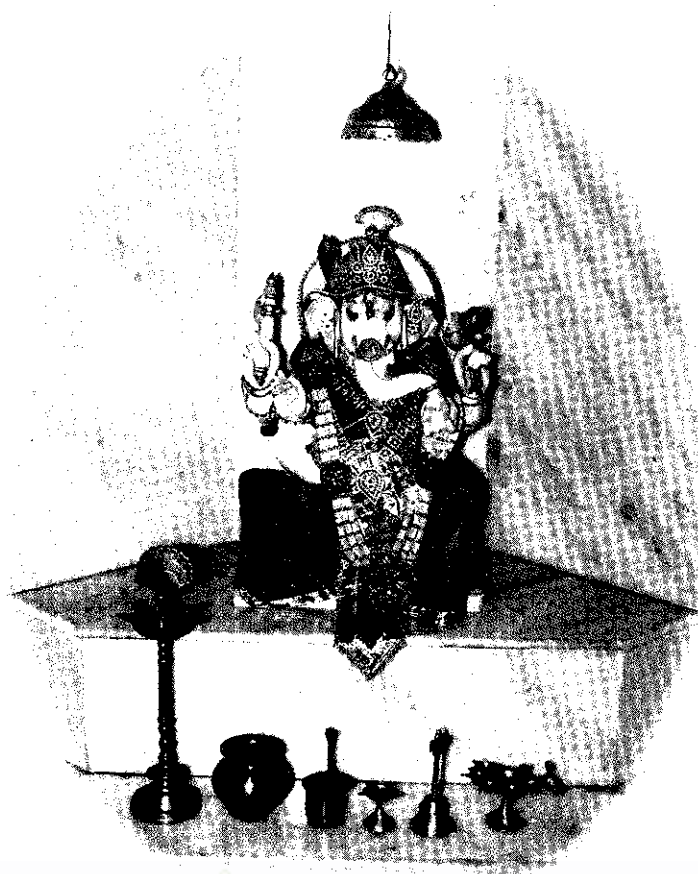


SIYARAM SILK MILLS LIMITED.

Annual Report

1998 - 1999



Report Junction.com

LORD GANESH TEMPLE AT SAILY, SILVASSA UNIT

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SIYARAM SILK MILLS LIMITED

BOARD OF DIRECTORS

DHARAPRASAD PODDAR
Chairman

RAMESH PODDAR
Vice-Chairman & Managing Director

JAIKUMAR JAIN

M.L. PACHERIWALA

ASHOK MAHANSARIA

S.K. PODDAR

PAWAN PODDAR
Executive Director

ARVIND PODDAR
Executive Director

RAVIN KAPADIA
Company Secretary

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

PLANTS-Weaving

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

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

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

BANKERS

Bank of Baroda
Canara Bank
Central Bank of India
Corporation Bank

AUDITORS

M/s. Jayantilal Thakkar & Co.
Chartered Accountants

COST AUDITORS

M/s. Tholiya & Associates
Cost Accountants

INTERNAL AUDITORS

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

SOLICITORS & LEGAL ADVISORS

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

CORPORATE OFFICE

2nd Floor
Shiv Shakti Industrial Complex
J.R. Boricha Marg
Mumbai-400 011.

PLANTS-Yarn

Patalganga Unit A-31, MIDC, Patalganga
Dist. Raigad
Maharashtra

Silvassa Unit 45-B, Masat Indl. Area
Silvassa (U.T.)

Members are requested to bring their copy of the Annual Report along with them at the Annual General Meeting, as copies of the Report will not be distributed at the Meeting.



21ST ANNUAL REPORT 1998-99

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 21st Annual Report and Audited Statement of Accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS

	(Rupees in Lacs)	
	1998-99	1997-98
	Rs	Rs
Gross Sales & Other Income	<u>30260</u>	<u>29680</u>
Gross Profit	<u>2168</u>	<u>1935</u>
Less : Depreciation	<u>700</u>	<u>602</u>
Profit before tax	<u>1468</u>	<u>1333</u>
Less: Provision for taxation	<u>200</u>	<u>215</u>
	<u>1268</u>	<u>1118</u>
Add/Less: Adjustments relating to earlier years	<u>4</u>	<u>482</u>
	<u>1272</u>	<u>636</u>
Add: Transferred from Investment Allowance Utilised Reserve	90	46
Add: Transferred from Debenture Redemption Reserve	8	20
Add: Surplus brought forward from previous year	35	39
	<u>133</u>	<u>105</u>
Surplus available for appropriation	1405	741
Less: Transferred to Debenture Redemption Reserve	28	37
Transferred to General Reserve	1100	500
Proposed Dividend	164	154
Tax on Proposed Dividend	18	15
	<u>1310</u>	<u>706</u>
Balance carried forward to Balance Sheet	<u>95</u>	<u>35</u>

OPERATIONS

In spite of the recessionary conditions prevailing in the textile industry, the Gross Sales and other income of your Company has been marginally higher at Rs.302.60 crores as against Rs.296.80 crores for the previous year. The Gross profit for the year has increased by 12% to Rs.21.68 crores as against Rs.19.35 crores in the previous year.

EXPANSION

During the year under review, 4 Sulzer Looms at Silvassa and 8 Dornier Looms at Tarapur Plants were installed at a total cost of Rs.232 Lacs which was partly financed by Term Loan from a Bank and from the internal accruals of the Company. During the current year, your Company proposes to install

another 20 Shuttleless looms with preparatories at the Silvassa Plant at an estimated cost of Rs. 900 Lacs, which would be financed by Term Loan and the internal accruals of the Company.

DIVIDEND

Your Directors are pleased to recommend a tax free Dividend of 32% for the year, which will absorb Rs.182 lacs including the tax on the proposed dividend.

DEBENTURES

The Company has utilized the proceeds of the Debentures for the purpose for which the same were raised and has not diverted funds for any other purpose.

DIRECTORS

Industrial Finance Corporation of India Limited has withdrawn the nomination of Shri S K Bhoan with effect from 13th January, 1999. The Board places on record its appreciation for the valuable guidance extended by Shri S K Bhoan during the course of his association with the Company.

Shri M L Pacheriwala, and Shri Ashok Mahansaria retiring 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.

FIXED DEPOSITS

There were 38 unclaimed deposits amounting to Rs.2.09 Lacs at the close of the year. The necessary reminders have been sent to the depositors for the same.

INDUSTRIAL RELATIONS

Industrial relations during the year under review continued to be cordial.

YEAR 2000 COMPLIANCE (Y2K)

The Company has taken necessary steps on the year 2000 (Y2K) hardware/software problem and has already made significant progress in this area. The Company has initiated series of prudent and reasonable steps to minimise the risk of exposure to Y2K problem and remediation process will be completed in time. The total costs of Y2K compliance are not expected to be significant.

PARTICULARS OF EMPLOYEES

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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



SIYARAM SILK MILLS LIMITED

the Annexure-II to the report.

AUDITORS

The members are requested to appoint Auditors from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

COST AUDITOR

Pursuant to directions from the Department of Company Affairs for appointment of Cost Auditors, your Company has appointed M/s Tholiya & Associates, Cost Accountants as the Cost Auditor.

ACKNOWLEDGMENT

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

Banks in meeting the financial requirements of the Company.

Your Directors also express their warm appreciation for the dedicated & sincere services rendered by the Employees of the Company.

The Managing Director is out of India, hence he has not signed the accounts.

For and on behalf of the Board of Directors

DHARAPRASAD PODDAR
Chairman

Place : Mumbai
Dated : 27th May, 1999

ANNEXURE I

Statement containing information as per Section 217(2A) read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 1999.

Sr. No	Name	Age	Designation	Remuneration received (Gross)	Qualification & Experience (Years)	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.6,00,000							
1.	Shri. R.K.PODDAR	48	Vice-Chairman & Managing Director	36,97,074	B.Sc(26)	1-4-1985	—
2.	Shri. P.K.PODDAR	46	Executive Director	33,92,737	B.Com(24)	1-4-1986	—
3.	Shri. A.K.PODDAR	41	Executive Director	31,77,154	B.Com(21)	1-6-1992	Rajkamal Processors Ltd. (7 months)
Employed for part of the year and were in receipt of remuneration of not less than Rs.50,000/-p.m.							
	NIL	NIL	NIL	NIL	NIL		

- NOTE:
1. Appointment of Managing Director and Executive Directors is for a period of five years.
 2. Shri Ramesh Poddar-Vice Chairman & Managing Director, Shri Pawan Poddar-Executive Director and Shri Kishan Poddar, Director of the Company are related to each other and to Shri Dharaprasad Poddar, Chairman of the Company.
 3. Shri Arvind Poddar-Executive Director is related to Shri Jaikumar Jain and Shri Ashok Mahansaria-Directors of the Company.
 4. Gross Remuneration includes Salary, Allowances, perquisites, Company's Contribution to Provident Fund, Superannuation Fund, Gratuity Fund, and provision for Gratuity and leave salary.

For and on behalf of the Board of Directors

DHARAPRASAD PODDAR
Chairman

Place : Mumbai
Dated : 27th May, 1999



ANNEXURE II

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

A) CONSERVATION OF ENERGY:

a) Energy Conservation measures taken by the Company:

(i) Electrical Energy :

- (a) Reducing the maximum demand by evenly distributing the loads throughout the day and increasing efficiency of plant and equipments.
- (b) Improving power factor by optimum choice of power factor improvement capacitors.
- (c) Monitoring the overall energy consumption, by reducing losses and improvement of efficiency of all Class A utilities.

(ii) Fuel Oil Consumption :

The Company is carrying out at all its plants, regular maintenance of steam lines / steam traps and user equipments to ensure high efficiency levels throughout the year. The new improvements are reviewed regularly and implemented wherever found suitable.

b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy.

The Company is reviewing various proposals for reduction in consumption of energy, mainly by way of replacement of existing equipments by modern & energy efficient equipments.

c) Impact of the measures at (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 and energy consumption per unit of production as per Form "A".

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A. POWER AND FUEL CONSUMPTION

1. ELECTRICITY	CURRENT YEAR	PREVIOUS YEAR
a) Purchased		
Unit (KWH)	1,19,64,826	1,18,18,470
Total Amount(Rs)	4,26,36,370	4,12,13,128
Rate/Unit (Rs)	3.56	3.49
b) Own Generation		
i) Through Diesel Generators Unit (KWH)*	14,46,119	27,03,428
Diesel Oil Consumption (LTRS)	4,39,817	8,92,917
Units per Ltr. of Diesel Oil	3.29	3.03
Cost /Unit (Rs)	3.99	3.72
ii) Through Steam Turbine/Generator	NIL	NIL
* includes consumption of Diesel Oil for regular trials of Diesel Generating Set.		
2. COAL		
Quantity in (KGS)	N.A.	N.A.
Total Cost (Rs)	N.A.	N.A.
Average Rate	N.A.	N.A.
3. FURNACE OIL/L.S.H.S		
Quantity (in Ltrs)	1,79,989	1,82,228
Total Cost (Rs)	11,28,288	12,80,643
Average Rate (in'000 Ltrs)	6,269	7,028