


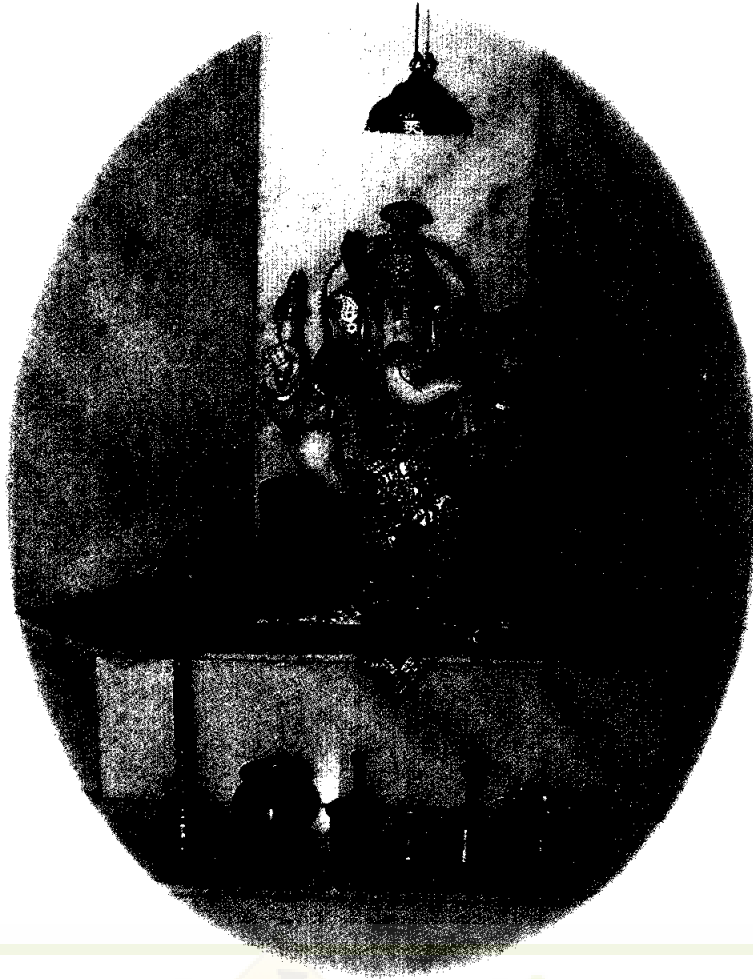
24TH ANNUAL REPORT 2001-2002

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Siyaram's

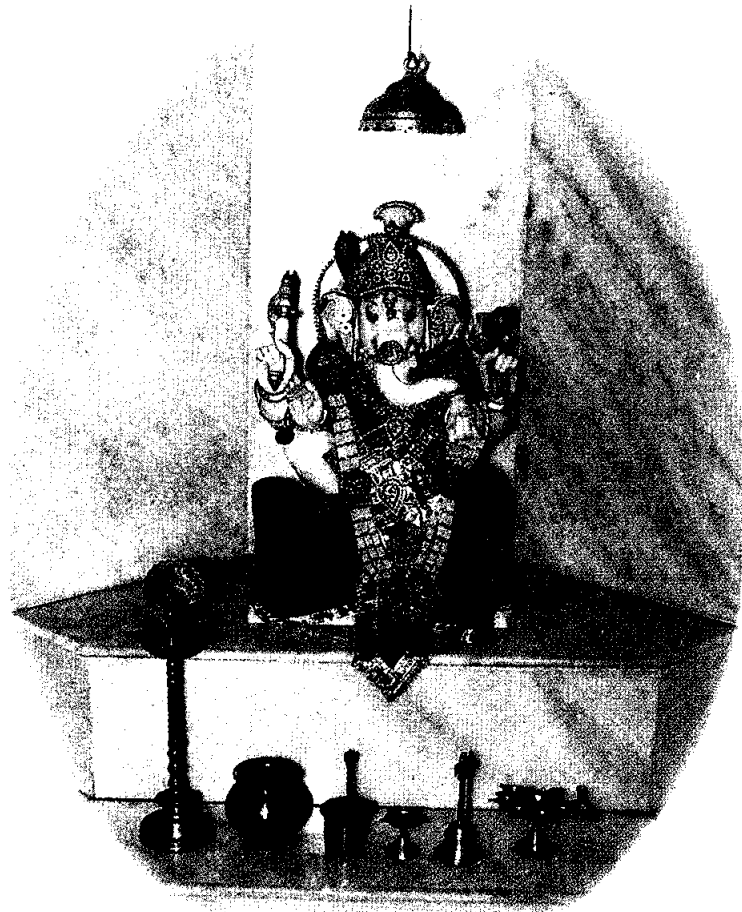
THE WORLD OF FASHION

Siyaram Silk Mills Ltd.



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LORD GANESH TEMPLE AT SAILY, SILVASSA UNIT

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

DHARAPRASAD R. PODDAR
Chairman

NEERAJ K. VERMA
Company Secretary

RAMESH D. PODDAR
Vice-Chairman & Managing Director
ARVIND M. PODDAR
Joint Managing Director

BANKERS
Bank of Baroda
Central Bank of India
Corporation Bank

P.K. MOHANTY
Nominee Director - ICICI Bank Ltd.

AUDITORS
M/s. Jayantilal Thakkar & Co.
Chartered Accountants

M.L. PACHERIWALA
PAWAN D. PODDAR
ASHOK P. MAHANSARIA
B.L. SARDA
V.C. MEHTA

COST AUDITORS
M/s. Tholiya & Associates
Cost Accountants

SHRIKISHAN D. PODDAR
Smt. VIJAYLAXMI A. PODDAR
Executive Directors

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

SOLICITORS & LEGAL ADVISORS
M/s. Kanga & Co.
Advocates, Solicitors & Notary

REGISTERED OFFICE
H-3/2, MIDC, A-Road, Tarapur, Boisar - 401 506
Dist. Thane, Maharashtra
Tel. : 952525-72575 / 74564

CORPORATE OFFICE
Shiv Shakti Industrial Complex
J.R. Boricha Marg
Mumbai-400 011.
Tel. : 022-3093892 / 3095926 / 3095576

PLANTS-Weaving**PLANTS-Yarn**

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

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

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

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

Silvassa Units Survey No. 367,
P.O.: Saily,
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.



24TH ANNUAL REPORT 2001-2002

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 24th Annual Report and Audited Statement of Accounts for the year ended 31st March, 2002.

FINANCIAL RESULTS

(Rupees in Lacs)

	2001-2002 Rs	2000-01 Rs
Gross Sales & Other Income	33117	36195
Gross Profit	2009	2481
Less : Depreciation	943	843
Profit before tax	1066	1638
Less: Provision for taxation	75	120
Less: Provision for deferred tax	299	-
	374	120
	692	1518
Less: Provision for diminution in the value of long-term investments	5	-
	687	1518
Add: Adjustments relating to earlier years	124	5
	811	1523
Add: Transferred from Debenture Redemption Reserve	103	49
Add: Surplus brought forward from previous year	169	165
Surplus available for appropriation	1083	1737
Less: Transferred to Debenture Redemption Reserve	-	13
Transferred to General Reserve	585	1350
Proposed Dividend	225	186
Tax on Dividend	-	19
Balance carried forward to Balance Sheet	273	169

OPERATIONS

Due to severe recessionary conditions prevailing in the textile industry and general slow down in the economy the gross sales and the net profit for the year under review has been lower at Rs.32692 Lakhs and Rs.687 Lakhs respectively against the Gross Sales and Net Profit of Rs.35900 Lakhs and Rs.1518 Lakhs of the previous year.

EXPANSION

Out of the expansion programme of 40 Looms at Silvassa during the year under review the Company has taken-up implementation of balance 24 Looms and the same is in the final stages of installation. The commercial production of these Looms is expected to begin in the first half of the current year.

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs 3.60

per equity share of Rs.10/- each which will absorb Rs.225 Lacs.

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

Shri Pawan D. Poddar, Shri Shrikishan D. Poddar and Smt Vijay laxmi A. Poddar retiring by rotation and being eligible, offer themselves for reappointment. Brief resume of Directors being reappointed is provided in the notice convening the Annual General Meeting of the company as required by clause 49 of the listing Agreement on Corporate Governance.

FIXED DEPOSITS

There were 36 unclaimed deposits amounting to Rs1.98 lacs at the close of the year. The necessary reminders have been sent to the depositors for the same.

INDUSTRIAL RELATIONS

The industrial relations with staff and workmen during the year under review have been satisfactory.

RESPONSIBILITY STATEMENT

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

- i) that in the preparation of the accounts for the financial year ended 31st March, 2002, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgements 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 ended 31st March, 2002 on a 'going concern' basis.

PARTICULARS OF EMPLOYEES

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

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

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the

Siyaram's**SIYARAM SILK MILLS LIMITED**

Report of the Board of Directors) Rules, 1988, is given in the Annexure - II to the report

CORPORATE GOVERNANCE

Your company has complied with all the mandatory requirements of corporate governance pursuant to clause 49 of the listing agreement. A report on corporate governance and auditor's certificate concerning compliance is attached to the report.

AUDIT COMMITTEE

The Audit Committee has been reconstituted as per the provisions of Section 292A and Clause 49 of the Listing Agreement consisting of three independent Directors. Shri.Arvind M.Poddar resigned from the committee at the 2nd meeting held on 25th July 2001 and Shri.B.L.Sarda was appointed in his place. The members of the Audit Committee are Shri B.L.Sarda - Chairman, Shri P.K. Mohanty and Shri M.L.Pacheriwala. The Committee expressed its appreciation over the guidance given by Shri Arvind M. Poddar as Chairman.

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.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Place : Mumbai
Dated : 26th June, 2002

DHARAPRASAD R. PODDAR
Chairman

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, 2002.

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)
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Employed throughout the year and were in receipt of remuneration in aggregate of not less than Rs.12,00,000 or Rs.100,000/- per month

1.	Shri. R.D.PODDAR	51	Vice-Chairman & Managing Director	29,04,935	B.Sc(29)	1-4-1985	—
2.	Shri. A.M.PODDAR	44	Joint Managing Director	27,47,259	B.Com(24)	1-6-1992	Rajkamal Processors Ltd. (7 months)
3.	Shri. P.D.PODDAR*	49	Executive Director	5,99,063	B.Com(27)	1-4-1986	—
4.	Shri. S.D.PODDAR*	39	Executive Director	20,64,541	B.Com(20)	8-8-1989	Balkrishna Inds. Ltd. (11 years)
5.	Smt. V.A.PODDAR	42	Executive Director	22,91,628	B.Com(15)	1-4-2000	Sagar Silk Industries Ltd. (4 years)

* Employed for part of the year as Executive Director

- NOTE:
1. Appointment of Managing Directors and Executive Directors is for the period of five years.
 2. Shri Ramesh D. Poddar -Vice Chairman & Managing Director, Shri Shrikishan D. Poddar Executive Director are related to each other and to Shri Dharaprasad R. Poddar Chairman of the Company, and Shri Pawan D. Poddar Director.
 3. Shri Arvind M. Poddar Joint Managing Director and Smt. Vijaylaxmi A. Poddar, Executive Director are related to each other, and to Shri Ashokkumar P. Mahansaria Director of the Company.
 4. Gross Remuneration includes Salary, Allowances Perquisites 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 : 26th June, 2002

DHARAPRASAD R. PODDAR
Chairman



24TH ANNUAL REPORT 2001-2002

ANNEXURE II

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

A) CONSERVATION OF ENERGY :

a) Energy Conservation measures taken by the Company :

(i) Electrical Energy :

- (a) Reducing the maximum demand by evenly distributing the loads throughout the day and increasing efficiency of plant and equipments.
- (b) Improving power factor by optimum choice of power factor 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 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)

1,07,64,311

1,06,97,992

Total Amount(Rs)

3,55,57,513

3,70,67,115

Rate/Unit (Rs)

3.30

3.46

b) Own Generation

i) Through Diesel Generators Unit (KWH)*

52,52,729

69,36,241

Diesel Oil Consumption (LTRS)

15,53,654

20,17,012

Units per Ltr. of Diesel Oil

3.38

3.44

Cost /Unit (Rs)

5.01

4.50

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)

1,63,506

1,48,616

Total Cost (Rs)

17,32,367

17,08,800

Average Rate (in'000 Ltrs)

10.595

11.498

Siyaram's**SIYARAM SILK MILLS LIMITED**

	CURRENT YEAR	PREVIOUS YEAR
B. CONSUMPTION PER UNIT OF PRODUCTION		
1. Electricity (KWH)		
Cloth / Mtr	0.63	0.65
Yarn / Kg	1.99	2.72
2. Furnace Oil / L.S.H.S		
Dyed Yarn / Kg	0.88	0.27

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.21,91,848
Total - Rs.21,91,848

II. Technology absorption, adoption and innovation:

1. The Company has been developing in-house modifications/improvements in process technology in its various manufacturing sections which, when found suitable, are integrated into the regular manufacturing operation.
2. Benefits derived as a result of the above efforts:
 - a) Quality improvement.
 - b) Energy Conservation.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

Not Applicable

C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

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

The Company is continuously making efforts to export its products throughout the world mainly to European, Far East, Middle East, South Africa & Canada 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 & Earned (Rs.in Lacs)

Used Rs.1750 Earned Rs.1977

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Mumbai
Dated : 26th June, 2002

DHARAPRASAD R. PODDAR
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

The Textile Industry is passing through a very bad unprecedented recession since last 5 years. The year under review was further bad due to general slow down in over all economy. Over capacity in manufacturing fabrics, severe competition from Asian and European Markets. all this has compounded into further worsening of the situation. The textile Industry is struggling for its survival. Many mills have already been closed down due to high cost of production and lack of modernisation etc.

The Govt. of India in the recent Budget has taken steps to rebuild ailing industry by reducing excise duty and also giving other facilities to improve quality and reduce cost of the products manufactured. The Government has already announced Textile Upgradation Fund (TUF) Scheme under which 5% subsidy is given to the manufacturers for modernizing their units with latest machineries. The Company is taking all the efforts to improve its performance. It has taken various steps to reduce the cost at all the levels of its operations. It is also expected that the market will improve in the current year

SEGMENTWISE OR PRODUCTWISE PERFORMANCE:

The Company is having 3 major segments:- i.e. Fabric, Readymade Garment and Yarn.

1. **FABRIC DIVISION:** This is the major division of the Company. It contributes more than 75% to the sales & Profit of the Company. This division produces fabrics of various blends and designs such as polyester viscose, poly wool, polyester cotton etc. The company is having modern infrastructure with latest technology to manufacture fabrics of international qualities.

However there is a tough and unhealthy competition from the organized and unorganized sectors. The Company is trying to over-ride the situation by manufacturing quality fabrics of latest trends and designs in a most cost effective manner and to sell the same in affordable prices to the ultimate Consumers. The company's policy is value for money. The company's main brands SIYARAM'S, J.HAMPSTEAD, MISTAIR have become very popular in the nuke and corner of the country. The Company is advertising through various medias to create awareness of its products among the public. The company's innovative advertisement campaign has resulted in achieving desirable results.

The productin and sales for the year under review are 211.23 Lac Mtrs. and Rs.228.62 Crores respectively.

The Company is exporting its products to European, Far-East South American Countries etc. Our products are well accepted in the international market. The Company is always looking out for new market with better realization of its products. With growing demand and superior quality of the fabrics. we are confident that our export turnover would increase gradually.

During the year the company has carried out extensive programme of cost cutting in all the areas of its production. The company has imported 24 Nos. Looms to achieve production of quality fabrics with high efficiency and cost reduction. The looms are under final stage of installation.

2. **READYMADE GARMENTS:** This division manufacturers readymade garments mainly for Men, under the brand name of "OXEMBER"

Trend of readymade garments is slowly getting popular in India. However, there is severe competition from Branded and non-branded manufacturers. Market requirements are quality garments at most cost effective rates. Therefore realisation of this division gets effected badly.

The company has employed highly skilled professionals along with state of art technology to manufacture finest readymade garments. Company is also making its effort to reduce cost. This division is having excellent marketing network to sell its product throughout the Country and has popular Brand. With this background Company is confident of improving the performance of this division in future.

During the year under review, the production and sales of this division was 7.22 lacs Nos and Rs.29.31 crores respectively.

3. **YARN:** This division manufactures Texturised Twisted and Dyed Yarn.

This division is suffering from over capacity, recession in the Textile industry and high volaitality in the Raw material prices. Due to this bottom line of this division is always underpressure.

Siyaram's**SIYARAM SILK MILLS LIMITED**

To, overcome this Company is increasing its capacity of producing value added dyed and twisted yarns. Company is also adding cotton dyeing facilities at its plant, wherein it expects good demand.

With expectation of overall improvement in the industrial scenario and with addition of value added products company hopes to improve performance of this division in the F.Y. 2002-2003.

This division achieved the production of 28.46 metric tons and sales of Rs.28.79 crores for the year under review.

GENERAL**INTERNAL CONTROL**

The Company has internal control system, which is adequate, considering size and nature of its operation. From time to time the Company is increasing scope of internal auditors to improve efficiency and for controlling on various aspects of the Company's procedure and system. The Company is also utilizing new techniques and data system to have proper management information and systems.

HUMAN RESOURCES

In order to get optimum contribution of the employees to the Company's business and its operation, training is given to the employees to induce and motivate them to increase production and contribution to the development activities of the Company. The Company's industrial relation is very cordial in all the units of organization.

CAUTIONARY STATEMENT

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Mumbai
Dated : 26th June, 2002

DHARAPRASAD R. PODDAR
Chairman

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