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30TH ANNUAL REPORT 2007 - 08



LORD GANESH TEMPLE AT SAILY, SILVASSA UNIT

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BOARD OF DIRECTORS**DHARAPRASAD R. PODDAR**

Chairman

RAMESH D. PODDAR

Vice Chairman & Managing Director

BRIJMOHAN L. SARDA**Prof. (Dr.) MANGESH D. TELI****KETAN P. GUPTA****SHAILESH S. VAIDYA****ASHOK N. GARODIA**

(w.e.f. 29/05/2008)

ARVIND M. PODDAR**PAWAN D. PODDAR**

Joint Managing Director

SHRIKISHAN D. PODDAR

Executive Director

VIJAYLAXMI A. PODDAR

Executive Director

ASHOK M. JALAN

Whole Time Director

WILLIAM V. FERNANDES

Company Secretary

(w.e.f. 10/06/2008)

PLANTS**BANKERS**

Bank of Baroda

Central Bank of India

Corporation Bank

AUDITORS

Jayantilal Thakkar & Co.

Chartered Accountants

COST AUDITORS

Tholiya & Associates

Cost Accountants

INTERNAL AUDITORS

K. M. Garg & Co.

Chartered Accountants

SOLICITORS & LEGAL ADVISORS

Kanga & Co.

Advocates, Solicitors & Notary

CORPORATE OFFICE

B-5, Trade World,

Kamala City, Senapati Bapat Marg,

Lower Parel, Mumbai - 400013.

REGISTERED OFFICE

H-3/2, MIDC, A-Road, Tarapur, Boisar,

Dist. Thane - 401 506. Maharashtra.

Weaving**Yarn****Readymade Garments**H-3/2, MIDC, Tarapur,
Boisar, Dist. Thane - 401 506
Maharashtra.G-1/1, MIDC, Tarapur Industrial Area,
Boisar, Dist. Thane - 401 506
Maharashtra.481/1-2, Dabhel,
Daman,
Daman & Diu (U.T.) - 396 210D-23/1, MIDC, Tarapur,
Boisar, Dist. Thane - 401 506
Maharashtra.G-4/1, MIDC, Tarapur Industrial Area,
Boisar, Dist. Thane - 401 506.
MaharashtraPlot No. 722, Dabhel,
Daman,
Daman & Diu (U.T.) - 396 210D-2/1, MIDC, Murbad,
Dist. Thane-421401
MaharashtraSurvey No 367,
P.O.: Saily
Silvassa (U.T.)-396230E/125, MIDC, Tarapur,
Boisar, Dist. Thane - 401 506
Maharashtra



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NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the Members of Siyaram Silk Mills Limited will be held on Saturday, 23rd August, 2008 at 10.45 a.m., at Plot No.G-4/1, MIDC, Tarapur, Boisar, Dist. Thane – 401 506, Maharashtra, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2008 and the Balance Sheet as at that date together with the Reports of Directors and Auditors thereon.
2. To declare Dividend on equity shares.
3. To appoint a Director in place of Shri Arvind M. Poddar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Shrikishan D. Poddar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Smt. Vijaylaxmi A. Poddar, who retires by rotation and being eligible, offers herself for re-appointment.
6. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT M/s. Jayantilal Thakkar & Co., Chartered Accountants, Mumbai, the retiring Auditors of the Company, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors.”

SPECIAL BUSINESS:

7. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT Shri Ashok N. Garodia, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and Article 121 of the Articles of Association of the Company with effect from 29th May, 2008 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as Director of the Company liable to retire by rotation.”

By Order of the Board of Directors

William Fernandes

Company Secretary

Place : Mumbai

Dated : June 26, 2008.

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company.

2. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item No. 7 is annexed hereto.
3. Proxy Forms, in order to be effective, should be duly completed, stamped and signed and must be lodged with the Company at its Registered Office not less than forty-eight hours before the commencement of the meeting. A blank proxy form is enclosed herewith.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 20th August, 2008 to Saturday, 23rd August, 2008 (both days inclusive) for the purpose of payment of dividend for the year ended 31st March, 2008. Those Members whose names stand on the Register of Members of the Company as on 19th August, 2008, will be eligible for dividend.
5. Members holding shares in dematerialized mode are requested to intimate all changes with respect to their bank details, ECS mandates, nomination, power of attorney, change of address, change in name etc. to their Depository Participant (DP). These changes will be automatically reflected in Company's records, which will help the Company to provide efficient and better service to the members.

Members holding shares in physical form are requested to intimate all changes with respect to their bank details, change of address, change in name etc., to the Company at its Corporate office/ Registered Office or its Share Transfer Agent.

6. Pursuant to the provisions of Section 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed and unpaid for a period of seven years from the date of declaration, is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, during the financial year 2007-08, the Company has transferred the unclaimed and unpaid amount pertaining to the dividend for the financial year 1999-2000 amounting to Rs. 1,75,766.00 to the IEPF. Members who have not encashed their dividend warrants for the financial year 2000-01 and onwards are requested to make their claims to the Company immediately. Members may please note that no claim shall lie either against the Fund or the Company in respect of dividends which remain unclaimed and unpaid for a period of seven years from the date of declaration and no payment shall be made in respect of such claims.

Information in respect of such unclaimed and unpaid dividends when due for transfer to the said Fund is given below:

Financial year ended	Date of Declaration of Dividend	Last date for claiming unpaid dividend	Due date for transfer to IEP Fund
31/03/2001	27/08/2001	26/08/2008	25/09/2008
31/03/2002	14/09/2002	13/09/2009	13/10/2009
31/03/2003	04/09/2003	08/09/2010	07/10/2010
31/03/2004	06/03/2004	10/03/2011	09/04/2011
31/03/2005	16/07/2005	20/07/2012	11/08/2012
31/03/2006	31/10/2005-interim	21/11/2012	12/11/2012
31/03/2006	16/09/2006- final	19/10/2013	09/11/2013
31/03/2007	11/08/2007	16/08/2014	06/09/2014

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7. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Annual General Meeting.
8. The members are requested to:
- Quote Registered Folio/Client ID & DP ID in all their correspondence;
 - Bring their copy of the Annual Report and Attendance Slip duly signed;
 - Trade in the Equity Shares in the dematerialized form only;
 - Send queries related to accounts to the Company at least 15 days before the date of the meeting.

9. Appointment / Re-appointment of Directors:

At the ensuing Annual General Meeting, Shri. Arvind M. Poddar, Shri. Shrikishan D. Poddar, and Smt. Vijaylaxmi A. Poddar, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment. Shri Ashok N. Garodia, Additional Director seeks appointment as a Director of the Company. The information, pertaining to these Directors to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, is furnished as Annexure to the Notice.

of the Company by the Board of Directors at its meeting held on 29th May, 2008. According to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company, he holds office as Director only up to the date of this Annual General Meeting. The Company has received notice in writing from a member along with a deposit of Rs.500/- proposing the candidature of Shri Ashok N. Garodia for the office of Director of the Company under section 257 of the Act.

Shri Ashok N. Garodia is not disqualified from being appointed as Director under section 274(1)(g) and has complied with the requirement of section 266A of the Act. The Company has received the requisite Form DD-A from Shri Ashok N. Garodia, in terms of Companies (Disqualification of Directors under section 274 (1) (g) of the Companies Act, 1956) Rules, 2003 confirming his eligibility for his appointment.

A brief resume of Shri Ashok N. Garodia as required under Clause 49 is given in Annexure to the notice.

The Board considers it desirable that the Company should continue to avail his guidance and advice and recommends the resolution for approval of the shareholders.

Except Shri Ashok N. Garodia, no Director of the Company is concerned or interested in the resolution.

ANNEXURE TO THE NOTICE

By Order of the Board of Directors

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956.

William Fernandes
Company Secretary

Item No. 7

Place: Mumbai

Shri Ashok N. Garodia, was appointed as an Additional Director

Dated: June 26, 2008.

Annexure to Items 3, 4, 5 & 7 of the Notice

Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting on 23rd August, 2008 (In pursuance of clause 49 of the Listing Agreement)

Name of the Director	Date of Birth	Date of Appointment on the Board	Qualifications	Expertise in specific functional area	List of others Companies (excluding Private Companies) in which directorships held as on 31 st March, 2008
Shri Arvind M. Poddar	07/11/1957	29/05/1992	B. Com.	Industrialist with vast experience in the Textile Industry.	1. Balkrishna Industries Ltd. 2. GRL International Ltd. 3. S. P. Investrade (India) Ltd 4. Vishal Furnishings Ltd 5. Balkrishna Paper Mills Ltd. 6. BKT (EXIM) Ltd. 7. Siyaram Polycote Ltd.
Shri Shrikishan D. Poddar	09/08/1963	27/10/1989	B.Com	Industrialist with vast experience in the Textile Industry	1. Futuristic Concepts Media Ltd. 2. Oxemberg Clothing Ltd.
Smt. Vijaylaxmi A. Poddar	02/12/1960	23/10/1999	B.Com	Industrialist with vast experience in the Textile Industry.	1. Balgopal Holding & Traders Ltd. 2. Oxemberg Fashions Ltd. 3. Sanchana Trading & Finance Ltd.
Shri. Ashok N. Garodia	01/10/1956	29/05/2008	B.E. (Mech.)	Experience of 30 years in the field of manufacturing, operation management, supply chain management and Purchase/Import.	4. Oxemberg Clothing Ltd. 1. Dart Electronics Ltd.



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DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 30th Annual Report along with Audited Statement of Accounts for the year ended 31st March, 2008.

Financial Results

	(Rupees in Crores)	
	2007-08	2006-07
Net Turnover and other Income	493.59	454.46
Profit before Depreciation & Tax	28.80	38.65
Less: Depreciation	16.55	15.55
Profit before Tax	12.25	23.10
Less: Provision for Taxation		
Current Tax	0.71	3.55
Deferred Tax	1.51	(0.32)
Fringe Benefit tax	0.52	0.35
	2.74	3.58
Profit after Tax	9.51	19.52
Add: Adjustments relating to earlier year	(0.20)	0.55
	9.31	20.07
Add: Surplus brought forward from previous year	5.04	0.46
Surplus available for appropriation	14.35	20.53
Less: Transfer to General Reserve	4.00	10.00
Proposed Dividend	4.68	4.68
Tax on Dividend	0.80	0.80
	9.48	15.48
Balance Carried Forward to Balance Sheet	4.87	5.04

Operations:

During the year under review, the turnover of your Company was Rs. 493.59 Crores (previous year Rs. 454.46 Crores). The net profit after tax was at Rs. 9.51 Crores (previous year Rs. 19.52 Crores). The stress on the profitability was due to various factors like general recession in the textile industry, increase in the sales promotion and brand building expenditure to increase the Company's market share in the competitive market, incurrence of setting up expenditure in the business ventures like Retailing, Furnishing and creating of new brands.

Expansion:

During the year under review, the Company added 42 imported Looms of latest technology along with other preparatory machines and accessories for manufacturing fabrics and in its new venture of Home Furnishing.

In the Yarn Division, the Company has increased its yarn dyeing capacity during the year under review by adding additional yarn dyeing machines along with balancing equipments to manufacture value added yarn. The Company proposes to further increase the yarn dyeing capacity in the current year.

In the Readymade Garments Division, the Company has during the year installed 177 stitching machines to manufacture readymade garments, viz., shirts and trousers.

In the Retail sector, the Company has opened 65 Retail outlets including Franchisees and Company's own outlets. The Company proposes to expand this chain of marketing looking at over all market conditions from time to time.

The above expansion was funded by way of Term Loan from Banks under the TUF Scheme of Government of India and internal accruals of the Company.

Management Discussion and Analysis:

With the abolition of quota regime and prospects of increase in GDP of the Country there was an expectation of buoyancy for the Indian Textile Industry from the domestic as well as from international market. The Government also continued schemes/ incentives to the textile industry as this being a core industry to drive the economy and increase employment. All these factors encouraged existing players and new entrants to built huge capacities. However the general slow down in the economy reduced the demand for the textile products. The situation worsened further with the increase of input costs on account of inflationary pressure and skyrocketing of Petroleum prices, resulting in increase in cost of production and reduced profitability.

Future Outlook:

The above scenario is likely to continue in the year 2008-09. However, the Company expects its volume to grow modestly despite adverse economic conditions like rising inflationary pressure contributing to increase in input costs and downward pressure on price realization. The Company has a strong presence in Polyester Viscose based fabric products and the demand for this is continuously growing. Its presence in value added dyed yarn segment is also expected to contribute to the topline. The Company to meet the challenges ahead, plans to expand its activities in the field of Readymade Garments, enhance its marketing capabilities by expanding its marketing channel and targets to double the number of retail outlets both Company owned and Franchisee outlets.

Dividend:

Your Directors are pleased to recommend a Dividend of 50 % for the year i.e. Rs.5/- per Equity Share. The Proposed Dividend will absorb a sum of Rs.5.48 Crores including Corporate Dividend Tax.

Subsidiary Companies:

The Company has two 100% Subsidiaries, namely Siyaram Polycote Limited and Oxemberg Clothing Limited. As required by Section 212 of the Companies Act, 1956, the Accounts of the Subsidiary Companies are attached herewith. No commercial activities were carried out by the Subsidiaries during the year under review & since financial operations of subsidiaries will not have material impact on the financials of the holding Company, Consolidated Accounts in accordance with Accounting Standard AS-21 have not been prepared.

Directors:

Shri Arvind M. Poddar, Shri Shrikishan D. Poddar and Smt. Vijaylaxmi A. Poddar, Directors, retire 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.

Shri Ashok N. Garodia was appointed as an Additional Director of the Company w.e.f. 29th May, 2008 and holds office till the date of ensuing Annual General Meeting. Notice under section 257 of the Companies Act, 1956, has been received from a member proposing Shri Ashok N. Garodia as a Director of the Company. Necessary resolution has been put up in the Notice to the ensuing Annual General Meeting. Your Directors commend the resolution.

Brief resume of Directors being appointed/ re-appointed as required by Clause 49 of the listing agreement is provided in the notice convening the Annual General Meeting of the Company.

Corporate Governance:

A report on Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchange(s) forms part of the Annual Report.

Certificate from the Auditors of the Company confirming compliance of conditions of Corporate Governance as stipulated under the aforesaid clause 49 forms part of the Annual Report.

Fixed Deposits:

There were no unclaimed deposits as on 31st March, 2008.

Directors' 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 2008, 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 judgments 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 this 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 Annexure -II to this report.

Auditors:

The Auditors, M/s. Jayantilal Thakkar & Co., Chartered Accountants, Mumbai, retire at the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. Members are requested to re-appoint them as Auditors and to fix their remuneration.

Cost Auditors:

Pursuant to the directives of the Central Government under the provisions of Section 233 B of the Companies Act, 1956, M/s. Tholiya & Associates, Cost Accountants, Mumbai have been appointed to conduct cost audit relating to the products manufactured by the Company.

Other Matters:

- 1) Murbad Unit : Manufacturing activities have been shifted to Tarapur. Negotiations for disposing of Land & Building is in progress.
- 2) Patalganga Unit : The Company has disposed the land and building pursuant to the approval obtained from shareholders through postal ballot on 29th October, 2007.

Forward Looking Statements

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.

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. 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 R. PODDAR
Chairman

Place: Mumbai
Dated: June 26, 2008.

30TH ANNUAL REPORT 2007-08**ANNEXURE- I**

Statement containing information as per Section 217 (2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2008

Sr. No	Name	Age	Designation	Remuneration Received (Gross) Rupees	Qualification & Experience -	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	56	Vice Chairman & Managing Director	82,27,948	B.Sc. (35)	28.01.1985	—
2.	Shri Shrikishan D. Poddar	45	Executive Director	45,25,203	B.Com (26)	22.06.2001	Balkrishna Industries Ltd. Executive Director (11 yrs)
3.	Smt Vijaylaxmi A. Poddar	48	Executive Director	52,33,991	B.Com (21)	01.04.2000	Sagar Silk Industries Ltd. Executive Director (4 yrs)
4.	Shri Pawan D. Poddar	54	Joint Managing Director	60,33,566	B.Com (33)	01.08.2006	Balkrishna Industries Ltd. Jt. Mg. Director (6 yrs)
5.	Shri Ashok M. Jalan*	49	Whole Time Director	22,04,595	B.Com (28)	08.04.1981	—

* Drawing remuneration in excess of Rs. 2,00,000/- p.m. for part of the year.

1. Shri Ramesh D. Poddar – Vice Chairman and Managing Director, Shri Pawan D. Poddar – Jt. Managing Director and Shri Shrikishan D. Poddar - Executive Director of the Company are related to each other and to Shri Dharaprasad R. Poddar – Chairman.
2. Smt Vijaylaxmi A. Poddar – Executive Director and Shri Arvind M. Poddar – Director are related to each other.
3. Gross Remuneration includes Salary, Allowance Perquisites, Company's contribution to Provident Fund, Superannuation Fund, Gratuity Fund, Commission, Provision for Gratuity and Leave Salary.

For and on behalf of the Board of Directors

DHARAPRASAD R. PODDAR
Chairman

Place : Mumbai
Dated : June 26, 2008.

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 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 and energy efficient equipments.



SIYARAM SILK MILLS LIMITED

- 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".

Form 'A'

Particulars	Total for 07-08	Total for 06-07
A. Power & Fuel Consumption		
1 Electricity		
a) Purchased (units)	16518639	15213474
Total Amount (Rs)	65926126	54836837
Rate / unit	3.99	3.60
b) Own generation		
From Diesel Generators (units)	1023746	846239
Diesel oil consumption (Ltrs)	310616	266204
Units per ltr of Diesel oil	3.30	3.18
Cost / unit (Rs)	9.17	9.59
2 Coal / Pet Coke		
Quantity (Kgs)	865841	634586
Total Cost (Rs.)	4772375	3484200
Average rate per tonne	5512	5491
3 Furnace Oil / L.S.H.S.		
Quantity in Ltrs	96370	65720
Total Cost (Rs.)	2196473	1291814
Average rate (in '000 ltrs)	22792	19656
Total Value	82286219	67731941
B. Consumption per unit of Production		
1 Electricity (KWH)		
Cloth / Mtr	0.75	0.83
Yarn / kg	1.36	1.35
Garment / Nos.	0.53	0.51
2 Furnace oil / L.S.H.S		
Dyed Yarn / Kg	-	-
Garments / Nos.	0.06	0.07
3 Coal & Fuel Wood		
Dyed Yarn/Kg	0.43	-
Garment Nos		

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):

- 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	-	Rs. Nil
Recurring	-	Rs. 79,46,710/-
Total	-	Rs. 79,46,710/-

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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. 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 and Earned (Rs. in lacs)

Used - Rs.1786.35

Earned – Rs.3871.03

For and on behalf of Board of Directors

Dharaprasad R. Poddar
Chairman

Place : Mumbai

Date : June 26, 2008.

CORPORATE GOVERNANCE REPORT

(As required under Clause 49 of the Listing Agreements entered into with Stock Exchanges)

I. Company's Philosophy

The Company's philosophy on corporate governance is to attain the highest level of transparency in its dealing, equity in all facets of its operations, with the objective to enhance the long term shareholders value, while at the same time protect the interest of other stakeholders. The Company believes that proper Corporate Governance facilitates effective management and control of business. The Company endeavours to adopt best practices of Corporate Governance and adherence of the same in true spirit at all times.

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company's Corporate Governance philosophy has been further strengthened through the Code of Conduct, the Company Business Excellence Model, the Code of Conduct for Prevention of Insider Trading, as also the Code of Corporate Disclosure Practices. As required, a declaration duly signed by the Vice Chairman & Managing Director to that effect is attached as Annexure-A.

II. Board of Directors

The Board of the Company has an optimum combination of Executive, Non Executive and Independent Directors. The Company has a Non-Executive Chairman and the number of Independent Directors is more than one-third of the total number of Directors. The numbers of Non-Executive Directors (NEDs) is more than 50% of the total number of Directors.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are given below: