

28th Annual Report, 2010-11
Satyam Silk Mills Ltd.

BOARD OF DIRECTORS

Ms. Rina Jain
Mr. K.K. Chitlangia
Mr. Raj Kumar Sarawgi

REGISTERED & HEAD OFFICE :

82, Maker Chambers III,
Nariman Point,
Mumbai - 400 021.

AUDITORS

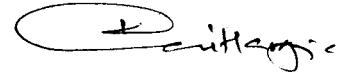
H.H. Bandukwala & Co.
Chartered Accountants

Notice

NOTICE is hereby given that 28th Annual General Meeting of the members of the Company will be held on Tuesday, July 12, 2011 at 11.30 a.m. at 82, Maker Chambers III, Nariman Point Mumbai 400 021 to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date together with the reports of Directors' and Auditors thereon.
2. To appoint a Director in place of Mr. K.K. Chitlangia, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors to hold the office from the conclusive of this Annual General Meeting till the conclusion of the next Annual General Meeting.

For and on behalf of the Board



Mumbai

Dated : 20-05-2011

Director

NOTES :

- a A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member.
- b The Register of Members and the Share Transfer books of the Company will remain closed from 5th July 2011 to 12th July 2011 (both days inclusive).

Directors have pleasure in presenting the 28th Annual Report of your company together with the audited financial results for the year ended 31st March, 11.

FINANCIAL RESULTS

(Rupees in lacs)

	YEAR ENDED 31-03-11	YEAR ENDED 31-03-10
Total Income	1.90	33.48
Total Expenditure	0.60	0.91
PROFIT BEFORE DEPRECIATION	1.30	32.57
Depreciation	0.02	0.02
PROFIT BEFORE TAX	1.28	32.55
Provision for taxation	0.02	4.39
Taxes of earlier year	-	0.03
SURPLUS CARRIED TO BALANCE SHEET	1.26	28.13

Barring unforeseen contingencies the performance of the Company in the year 2011-12 is expected to be satisfactory.

DIVIDEND

In order to conserve the resource for business development, the Board of Directors regret their inability to recommend dividend for the year 2010-11.

DIRECTORS

Mr. K.K. Chitlangia retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

FIXED DEPOSITS

The Company has not accepted fixed deposits from the public during the period under consideration.

PARTICULARS OF EMPLOYEES

During the year under report, the Company has not employed any employee whose particulars are required to be disclosed in this report pursuant to section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

AUDITORS

Statutory Auditors Messrs H.H. Bandukwala & Co. retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

COMPLIANCE

Pursuant to Section 383(A)(1) of the Companies Act, 1956, Compliance Certificate from Company Secretary in Whole time practice is attached to this report.

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

During the year under review, the Company had not carried out any activity, the particulars in respect of which are required to be disclosed in this report pursuant to section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm:

- That in the preparation of the annual accounts, the applicable accounting standards has been followed alongwith proper explanation relating to material departure.
- That the directors have selected such accounting policies and applied them consistently and made judgements & estimates that are reasonable and prudent, so as to give a true and fair

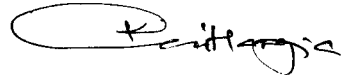
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view of the state of affairs of the Company as on 31-03-11 and of the profit of the Company for that year.

- (c) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (d) That the directors have prepared the annual accounts on a going concern basis.

Mumbai
Dated : 20-05-2011

For & on behalf of the Board of Directors


Director

RJ 
Director

Aqueel A. Mulla
B.Com., L.L.M., F.C.S., A.C.I.S (U.K.), D.I.T.

A. A. MULLA & ASSOCIATES
Company Secretaries

3rd Floor, New Hari Leela House, 34/38, Mint Road, OPP. G.P.O. Mumbai-400 001.
Tel (O) 022-22644435 Fax: 022-22644434 Email: aqueelmulla@gmail.com

L17110MH2004PTC030725
Registration No.11-030725
Nominal Capital: Rs.1,00,00,000/-

SECRETARIAL COMPLIANCE CERTIFICATE

To,
The Members,
M/s. SATYAM SILK MILLS LIMITED
82, Maker Chambers III Nariman Point, Mumbai-400 021.

I have examined the registers, records, books and papers of **M/s. SATYAM SILK MILLS LIMITED**, as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended 31st March, 2011 (financial year). In my opinion and to the best of my information and according to the examination carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Register of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the act and the rules made thereunder.
3. The Company being a public limited Company, comments are not required.
4. The Board of Directors duly met 10 times on 08/04/2010, 28/05/2010, 08/07/2010, 30/07/2010, 10/08/2010, 01/10/2010, 29/10/2010, 02/11/2010, 05/01/2011 and 29/01/2011 in respect of which meetings proper notices were given and the proceeding were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.

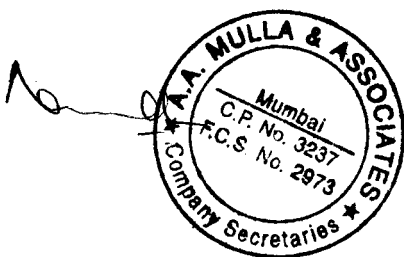
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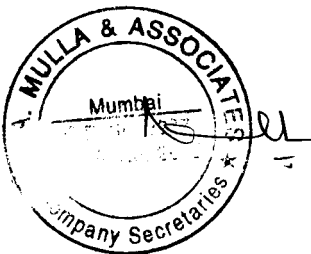
5. The Company has closed its Register of Members and Transfer Books from 05/08/2010 to 12/08/2010 and has given intimation to the Stock Exchange as per listing agreement.
6. The annual general meeting for the financial year ended on 31st March, 2010 was held on 12/08/2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting (s). Was/were held during the financial year.
8. The Company has not advanced any loan to its Directors or persons or firms or companies referred to in section 295 of the Act.
9. The Company has not entered into any contract falling within the purview of section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under Section 301 of the Act.
11. There were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government, as the case may be.
12. The Company has not issued any duplicate certificate during the financial year.
13.
 - a) There was no allotment /transfer/transmission of securities during the financial year etc. in accordance with the provisions of the Act.
 - b) The company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - c) The company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.

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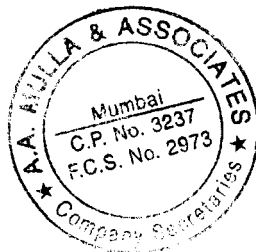
- d) The Company has not declared any dividend and there were no deposit matured, or matured debentures and the interest accrued thereon etc. the provision of transfer of unclaimed or unpaid Accounts to the Investors Education and Protection Fund does not apply to the Company.
- e) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional Directors, alternate Director and Directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
16. The Company has not appointed any sole selling agent during the financial year.
17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar of Companies or such other authorities as prescribed under various provision of the Act.
18. The Directors have disclosed their interest in the firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares/debentures/other securities during the financial year
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transaction necessitating the Company to keep in abeyance the right to dividend, right shares and bonus shares pending registration of the shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the provisions of Section 58A during the financial year.

Contd...4/-




24. The Company has not made any borrowing during the financial year ended 31st March, 2011.
25. The Company has not made any loan or advances or given guarantee or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum of Association with respect to the situation of the Registered Office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the object of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum of Association with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum of Association with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There were no prosecution(s) initiated against or show cause notices received by the Company, during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted Provident Fund pursuant to Section 418 of the Act, during the financial year.

**For A.A. MULLA & ASSOCIATES
Company Secretaries**



**Place : Mumbai
Dated : 20th May, 2011**


**(AQUEEL A. MULLA)
Proprietor
C.P. No.3237
FCS NO. 2973**

ANNEXURE 'A'
M/s. SATYAM SILK MILLS LIMITED

Statutory Registers

1. Register of Member U/s 150
2. Register of Directors, Managing Director, Manager and Secretary U/s 303
3. Register of Directors shareholdings U/s 307
4. Minutes Book of all Board Meetings and general Meetings U/s 193 of the Act


Other Registers

1. Register of Transfer

For A.A. MULLA & ASSOCIATES
Company Secretaries



Place : Mumbai
Dated : 20th May, 2011


(AQUEEL A. MULLA) -
Proprietor
C.P. No.3237
FCS NO. 2973

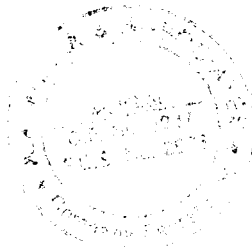
ANNEXURE 'B'
M/s. SATYAM SILK MILLS LIMITED

1. Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the Financial Year 31st March, 2011


Sr No.	Form No.	Filed U/Section	For	Dt of Filing	Whether filed on time Yes/No.	If delay in filing whether requisite additional fee paid Yes/ No.
1	Balance Sheet Form No. 23AC/ACA	220	Annual requirement for the year ended 31 st March, 2010	14/08/2010	Yes	N A
2	Annual return Form No. 20B	159	Annual requirement for the year ended 31 st March, 2010	29/09/2010	Yes	N A
3	Form No.66	383A	Secretarial Compliance certificate for the year ended 31 st March, 2010	14/08/2010	Yes	N A

2. Regional Director- Nil
3. Central Government- Nil
4. Other Authorities- Nil

For A.A. MULLA & ASSOCIATES
Company Secretaries



Place : Mumbai
Dated : 20th May, 2011


(AQUEEL A. MULLA)
Proprietor
C.P. No.3237
FCS NO. 2973

C.A. Hatim Bandukwala, B. Com. (Hons.) F.C.A., A.C.S.

C.A. Nafisa Dalal, B. Com., F.C.A.

2nd Floor, 6, Topiwala Manzil,

91, Abdul Rehman Street,

Mumbai 400 003.

E-mail : hmbandukwala@gmail.com

AUDITORS' REPORT

TO THE MEMBERS OF SATYAM SILK MILLS LIMITED

1. We have audited the attached Balance Sheet of Satyam Silk Mills Limited as at 31st March 2011 and Profit and Loss Account of the Company for the year ended on that date which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order to the extent applicable to the Company.
4. Further to our comment in the Annexure referred to in Paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (ii) In our opinion, the company has kept proper books of accounts as required by law so far as it appears from our examination of those books.
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of the written representations received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon and attached thereto give the information required by the Companies Act, 1956 in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2011 and
 - (b) in the case of Profit and Loss Account, of the profit for the year ended on that date.
 - (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Mumbai.
Dated: 20-05-2011



For H.H. Bandukwala & Co.
Chartered Accountants
FRN - 100965W

H.H. Bandukwala
Partner
M. No. 016940

Annexure To Auditors' Report

Annexure referred to in Paragraph 3 of our report of even date.

In our opinion and according to the information and explanations given to us and on the basis of relevant records and documents produced for our verification, we report that :

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The management has, at reasonable intervals, physically verified fixed assets and no material discrepancies between physical inventories and book records were noticed.
(c) The Company has not sold / disposed off any significant portion of fixed assets during the year.
2. The company has neither granted nor taken any loans, secured or unsecured to / from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
3. The company has not granted loans to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. There are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. (a) The transactions to be entered into register maintained in pursuance of section 301 of the Companies Act, 1956 have been so entered.
(b) There are no transactions of purchase and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rupees Five Lacs or more in respect of each party.
6. The company has not accepted any deposits from the public during the year.
7. The Company does not have formal internal audit system.
8. (a) The Company has been generally regular in depositing undisputed statutory dues including income tax and other statutory dues applicable to it with the appropriate authorities during the year.
(b) No undisputed amounts payable in respect of income tax, sales tax, wealth tax, custom duty, excise duty and cess were in arrears, as on 31st March, 2011 for a period of more than six months from the date they became payable.
(c) There are no dues of income tax, sales tax, wealth tax, custom duty, excise duty and cess, which have not been deposited on account of any dispute.
9. The Company does not have any accumulated losses at the end of the year. The Company has not incurred cash losses during the current and the immediately preceding financial year.
10. The Company has neither taken any loans from banks or financial institution nor issued any debentures No loans or advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
11. The Company is not a chit fund or a nidhi / mutual benefit fund / society. The provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are therefore not applicable to the Company.

12. In respect of its investments in shares, securities and other investments ;
 - (a) The Company has maintained proper records of transactions and contracts in respect of its dealing in shares, securities, debentures and other investments.
 - (b) The aforesaid securities have been held by the Company in its own name
13. The Company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
14. The Company has not taken any term loan from the banks and financial institutions during the year.
15. On an overall examination of the Balance Sheet of the Company, funds raised on short term basis have not *prima facie*, been used during the year for long term investments and vice versa.
16. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
17. No fraud on or by the Company has been noticed or reported during the year.

Mumbai.
Dated: 20-05-2011



For H.H. Bandukwala & Co.
Chartered Accountants
FRN - 100965W

H.H. Bandukwala
Partner
M. No. 016940

Satyam Silk Mills Ltd.

Balance Sheet as at 31st March, 2011.

(Amount in Rupees)

SOURCES OF FUNDS

Share Capital
Reserves & Surplus

APPLICATION OF FUNDS

Fixed Assets
(a) Gross Block
(b) Depreciation
(c) Net Block [(a)-(b)]
Investments
(a) Current Assets, Loans & Advances
(b) Current Liabilities & Provisions
(c) Net Current Assets [(a)-(b)]

SCH	AS AT 31-03-11	AS AT 31-03-10
A	7,350,000	7,350,000
B	23,610,780	23,484,953
	30,960,780	30,834,953
C		
	105,553	105,553
	75,888	74,327
	29,665	31,226
D	12,410,782	12,266,166
E	18,975,480	18,991,553
F	455,148	453,993
	18,520,332	18,537,560
	30,960,780	30,834,953
H		

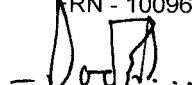
Notes on Accounts

The schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date

For H.H. Bandukwala & Co.

Chartered Accountants.

FRN - 100965W


H.H. Bandukwala
Partner.

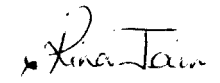
M. No. 016940



For and on behalf of
the Board of Directors



(Director)

AJ 
(Director)

Mumbai

Dated : 20-05-2011

Satyam Silk Mills Ltd.
Profit and Loss Account for the year ended 31st March, 2011

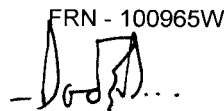
(Amount in Rupees)

	YEAR ENDED 31-03-11	YEAR ENDED 31-03-10
INCOME		
Dividend	125,019	424,519
Profit on Sale of Investments	64,616	2,923,335
	189,635	3,347,854
EXPENDITURE		
Administrative & Other Expenses	59,787	90,902
PROFIT BEFORE DEPRECIATION	129,848	3,256,952
Depreciation	1,561	1,643
PROFIT BEFORE TAX	128,287	3,255,309
Provision for taxation	2,460	438,900
PROFIT AFTER TAX	125,827	2,816,409
Taxes of earlier years	-	(3,071)
SURPLUS CARRIED TO BALANCE SHEET	125,827	2,813,338

The schedules referred to above form an integral part of the Profit & Loss Account.

As per our report of even date

For H.H. Bandukwala & Co.
Chartered Accountants.

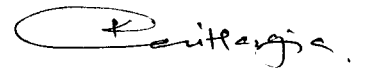
FRN - 100965W


H.H. Bandukwala
Partner.

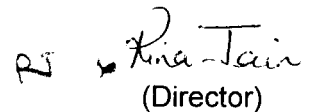
M. No. 016940



For and on behalf of
the Board of Directors



(Director)


(Director)

Mumbai

Dated : 20-05-2011

Schedules forming part of the Balance Sheet & Profit & Loss Accounts

(Amount in Rupees)

	31-03-11	31-03-10
SCHEDULE - A - SHARE CAPITAL		
AUTHORISED :		
8,00,000 (8,00,000) Equity Shares of Rs. 10 each	8,000,000	8,000,000
20,000 (20,000) 1% Non-Cumulative Redeemable Preference Shares of Rs. 100 each	2,000,000	2,000,000
	10,000,000	10,000,000
ISSUED, SUBSCRIBED & PAID UP :		
7,35,000 (7,35,000) Equity Shares of Rs. 10 each fully paid up	7,350,000	7,350,000
SCHEDULE - B - RESERVES & SURPLUS		
CAPITAL REDEMPTION RESERVE		
Balance as on 01-04-10	[A] 2,000,000	2,000,000
PROFIT & LOSS ACCOUNT		
Balance as on 01-04-10	21,484,953	18,671,614
Add : Profit for the year	125,827	2,813,338
	[B] 21,610,780	21,484,953
	[A]+[B] 23,610,780	23,484,953
SCHEDULE - C - FIXED ASSETS		
RESIDENTIAL FLAT		
(A) GROSS BLOCK	105,553	105,553
(B) DEPRECIATION		
Balance as on 01-04-10	74,327	72,684
For the year	1,561	1,643
Balance as on 31-03-11	75,888	74,327
(C) NET BLOCK	29,665	31,226
SCHEDULE - D - INVESTMENTS		
LONG TERM, QUOTED, NON-TRADE, VALUED AT COST		
In Equity Shares of Rs. 2 each - Fully paid up		
1,24,995 (Nil) - Dalmia Bharat Enterprises Ltd.	6,938,027	-
1,24,995 (Nil) - Dalmia Bharat Sugar & Industries Ltd.	3,190,479	-
Nil (124,995) - Dalmia Cement Bharat Ltd.	-	10,128,506
In Equity Shares of Rs. 10 each - Fully paid up		
50,000 (50,000) - Maestros Mediline Systems Ltd.	600,000	600,000
Note : Mkt. value of Quoted Shares - Rs. 283.95 lacs (401.75 Lacs)		
LONG TERM, UNQUOTED, NON-TRADE, VALUED AT COST		
In Fully paid OCPS of Re. 1 each		
1,500 (Nil) - Dhruvam Realors Pvt. Ltd.	1,500,000	-
c/f...	12,228,506	10,728,506

Schedules forming part of the Balance Sheet & Profit & Loss Accounts

(Amount in Rupees)

SCHEDULE - D - INVESTMENTS (Contd...)

In Units of Rs. 100 each fully paid up

807.846 (6,937.562) - ICICI Prudential Liquid Plan

	31-03-11	31-03-10
b/f...	12,228,506	10,728,506
	182,276	1,537,660
	12,410,782	12,266,166
SCHEDULE - E - CURRENT ASSETS, LOANS & ADVANCES		
[A] CURRENT ASSETS		
Cash and Bank Balances		
Cash on hand	273	393
Balance with Scheduled Bank in Current Accounts	23,230	41,861
[A]	23,503	42,254
[B] LOANS & ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or kind	18,511,977	18,509,299
Advance Income Tax & TDS	440,000	440,000
[B]	18,951,977	18,949,299
[A]+[B]	18,975,480	18,991,553
SCHEDULE - F - CURRENT LIABILITIES & PROVISIONS		
[A] CURRENT LIABILITIES		
Sundry Creditors	13,788	15,093
[A]		
[B] PROVISIONS		
Income Tax	441,360	438,900
[B]		
[A]+[B]	455,148	453,993
SCHEDULE - G - ADMINISTRATIVE & OTHER EXPENSES		
Repair & Maintenance	2,752	15,370
Filing & Listing Fees	22,310	22,771
Securities Transaction Tax	-	6,061
Profession Tax	2,500	2,500
Legal & Professional Charges	6,250	18,750
Payment to Auditors :		
- Audit Fees	13,788	13,788
- Certification	9,927	9,927
Bank Charges	1,260	1,680
General Expenses	1,000	55
	59,787	90,902

Schedule forming part of the Balance Sheet and Profit and Loss Account

SCHEDULE - H - NOTES ON ACCOUNTS

1. Significant Accounting Policies

- (a) Basis of Preparation of Financial Statements - The financial statements have been prepared under the historical cost convention, in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 as adopted consistently by the company.
- (b) Fixed Assets - Fixed assets are stated at cost of acquisition or construction including incidental expenses related to the acquisition or construction of the asset and the same are shown net of accumulated depreciation.
- (c) Depreciation - Depreciation on fixed assets used for the purpose of business is provided on written down value basis as per the provisions of the Income Tax Act, 1961.
- (d) Investments - Long Term Investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of investments.
- (e) Revenue & Expenditure - All income and expenditure having a material bearing on the financial statements are recognised on accrual basis.

2. As the Company does not have distinguishable business segments, the requirement to give segment reporting as per Accounting Standard (AS 17) on Segment Reporting issued by the Institute of Chartered Accountants of India is not applicable.

3. Related Party Disclosures :

Related party - Key Management Personnel - Rina Jain

Transactions with related parties

(Rupees in lacs)

	F.Y. 2010-11	F.Y. 2009-10
Finance		
Unsecured Loan repaid	-	118.00

Note : Related party relationship is as identified by the management.

4. Deferred Tax asset as on 31-03-11 is Rs. 35,504 on account of unabsorbed losses. However, no deferred tax asset has been considered in the books of accounts since the Company does not expect profits in the near future.
5. On sale of long term investments, cost of investments sold are credited to Investment account instead of Weighted Average Cost as recommended in Accounting Standard (AS 13) issued by the Institute of Chartered Accountants of India.
6. Balance of debtors, creditors and other advances are subject to confirmation. However, in the opinion of the Board, Current Assets, Loans and Advances have value which on realisation, in the ordinary course of business would atleast be equal to the amount at which they are stated.
7. Earning Per Share (EPS) as per Accounting Standard - 20

(Rupees in lacs)

	F.Y. 2010-11	F.Y. 2009-10
Profit after tax	1.26	28.13
Number of Equity Shares	735,000	735,000
Face Value of Equity Share (Rs.)	10	10
Basic and diluted (Rs.)	0.17	3.83

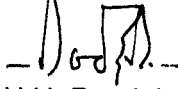
Schedule forming part of the Balance Sheet and Profit and Loss Account

SCHEDULE - I - NOTES ON ACCOUNTS (Contd...)

8. Previous year's figures have been regrouped wherever necessary.

For H.H. Bandukwala & Co.
Chartered Accountants.

FRN - 100965W



H.H. Bandukwala
Partner.

M. No. 016940



Mumbai

Dated : 20-05-2011

For and on behalf of
the Board of Directors



(Director)

PS 
(Director)

Satyam Silk Mills Ltd.

Cash Flow statement

(Amount in Rupees)

CASH FLOW FROM OPERATING ACTIVITIES:

Net Profit after tax as per Profit & Loss A/c
 Adjustments : (+) Depreciation
 (-) Dividend
 (-) Profit on sale of investments

Trade & Other Receivables
 Trade Payables & Other Liabilities

Net cash from operating activities

CASH FLOW FROM INVESTING ACTIVITIES

Investments
 Profit on sale of Investments
 Dividend

Net cash in investing activities

NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS

CASH & CASH EQUIVALENTS

At the start of the year
 At the close of the year

NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS

YEAR ENDED 31-03-11	YEAR ENDED 31-03-10
125,827	2,813,338
1,561	1,643
(125,019)	(424,519)
(64,616)	(2,923,335)
(62,247)	(532,873)
(2,678)	7,459,491
1,155	(11,359,822)
(A) (63,770)	(4,433,204)
(144,616)	1,110,026
64,616	2,923,335
125,019	424,519
(B) 45,019	4,457,880
(18,751)	24,676
42,254	17,579
23,503	42,254
(18,751)	24,676

[Signature]

(Director)

[Signature]

(Director)

AUDITOR'S CERTIFICATE

We have verified the attached Cash Flow Statement of Satyam Silk Mills Ltd. derived from Audited Financial statements and the books and records maintained by the Company for the year ended on 31st March, 2011 and found the same in agreement therewith.

For H. H. Bandukwala & Co.
 Chartered Accountants



FRN - 100965W

[Signature]

H. H. Bandukwala
 Partner

Mumbai.

Dated : 20-05-2011

M.No. 016940