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Siyaram's

27TH ANNUAL REPORT 2004-05

Siyaram's



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 & Managing Director
ARVIND M. PODDAR
Joint Managing Director

BANKERS
Bank of Baroda
Central Bank of India
Corporation Bank

ASHOK P. MAHANSARIA

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

PAWAN D. PODDAR

COST AUDITORS
M/s. Tholiya & Associates
Cost Accountants

B.L. SARDA

K.P. GUPTE

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

PRAMOD JALAN

Prof. (Dr.) M.D. TELI

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

Yarn

Readymade

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

G-1/1, MIDC, Tarapur Industrial Area,
Boisar, Dist. Thane
Maharashtra

481/1-2, Dabhel
Daman,
Daman & Diu (U.T.)

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

A-31, MIDC, Patalganga
Dist. Raigad
Maharashtra

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

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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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, 2005.

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	54	Vice Chairman & Managing Director	53,14,471	B.Sc. (32)	28.01.1985	-
2.	Shri Arvind M. Poddar	47	Joint Managing Director	50,67,879	B.Com (27)	29.05.1992	Rajkamal Processors Ltd. (7 Months)
3.	Shri Shrikishan D. Poddar	42	Executive Director	43,22,891	B.Com (23)	22.06.2001	Balkrishna Industries Ltd. (3 years)
4.	Smt Vijaylaxmi A. Poddar	45	Executive Director	42,42,137	B.Com (18)	01.04.2000	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 & 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 Vijaylaxmi A. Poddar - Executive Director are related to each other, and to Shri Ashok P. Mahansaria, Director 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 : 31st May 2005

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 distribution the loads throughout the day and increasing efficiency of plant and equipments.

(b) Improving power factor by optimum choice of power factor improvements 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".

the annual general meeting of the Company as required by Clause 49 of the listing agreement on corporate governance.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, 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, 2005.

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 you're Directors confirm as under:-

- i) that in the preparation of the accounts for the financial year ended 31st March 2005, 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 -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 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: 31st May, 2005.

DHARAPRASAD R. PODDAR
Chairman



27TH ANNUAL REPORT 2004-2005

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For and on behalf of the Board of Directors

Place : Mumbai
Dated : 31st May 2005

DHARAPRASAD R. PODDAR
Chairman

ANNEXURE II

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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.

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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)	1,40,51,958	1,60,62,698
Total Amount (Rs)	4,44,11,142	4,85,13,206
Rate/Unit (Rs)	3.16	3.02
b) Own Generation		
i) Through Diesel Generators Unit(KWH)*	7,77,782	27,74,559
Diesel Oil Consumption (LTRS)	2,25,949	8,20,193
Unit per Ltr. of Diesel Oil	3.44	3.38
Cost/Unit (Rs.)	7.50	5.86
ii) Through Steam Turbines/Generator	NIL	NIL
*includes consumption of Diesel Oil for regular trials of Diesel Generating Set.		

2. COAL

Quantity (KGS)	449,010	N.A.
Total Cost (Rs.)	11,66,201	N.A.
Average Rate	2,597	N.A.

3. FURNACE OIL/L.S.H.S.

Quantity (in Ltrs.)	149,880	2,20,973
Total Cost (Rs.)	21,30,771	29,15,768
Average Rate (in'000 Lts.)	14,217	13,195

B. CONSUMPTION PER UNIT OF PRODCUTION

1. Electricity (KWH)	0.72	0.60
Cloth/Mtr.		
Yarn/Kg.	1.73	1.83
2. Furnace Oil/ L.S.H.S.		
Dyed Yarn/Kg.	0.30	0.24

Note:- The Company manufactures a wide range of products and the consumption of Energy will vary significantly depending upon the actual product-mix.

B) TECHNICAL ABSORPTION:

Efforts made in technology absorption as per Form "B"

FORM 'B'**I. Research and Development (R&D):**

- 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.
- Benefits derived as a result of the above R & D:
The R & D activities have resulted into development of new designs and products
- Future plan of action: Development of new varieties and product mix.
- Expenditure on R & D

Capital	- Nil
Recurring	- Rs. 19,79,210
Total	- Rs. 19,79,210

II. Technology absorption, adoption and innovation:-

- 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.
- Benefits derived as a result of the above efforts:
 - Quality improvement.
 - Energy Conservation.
- 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:

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



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The Company is fully geared up to tap the full potential arising out of the abolition of Imports Quota's in the western world. The Company has introduced variety of fabrics as per the designs, fashions of the respective markets. The Company is confident that there would be substantial increase in the Exports Sales turnover in the coming years.

- b) Total Foreign Exchange Used & Earned (Rs. in lacs)
Used - Rs. 1779 Earned - Rs. 2776

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Mumbai
Dated : 31st May 2005

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.

II. Composition of the Board of Directors

The composition and category of Directors and the attendance at the Board Meeting during the year and 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	4	Yes	Non-Executive, Non-Independent Director	03	-	01
Shri Ramesh D Poddar	4	Yes	Vice Chairman & Managing Director	01	01	-
Shri Arvind M Poddar	4	Yes	Joint Managing Director	03	01	-
Shri Shrikishan D Poddar	4	Yes	Executive Director	02	01	-
Smt. Vijaylaxmi A. Poddar	4	No	Executive Director	01	-	-
Shri Pawan D Poddar	4	Yes	Non-Executive, Non-Independent Director	01	01	01
Shri. Ashok Mahansaria	4	Yes	Non-Executive, Non-Independent Director	03	02	-
Shri. B.L. Sarda	2	Yes	Non-Executive, Independent Director	-	-	02
Shri. Pramod Jalan	2	No	Non-Executive, Independent Director	01	02	-
Shri K.P. Gupte	4	No	Non-Executive, Independent Director	-	02	-
Prof. (Dr.) M. D. Teli	4	No	Non-Executive, Independent Director	-	-	-

Board Meetings:

During the Financial Year 2004-2005, 4 (Four) Board Meetings were held on 8th June, 2004, 21st July, 2004, 27th October 2004 and 29th January, 2005. The Annual General Meeting was held on 22nd July, 2004.

III. 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

Terms of reference

The broad terms of reference of the Audit Committee are to review reports of the Internal Audit Department and discuss the same with the Internal Auditors 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 include the areas prescribed by Clause 49II (D) and has been granted powers as prescribed under Clause 49 II (C) of the Listing Agreement.

Meetings and attendance during the year:

During the year under review, the committee met 3 (three) times on 8th June, 2004, 27th October, 2004 and 28th January, 2005

Name of the Member	No. of meeting attended
Shri B.L. Sarda	3
Shri Pramod Jalan	3
Shri K.P. Gupte	3

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

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

DIRECTORS' REMUNERATION:

Details of Payments made to the Directors during the year 2004 - 05 are given below :-

(In Rupees)

Name of Directors	Remuneration	HRA	Other Benefits	Sitting Fees	Total Remuneration
Shri Dharaprasad R Poddar	Nil	Nil	Nil	20,000	20,000
Shri Ramesh D Poddar	24,00,000	14,40,000	14,74,471	Nil	53,14,471
Shri Arvind M Poddar	24,00,000	14,40,000	12,24,879	Nil	50,67,879
Shri Shrikishan D Poddar	21,00,000	12,60,000	9,62,891	Nil	43,22,891
Smt Vijaylaxmi A Poddar	21,00,000	12,60,000	8,82,137	Nil	42,42,137
Shri Pawan D Poddar	Nil	Nil	Nil	23,900	23,900
Shri Ashok P Mahansaria	Nil	Nil	Nil	23,300	23,300
Shri B.L. Sarda	Nil	Nil	Nil	25,000	25,000
Shri Pramod Jalan	Nil	Nil	Nil	25,000	25,000
Shri K.P. Gupte	Nil	Nil	Nil	35,000	35,000
Prof. (Dr.) M.D. Teli	Nil	Nil	Nil	20,000	20,000
Total	90,00,000	54,00,000	45,47,378	1,72,200	1,91,19,578

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. The committee comprises of Shri Pawan D. Poddar (Chairman), Shri Ramesh D. Poddar, Shri Arvind M. Poddar, Shri Shrikishan D. Poddar and Shri Ashok Mahansaria. The Company Secretary, Shri Rajeev Kumar, has been designated as the Compliance Officer.

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