





LORD GANESH TEMPLE AT SAILY, SILVASSA UNIT

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BOARD OF DIRECTORS

DHARAPRASAD R. PODDAR
Chairman

COMPANY SECRETARY
RAJEEV KUMAR

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

BANKERS
Bank of Baroda
Central Bank of India
Corporation Bank

ASHOK P. MAHANSARIA

PAWAN D. PODDAR

B.L. SARDA

K.P. GUPTE
(w.e.f. 28.01.2004)

PRAMOD JALAN
(w.e.f. 30.10.2003)

Prof. (Dr.) M.D. TELI
(w.e.f. 03.06.2004)

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

SHRIKISHAN D. PODDAR

VIJAYLAXMI A. PODDAR
Executive Directors

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

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

CORPORATE OFFICE
B-5, Trade World,
Kamala City, Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013.

PLANTS

Weaving

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

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

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

Yarn

A-31, MIDC, Patalganga
Dist. Raigad
Maharashtra

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

Readymade

481/1-2, Dabhel
Daman,
Daman & Diu (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, MANAGEMENT DISCUSSIONS AND ANALYSIS:

Dear Shareholders,

Your Directors have pleasure in presenting the 26th Annual Report alongwith Audited Statement of Accounts for the year ended 31st March 2004.

FINANCIAL RESULTS

(Rupees in lacs)

	2003-04	2002-03
Net Turnover and Other Income	29128	28739
Gross Profit	2112	2079
Less: Depreciation	1004	985
Profit before Tax	1108	1094
Less: Provision for Taxation		
Current Tax	85	77
Deferred Tax	276	315
	361	392
Profit after tax	747	702
Add: Adjustments relating to earlier year	25	84
	772	786
Less: Short Provision for Income Tax	37	-
Diminution in value of Long Term Investment	-	4
	735	782
Add: Transferred from Debenture Redemption Reserve	-	40
Surplus brought forward from previous year	271	303
Surplus available for appropriation	1006	1125
Less: Transfer to General Reserve	500	600
Interim Dividend Declared	250	-
Proposed Dividend	-	225
Tax on Dividend	32	29
	782	854
Balance Carried Forward to Balance Sheet	224	271

OPERATIONS:

The net turnover and other income of the Company for the year ended 31st March 2004 was Rs. 29128 lacs as compared to Rs. 28739 lacs in the previous year. The gross profit was Rs. 2112 lacs against Rs. 2079 lacs in the previous year. Your Company has been able to maintain the operations and profitability nearly at last year's levels despite adverse market conditions. This achievement have been possible only in the wake continuous upgradation of

plant, new product development, manufacture of value added products and reducing cost at all the levels of operation.

EXPANSION

During the current year, your Company intends to install 8 Picanol Looms alongwith other preparatory machines at the Silvassa weaving plant at a capital outflow of around Rs. 1000 lacs. The same is being financed by way of term loan and internal accruals of the Company.

The Company is also planning to install a Yarn Dyeing Unit alongwith twisting and doubling facilities at Tarapur with state of art machines to manufacture value added yarn. The total cost of the project would be around Rs. 1175 Lacs, which would be financed by way of term loan and internal accruals of the Company.

The Garment Unit setup at Daman has commenced the production in the month of March, 2004. Company intend to install additional machines alongwith other equipment to enhance the production capacity and to manufacture quality readymade garments. The total capital outflow for the same would be around Rs. 323 Lacs which will be financed by way of term loan and internal accruals of the Company.

DIVIDEND

Your Directors had declared Interim Dividend of Rs. 4/- per Equity Share of Rs. 10/- each, at its Board Meeting held on 6th March, 2004. 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, 2004

DIRECTORS

Shri Dharaprasad R. Poddar and Shri Pawan D. Poddar, Directors of the Company, retire by rotation and being eligible, offer themselves for reappointment. The Board recommends their appointment at the ensuing Annual General Meeting.

During the period under review, Shri M.L. Pachariwala, Shri V.C. Mehta, Shri S.B. Agarwal, Directors and Shri P.K. Mohanty, Nominee Director of ICICI Bank Limited have resigned from the Board of Directors w.e.f. 30th October, 2003, 28th January, 2004, 28th January, 2004 and 6th March, 2004 respectively. Your Directors record the deep appreciation for the valuable guidance received from all the aforesaid Directors during their course of association with the Company.

Shri Pramod Jalan, Shri K.P. Gupte and Prof (Dr) M.D. Teli have been inducted as Additional Directors of the Company w.e.f. 30th October, 2003, 28th January, 2004 and 8th June, 2004 respectively and they will hold the office till the conclusion of the ensuing Annual General Meeting.

The Company has received notices u/s 257 of the Companies Act, 1956 from the shareholders signifying intention to propose at the ensuing Annual General Meeting the candidature of Shri Pramod Jalan, Shri K.P. Gupte and Prof (Dr) M.D. Teli as Directors of the Company, liable to retire by rotation. The Board recommends their appointment at the ensuing Annual General Meeting.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis, Corporate Governance Report and Auditor's Certificate regarding compliance of the same are made a part of this Annual Report.

FIXED DEPOSITS

There were no unclaimed deposits as on 31st March, 2004.

INDUSTRIAL RELATIONS

The Company's operations at Murbad continues to remain suspended as majority of the workmen have opted for VRS.

Apart from the above, industrial relations 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 2004, 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 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 on 'going concern' basis.

PARTICULARS OF EMPLOYEES

Particulars of remuneration paid to employees as required by Section 217 (2A) of the Companies Act, 1956 read with Companies (Particular of Employees) Rules, 1975 are given hereto and forms part of the Report in Annexure -1.

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

M/s Jayantilal Thakkar & Co., Chartered Accountants, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment as

Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting.

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 applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

APPRECIATION

Your Company is grateful for the continued co-operation and assistance extended to it by the Government and Semi-Government Authorities, Financial Institutions and banks 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: 8th June, 2004

DHARAPRASAD R. PODDAR
Chairman



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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, 2004.

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.24,00,000 or Rs.2,00,000/- per month							
1.	Shri. Ramesh D. Poddar	53	Vice-Chairman cum Managing Director	58,34,362	B.Sc (31)	1-4-1985	—
2.	Shri. Arvind M. Poddar	46	Joint Managing Director	55,48,723	B.Com (26)	1-6-1992	Rajkamal Processors Ltd. (7 months)
3.	Shri. Shrikishan D. Poddar	41	Executive Director	43,82,519	B.Com (22)	22-6-2001	Balkrishna Inds. Ltd. (11 years)
4.	Smt. Vijayalaxmi A. Poddar	44	Executive Director	42,84,424	B.Com (17)	1-4-2000	Sagar Silk Industries Ltd. (4 years)

- NOTE:- 1. Appointment of Managing Directors and Executive Directors is for the period of five years with effect from 1st November, 2002 to 31st October, 2007
2. Shri Ramesh D. Poddar – Vice Chairman cum Managing Director, Shri Shrikishan D. Poddar - Executive Director are related to each other and to Shri Dharaprasad R. Poddar – Chairman and Shri Pawan D. Poddar Director of the Company.
3. Shri Arvind M. Poddar - Joint Managing Director and Smt Vijayalaxmi A. Poddar – Executive Director are related to each other, and to Shri Ashokkumar P. Mahansaria, Director of the Company.
4. Gross Remuneration includes Salary, Allowance 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 : 8th June, 2004

DHARAPRASAD R. PODDAR
Chairman

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 (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".

Siyaram's**SIYARAM SILK MILLS LIMITED****FORM 'A'****A. POWER AND FUEL CONSUMPTION****1. ELECTRICITY****CURRENT YEAR****PREVIOUS YEAR****a) Purchased**

Unit (KWH)

16,062,698**14,349,822**

Total Amount(Rs)

48,513,206**44,495,072**

Rate/Unit (Rs)

3.02**3.10****b) Own Generation****i) Through Diesel Generators Unit (KWH)*****2,774,559****3,336,545**

Diesel Oil Consumption (LTRS)

820,193**1,000,660**

Units per Ltr. of Diesel Oil

3.38**3.33**

Cost/Unit (Rs)

5.86**5.06****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)

220,973**2,62,000**

Total Cost (Rs)

2,915,768**3,689,015**

Average Rate (in'000 Ltrs)

13,195**14,080****B. CONSUMPTION PER UNIT OF PRODUCTION****1. Electricity (KWH)**

Cloth / Mtr

0.60**0.64**

Yarn / Kg

1.83**2.01****2. Furnace Oil / L.S.H.S**

Dyed Yarn / Kg

0.24**0.37**

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.14,49,708

Total - Rs.14,49,708

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



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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 Europe, 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.1168 Earned Rs.3060

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Mumbai
Dated : 8th June, 2004

DHARAPRASAD R. PODDAR
Chairman

CORPORATE GOVERNANCE REPORT

The Company has complied, in all material respects, with the Corporate Governance Code as per Clause 49 of the Listing Agreement with the Stock Exchanges. A report on the implementation of the Corporate Governance Code of the Listing Agreement by the Company is furnished below.

I. Company's Philosophy on Code of Corporate Governance

Siyaram Silk Mills Limited is committed to the best practices in the area of Corporate Governance. The Company believes that proper Corporate Governance facilitates effective management and control of business. The fundamental objective of the Company's Corporate Governance is enhancement of the long term shareholder value while at the same time protecting the interests of other stakeholders. Siyaram's code of Corporate Governance has been drafted in compliance with the code of "Corporate Governance" as promulgated by the Securities & Exchange Board of India (SEBI).

II. Composition of the Board of Directors

The composition and category of Directors and the attendance at the Board Meeting during the year and at the last Annual General Meeting, as also the number of outside Directorships and Committee Memberships/Chairmanships in public companies (including the Company) are given below :

Name of Director	Attendance		Category of Directors	Outside Directorship	Committee Positions	
	Board	Last AGM			Member	Chairman
Shri Dharaprasad R. Poddar	6	Yes	Non-Executive Chairman, Promoter	03	-	01
Shri Ramesh D. Poddar	6	Yes	Vice Chairman cum Managing Director	01	01	-
Shri Arvind M. Poddar	4	Yes	Joint Managing Director	03	01	-
Shri Shrikishan D. Poddar	6	Yes	Executive Director	02	01	-
Smt. Vijaylaxmi A. Poddar	6	No	Executive Director	01	-	-
Shri Pawan D. Poddar	6	No	Non-Executive, Promoter	01	01	01
Shri. Ashok P. Mahansaria	4	Yes	Non-Executive, Promoter	03	02	-
Shri P.K. Mohanty ¹	-	No	Nominee, Independent	-	-	-
Shri M.L. Pachariwala ²	3	No	Non-Executive, Independent	-	-	-
Shri. B.L. Sarda	6	Yes	Non-Executive, Independent	-	-	02
Shri V.C. Mehta ³	4	No	Non-Executive, Independent	-	-	-
Shri S.B. Agarwal ⁴	1	No	Non-Executive, Independent	-	-	-
Shri. Pramod Jalan ⁵	2	-	Non-Executive, Independent	02	02	-
Shri K.P. Gupte ⁶	2	-	Non-Executive, Independent	-	02	-

1. Resigned from the Board with effect from 6th March, 2004
2. Resigned from the Board with effect from 30th October, 2003
3. Resigned from the Board with effect from 28th January, 2004
4. Resigned from the Board with effect from 28th January, 2004
5. Appointed as Additional Director with effect from 30th October, 2003
6. Appointed as Additional Director with effect from 28th January, 2004

Board Meetings:

During the Financial Year 2003-2004, 6 (Six) Board Meetings were held on 30th May, 2003, 30th June, 2003, 31st July, 2003, 30th October 2003, 28th January, 2004 and 6th March, 2004. The Annual General Meeting was held on 4th September 2003.

II. Audit Committee**Composition**

The Audit Committee consists wholly of Independent Directors having requisite knowledge of finance, accounts and Company law. At present, the committee comprises of the following independent Directors.

- 1) Shri B.L. Sarda – Chairman
- 2) Shri Pramod Jalan – Member
- 3) Shri K.P. Gupte – Member

Shri M.L. Pachariwala and Shri P.K. Mohanty, members of the committee, ceased to be directors and consequently committee members with effect from 30th October, 2003 and 6th March, 2004 respectively.

Terms of reference

The terms of reference of Audit Committee encompass the whole of that contained in the SEBI code as well as under Section 292A of the Companies Act, 1956 including the following :

1. Oversee Company's financial reporting process and disclosure of its financial information to ensure the financial statements are correct, sufficient and credible.
2. Recommend appointment of Statutory Auditors, fixation of audit fee and also approve payment of other services.
3. Review the adequacy of internal control systems with the Management, Statutory and Internal Auditors.
4. Review the Company's financial and risk management policies.

Meetings and attendance during the year:

During the year under review, the committee met 4 (four) times on 28th June, 2003, 31st July, 2003, 30th October, 2003 and 28th January, 2004

Name of the Member	No. of meeting attended
Shri B.L. Sarda	4
Shri M.L. Pachariwala	2
Shri P.K. Mohanty	—
Shri Pramod Jalan	2
Shri K.P. Gupte	—

IV. REMUNERATION COMMITTEE:

The remuneration committee consists of three Independent Directors. This committee comprises of the following :

- 1) Shri B.L. Sarda – Chairman
- 2) Shri Pramod Jalan – Member
- 3) Shri K.P. Gupte – Member

Shri M.L. Pachariwala and Shri P.K. Mohanty, members of the committee, ceased to be directors and consequently committee members with effect from 30th October, 2003 and 6th March, 2004 respectively.

No meeting of the Remuneration Committee was held during the year under review.



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DIRECTORS REMUNERATION:

Details of Payments made to the Directors during the year 2003-2004 are given below :-

(In Rupees)

Name of Directors	Remuneration	HRA	Other Benefits	Sitting Fees	Total Remuneration
Shri Dharaprasad R Poddar	Nil	Nil	Nil	30,000	30,000
Shri Ramesh D Poddar	24,00,000	14,40,000	19,94,362	Nil	58,34,362
Shri Arvind M Poddar	24,00,000	14,40,000	17,08,723	Nil	55,48,723
Shri Shrikishan D Poddar	21,00,000	12,60,000	10,22,519	Nil	43,82,519
Smt Vijaylaxmi A Poddar	21,00,000	12,60,000	9,24,424	Nil	42,84,424
Shri Pawan D Poddar	Nil	Nil	Nil	33,900	33,900
Shri Ashok P Mahansaria	Nil	Nil	Nil	23,600	23,600
Shri M.L. Pachariwala	Nil	Nil	Nil	25,000	25,000
Shri B.L. Sarda	Nil	Nil	5,00,000	50,000	5,50,000
Shri V.C.Mehta	Nil	Nil	Nil	20,000	20,000
Shri S.B. Agarwal	Nil	Nil	Nil	5,000	5,000
Shri Pramod Jalan	Nil	Nil	Nil	20,000	20,000
Shri K.P. Gupte	Nil	Nil	Nil	10,000	10,000
Total	90,00,000	54,00,000	61,50,028	2,17,500	2,07,67,528

V. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE:

The Investors' Grievance Committee facilitates prompt and effective redressal of shareholders' complaints and reporting of the same to the Board periodically. Shri Rajeev Kumar, Company Secretary of the Company, has been designated as the Compliance Officer.

The Investors' Grievance Committee met 13 times during the Financial Year under review.

During the year ended 31st March, 2004, 60 Shareholders Complaints / Queries were received and as of 31st March 2004 there were no complaints pending.

VI. INFORMATION ON ANNUAL GENERAL MEETINGS:

Financial Year	Date	Time	Venue
2002-2003	4 th Sept. 2003	11.00 a.m.	Plot No G-4/1,MIDC, Tarapur, Boisar, Dist Thane-401506
2001-2002	14 th Sept. 2002	11.30 a.m.	Plot No G-4/1,MIDC, Tarapur, Boisar, Dist Thane-401506
2000-2001	27 th August 2001	11.00 a.m.	Plot No G-4/1,MIDC, Tarapur, Boisar, Dist Thane-401506

No Extra-ordinary General Meetings were held in the last 3 financial years.

The Company has not passed any resolution requiring shareholders approval by Postal Ballot.

VII. DISCLOSURES:

- (1) Disclosures on materially significant related party transactions

Necessary disclosures are made in Notes No. B (8)(d) of Schedule 'O'.

- (2) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to Capital Market.

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.