.20</b>	4,464.93
Provisions		<b>1,609.74</b>	1,366.32
		<b>6,139.94</b>	5,831.25
<b>Net Current Assets</b>		<b>18,617.76</b>	21,775.53
<b>TOTAL</b>		<b>39,299.02</b>	42,429.26
<b>Significant Accounting Policies</b>	<b>P</b>		
<b>Notes to Accounts</b>	<b>Q</b>		

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, 27<sup>th</sup> June, 2009.

SIYARAM SILK MILLS LIMITED



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009**

	Schedules	Rs. in Lacs	
		Current Year	Previous year
<b>INCOME</b>			
Sales and Related Income	L	64,786.99	58,968.26
Less : Trade discount, Returns, Rebate etc.		11,775.42	10,358.64
<b>Net Sales</b>		<b>53,011.57</b>	48,609.62
Other Income	M	715.04	748.97
<b>TOTAL INCOME</b>		<b>53,726.61</b>	49,358.59
<b>EXPENDITURE</b>			
Manufacturing and Other Expenses	N	48,782.05	45,405.90
Interest	O	1,682.78	1,072.17
Depreciation		1,917.93	1,655.49
<b>TOTAL EXPENDITURE</b>		<b>52,382.76</b>	48,133.56
<b>PROFIT BEFORE EXCEPTIONAL ITEM</b>		<b>1,343.85</b>	1,225.03
Add : Exceptional Item - on settlement of Electricity Liabilities		120.37	-
<b>PROFIT BEFORE TAX</b>		<b>1,464.22</b>	1,225.03
(Add)/Less : Provision for Taxation			
Current Tax		220.00	152.00
MAT credit Entitlement(refer note 7 in Schedule Q)		-	(81.00)
Fringe Benefit Tax		50.00	52.50
Deferred Tax		50.00	151.00
		<b>320.00</b>	274.50
<b>PROFIT AFTER TAX</b>		<b>1,144.22</b>	950.53
Add/ (Less) : Adjustments relating to earlier years			
Short Provision of Income Tax (Net)		(25.16)	(17.00)
Excess Provision of doubtful debts written back		-	4.31
Short Provision of Depreciation (Net)		-	(12.46)
Excess Provision of expenses (Net)		24.73	5.45
		<b>1,143.79</b>	930.83
Balance brought forward from last year		486.87	504.28
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>1,630.66</b>	1,435.11
<b>APPROPRIATIONS</b>			
Proposed Dividend		468.60	468.60
Tax on Proposed Dividend		79.64	79.64
Transferred to General Reserve		500.00	400.00
Balance Carried to Balance Sheet		582.42	486.87
		<b>1,630.66</b>	1,435.11
Basic & diluted earnings per share in (Rs) (See Note No. 8 of Schedule 'Q')		12.20	9.93

**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, 27<sup>th</sup> June, 2009.

**Schedules annexed to and forming part of the Balance Sheet as at and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2009.**

		As At 31-03-2009	Rs. in Lacs As At 31-03-2008
<b>SCHEDULE 'A' - SHARE CAPITAL :</b>			
<b>Authorised</b>			
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>
<b>Issued</b>			
93,74,016	(Previous year 93,74,016) Equity Shares of Rs. 10/- each	937.40	937.40
<b>Subscribed and Paid Up</b>			
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.			
<b>SCHEDULE 'B' - RESERVES AND SURPLUS :</b>			
<b>Capital Reserve:</b>			
	Special Capital Incentive As per last Balance Sheet	30.00	40.00
	Less : Refunded during the year	-	10.00
		<u>30.00</u>	<u>30.00</u>
<b>Share Premium Account:</b>			
	As per last Balance Sheet	794.69	794.69
<b>General Reserve:</b>			
	As per last Balance Sheet	11,387.53	11,000.00
	Add : Transferred from Profit and Loss Account	500.00	400.00
		<u>11,887.53</u>	<u>11,400.00</u>
	Less : Charge on account of transitional provision under Accounting Standard 15	-	12.47
		<u>11,887.53</u>	<u>11,387.53</u>
<b>Profit &amp; Loss Account:</b>			
		<u>582.42</u>	<u>486.87</u>
		<u>13,294.64</u>	<u>12,699.09</u>
<b>SCHEDULE 'C' - SECURED LOANS :</b>			
(a) Working Capital Loans from Banks :-			
	i) Cash Credit/ Demand Loans/ Short Term Loan	5,011.76	6299.15
	ii) Packing Credit	803.43	865.58
	iii) Bills Discounting	468.98	217.56
		<u>6,284.17</u>	<u>7,382.29</u>
(b) Term Loans from Banks			
		<u>11,913.94</u>	<u>11,209.93</u>
		<u>18,198.11</u>	<u>18,592.22</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.11186 Lacs. (Previous year Rs. 9980 Lacs).

SIYARAM SILK MILLS LIMITED



	Rs. in Lacs	
	As At	As At
	31-03-2009	31-03-2008
<b>SCHEDULE 'D' - UNSECURED LOANS :</b>		
(a) Fixed Deposits	204.00	3.00
(b) From Govt of Maharashtra (Interest Free Sales Tax Loan)	200.80	221.45
(c) Security Deposit from Dealers / others	1,918.95	1,707.54
(d) Short Term Loans from Banks*	2,750.00	5,000.00
(e) Short Term Loans from Banks in Foreign Currency *	-	1,523.44
	<u>5,073.75</u>	<u>8,455.43</u>

\* Personally Guaranteed by two Directors

**SCHEDULE - ' E ' FIXED ASSETS** Rs. in Lacs

DESCRIPTION	Gross Block (At Cost)				Depreciation				Net Block	
	As At 01.04.08	Additions	Ded- uction	As At 31.03.09	Upto 31.03.08	Ded- uction	For the Year	Upto 31.03.09	As At 31.03.09	As At 31.03.08
Freehold Land	100.39	-	-	100.39	-	-	-	-	100.39	100.39
Leasehold Land	771.57	-	-	771.57	14.78	-	7.93	22.71	748.86	756.79
Building	8,461.76	924.68	26.33	9,360.11	1,020.01	5.00	225.74	1,240.75	8,119.36	7,441.75
Factory Road	55.76	-	-	55.76	9.49	-	0.91	10.40	45.36	46.27
Plant & Machinery	17,632.37	1,148.02	12.44	18,767.95	8,268.68	1.65	1,298.68	9565.71	9,202.24	9,363.69
Electrical Installation	663.40	87.84	-	751.24	134.47	-	32.08	166.55	584.69	528.93
Furniture & Equipments	1,724.57	139.49	35.76	1,828.30	524.06	9.89	166.76	680.93	1,147.37	1,200.51
Vehicles	416.90	58.72	68.58	407.04	150.68	25.28	35.68	161.08	245.96	266.22
Intangible Assets:										
Computer Software	449.79	15.09	-	464.88	8.95	-	150.15	159.10	305.78	440.84
Trade Mark	1.00	-	-	1.00	-	-	-	-	1.00	1.00
<b>Current Year Total</b>	<b>30,277.51</b>	<b>2,373.84</b>	<b>143.11</b>	<b>32,508.24</b>	<b>10,131.12</b>	<b>41.82</b>	<b>1,917.93</b>	<b>12,007.23</b>	<b>20,501.01</b>	<b>20,146.39</b>
Previous Year Total	23,729.80	6,725.57	177.86	30,277.51	8,591.90	128.73	1,667.95#	10,131.12	20,146.39	-

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

- i) Co-operative societies are formed Rs.123.87 Lacs (Previous year Rs.123.91 lacs) (including Shares of the face value of Rs. 0.06 Lacs)
- ii) Co-operative societies are yet to be formed Rs. 3,277.47 Lacs(Previous year Rs. 3,228.93 lacs).
- # Includes short provision of depreciation of Rs. 12.46 lacs in earlier years .

**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) Nil (Previous year 13600) 6.75% Tax Free Bonds of UTI of Rs. 100/- each. (Redeemed during the year)	-	13.60
(c) In Equity Shares of Subsidiary Companies (Unquoted) (fully paid up) Oxemberg Clothing Ltd.Nil- (Previous year 50000 shares of Rs. 10/- each) Siyaram Polycote Ltd. Nil- (Previous year 50000 shares of Rs. 10/- each ) (Sold during the year)	-	5.00
	-	5.00
	-	10.00
	<u>0.05</u>	<u>23.65</u>
Aggregate cost of unquoted investments	0.05	10.05
Aggregate cost of quoted investments	-	13.60
Market value of quoted investments	-	13.80

	As At 31-03-2009	Rs. in Lacs As At 31-03-2008
<b>SCHEDULE 'G' - INVENTORIES :</b>		
(At lower of cost and net realisable value)		
(As taken, valued and certified by the Management)		
Stores and Spares	727.59	504.33
Stock - in - trade : -		
Raw Materials	2,988.57	3,253.47
Finished Goods	<u>4,382.65</u>	<u>5,710.88</u>
	<b>7,371.22</b>	<b>8,964.35</b>
Goods in Process	<u>1,617.25</u>	<u>1,420.82</u>
	<u><b>9,716.06</b></u>	<u><b>10,889.50</b></u>
<b>SCHEDULE 'H' - SUNDRY DEBTORS (Unsecured) :</b>		
Over Six Months :		
Considered good	1,025.49	941.98
Considered doubtful	<u>75.04</u>	<u>211.20</u>
	<b>1,100.53</b>	<b>1,153.18</b>
Others :		
Considered good	<u>10,353.43</u>	<u>12,315.09</u>
	<b>11,453.96</b>	<b>13,468.27</b>
Less : Provision for doubtful debts	<u>(75.04)</u>	<u>(211.20)</u>
	<u><b>11,378.92</b></u>	<u><b>13,257.07</b></u>
(Bad Debts written off Rs. 104.58 lacs out of the provision for doubtful debts.)		
<b>SCHEDULE 'I' - CASH &amp; BANK BALANCES :</b>		
Cash Balance on hand	18.81	10.73
Bank Balances with Scheduled Banks : -		
In Current accounts *	193.44	100.86
In Fixed Deposit (Pledge with Sales Tax Dept. Rs. 0.50 Lacs)	<u>0.50</u>	<u>0.77</u>
Previous Year Rs.0.77 Lacs)	<u>193.94</u>	<u>101.63</u>
	<u><b>212.75</b></u>	<u><b>112.36</b></u>
* ( Including Rs. 0.23 Lacs (Previous year Rs. 0.20 Lacs) towards US\$ 478.94 (Previous year US \$ 500) held in EEFC a/c with Central Bank of India)		
<b>SCHEDULE 'J' - LOANS AND ADVANCES (Unsecured, Considered Good) :</b>		
Advances recoverable in cash or in kind or for value to be received	2,218.35	2,263.15
MAT Credit Entitlement	-	81.00
Advance Income Tax and Tax Deducted at Source	1,231.62	1,003.08
Balances with Customs, Excise Authorities, etc.,	-	0.62
	<u><b>3,449.97</b></u>	<u><b>3,347.85</b></u>



SIYARAM SILK MILLS LIMITED



	As At 31-03-2009	Rs. in Lacs As At 31-03-2008
<b>SCHEDULE 'K' - CURRENT LIABILITIES AND PROVISIONS :</b>		
<b>Current Liabilities</b>		
Sundry Creditors- Micro, Small and Medium Enterprises @	-	-
Others #	4,478.55	4,420.48
Interest Accrued but not due on Loans	18.13	10.36
Unpaid Dividend *	24.30	21.35
Unpaid Matured Debentures *	9.22	9.85
Interest on Debentures *	-	2.89
	<u>33.52</u>	<u>34.09</u>
	<b>4,530.20</b>	<b>4,464.93</b>
<b>PROVISIONS</b>		
Provision for Taxation	851.98	661.50
Proposed Dividend	468.60	468.60
Tax on proposed dividend	79.64	79.64
Provision for Retirement benefits	<u>209.52</u>	<u>156.58</u>
	<u>1,609.74</u>	<u>1,366.32</u>
	<u><b>6,139.94</b></u>	<u><b>5,831.25</b></u>
<p>@ 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.</p> <p>* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.</p>		
	<b>Current Year</b>	Rs. in Lacs Previous year
<b>SCHEDULE 'L' - SALES AND RELATED INCOME :</b>		
Sales	64,438.31	58,914.06
Less : Excise Duty Recovered on Sales	-	25.26
	<u>64,438.31</u>	58,888.80
Job Charges received (Tax deducted at source Rs. 9.56 Lacs (Previous Year Rs. 1.56 Lacs)	<u>348.68</u>	79.46
	<u><b>64,786.99</b></u>	<u>58,968.26</u>
<b>SCHEDULE 'M' - OTHER INCOME :</b>		
Miscellaneous Income	297.81	332.46
Key men Insurance Policy Surrender Value(Net)	161.33	-
Interest received (Tax deducted at source Rs.43.41 Lacs Previous year Rs. 12.94 Lacs)	141.29	107.75
Rent received (Tax deducted at source Rs.26.24 Lacs Previous year Rs. 23.03 Lacs)	114.61	91.93
Profit on sale of Assets (Net)	-	110.59
Sundry credit balance written back (Net)	-	19.75
Gain on foreign currency transactions (Net)	-	86.49
	<u>715.04</u>	<u>748.97</u>

	Current Year	Rs. in Lacs Previous year
<b>SCHEDULE 'N' - MANUFACTURING AND OTHER EXPENSES :</b>		
Raw Materials consumed	20,947.55	21,108.50
Finished Goods purchases	4,790.59	6,234.35
Processing and Labour Charges	7,034.55	6,882.87
Excise Duty	-	0.64
Stores and Spares Consumed	1,181.58	1,249.32
Packing Materials Consumed	2,053.39	2,127.01
Power and Fuel	965.95	895.25
Water Charges	41.54	29.53
Payment to and Provisions for Employees :		
Salaries, Wages, Allowances and Bonus	2,918.30	2,606.71
Contribution to Provident, Gratuity and other funds	232.20	215.19
Staff Welfare Expenses	171.07	172.89
	<u>3,321.57</u>	2,994.79
Brokerage and Commission	1,394.63	1,055.36
Discount	411.37	371.80
Rent	252.99	255.59
Rates and Taxes	46.10	52.59
Freight and Forwarding Charges	519.01	516.53
Legal and Professional Charges	317.94	222.50
Directors Sitting Fees	4.90	5.10
Payment to Auditors	19.42	20.00
Loss on sale of Assets (Net)	56.47	-
Loss on foreign currency transactions (Net)	222.16	-
Sundry debit balance written off (Net)	15.82	-
Bad Debts written off	73.64	-
Insurance Charges	122.87	142.26
Advertisements and Sales Promotion Expenses	1,737.01	2,425.32
Travelling and Conveyance	611.77	618.44
Miscellaneous Expenses	914.89	925.16
Repairs to :		
Buildings	149.64	57.39
Machineries	165.93	145.85
Others	276.97	332.70
	<u>592.54</u>	535.94
<b>(Increase) / Decrease in Goods-in-process and Finished Stock</b>		
Opening 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>
Less : Closing Stock		
Goods-in-process	1,617.25	1,420.82
Finished Goods	4,382.65	5,710.88
	<u>5,999.90</u>	<u>7,131.70</u>
	<u>1,131.80</u>	(3,262.95)
	<u>48,782.05</u>	<u>45,405.90</u>
<b>SCHEDULE 'O' - INTEREST :</b>		
On Fixed Deposits and Loans	1,116.19	1,035.52
To Banks and Others	566.59	201.24
	<u>1,682.78</u>	1,236.76
Less : Capitalised	-	164.59
	<u>1,682.78</u>	<u>1,072.17</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 wherever applicable.
- 11) **Excise Duty :**  
Excise Duty wherever recovered is included in Sales. Excise Duty paid on goods cleared and provision made in respect of finished goods lying at factory premises/bonded warehouses is 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 recognised at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment 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 :**

	<b>Current Year</b>	Rs. in Lacs Previous year
1) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	<b>125.71</b>	760.79
2) Contingent Liabilities in respect of:		
a) Guarantees given by the Company's bankers on behalf of the Company	<b>363.53</b>	130.75
b) Disputed claims for excise and sales tax	<b>21.54</b>	17.81
c) Custom Duty which may arise if obligation for export is not fulfilled.	<b>33.52</b>	-
d) Income tax penalty demand under dispute	<b>105.57</b>	40.75
e) Claims against the Company not acknowledge as debt State Government subsidy.	<b>172.51</b>	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) The Company has calculated the various benefits provided to employees as under. Rs. in Lacs

**Defined Contribution Plan**

Contribution to Defined Contribution plan, recognised as expense for the year are as under:

	Current Year	Previous Year
Employer's contribution to Provident Fund	88.02	116.28
Employer's contribution to Superannuation Fund	27.12	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.

	Gratuity (Funded)	Leave encashment (unfunded)	Gratuity (Funded)	Leave encashment (unfunded)
<b>D) Reconciliation of opening and closing balances of Defined benefit obligation</b>				
Defined Benefit obligation at beginning of the year	200.57	53.38	138.61	36.02
Current Service Cost	35.07	1.92	17.31	1.49
Interest Cost	18.22	4.42	12.27	3.00
Actuarial (gain)/loss	13.39	6.06	37.35	12.86
Benefits paid	(15.89)	-	-4.97	-
Defined Benefit obligation at the year end.	251.36	65.78	200.57	53.38
<b>II) Reconciliation of opening and closing balances of fair value of plan assets</b>				
Fair value of plan assets at beginning of the year	136.29	-	94.97	-
Expected return of plan assets	12.92	-	10.22	-
Actuarial gain/(loss)	1.55	-	0.86	-
Employer contribution	33.12	-	35.21	-
Benefits paid	(15.89)	-	-4.97	-
Fair value of plan assets at the end of the year	167.99	-	136.29	-
Actual return on plan assets	14.47	-	11.09	-
<b>III) Reconciliation of fair value of assets and obligation</b>				
Fair value of plan assets as at 31st March,2009.	167.99	NIL	136.29	NIL
Present value of obligation as at 31st March,2009	251.36	65.78	200.57	53.38
Amount recognized in Balance Sheet	83.37	65.78	64.28	53.38
<b>IV) Expense recognized during the year (Under the head "Payments to and Provision for Employees - Refer Schedule 'N')</b>				
Current Service Cost	35.07	1.92	17.31	1.49
Interest Cost	18.22	4.42	12.27	3.00
Expected return on plan assets	-12.92	-	-10.22	-
Actuarial (gain) / loss	11.84	6.07	36.49	12.86
Net cost	52.21	12.41	55.85	17.35
<b>V) Investment details</b>				
		% invested		% invested
	As at 31st March, 2009		As at 31st March, 2008	
Insurance Policies (LIC)		100%		100%

**VI) Actuarial assumptions**

	Current Year		Previous Year	
	Gratuity (Funded)	Leave encashment (unfunded)	Gratuity (Funded)	Leave encashment (unfunded)
Mortality Table (LIC)				
Discount rate (per annum)	7.75%	7.75%	8.00%	8.00%
Expected rate of return on plan assets (per annum)	8.00%	7.75%	8.00%	8.00%
Rate of escalaton in salary (per annum)	4.00%	5.00%	4.00%	4.00%

The estimates of rate of escalation in salary considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant 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.

- 5) The manufacturing activities of Murbad unit have been shifted to Tarapur after obtaining necessary permission from the State Government. A demand of Rs. 172.51 Lacs has been raised by the State Government being net of part refund of the incentives availed at Murbad along with interest thereon and on account of set off of incentives receivable from the other MIDC Areas in respect of other units. The Company has approached the State Government for reducing the demand of refunding the incentives and waiver of the interest on the basis of circulars issued by them in which the operational period of the scheme of the units situated at backward areas have been reduced. The Company is hopeful of getting a favorable reply from the State Government. Pending final decision by MIDC, the amount has been shown as a contingent liability.
- 6) TDS Survey was conducted by the Income tax department. The department has raised a demand of Rs. 95.82 lacs being non-deduction/less deduction of TDS under various Section of Income tax act. The Company has filed an Appeal with the appropriate authorities. In the opinion of the Company the issue on which demand was raised in not sustainable in the Appeal as there are a number of judicial decisions in favour of the Company, against the above said demand the Company has paid an amount of Rs 31 lacs as demanded by the income tax department.
- 7) The Company had provided MAT Credit entitlement of Rs.81 Lacs for the year ended 31st March, 2008. The full amount has been utilized during the year, in accordance with Section 115JAA of the Income Tax Act, 1961.
- 8) Earning Per Share : ["EPS"] computed in accordance with Accounting Standard 20:

		Current Year	Previous Year
a) Net Profit available for equity shareholders	Rs. Lacs	1,143.79	930.83
b) The weighted average number of Equity Shares	Nos.	9,372,048	9,372,048
c) Face value per equity share	Rupees	10.00	10.00
d) Earnings per share Basic / Diluted	Rupees	12.20	9.93

- 9) 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 31/03/2009	Rs. in Lacs Deferred Tax liability/(Asset) As on 31/03/2008
(a) Deferred Tax Liabilities		
Difference between accounting and tax depreciation (Cumulative)	1913.00	1899.04
	<u>1913.00</u>	<u>1899.04</u>
(b) Deferred Tax Assets		
Provision for doubtful debts (to date)	(25.51)	(71.79)
Disallowances under section 43B for non payment of expenses	(92.35)	(82.11)
	<u>(117.86)</u>	<u>(153.90)</u>
Net Deferred Tax Liabilities (a-b)	<u>1795.14</u>	<u>1745.14</u>

Net current deferred tax liability of Rs.50 Lacs (Previous year Rs.151 Lacs including Rs. 6.42 Lacs on account of Deferred Tax assets relating to gratuity up to 31/03/2007) had been charged to Profit & Loss Account besides current tax Rs. 220 Lacs (previous year Rs. 152 Lacs before adjusting MAT credit entitlement of Rs. 81 Lacs.) being tax under Income Tax Act, 1961 and Fringe Benefit Tax Rs. 50.00 Lacs (Previous Year Rs. 52.50 Lacs).

10) Prior period items included under respective accounts in the Profit and Loss Account Rs. 1.82 Lacs debit (2.02 Lacs debit).

	Rs. in Lacs	
	Current Year	Previous Year
11) Payment to Auditors :		
<b>a) Statutory Auditors</b>		
i) Audit Fees	7.50	7.50
ii) Taxation Matters	0.28	1.90
iii) Certification	2.83	2.41
iv) Tax Audit Fees	3.00	2.50
v) Fees for other Services	4.05	2.30
vi) Reimbursement of Expenses (Including Service Tax)	1.76	3.39
	<u>19.42</u>	<u>20.00</u>
<b>b) Cost Auditors</b>		
i) Cost Audit Fees (Including Service Tax)	<u>0.79</u>	<u>0.79</u>
12) <b>Managerial Remuneration</b>		
a) Remuneration to Managing Directors, and Executive Directors under Section 198 of the Companies Act, 1956:		
Remuneration	106.20	104.12
Contribution to Provident and Other Funds	26.55	23.10
Perquisites	80.92	120.01
Retirement benefits	11.17	15.02
	<u>224.84</u>	<u>262.25</u>
b) To Other Directors		
Meeting Fees	4.90	5.10
	<u>229.74</u>	<u>267.35</u>
13) 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.		
14) <b>Related Party disclosures :</b>		
(List of related parties with whom the transactions have been taken place during the year)		
(a) Key Management Personnel (KMP) :		
Mr. Dharaprasad R. Poddar - Chairman, Mr. Ramesh D. Poddar - Vice Chairman & Managing Director, Mr. Pawan D. Poddar - Jt. Managing Director, Mr. Shrikishan D.Poddar - Executive Director, Mrs. Vijyalaxmi A.Poddar - Executive Director, Mr. Ashok Jalan - Sr. President cum Director and 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 P. Poddar, Mr. Gaurav P. Poddar and Mr. Abhishek S. Poddar		
(c) Other Related Parties (Enterprises - KMP having significant influence / Owned by Major Shareholders)		
Balkrishna Industires Ltd., Balkrishna Synthetics Ltd., Govind Rubber Ltd., S.P. Investrade (I) Ltd., Sanchana Trading & Finance Ltd., S.P. Finance & Trading Ltd., Santigo Textile Mills (P) Ltd., Balgopal Holdings and Traders Ltd, Oxemberg Fashion Ltd., Beetee Textile Industries Ltd., Futuristic Concepts Media Ltd.,Vishal Furnishing Ltd., Fabwear Garments, Poddar Bio Diesel Pvt Ltd., Poddar Brothers Investment Pvt. Ltd.		

(d) Related Party Transactions			Rs. in lacs			
Transactions	YEAR 2008-09			YEAR 2007-08		
	Other related Parties	Key Management Personnel & Relatives	Total	Other related Parties	Key Management Personnel & Relatives	Total
Managerial Remuneration	-	224.84	224.84	-	220.30	220.30
Sitting fees	-	1.50	1.50	-	1.05	1.05
Purchase of Goods/Services	4654.22	-	4654.22	4419.40	-	4419.40
Purchase of Fixed Assets	13.25	-	13.25	310.00	-	310.00
Sale of Fixed Assets	0.28	-	0.28	14.02	-	14.02
Sales of Goods/materials	396.23	-	396.23	378.23	-	378.23
Rent / Property Tax Received	47.73	-	47.73	18.18	-	18.18
Recovery of expenses	24.33	-	24.33	1.28	-	1.28
Reimbursement of Expenses	0.20	-	0.20	26.71	-	26.71
Rent Paid	6.72	0.84	7.56	3.96	2.39	6.35
Interest Received	90.04	-	90.04	24.86	-	24.86
Interest Paid	16.65	-	16.65	14.39	0.11	14.50
Intercorporate Deposits Received	2381.50	-	2381.50	1700.00	-	1700.00
Intercorporate Deposits Given	1384.50	-	1384.50	300.00	-	300.00
Salary paid	-	18.94	18.94	-	18.33	18.33
Fixed Deposit repaid	-	-	-	-	65.00	65.00
Collateral Personal Guarantee	-	111.86	111.86	-	15112.23	15112.23
Debit balances outstanding As on 31/03/2009	-	271.03	271.03	47.88	-	47.88
Credit balances outstanding As on 31/03/2009	30.49	-	30.49	333.45	-	333.45

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

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

16) 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 Rs. 828.22 Lacs( Previous year Rs.732.53 Lacs) and the accumulated depreciation of Rs.246.76 Lacs (Previous year Rs.238.99 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.26.52 Lacs (Previous year Rs. 23.85 lacs).

The future minimum lease payments receivable in respect of aforesaid leases as at 31.03.2009 are as follows.

	Rs. in Lacs	
	Current Year	Previous Year
a) Not later than one year :	112.11	391.53
b) Later than one year and not later than Five years :	427.17	982.88
Total	<u>539.28</u>	<u>1,374.41</u>
iii) The rental expenses recognised in Profit and Loss account for operating lease taken after 1st April, 2001.		
a) Minimum Rent	252.99	255.59
b) Contingent Rent	Nil	Nil

17) During the year the Company has sold its investments in share of its wholly owned subsidiaries i.e. Siyaram Polycote Ltd and Oxemberg Clothing Ltd., and they have ceased to be subsidiaries.



## 18) Quantitative 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.	409
Stitching Machine (Nos.)	N.A.	643	N.A.	616
Yarn Dyeing Capacity (Tons) Per Annum	N.A.	6000	N.A.	4500

## b) Actual Production :

	Unit	Current Year	Previous Year
		(Figures in Lacs)	(Figures in Lacs)
i) Cloth @	Mtrs	423.19	411.45
ii) Yarn *	Kgs	19.62	20.29
ii) Readymade Garments	Nos	14.59	12.90
iv) Bed Linen Products	Nos	0.10	1.64

@ Including captive consumption 2.28 Lacs mtrs. (13.30 Lacs mtrs)

\* Including captive consumption 4.50\_Lacs Kgs. (3.47 Lacs Kgs.)

## c) Finished Goods Purchased :

i) Cloth	Mtrs	53.97	83.37
	Rupees	4,581.15	6,025.37
ii) Readymade Garments	Nos	0.62	0.36
	Rupees	139.38	100.21
iii) Others	Rupees	70.06	108.77

## d) Raw Materials consumed :

i) Yarn */ Fibre	Kgs	103.67	82.98
	Rupees	14,658.78	14,840.50
ii) Cloth *	Mtrs	23.22	20.74
	Rupees	1,506.14	1,537.73
iii) Grey Cloth	Mtrs	166.42	158.52
	Rupees	4,782.63	4,730.27

\* After adjusting cost of 1.34\_Lac Kgs (0.80 Lac Kgs) of yarn, and \_1.34 Lacs Mtrs (1.01 Lac Mtrs) of cloth sold during the year, Rs. 94.20 Lacs (Rs.55.51 Lacs) and Rs. 96.61 Lacs (Rs.67.44 Lacs) respectively.

## e) Sales (Net) :

i) Finish Cloth	Mtrs	471.50	448.09
	Rupees	44,086.36	40,178.69
ii) Readymade Garments	Nos	15.05	12.62
	Rupees	5,543.19	4,906.15
iii) Yarn *	Kgs	16.11	17.43
	Rupees	2,284.69	2,546.03
iv) Bed Linen Products	Nos	0.10	1.64
	Rupees	29.00	469.27
v) Others	Rupees	1,068.33	509.48

\* includes 1.34 Lac kgs. Of yarn (0.80 Lac kgs) purchased and sold during the year.

## f) Opening 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

## g) Closing Stock of Finished Goods :

i) Cloth	Mtrs	61.21	57.83
	Rupees	3,858.37	4,921.82
ii) Readymade Garments	Nos	2.79	2.63
	Rupees	375.25	590.72
iii) Yarn	Kgs	1.38	1.03
	Rupees	100.69	144.91
iv) Others	Rupees	48.34	53.43

	Current Year		Previous Year	
	(Figures in Lacs)	%	(Figures in Lacs)	%
h) Consumption of Raw Materials : *				
i) Imported	249.83	1.19	514.04	2.44
ii) Indigenous	20,697.72	98.81	20,594.46	97.56
	<b>20,947.55</b>	<b>100.00</b>	<b>21,108.50</b>	<b>100.00</b>
* Refer Note written under 18d )				
i) Consumption of Stores & Spares :				
i) Imported	285.47	24.16	513.67	41.12
ii) Indigenous	896.11	75.84	735.65	58.88
	<b>1,181.58</b>	<b>100.00</b>	<b>1,249.32</b>	<b>100.00</b>
j) C.I.F. Value of Imports :				
i) Raw Materials	227.29		533.97	
ii) Stores & Spares	288.77		322.01	
iii) Capital Goods	743.04		538.58	
iv) Finished Goods	2.52		-	
k) Expenditure in Foreign Currency :				
i) Advertising & Sales Promotion	98.59		91.43	
ii) Travelling	50.87		53.99	
iii) Interest	139.10		142.47	
iv) Commission	122.81		74.10	
v) Others	22.38		29.80	
l) Earnings in Foreign Currency :				
i) FOB value of exports	4,586.10		3,736.87	
ii) Recovery towards freight and Insurance	73.09		134.16	
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 2007-08				
(40 Shareholder holding 14876 Equity Shares)	0.74		-	
Dividend in respect of Year 2006-07				
(40 Shareholder holding 81936 Equity Shares)	-		4.10	

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

20) 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, 27<sup>th</sup> June, 2009.

W.V.Fernandes

Company Secretary

For and on behalf of the Board

D.R.Poddar

R.D.Poddar

P.D.Poddar

Chairman

Vice Chairman & Managing Director

Joint Managing Director

SIYARAM SILK MILLS LIMITED



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

	2008-09	Rs. in Lacs 2007-08
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extraordinary Items	1,464.22	1,225.03
Adjustment for:		
Depreciation	1,917.93	1,655.49
Foreign Exchange Gain	222.16	(86.49)
(Profit)/ Loss on Sale of Fixed Assets	56.47	(110.59)
Interest Received	(141.29)	(107.75)
Interest Expenses	1,682.78	1,072.17
Provision for Doubtful Debts	-	-
Adjustments relating to earlier years	24.73	5.45
	<u>3,762.78</u>	<u>2,428.28</u>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<u>5,227.00</u>	<u>3,653.31</u>
Adjustment for:		
Trade and Other Receivables	1,488.33	(1,237.86)
Inventories	1,173.44	(3,382.74)
Trade Payables	167.68	(78.48)
Income Tax paid/(Refund received) Net	(201.90)	(414.00)
	<u>2,627.55</u>	<u>(5,113.08)</u>
<b>Cash generated from Operations</b>	<u>7,854.31</u>	<u>(1,459.77)</u>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(2,070.33)	(4,367.77)
Sale of Fixed Assets	44.82	159.72
Capital Subsidy Refunded	-	(10.00)
Sale of Investments	23.60	-
Interest Received	141.29	107.75
<b>Net cash used in Investing Activities</b>	<u>(1,860.62)</u>	<u>(4,110.30)</u>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	13,081.01	24,284.36
Repayment of Borrowings	(16,856.81)	(16,596.53)
Exchange rate Difference	(222.16)	86.49
Interest Paid	(1,350.29)	(1,686.71)
Dividend Paid	(465.65)	(465.92)
Tax on Dividend paid	(79.64)	(79.64)
<b>Net cash used in Financing Activities</b>	<u>(5,893.54)</u>	<u>5,542.05</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>100.39</u>	<u>(28.02)</u>
<b>CASH AND CASH EQUIVALENTS - OPENING BALANCE</b>	<u>112.36</u>	<u>140.38</u>
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>	<u>212.75</u>	<u>112.36</u>

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, 27th June, 2009.

W.V.Fernandes

Company Secretary

D.R.Poddar

R.D.Poddar

P.D.Poddar

Chairman

Vice Chairman & Managing Director

Joint Managing Director

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. REGISTRATION DETAILS**

Registration No.	:	20451	State Code	:	11
Balance Sheet Date	:	31.03.2009			

**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	:	3,929,902	Total Assets	:	3,929,902
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**Sources of Funds**

Paid-up-Capital	:	93738	Reserves & Surplus	:	1329464
Secured Loans	:	1819811	Unsecured Loans	:	507375
Deferred Tax Liability	:	179514			

**Application of Funds**

Net Fixed Assets	:	2068121	Investments	:	5
Net Current Assets	:	1861776	Misc. Expenditure	:	NIL
Accumulated Losses	:	NIL			

**IV. PERFORMANCE OF COMPANY (Amount in Rs. Thousands)**

Turnover Including Other Income	:	5372661	Total Expenditure	:	5238276
Profit Before Tax	:	146422	Profit after Tax	:	114422
Earnings Per Share (in Rs.)	:	12.20	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		D.R.Poddar	Chairman
Company Secretary		R.D.Poddar	Vice Chairman & Managing Director
Mumbai, 27th June, 2009.		P.D.Poddar	Joint Managing Director

SIYARAM SILK MILLS LIMITED



**SIYARAM SILK MILLS LIMITED**

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

**ATTENDANCE SLIP**

Name of Shareholder	
Folio No	
DP ID	
Client ID	
No. of Shares	

I hereby record my presence at the 31<sup>st</sup> Annual General Meeting of the Company held on Saturday, the 12<sup>th</sup> day of September, 2009, at 11.00 a.m., at Plot No. G-4/1(A), MIDC, Tarapur, Boisar Dist. Thane 401 506.

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

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



**SIYARAM SILK MILLS LIMITED**

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

**FORM OF PROXY**

Folio No	
DP ID	
Client ID	
No. of Shares	

I/We.....of..... in the district of ..... , being a Member/Members of the above named Company hereby appoint ..... of ..... in the district of .....or failing him ..... of..... in the district of..... as my/our proxy to attend and vote for me /us on my/our behalf at the 31<sup>st</sup> Annual General Meeting of the Company to be held on Saturday, 12<sup>th</sup> September, 2009, at 11.00 a.m., at Plot No. G-4/1(A), MIDC, Tarapur, Boisar Dist. Thane 401 506.

Signed this ..... Day of.....2009.

- Note :
1. This instrument of Proxy shall be deposited at the Regd. Office of the Company not less than 48 (Forty Eight) hours before the time of holding the aforesaid meeting.

2. A Proxy need not be a member of the Company.

Signature-

Affix  
Re. 1.00  
Revenue  
Stamp



A large rectangular area with rounded corners, filled with a grid of small dots, intended for text or data entry.

