



31ST ANNUAL REPORT 2008 - 09

FABRIC TO FASHION
Siyaram's
PREMIUM SUITINGS & SHIRTINGS



LORD GANESHA TEMPLE AT SAILY, SILVASSA UNIT

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SIYARAM SILK MILLS LIMITED

**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****DILEEP H. SHINDE**

(w.e.f. 30/01/2009)

PRAMOD S. JALAN

(w.e.f. 30/01/2009)

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

Joint Managing Director

SHRIKISHAN D. PODDAR

Executive Director

VIJAYLAXMI A. PODDAR

Executive Director

ASHOK M. JALAN

Senior President cum Director

WILLIAM V. FERNANDES

Company Secretary

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

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

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.

PLANTS

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

NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of the Members of Siyaram Silk Mills Limited will be held on Saturday, 12th September, 2009 at 11.00 a.m., at Plot No. G-4/1(A), MIDC, Tarapur, Boisar, Dist. Thane – 401 506, Maharashtra, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit and Loss Account for the year ended on that date along with the Reports of the Directors and Auditors thereon.
2. To declare dividend on the Equity Shares of the Company for the financial year ended 31st March, 2009.
3. To appoint a Director in place of Shri Shailesh S. Vaidya, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Brijmohan L. Sarda, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Ketan P. Gupte, who retires by rotation and being eligible, offers himself 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, 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 Dileep H. Shinde, 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 30th January, 2009 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 a Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT Shri Pramod S. Jalan, 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

30th January, 2009 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 a Director of the Company, liable to retire by rotation.”

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 310, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other permissions, sanctions and approvals as may be required, if any, consent of the Company be and is hereby accorded to the payment of remuneration to Shri Pawan D. Poddar, Joint Managing Director, during the remaining period of his tenure of appointment i.e. from 1st August, 2009 to 31st July, 2011 and on the terms and conditions as set out in the explanatory statement attached to this notice.

RESOLVED FURTHER THAT the Board of Directors (which expression shall mean and include Committee thereof) be and is hereby authorised to do all acts, deeds and things as it may in its absolute discretion deem necessary, expedient and proper to give effect to the above resolution.”

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to section 314 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other permissions, sanctions and approvals as may be required, if any, the consent of the Company be and is hereby accorded to Shri Abhishek S. Poddar, who is a relative of a Director of the Company, to hold an office or place of profit as an Executive of the Company on the terms, conditions and remuneration as set out in the explanatory statement attached to this notice.

RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded to pay to Shri Abhishek S. Poddar such perquisites and other benefits as are payable to the said cadre and such yearly increment as the Board of Directors deem fit in their absolute discretion within the ceiling prescribed under the provisions of the Companies Act, 1956 and rules framed there under or with such approvals as may be required from appropriate authorities.

RESOLVED FURTHER THAT the Board of Directors (which expression shall mean and include a Committee thereof) be and is hereby authorised to do all acts, deeds and things as it may in its absolute discretion deem necessary, expedient and proper to give effect to the above resolution.”

By Order of the Board

(William V. Fernandes)
Company Secretary

Place: Mumbai

Date : 27th June, 2009.

SIYARAM SILK MILLS LIMITED



NOTES:

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

2. 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.

3. The Explanatory Statement, as required by section 173(2) of the Companies Act, 1956 in respect of special business is annexed hereto.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 8th September, 2009 to Friday, 11th September, 2009 (both days inclusive) for the purpose of payment of dividend for the year ended 31st March, 2009. Those Members whose names stand on the Register of Members of the Company as on 7th September, 2009, will be eligible for dividend.

5. Members holding shares in dematerialised 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 they became due for payment, is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, during the financial year 2008-09, the Company has transferred the unclaimed and unpaid amount pertaining to the dividend for the financial year 2000-01 amounting to Rs.1,97,015/- to the IEPF. Members who have not encashed their dividend warrants for the financial year 2001-02 and onwards are requested to make their claim 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 they became due for payment.

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
31/03/2002	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	19/08/2012
31/03/2006	31/10/2005-interim	21/11/2012	20/12/2012
31/03/2006	16/09/2006- final	19/09/2013	18/10/2013
31/03/2007	11/08/2007	16/08/2014	15/09/2014
31/03/2008	23/08/2008	28/08/2015	27/09/2015

7. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a duly certified copy of the Board resolution authorising 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;
- Send queries related to accounts, to the Company at least 15 days before the date of the meeting.

9. In case of Jointholders attending the meeting, only such Jointholder who is higher in the order of names will be entitled to vote.

10. Appointment / Re-appointment of Directors:

At the ensuing Annual General Meeting, Shri Shailesh S. Vaidya, Shri Brijmohan L. Sarda, and Shri Ketan P. Gupte, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment. Shri Dileep H. Shinde and Shri Pramod S. Jalan, Additional Directors seek 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.

ANNEXURE TO THE NOTICE

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

Item Nos. 7 & 8.

Shri Dileep H. Shinde and Shri Pramod S. Jalan, were appointed as Additional Directors of the Company by the Board of Directors at its meeting held on 30th January, 2009. According to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company, they hold office as Directors 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/- each proposing the candidatures of Shri Dileep H. Shinde and Shri Pramod S. Jalan for the office of Director of the Company under section 257 of the Companies Act, 1956.

Shri Dileep H. Shinde and Shri Pramod S. Jalan are not disqualified from being appointed as Director under section 274(1)(g) and have complied with the requirement of section 266A of the Act. The Company has received the requisite Form DD-A from Shri Dileep H. Shinde and Shri Pramod S. Jalan, in terms of Companies (Disqualification of Directors under section 274 (1) (g) of the Companies Act, 1956) Rules, 2003 confirming their eligibility for appointment.

A brief resume of Shri Dileep H. Shinde and Shri Pramod S. Jalan as required under Clause 49 is given in the annexure hereto.

The Board considers it desirable that the Company should continue to avail their guidance and advice and recommends the resolution(s) for approval of the members.

Except Shri Dileep H. Shinde and Shri Pramod S. Jalan, no Director of the Company is concerned or interested in the resolution(s).

Item No. 9

The members at the 28th AGM held on 16th Sept., 2006 had approved the appointment of Shri Pawan D. Poddar, Joint Managing Director w.e.f. 1st August, 2006 to 31st July, 2011 and remuneration payable to him in terms with Schedule XIII of the Companies, 1956.

The Remuneration Committee and Board of Directors of the Company at their respective meetings held on 27th June, 2009 have approved payment of remuneration to Shri Pawan D. Poddar, Joint Managing Director for the remaining period of his tenure i.e. from 1st August, 2009 to 31st July, 2011 as mentioned below, subject to approval of members of the Company and other approvals, permissions and sanctions as may be required:

1. Basic Salary: Rs.2,00,000/- (Rupees Two Lacs only) p.m.

2. Commission:

Commission will be fixed by the Board of Directors of the Company subject to overall ceiling stipulated under the provisions of the Companies Act, 1956.

3. Perquisites

In addition to the salary and commission, the following perquisites shall also be allowed;

a) Housing:

The Company shall provide fully furnished residential accommodation along with all amenities, facilities and utilities. In case no accommodation is provided, he will be entitled to house rent allowance to the extent of 60% of the basic salary.

b) Medical Reimbursement:

Reimbursement of medical expenses incurred in India or abroad including hospitalisation, nursing home and surgical charges and premium for medical insurance incurred for himself and family.

c) Leave Travel Concession:

Reimbursement of actual traveling expenses for

proceeding on leave once in a year in respect of himself and family.

d) Club Membership Fees:

Fees of Clubs including admission and life membership.

e) Personal Accident Insurance:

The actual premium paid.

f) Provident Fund, Superannuation Fund and Annuity Fund:

Contribution to Provident Fund, Superannuation and Annuity Fund will not be included for the purpose of computation of overall ceiling of remuneration to the extent these singly or put together are not taxable under the Income Tax Rules, 1962.

g) Gratuity:

Gratuity shall be payable at half month's salary for each completed year of service and will not be included for the purpose of computation of overall ceiling of remuneration.

h) Leave and encashment of Leave:

The Joint Managing Director shall be entitled to leave with full pay as per the rules of the Company and will be entitled to encash the accumulated leave at the end of the tenure/ retirement.

i) Use of car with driver :

The Company shall provide fully maintained car with driver.

j) Free telephone, facsimile and other communication facilities:

The Company shall provide free telephone, facsimile and other communication facilities at the appointees' residence.

For the purpose of perquisites, family shall mean spouse, dependent children and dependent parents of the appointee.

Minimum Remuneration.

In the event of absence or inadequacy of profits in any financial year during the tenure of his appointment, the Joint Managing Director shall be paid remuneration by way of salary, perquisites, allowance and other benefits as the Board of Directors may deem fit subject to the limits prescribed in part II of Schedule XIII of the Companies Act, 1956 (including any Statutory modification or re-enactment thereof) as minimum remuneration.

Information as required under Schedule XIII of the Companies Act, 1956 is given below:

I GENERAL INFORMATION

1) **Nature of Industry:** Textile Industry.

2) **Date or expected date of commencement of commercial production:**

Not applicable (Company is an existing Company).

SIYARAM SILK MILLS LIMITED



- 3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**
Not applicable.

- 4) **Financial performance based on given indicators:**

(Rs. in lacs)

Particulars	Year 2008-09	Year 2007-08	Year 2006-07
Total Revenue	53,726.61	49,358.59	45,445.89
Total Expenditure	52,382.76	48,133.56	43,135.90
Profit after Tax	1,144.22	950.53	1,951.99
Dividend Rate	50%	50%	50%

- 5) **Export Performance and Net Foreign Exchange.**

Foreign exchange earnings on FOB basis amounted to Rs.4659.19 Lacs as against foreign exchange outgo of Rs.1695.37 Lacs for the financial year ended 31st March, 2009.

- 6) **Foreign investments or collaborations, if any:**

The Company is listed and as on 31st March, 2009, the foreign holdings in the Company were 0.22%. There are no foreign collaborators.

II. INFORMATION ABOUT THE APPOINTEE:

- 1) **Background details :**

Shri Pawan D. Poddar, Joint Managing Director, is an Industrialist with more than 2 decades experience in the Textile Industry. He is a Promoter Director and is on the Board for more than a decade. The Company has benefited immensely from his guidance and advice during his tenure as Director of the Company.

- 2) **Past Remuneration:**

Shri Pawan D. Poddar in terms with the sanction accorded by the members at the 28th Annual General Meeting held on 16th Sept., 2006, was paid remuneration of Rs.51,16,861/- for the year ended 31st March, 2009.

- 3) **Job Profile and suitability:**

Shri Pawan D. Poddar has rich experience and knowledge in Tyre and Textile Industries and particularly in dyeing and processing of yarn. He as Joint Managing Director of the Company is responsible apart from other activities, for the operations of yarn division of the Company. He has over the years contributed significantly to the growth and profitability of the Company.

- 4) **Remuneration proposed:** As given herein above.

- 5) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

Shri Pawan D. Poddar skills and experience places him in a correspondingly equal level to similar managerial personnel in the Textile Industry. Considering the general

industry and the specific company profile, the proposed remuneration is in line with the industry levels and that of comparable textile companies in India.

- 6) **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:**

Shri Pawan D. Poddar is a Promoter Director of the Company. He is related to Shri Dharaprasad R. Poddar, Chairman, Shri Ramesh D. Poddar, Vice Chairman and Managing Director and Shri Shrikishan D. Poddar, Executive Director of the Company.

III. OTHER INFORMATION:

Reasons for loss or inadequate profits, steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms.

The Company is operating in the Textile Industry which is known to be highly competitive, characterised by continuously changing taste and technology and with low margins. However, the Company has more than a decade of continuous profit and dividend payment track record and since its inception has never incurred losses. Even during the current recession the Company has registered not only growth in turnover but also higher profitability. The Company has taken appropriate steps to ensure profitability in future.

The remuneration payable to Shri Pawan D. Poddar, Joint Managing Director is within the limits of Part II of Schedule XIII of the Companies Act, 1956 and this is only an enabling disclosure for payment of remuneration.

The shareholders are also requested to refer to the Directors' Report and Financial Statements, which forms part of the Annual Report for the year 2008-09, which is sent with this notice, for a detailed analysis on the performance and future outlook of the Company.

IV. DISCLOSURES

The proposed remuneration package of Shri Pawan D. Poddar, Joint Managing Director is detailed in the resolution. The Corporate Governance Report which forms part of the Directors' Report contains details of remuneration paid to all Directors of the Company.

The above may also be treated as an abstract of the terms of appointment of Shri Pawan D. Poddar under section 302 of the Companies Act, 1956.

Shri Dharaprasad R. Poddar, Chairman, Shri Ramesh D. Poddar, Vice Chairman and Managing Director, Shri Shrikishan D. Poddar, Executive Director being related to Shri Pawan D. Poddar may be deemed to be concerned or interested in this resolution.

None of the other Directors of the Company are interested or concerned in the resolution.

Your Directors recommend the resolution for your approval.

Item No.10.

The Board of Directors at their meeting held on 30th January, 2009 had appointed Shri Abhishek S. Poddar, a relative of Shri Shrikishan

Poddar, Executive Director, Shri Dharaprasad R. Poddar, Chairman, Shri Ramesh D. Poddar, Vice Chairman and Managing Director and Shri Pawan D. Poddar, Joint Managing Director, to hold office or place of profit as an Executive of the Company w.e.f. 1st February, 2009 subject to approval of the members, on the following remuneration and perquisites

- Basic Salary of Rs.30,000/- (Rupees Thirty Thousand Only) per month in the scale of Rs. 30,000 – 2000 – 34,000.
- House rent allowance of Rs.3,000/- (Rupees Three Thousand Only) at the rate of 10% on the Basic Salary.
- Reimbursement of Medical Expenses to the extent of Rs.1,250/-p.m. (Rupees One Thousand Two Hundred Fifty Only) per month.
- In addition, he will also be entitled to Provident Fund, Bonus, Leave, Gratuity, Leave Travel Concession and other perquisites as applicable to other Executives of the Company in the cadre.

Shri Abhishek Poddar being a relative of a Director, his appointment requires approval of the members pursuant to the provisions of Section 314 of the Companies Act, 1956. Accordingly special resolution at item no 10 is placed for approval of the members.

None of the Directors except Shri Dharaprasad Poddar, Shri Pawan Poddar, Shri Ramesh Poddar and Shri Shrikishan Poddar are concerned or interested in this resolution.

Your Directors recommend the resolution for your approval.

By Order of the Board

(William V. Fernandes)

Company Secretary

Place: Mumbai

Date : 27th June, 2009.

Annexure to Items 3, 4, 5, 7 & 8 of the Notice

Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting on 12th September, 2009 (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, 2009
Shri Shailesh S. Vaidya	03.11.1957	31.10.2005	B.Com., LLB.	Legal	1. Dwarkesh Sugar Industries Limited. 2. Prabhukripa Overseas Ltd. 3. Suashish Diamonds Limited 4. C. Mahendra Exports Limited. 5. Welspun Power and Steel Limited 6. Allied Digital Services Limited 7. Orbit Corporation Limited. 8. Avighna India Limited 9. Gold Crest Finance (India) Limited
Shri Brijmohan L. Sarda	09.04.1949	23.06.2001	B.Com, FCA	Accounts, Finance and Taxation	N.A.
Shri Ketan P. Gupte	20.07.1941	28.01.2004	B.Com(H),CAIIB, PGDB, PGDBA	Banking and Business Administration	N.A.
Shri Dileep H. Shinde	23.09.1950	30.01.2009	Bachelor of Textile Engg., PGDM	Project Finance and Investment Banking	1. Ankur Drugs & Pharma Ltd.
Shri Pramod S. Jalan	15.02.1954	30.01.2009	B. Com, FCA	Accounts and Finance	N.A.

SIYARAM SILK MILLS LIMITED

**DIRECTORS' REPORT**

To the Members,

Your Directors have pleasure in presenting the 31st Annual Report along with Audited Statement of Accounts for the year ended 31st March, 2009.

Financial Results:

	(Rupees in Crores)	
	2008-09	2007-08
Net Turnover and other Income	537.27	493.59
Profit before Depreciation and Tax	33.82	28.80
Less: Depreciation	19.18	16.55
Profit before Tax	14.64	12.25
Less: Provision for Taxation		
Current Tax	2.20	0.71
Deferred Tax	0.50	1.51
Fringe Benefit tax	0.50	0.52
	3.20	2.74
Profit after Tax	11.44	9.51
Add: Adjustments relating to earlier year	-	(0.20)
	11.44	9.31
Add: Surplus brought forward from previous year	4.87	5.04
Surplus available for appropriation	16.31	14.35
Less: Transfer to General Reserve	5.00	4.00
Proposed Dividend	4.68	4.68
Tax on Dividend	0.80	0.80
	10.48	9.48
Balance Carried Forward to Balance Sheet	5.83	4.87

Operations:

During the year under review, the turnover of your Company was Rs.537.27 crores against Rs.493.59 crores in the previous year, registering a growth of 8.85%. The net profit after tax was at Rs.11.44 crores against Rs.9.51 crores in the previous year, registering a growth of 20.29%. Despite the recession, your Company registered good growth both in its top as well as bottom line.

In the year under review, your Company has followed a cautious approach and concentrated on consolidation of the capacities. Investments were done mainly in increasing efficiencies, in removing imbalances and in ancillary equipments, with a view to control costs, improve quality and augment productivity.

Dividend:

Your Directors are pleased to recommend a Dividend of 50% for the year i.e. Rs. 5/- per Equity Share, with a total outlay of Rs.5.48 crores including Tax on Dividend.

Management Discussion and Analysis:

The year under review offered a mixed bag scenario for the textile industry. The major part of the year was marked by weakening of market sentiments, contraction in demand, credit squeeze and policy measures to control overheating of the economy. The latter part was more characterised by stable rural demand, surplus liquidity and easing of interest rates, Central Government announcing fiscal package to boost the economy and sentiments echoing prospects of moderate growth. A combined effect of these variables created a mixed impact in the macro-economic scenario.

Your Company, however, has been successful in mitigating the impact of negative variables and exploiting the positive ones to its advantage. Growth in Domestic sales has been at 9% and in Export sales at 23% - a commendable performance in difficult times.

Your Company was also able to improve its product portfolio, reduce its investments in inventories, rationalise the amounts locked up in Debtors, prune unproductive costs and decrease borrowings. This enabled it to increase the bottomline despite increase in major costs.

Future Outlook:

Your Company expects good growth throughout the year 2009 -10. Expectation of global markets returning to growth trajectory, likely improvement in domestic demand, the probable boost various sectors may get from the fiscal stimulus package, expectation of normal monsoon etc., are all positive variables that may significantly contribute to the growth of the economy. At the same time, slower than expected recovery of the World economy, larger fiscal/revenue deficit in India, rising fuel prices and its impact on input costs etc., are the factors that may adversely affect the growth story.

Your Company, however, is poised well to deal with the situation that may arise. Strong presence in the domestic market, well-established brands, resilient distribution network, lesser dependence on overseas market, steps taken by the Company to counter the effects of recession all may augur well for the future growth of the Company. Considering the macro and micro economic fundamentals, your Company expects a modest to good growth in the current financial year.

Subsidiary Companies:

During the year under review the Company has disinvested its investment in its two 100% Subsidiaries, namely Siyaram Polycote Limited and Oxemberg Clothing Limited. As on date the Company has no subsidiaries.

Directors:

Shri Shailesh Vaidya, Shri Brijmohan L. Sarda and Shri Ketan P. Gupte, 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 Dileep H. Shinde and Shri Pramod S. Jalan were appointed as Additional Directors of the Company w.e.f. 30th January, 2009 and holds office till the date of ensuing Annual General Meeting. Notice under section 257 of the Companies Act, 1956, has been received from member(s) proposing them as Directors of the Company. Necessary resolution has been put up in the Notice to the ensuing Annual General Meeting. Your Directors commend the resolutions.

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, 2009.

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 2009, 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.

Industrial Relations:

Industrial relations with staff and workmen during the year under review continued to be cordial.

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 and 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 and Associates, Cost Accountants, Mumbai have been appointed to conduct cost audit relating to the products manufactured by the Company.

Other Matters:

Murbad Unit: Manufacturing activities have been shifted to Tarapur. Negotiations for disposing of Land and Building is in progress.

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, banks and shareholders. 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 : 27th June, 2009.