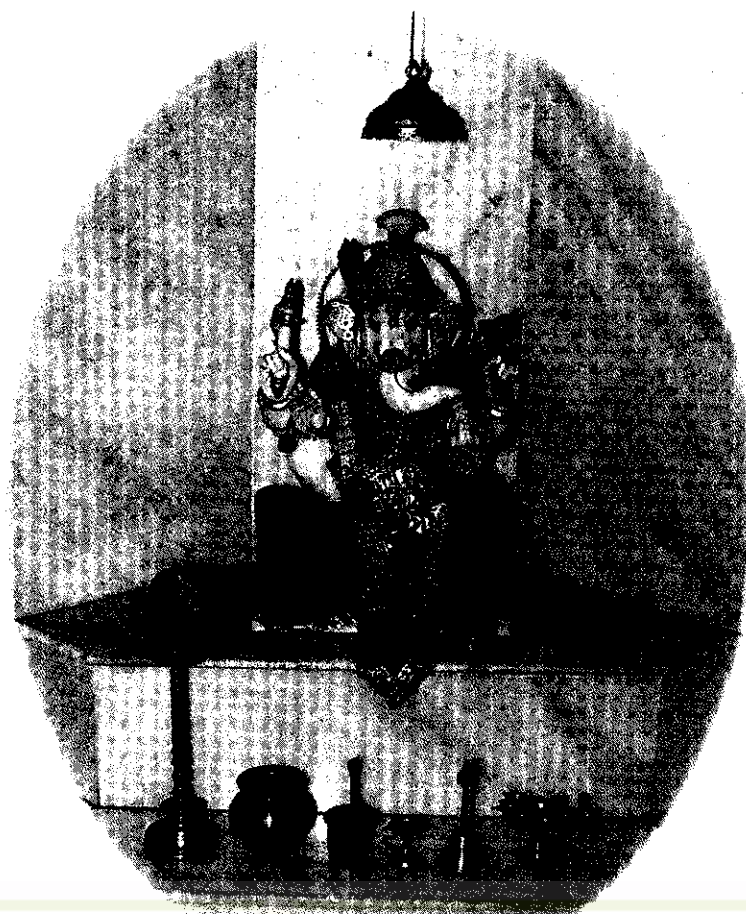


22ND ANNUAL REPORT
1999-2000

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Siyaram s

SIYARAM SILK MILLS LIMITED



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Siyaram's**SIYARAM SILK MILLS LIMITED****BOARD OF DIRECTORS**

DHARAPRASAD PODDAR
Chairman

RAMESH PODDAR
Vice-Chairman & Managing Director

RAJESH PATIL
Nominee Director - ICICI Ltd.

M.L. PACHERIWALA
JAIKUMAR JAIN
ASHOK MAHANSARIA
S.K. PODDAR

ARVIND PODDAR
PAWAN PODDAR
Smt. VIJAYLAXMI A. PODDAR
Executive Directors

RAVIN KAPADIA
Company Secretary

REGISTERED OFFICE
H-3/2, MIDC, A-Road, Tarapur, Boisar - 401 506
Dist. Thane, Maharashtra
Tel. : 02525-72575

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
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

Shiv Shakti Industrial Complex
J.R. Boricha Marg
Mumbai-400 011.
Tel. : 022-3093892

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.



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DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 22nd Annual Report and Audited Statement of Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS

(Rupees in Lacs)

	1999-2000 Rs	1998-1999 Rs
Gross Sales & Other Income	31963	30260
Gross Profit	2303	2168
Less : Depreciation	714	700
Profit before tax	1589	1468
Less: Provision for taxation	140	200
	1449	1268
Add: Adjustments relating to earlier years	48	4
	1497	1272
Add: Transferred from Investment Allowance Utilised Reserve	-	90
Add: Transferred from Debenture Redemption Reserve	43	8
Add: Surplus brought forward from previous year	95	35
Surplus available for appropriation	1635	1405
Less: Transferred to Debenture Redemption Reserve	20	28
Transferred to General Reserve	1250	1100
Proposed Dividend	-	164
Interim Dividend Declared	180	-
Tax on Dividend	20	18
Balance carried forward to Balance Sheet	165	95

OPERATIONS

In spite of the continuous recessionary conditions prevailing in the textile industry, the gross sales and other income of your Company has been marginally higher at Rs. 319.63 crores as against Rs.302.60 crores for the previous year. The Gross profit for the year has increased by 6.23% to Rs.23.03 crores as against Rs.21.68 crores in the previous year.

DIVIDEND

The Directors have declared an interim dividend of Rs.3.50 per equity share of Rs.10/- each. As no final dividend has been recommended on the equity shares, the interim dividend, shall be fully adjusted as final dividend for the financial year ended on 31st March, 2000.

EXPANSION

The Company has undertaken an expansion programme under which 40 Air Jet Looms have been imported along with other preparatory machines and the same are under

installation. The total cost of the project is estimated at Rs.35 crores which is being financed by way of Term Loan from financial institution and balance through internal accruals.

VOLUNTARY RETIREMENT SCHEME

The Company had implemented Voluntary Retirement Scheme for its workmen at one of the Loom section at Tarapur plant. In all, 71 workers opted for Voluntary Retirement under the Scheme.

DEBENTURES

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

DIRECTORS

Shri Pawan Poddar, Shri Shrikishan Poddar and Shri Jaikumar Jain retiring by rotation and being eligible, offer themselves for reappointment.

Smt Vijaylaxmi A Poddar was appointed as an Additional Director of the Company and holds office until this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose Smt Vijaylaxmi A Poddar's candidature for the office of the Director. The above appointments require approval of the shareholders. The Board commend the resolutions.

Shri Rajesh Patil was appointed as Nominee Director representing ICICI Limited.

FIXED DEPOSITS

There were 37 unclaimed deposits amounting to Rs.2.04 Lacs at the close of the year. The necessary reminders have been sent to the depositors for the same.

INDUSTRIAL RELATIONS

During the year under review, the workmen of the Murbad Plant resorted to an illegal strike w.e.f. 8.01.2000. Subsequently, they withdraw their agitation and the illegal strike and the plant resumed production w.e.f. 5.02.2000. Further, these workmen have once again resorted to an illegal strike w.e.f. 2.05.2000.

YEAR 2000 COMPLIANT (Y2K)

Your Company has achieved Y2K transition without any disruption and rolled over into the new millennium.

DEPOSITORY SYSTEM

In line with your Company's constant endeavour to provide best possible services to the shareholders and investors, the equity shares of the Company effective 28th February, 2000 and 16th March, 2000 are also available for dematerialisation under depository system operated by National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) respectively.

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.

Siyaram's**SIYARAM SILK MILLS LIMITED****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

AUDITORS

The 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

Subject to the approval of the Central Government, the Board has appointed M/s Tholiya & Associates, Cost Accountants to conduct the cost audit for the financial year 1999-2000.

ACKNOWLEDGEMENT

Your Company is grateful for the continued co-operation and assistance extended to it by the Financial Institutions and Banks in meeting financial requirements of the Company. Your Directors also express their warm appreciation for the dedicated and sincere services rendered by the Employees of the Company.

For and on behalf of the Board of Directors

DHARAPRASAD PODDAR
Chairman

Place : Mumbai
Dated : 15th June, 2000

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, 2000.

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	49	Vice-Chairman & Managing Director	45,74,587	B.Sc(27)	1-4-1985	—
2.	Shri. P.K.PODDAR	47	Executive Director	42,89,815	B.Com(25)	1-4-1986	—
3.	Shri. A.K.PODDAR	42	Executive Director	41,98,732	B.Com(22)	1-6-1992	Rajkamal Processors Ltd. (7 months)

- NOTE:
1. Appointment of Managing Director and Executive Directors is for the period of five years.
 2. Shri Ramesh Poddar-Vice Chairman & Managing Director, Shri Pawan Poddar-Executive Director are related to each other and Shrikishan Poddar-Director and Shri Dharaprasad Poddar, Chairman of the Company.
 3. Shri Arvind Poddar-Executive Director is related to Smt Vijaylaxmi A Poddar, Shri Jaikumar Jain and Shri Ashok Kumar Mahansaria-Directors of the Company.
 4. 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

Place : Mumbai
Dated : 15th June, 2000

DHARAPRASAD PODDAR
Chairman



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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".

FORM 'A'

A. POWER AND FUEL CONSUMPTION

1. ELECTRICITY

CURRENT YEAR

PREVIOUS YEAR

a) Purchased

Unit (KWH)

1,37,54,720

1,45,61,776

Total Amount(Rs)

4,86,25,716

4,84,12,165

Rate/Unit (Rs)

3.54

3.32

b) Own Generation

i) Through Diesel Generators Unit (KWH)*

19,34,495

22,87,191

Diesel Oil Consumption (LTRS)

6,27,539

7,05,846

Units per Ltr. of Diesel Oil

3.08

3.24

Cost /Unit (Rs)

5.52

4.14

ii) Through Steam Turbine/Generator

NIL

NIL

*includes consumption of Diesel Oil for regular trials of Diesel Generating Set.

2. COAL

Quantity (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)

1,41,016

1,79,989

Total Cost (Rs)

14,02,211

11,28,288

Average Rate (in'000 Ltrs)

9,944

6,269

	CURRENT YEAR	PREVIOUS YEAR
B. CONSUMPTION PER UNIT OF PRODUCTION		
1. Electricity (KWH)		
Cloth / Mtr	0.51	0.52
Yarn / Kg	2.96	3.49
2. Furnace Oil / L.S.H.S		
Dyed Yarn / Kg	0.43	0.19

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 - NIL

Recurring - Rs.11,17,410

Total - Rs.11,17,410

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 has been exporting Fabrics and other Textile products. Initially these products were being exported to neighbouring markets of Middle East. Since last five years, the Company has put in efforts to export to prestigious European markets with encouraging response. The Company is also actively participating in International Fairs/Exhibitions in Asia and Europe.

b) Total Foreign Exchange Used & Earned (Rs.in Lacs)

Used Rs.1562.18

Earned Rs.553.08

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Mumbai

Dated : 15th June, 2000

DHARAPRASAD PODDAR

Chairman



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AUDITORS' REPORT

TO THE SHAREHOLDERS OF SIYARAM SILK MILLS LIMITED

We have audited the attached Balance Sheet of **SIYARAM SILK MILLS LIMITED** as at 31st March 2000 and also the annexed Profit and Loss Account of the Company for the year ended on that date and report that:

- 1) As required by the Manufacturing and Other Companies (Auditor's Report) Order 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate, we give in Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 2) Further to our comments in the Annexure referred to Paragraph - 1 above :
 - (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 the books.
 - (c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet and Profit and Loss account dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - (e) 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 :-
 - (i) in the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2000 and
 - (ii) in the case of the Profit and Loss Account of the profit for the year ended on that date.

For JAYANTILAL THAKKAR & CO.
Chartered Accountants

C.V.THAKKER
Partner

Mumbai, Dated : 15th June, 2000

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 of our report of even date on the accounts for the year ended 31st March, 2000)

- i) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. The Management has certified having physically verified the fixed assets during the year. In our opinion, the frequency of verification is reasonable. To the best of our knowledge, no material discrepancies have been noticed on such verification.
- ii) None of the Fixed Assets of the Company has been revalued during the year.
- iii) The Stock of Finished Goods, Semi-finished Goods, Stores and Spares and Raw Material have been physically verified at reasonable intervals during the year by the management. In our opinion, having regard to the nature of stocks, the frequency of verification is reasonable.
- iv) In our opinion and according to the information and explanations given to us, the procedures of verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- v) The discrepancies between the physical stocks as verified and book records were not material and have been properly dealt with in the books of account.
- vi) In our opinion and on the basis of our examination of the stock records, the valuation of stock is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year except for the treatment of excise duty and custom duty in the valuation of inventories. Pursuant to Accounting Standard (AS 2) "Valuation of Inventories" becoming mandatory, the Company has included excise duty and customs duty payable on goods lying in bonded warehouse in valuation of inventories. Hitherto, excise duty and customs duty payable on goods in bonded warehouse was accounted on clearance of goods.
- vii) In our opinion, the rates of interest and the terms and conditions on which unsecured loans/ Fixed Deposits were taken by the Company from the companies and other parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company. The provisions of Section 370 (IB) of the Companies Act 1956 are not applicable to the Company on or after 31.10.1998.
- viii) In our opinion, the rates of interest and the terms and