

# Subhash Silk Mills Ltd.

Regd. Office: G-15, Ground Floor, Prem Kutir, 177 Marine Drive, Mumbai 400020  
Admin Office: 89, Gautam Complex, Sector 11, CBD Belapur, Navi Mumbai 400614  
CIN : L17106MH1970PLC014868

(T) 022-40619000 (F) 022-22825309 (E) cs@subhashsilk Mills.com (W) www.subhashsilk Mills.com

Date: September 9, 2019

To,  
Listing Department,  
**BSE Limited,**  
Stock Exchange Building,  
2<sup>nd</sup> Floor, Dalal Street,  
Fort, Mumbai 400023

**Ref.: Company Code No. 530231**

**Sub.: Submission of 49<sup>th</sup> Annual Report as per Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 for the Financial Year 2018-19**

With reference to the captioned matter, kindly find enclosed herewith 49<sup>th</sup> Annual Report in terms of Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 for the Financial Year 2018-19.

Kindly acknowledge receipt of the same.

Thanking you,

**Yours Faithfully,**

**For Subhash Silk Mills Ltd.,**



**Dhiraj Mehra**

**Managing Director & CCO**

**DIN: 01409010**

Encl.: As stated above.



**SUBHASH SILK MILLS LIMITED**

**49TH  
ANNUAL REPORT  
2018-2019**

**BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**Name of Directors & KMP with DIN/PAN & Designation**

Mr. Sumeet S. Mehra	(00342934)	Chairman
Mr. Dhiraj S. Mehra	(01409010)	Managing Director
Mr. Lav Kumar Vadehra	(01936360)	Director
Mr. Radhe Mohan Malhotra	(01874316)	Director
Mr. Anant Singhanian	(00019992)	Director
Mrs. Nameeta S. Mehra	(01874270)	Director
Mrs. Priyanka Mankame	(APNPM7168P)	Chief Financial Officer
Ms. Paridhi Somani	(CJUPS6721H)	Company Secretary

**AUDITORS:**

M/s. Govind Prasad &amp; Co.

**BANKERS:**

Axis Bank  
State Bank of India  
Citibank N.A.

**REGISTERED OFFICE & CONTACT DETAILS:**

G-15, Ground Floor, Prem Kutir,  
177 Marine Drive, Mumbai 400020  
Contact No.: 022-40619000  
Email Id: cs@subhashsilk Mills.com  
Website: www.subhashsilk Mills.com

**REGISTRAR & TRANSFER AGENT:**

M/s. Purva Shareregistry (India) Pvt. Ltd.  
Shiv Shakti Industrial Estate, 9, Sitaram Mills  
Compound, J.R. Boricha Marg, Lower Parel,  
Mumbai - 400011

**Important Communication to Members**

The Ministry of Corporate Affairs has now permitted companies to send various notices / documents under the Companies Act, 2013, to its shareholders, through electronic mode. We request the Members to support this initiative and register their E-mail addresses in respect of the shares held in the Company with the M/s. Purva Shareregistry (India) Pvt. Ltd. (RTA). Please quote the following particulars in the E-Mail Registration Request: Folio No. / DP ID-Client ID, PAN, Name(s) of Registered Holder(s), Address, Telephone and E-mail Address (to be registered for sending future communications through E-Mail) and send the same under your signature(s).

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**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE **FORTY NINTH ANNUAL GENERAL MEETING** OF THE MEMBERS OF **SUBHASH SILK MILLS LIMITED** (CIN: L17106MH1970PLC014868) WILL BE HELD AT THE **INDIAN MERCHANTS CHAMBER, ASHOK BIRLA BOARD ROOM, 3<sup>RD</sup> FLOOR, CHURCHGATE, MUMBAI - 400020** ON **MONDAY, SEPTEMBER 30, 2019 AT 11:30 AM** TO TRANSACT THE FOLLOWING BUSINESS:

**ORDINARY BUSINESS:**

- 1. Adoption of Financial Statements:** To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended **March 31, 2019** and the Reports of the Board of Directors and Auditors thereon.
- 2. Appointment of Mr. Sumeet Mehra (DIN 00342934) as a Director liable to retire by rotation:** To appoint a Director in place of **Mr. Sumeet Mehra** (DIN 00342934), who retires by rotation and, being eligible, offers himself for re-appointment. The shareholders are requested to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
“**RESOLVED THAT** pursuant to the provisions of Articles of Association and Section 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the approval of the members of the Company be and is hereby accorded to the re-appointment of **Mr. Sumeet Mehra** (DIN 00342934), as Director, to the extent that he is eligible to retire by rotation.”
- 3. Appointment of Statutory Auditors:** To appoint the Statutory Auditors of the Company and to fix their remuneration and to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
“**RESOLVED THAT** pursuant to the provision of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time and pursuant to recommendations of Audit Committee and of Board of Directors, **M/s. Govind Prasad & Co.**, Chartered Accountants, Mumbai (Firm Registration No. **114360W**) be and are hereby appointed as the Statutory Auditors of the Company to hold office for FY 2019-20 (i.e. for one financial year under casual vacancy) from the conclusion of this Annual General Meeting up to the conclusion of the Fiftieth (50<sup>th</sup>) Annual General Meeting of the Company, on remuneration to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company.”

“**RESOLVED FURTHER THAT** Mr. Dhiraj Mehra, Managing Director of the Company and/or Mr. Sumeet Mehra, Chairman and Director of the Company be and are hereby severally authorised to file necessary e-form with Ministry of Corporate Affairs including issuance of appointment letter to the Auditors and to do all such acts, deeds, things necessary or incidental to give effect to this resolution.”

**SPECIAL BUSINESS:**

- 4. Re-Appointment of Mr. Lav Kumar Vadehra (DIN 01936360) as Independent Director in the Company for the second term 5 years :** To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution**:

“**RESOLVED THAT** pursuant to provision of Section 149, 152, 160 of the Companies Act 2013 and rules made thereunder along with such other provisions of the Act as may be applicable, Mr. Lav Kumar Vadehra (DIN 01936360) be and is hereby re-appointed as Independent Director of the Company with effect from the date of this meeting upto up to the 54<sup>th</sup> Annual General Meeting of the Company in the calendar year 2024.”

**“RESOLVED FURTHER THAT** Mr. Dhiraj Mehra, Managing Director of the Company, Mr. Sumeet Mehra, Chairman and Director of the Company and/or Ms. Paridhi Somani, Company Secretary of the Company be and are hereby severally authorised to take all such actions and give all such directions, or do all such acts, deeds, matters and things as may be necessary in this regard and further to execute all such deeds, documents and writings etc. as may be necessary in this regard including filing of necessary e-forms with Ministry of Corporate Affairs and issuance of appointment letter.”

**5. Re-Appointment of Mr. Radhemohan Malhotra (DIN 01874316) as Independent Director in the Company for the second term 5 years:** To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution:**

**“RESOLVED THAT** pursuant to provision of Section 149, 152, 160 of the Companies Act 2013 and rules made thereunder along with such other provisions of the Act as may be applicable, **Mr. Radhemohan Malhotra (DIN 01874316)** be and is hereby re-appointed as Independent Director of the Company with effect from the date of this meeting upto up to the 54<sup>th</sup> Annual General Meeting of the Company in the calendar year 2024.”

**“RESOLVED FURTHER THAT** Mr. Dhiraj Mehra, Managing Director of the Company, Mr. Sumeet Mehra, Chairman and Director of the Company and/or Ms. Paridhi Somani, Company Secretary of the Company be and are hereby severally authorised to take all such actions and give all such directions, or do all such acts, deeds, matters and things as may be necessary in this regard and further to execute all such deeds, documents and writings etc. as may be necessary in this regard including filing of necessary e-forms with Ministry of Corporate Affairs and issuance of appointment letter.”

**6. Re-Appointment of Mr. Anant Singhania (DIN 00019992) as Independent Director in the Company for the second term 5 years:** To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution:**

**“RESOLVED THAT** pursuant to provision of Section 149, 152, 160 of the Companies Act 2013 and rules made thereunder along with such other provisions of the Act as may be applicable, **Mr. Anant Singhania (DIN 00019992)** be and is hereby re-appointed as Independent Director of the Company with effect from the date of this meeting up to the 54<sup>th</sup> Annual General Meeting of the Company in the calendar year 2024.”

**“RESOLVED FURTHER THAT** Mr. Dhiraj Mehra, Managing Director of the Company, Mr. Sumeet Mehra, Chairman and Director of the Company and/or Ms. Paridhi Somani, Company Secretary of the Company be and are hereby severally authorised to take all such actions and give all such directions, or do all such acts, deeds, matters and things as may be necessary in this regard and further to execute all such deeds, documents and writings etc. as may be necessary in this regard including filing of necessary e-forms with Ministry of Corporate Affairs and issuance of appointment letter.”

**Regd. Office:**  
G-15 Prem Kutir,  
177 Marine Drive,  
Mumbai – 400 020.  
Contact No.: 022-40619000  
Email Id: cs@subhashsilk Mills.com  
Website: www.subhashsilk Mills.com

**BY ORDER OF THE BOARD OF DIRECTORS  
For SUBHASH SILK MILLS LTD.**

**PARIDHI SOMANI**  
COMPANY SECRETARY  
Mem. No.: A45165

Place: Mumbai

Date: August 28, 2019

**NOTES**

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

2. The proxy form, in order to be effective, must be duly completed and deposited at the registered office of the Company not less than 48 hour before the commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding (50) fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.
3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of Board Resolution to the Company, authorizing their representatives to attend and vote on their behalf at the Meeting.
4. Members/proxies attending the Meeting should bring the Attendance Slip, duly filled, for handing over at the venue of the meeting. Members are requested to bring their copy of the Annual Report with them at the Annual General Meeting, as the copies of the report will not be circulated at the meeting.
5. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company at **G-15, Ground Floor, Prem Kutir, 177 Marine Drive, Mumbai 400020**, on all working days except Saturdays and Sundays during business hours up to the date of the **49<sup>th</sup> Annual General Meeting**.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act 2013, will be available for inspection by the members at the AGM.
7. **The Register of Members and the Share Transfer Registers of the Company will remain closed from Tuesday, September 24, 2019 to Saturday, September 28, 2019 (both days inclusive).**
8. Explanatory statements pursuant to section 102(1) of the Companies Act, 2013 relating to the Ordinary and Special Business to be transacted at the meeting is Annexed hereto.
9. (a) Members holding shares in physical form are requested to advise immediately change in their address, if any, quoting their folio number(s) to the Registrar & Share Transfer Agent, M/s. Purva Sharegistry (India) Pvt. Ltd.  
(b) Members holding shares in the electronic form are requested to advise immediately change in their address, if any, quoting their Client ID No., to their respective Depository Participants.
10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
11. Members desirous of getting any information in respect of accounts of the Company and proposed resolution, are requested to send their queries in writing to the Company at its registered office at least 7 days before the date of the meeting, so that the required information can be made available at the meeting.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar M/s. Purva Sharegistry (India) Pvt. Ltd.
13. The Ministry of Corporate Affairs ("Ministry"), Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. As per the Circular No. 17/2011, dated 21.04.2011 and Circular No. 18/2011, dated 29.04.2011 issued by the Ministry of Corporate Affairs, companies can now send various notice/documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors Report, Auditors Report, etc.) to their shareholders through electronic mode, to the registered email address of the shareholders.
14. With a view to using natural resources responsibly, we request shareholders to update their email address with their Depository Participants or RTA (i.e. M/s. Purva Sharegistry (India) Pvt. Ltd.) to send communications electronically.
15. The Company has already joined the Depository System and the ISIN for the equity shares of the Company is **INE690D01014**. Members holding shares in physical mode are requested to convert their holdings into Dematerialized mode.
16. Non-Resident Indian Members are requested to update M/s. Purva Sharegistry (India) Pvt. Ltd. immediately of any change in their residential status on return to India for permanent settlement.
17. **Voting through electronic means:**  
In compliance with the provisions of Section 108 of the Act read with Rule 20 of Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the SEBI

(Listing Obligations and Disclosure Requirements) Regulations 2015 including amendments thereof, the Company is pleased to provide its shareholders with the facility of “remote E-Voting” (e-voting from a place other than venue of the AGM), to enable them to cast their votes at the **49<sup>th</sup> AGM** and the business at the **49<sup>th</sup> AGM** may be transacted through such voting. The Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable all its shareholders to cast their vote electronically.

The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the **49<sup>th</sup> AGM** apart from remote e-voting. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed **Ms. Jyoti N. Kholia**, Partner at **KNK & CO. LLP**, Company Secretaries, as the scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on **Friday, September 27, 2019 at 9 a.m. and will end on Sunday, September 29, 2019 at 5:00 p.m.** During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Monday, September 23, 2019** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID :
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	For demat shareholders: Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department. For physical shareholders, please use the first two letters of your name and the 8 digits of the sequence number in the PAN field. <ul style="list-style-type: none"> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details / Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share

- your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant **SUBHASH SILK MILLS LIMITED** on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code & click on Forgot Password & enter the details as prompted by system.
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
18. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call the Registrar & Transfer Agent, Purva Sharegistry Pvt. Ltd. at +91-22-23016761 or write an email to [purvashr@mtnl.net.in](mailto:purvashr@mtnl.net.in)
19. **Ms. Jyoti N. Kholia**, Partner at **KNK & CO. LLP**, Company Secretaries, has been appointed as Scrutinizer to oversee that the e-voting process has been carried out in fair and transparent manner. The Results shall be declared on or after the Annual General Meeting of the Company. The results declared along with the scrutinizer's report shall be placed on the Company's website [www.subhashsilk Mills.com](http://www.subhashsilk Mills.com), and on the website of CDSL within two days of passing of the resolutions at the **49<sup>th</sup> AGM** of the Company and will also be communicated to stock exchange.
20. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-Voting period unlock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
21. Members may also note that the Notice of the **49<sup>th</sup> AGM** and the Company's Annual Report **2018-2019** will be available on the Company's website **[www.subhashsilk Mills.com](http://www.subhashsilk Mills.com)**. The physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at [cs@subhashsilk Mills.com](mailto:cs@subhashsilk Mills.com).
22. Additional information, pursuant to the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, in respect of the Directors seeking appointment / re-appointment at the AGM, is furnished as annexure to the Notice. The Director have furnished



consent and declaration for her re-appointment as required under the Companies Act 2013 and the Rules thereunder.

**Regd. Office:**  
 G-15 Prem Kutir,  
 177 Marine Drive,  
 Mumbai – 400 020.  
 Contact No.: 022-40619000  
 Email Id: cs@subhashsilk Mills.com  
 Website: www.subhashsilk Mills.com

**BY ORDER OF THE BOARD OF DIRECTORS  
 For SUBHASH SILK MILLS LTD.**

**PARIDHI SOMANI**  
 COMPANY SECRETARY  
 Mem. No.: A45165

Place: Mumbai  
 Date: August 28, 2019

**ANNEXURE TO ITEM 2 OF THE NOTICE**

*Additional information on Directors recommended for appointment/re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard 2 on General Meetings*

Name of the Director	<b>SUMEET MEHRA</b>
DIN	00342934
Date of Birth	September 14, 1970
Nationality	Indian
Date of Appointment on Board	August 01, 1995
Brief Profile including Qualifications	Mr. Sumeet Subhash Mehra serves as the Chief Executive Officer and President of Sparkle Clean Tech Pvt. Ltd. Over the last 17 years, Mr. Mehra has held a series of leadership roles in Subhash Silk Mills Ltd's (SSML) businesses. He served as the Chief Executive Officer of SSML since 1998. He has been the Chairman of SSML since March 2013 and has been its Executive Director since February 1, 2012. He served as an Executive Director at SSML since 1999. He serves on the board of directors for two non-profit organizations, which are devoted to advancing youth in business and addressing poverty in Mumbai. Mr. Mehra's management skills, finely honed at Harvard Business School where he attended a 3 month Management Course. He holds a Bachelor of Commerce degree in Economics and Accounting from Sydenham College along with a Business Degree from Harvard University.
Shareholding in Company	235900 shares
List of Directorships held in other Companies (Including Private Companies)	1. Subhash Fabrics Pvt Ltd 2. Excellent Holdings Pvt Ltd 3. Taranga Holdings Pvt Ltd 4. Sparkle Clean Tech Pvt Ltd 5. Aquabrane Water Technologies Pvt Ltd 6. SparkleClean-Tech Systems Pvt Ltd
Memberships / Chairmanships of Audit & Stakeholders' Relationship Committees across Public Companies	Not Applicable
Relation (related party)	Mr. Sumeet Mehra is relative of Mr. Dhiraj Mehra and Mrs. Nameeta Mehra

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**  
**Statement Pursuant to Section 102 of the Companies Act, 2013****ITEM NO. 4**

**Mr. Lav Kumar Vadehra (DIN 01936360)** was appointed as an Independent Director on the Board of the Company on September 25, 2014. Members of the Company at the 44<sup>th</sup> Annual General Meeting held on September 25, 2014 approved the appointment of **Mr. Lav Kumar Vadehra (DIN 01936360)** as an Independent Director for a period of 5 years up to conclusion of the 49<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.

As per the provisions of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment on passing of a special resolution by shareholders. Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, requires that any Non-Executive Director who has attained the age of 75 years or more cannot be appointed or continued as a Non-Executive Director in any listed company until and unless approval of Members has been obtained for the same by way of Special Resolution.

**Mr. Lav Kumar Vadehra (DIN 01936360)**, Non-Executive Director of the Company is covered under the aforesaid provision being aged more than 75 years, the Company is required to obtain approval of Members by way of special resolution for continuing his Directorship in the Company, post April 1, 2019.

The Company has received intimation in Form DIR-8 from **Mr. Lav Kumar Vadehra** that, he is not disqualified from being reappointed as an Independent Director in terms of Section 164 of the Act, declaration that he meets with the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 & Regulation 16(1)(b) of SEBI Listing Regulations and his consent to continue as an Independent Director.

The resolutions set-forth in Item No. 4 seeks the approval of members for continuance of Directorship of **Mr. Lav Kumar Vadehra**, aged about 76 years, as a Non- Executive Independent Director of the Company and for re-appointment as an Independent Director of the Company commencing from the date of 49<sup>th</sup> Annual General Meeting up to the 54<sup>th</sup> Annual General Meeting of the Company in the calendar year 2024, in terms of Section 149 and other applicable provisions of the Act and Rules made there under. He is not liable to retire by rotation.

In the opinion of the Board, **Mr. Lav Kumar Vadehra** fulfills the conditions for his re-appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations and is independent of the management. Based on the recommendations of the Nomination & Remuneration Committee and keeping in view the expertise of **Mr. Lav Kumar Vadehra**, the Board of Directors at its meeting held on August 13, 2019 approved the continuance of office of **Mr. Lav Kumar Vadehra** as mentioned in the resolutions.

**Mr. Lav Kumar Vadehra** has worked in senior positions with the State Trading Corporation, New Delhi, New York and Mumbai for over 12 years. After leaving State Trading Corporation, he has started his own pharma-chemical manufacturing and trading Company and is currently successfully running his own manufacturing plant. He has over 45 years in International Trade experience.

**Mr. Lav Kumar Vadehra** helps in bringing independent judgment during Board deliberations on accounting and financial controls, risk management, corporate governance, vigil mechanism and related party transactions. His vast experience in both the private and public sector has been and would be very helpful to the Company from time to time.

**Mr. Lav Kumar Vadehra** does not hold any shares of Subhash Silk Mills Limited. He is not related to any other Directors/KMPs of the Company. He is the Chairman of Audit Committee and

Member of Stakeholders Relationship Committee of the Company. He has attended all the four (4) meetings of the Board held during the year 2018-2019. He is neither a Director nor a Member /Chairman of Committees of other Companies.

The Nomination & Remuneration Committee and the Board evaluated the performance of **Mr. Lav Kumar Vadehra**, rated him satisfactory on all parameters and recommended his re-appointment. Copy of the draft letter for re-appointment of **Mr. Lav Kumar Vadehra** as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except **Mr. Lav Kumar Vadehra**, to whom the resolution relates, is in any way, concerned or interested, financially or otherwise, in the resolution.

Further, in terms of the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended, the approval of the members may be taken through Postal Ballot instead of transacting such businesses at a General Meeting.

The Board recommends the resolutions set-forth in Item No. 4 for approval of the members by way of **Special Resolution**.

#### **ITEM NO. 5**

**Mr. Radhemohan Malhotra (DIN 01874316)** was appointed as an Independent Director on the Board of the Company on September 25, 2014. Members of the Company at the 44<sup>th</sup> Annual General Meeting held on September 25, 2014 approved the appointment of **Mr. Radhemohan Malhotra (DIN 01874316)** as an Independent Director for a period of 5 years up to conclusion of the 49<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.

As per the provisions of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment on passing of a special resolution by shareholders. Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, requires that any Non-Executive Director who has attained the age of 75 years or more cannot be appointed or continued as a Non-Executive Director in any listed company until and unless approval of Members has been obtained for the same by way of Special Resolution.

**Mr. Radhemohan Malhotra (DIN 01874316)**, Non-Executive Director of the Company is covered under the aforesaid provision being aged more than 75 years, the Company is required to obtain approval of Members by way of special resolution for continuing his Directorship in the Company, post April 1, 2019.

The Company has received intimation in Form DIR-8 from **Mr. Radhemohan Malhotra** that, he is not disqualified from being reappointed as an Independent Director in terms of Section 164 of the Act, declaration that he meets with the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 & Regulation 16(1)(b) of SEBI Listing Regulations and his consent to continue as an Independent Director.

The resolutions set-forth in Item No. 5 seeks the approval of members for continuance of Directorship of **Mr. Radhemohan Malhotra**, aged about 85 years, as a Non- Executive Independent Director of the Company and for re-appointment as an Independent Director of the Company commencing from the date of 49<sup>th</sup> Annual General Meeting up to the 54<sup>th</sup> Annual General Meeting of the Company in the calendar year 2024, in terms of Section 149 and other applicable provisions of the Act and Rules made there under. He is not liable to retire by rotation.

In the opinion of the Board, **Mr. Radhemohan Malhotra** fulfills the conditions for his re-appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations and is independent of the management. Based on the recommendations of the Nomination & Remuneration Committee and keeping in view the expertise of **Mr. Radhemohan Malhotra**, the Board of Directors at its meeting held on August 13, 2019 approved the continuance of office of **Mr. Radhemohan Malhotra** as mentioned in the resolutions.

**Mr. Radhemohan Malhotra** started his career in the Textile Commissioners Office. Following which he joined Castle Mills and dealt with Government Liason and HRD Development for a large number of years. He has over 45 years' experience in the field of Human Resource Development and Government Liason.

**Mr. Radhemohan Malhotra** helps in bringing independent judgment during Board deliberations on accounting and financial controls, risk management, corporate governance, vigil mechanism and related party transactions. His vast experience in both the private and public sector has been and would be very helpful to the Company from time to time.

**Mr. Radhemohan Malhotra** does not hold any shares of Subhash Silk Mills Limited. He is not related to any other Directors/KMPs of the Company. He is the Chairman of Audit Committee and Member of Stakeholders Relationship Committee of the Company. He has attended all the four (4) meetings of the Board held during the year 2018-2019. He is neither a Director nor a Member /Chairman of Committees of other Companies.

The Nomination & Remuneration Committee and the Board evaluated the performance of **Mr. Radhemohan Malhotra**, rated him satisfactory on all parameters and recommended his re-appointment. Copy of the draft letter for re-appointment of **Mr. Radhemohan Malhotra** as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except **Mr. Radhemohan Malhotra**, to whom the resolution relates, is in any way, concerned or interested, financially or otherwise, in the resolution.

Further, in terms of the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended, the approval of the members may be taken through Postal Ballot instead of transacting such businesses at a General Meeting.

The Board recommends the resolutions set-forth in Item No. 5 for approval of the members by way of **Special Resolution**.

#### **ITEM NO. 6**

**Mr. Anant Singhania (DIN 00019992)** was appointed as an Independent Director on the Board of the Company on August 4, 2014. Members of the Company at the 44<sup>th</sup> Annual General Meeting held on September 25, 2014 approved the appointment of **Mr. Anant Singhania (DIN 00019992)** as an Independent Director for a period of 5 years up to conclusion of the 49<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.

As per the provisions of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment on passing of a special resolution by shareholders.

The Company has received intimation in Form DIR-8 from **Mr. Anant Singhania** that, he is not disqualified from being reappointed as an Independent Director in terms of Section 164 of the Act, declaration that he meets with the criteria of independence as prescribed under Section 149

(6) of the Companies Act, 2013 & Regulation 16(1)(b) of SEBI Listing Regulations and his consent to continue as an Independent Director.

The resolutions set-forth in Item No. 6 seeks the approval of members for continuance of Directorship of **Mr. Anant Singhania**, aged about 45 years, as a Non- Executive Independent Director of the Company and for re-appointment as an Independent Director of the Company commencing from the date of 49<sup>th</sup> Annual General Meeting up to the 54<sup>th</sup> Annual General Meeting of the Company in the calendar year 2024, in terms of Section 149 and other applicable provisions of the Act and Rules made there under. He is not liable to retire by rotation.

In the opinion of the Board, **Mr. Anant Singhania** fulfills the conditions for his re-appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations and is independent of the management. Based on the recommendations of the Nomination & Remuneration Committee and keeping in view the expertise of **Mr. Anant Singhania**, the Board of Directors at its meeting held on August 13, 2019 approved the continuance of office of **Mr. Anant Singhania** as mentioned in the resolutions.

**Mr. Anant Singhania** is a fifth generation industrialist from the illustrious Singhania Family. He has been a member on various committees including the Indi-Italian Chamber of Commerce and the Indian Merchants Chamber. His has vast experience in Corporate Governance and Business Management.

**Mr. Anant Singhania** helps in bringing independent judgment during Board deliberations on accounting and financial controls, risk management, corporate governance, vigil mechanism and related party transactions. His vast experience in both the private and public sector has been and would be very helpful to the Company from time to time.

**Mr. Anant Singhania** does not hold any shares of Subhash Silk Mills Limited. He is not related to any other Directors/KMPs of the Company. He is the Chairman of Audit Committee and Member of Stakeholders Relationship Committee of the Company. He has attended three (3) meetings of the Board held during the year 2018-2019. He is neither a Director nor a Member /Chairman of Committees of other Companies.

The Nomination & Remuneration Committee and the Board evaluated the performance of **Mr. Anant Singhania**, rated him satisfactory on all parameters and recommended his re-appointment. Copy of the draft letter for re-appointment of **Mr. Anant Singhania** as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except **Mr. Anant Singhania**, to whom the resolution relates, is in any way, concerned or interested, financially or otherwise, in the resolution.

Further, in terms of the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended, the approval of the members may be taken through Postal Ballot instead of transacting such businesses at a General Meeting.

The Board recommends the resolutions set-forth in Item Nos. 6 for approval of the members by way of **Special Resolution**.

**BY ORDER OF THE BOARD OF DIRECTORS  
For SUBHASH SILK MILLS LTD.**

**Place: Mumbai  
Date: August 28, 2019**

**SD/-  
PARIDHI SOMANI  
COMPANY SECRETARY  
Mem. No.: A45165**

### DIRECTORS' REPORT

Dear Members,

The Board of Directors hereby submit the **49<sup>th</sup> Annual Report** along with the Audited Financial Statements of the Company for the Financial Year ended **March 31, 2019**.

**1. FINANCIAL HIGHLIGHTS OF PERFORMANCE:**

The financial performance of the Company is summarized as under:

Particulars	Amounts in Rs. (in Lakhs)	
	2018-2019	2017-2018
Income from Operations	5.25	5.90
Add : Other Income	213.48	178.31
<b>Total Income</b>	<b>218.73</b>	<b>184.21</b>
Less: Expenses	(204.46)	(183.70)
<b>Profit before Taxes</b>	<b>14.27</b>	<b>0.51</b>
Less : Current Taxation	12.20	10.60
Less: Deferred Tax	(0.10)	(0.72)
Less: Prior year tax adjustments	1.28	(1.17)
<b>Profit/(Loss) after Taxes</b>	<b>0.88</b>	<b>(8.20)</b>

**2. AMOUNT CARRIED FORWARD TO RESERVES:**

Your Company has not transferred any amount to its reserves except for transfer of current year's profits to Other Equity.

**3. PERFORMANCE REVIEW:**

The Company's revenue increased to **Rs. 218.73 lakhs** from **Rs. 184.21 lakhs**, and company has made a profit after taxes of **Rs. 0.88 lakhs** as compared to loss after tax of **Rs. 8.20 lakhs** in the previous year. Your Company has made sale of Readymade Garments to the service sector and of fabrics to various traders.

**4. DIVIDEND:**

Your Directors do not recommend any Dividend for the Financial Year ended **March 31, 2019**.

**5. CHANGES IN THE NATURE OF BUSINESS:**

There were no changes in nature of business during Financial Year ended **March 31, 2019**.

**6. SIGNIFICANCE AND MATERIAL ORDER PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

There were no significance and material orders passed by regulators or courts or tribunals impacting the going concern status and company operations in future. There were no material changes and commitments affecting the financial position of the company occurring between **March 31, 2019** and the date of this Report of the Directors.

**7. SUBSIDIARIES, JOINT VENTURE / ASSOCIATES COMPANIES DURING THE YEAR:**

The Company has no subsidiaries, joint ventures or associate companies for the financial year ended **March 31, 2019**.

**8. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

**9. DISCLOSURE OF VARIOUS POLICIES:**

The Board has approved various policies in their meeting so that the Committees work effectively and in accordance with the provisions as stipulated in the Policies. Various policies as approved by the Board of Directors are posted on the Company's website.

The Company has formulated risk management policy and it regularly assess the risk involved in its business.

**10. REMUNERATION POLICY:**

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. This Policy is posted on the company's website [www.subhashsilk Mills.com](http://www.subhashsilk Mills.com).

**11. VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior the Company has adopted a vigil mechanism policy. Accordingly, 'Whistle Blower Policy' has been formulated with a view to provide a mechanism for the Directors and employees of the Company to approach the Ethics Counsellor or the Chairman of Audit Committee of the Company. This Policy is posted on company's website [www.subhashsilk Mills.com](http://www.subhashsilk Mills.com).

**12. DEPOSITS:**

The Company has not accepted any deposits and as such no amount of principal or interest was outstanding as on the Balance Sheet date.

**13. CORPORATE GOVERNANCE:**

A detailed Report on Corporate Governance forms part of this Annual Report. The Auditors' certificate on compliance with Corporate Governance requirements by the Company is also attached to the said Report on Corporate Governance.

**14. MANAGEMENT DISCUSSION AND ANALYSIS:**

In terms of the provisions of Regulations 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the detailed review on the operations and performance of the Company and its business is given in the Management Discussion and Analysis, is set out in this Annual Report.

**15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The Company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013. The details of the investments made by company are given under the **Note 4** of the Notes to Accounts to financial statements for the financial year ending **March 31, 2019**.

**16. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are probably authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements.

The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. The company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

**17. DIRECTORS AND CHANGES THEREOF:**

There were no major changes in the composition of Directors of the Company during the Financial Year ended March 31, 2019 except re-appointment of Mr. Dhiraj Mehra and Mr. Sumeet Mehra, Managing Director and Chairman respectively at the 48<sup>th</sup> Annual General Meeting.

As per the provisions of the Companies Act 2013, Mr. Sumeet Mehra (DIN 00342934), retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommend his re-appointment.

Further the Board also recommends re-appointment of Mr. Lav Kumar Vadehra, Mr. Radhemohan Malhotra and Mr. Anant Singhanian, Independent Directors on the Board of the Company for the second term by passing Special Resolution as per provisions of Section 149(10) of the Companies Act 2013.

#### **18. DETAILS OF KEY MANAGERIAL PERSONNEL:**

During the Financial Year, following persons holds post of Key Managerial Personnel in the Company in compliance with provisions of Section 203 of the Companies Act, 2013:

1. Mr. Dhiraj Subhash Mehra - Managing Director
2. Mrs. Priyanka Mankame - Chief Financial Officer
3. Ms. Paridhi Somani - Company Secretary

#### **19. DECLARATION FROM INDEPENDENT DIRECTORS INCLUDING RE-APPOINTMENT:**

The Company has received necessary declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Also, the Board proposed at ensuing 49<sup>th</sup> Annual General Meeting, re-appointment of Mr. Lav Kumar Vadehra, Mr. Radhemohan Malhotra and Mr. Anant Singhanian, Independent Directors on the Board of the Company for the second term by passing Special Resolution as per provisions of Section 149(10) of the Companies Act 2013.

#### **20. BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Appointment & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

#### **21. BOARD MEETINGS:**

During the Financial Year, **5 (Five)** Board Meetings were convened and held on **May 29, 2018, August 13, 2018, September 25, 2018, November 13, 2018 and February 14, 2019**. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations 2015.

#### **22. COMMITTEES OF THE BOARD:**

##### **a. Audit Committee:**

The Audit Committee consisted of 3 (three) members. During the financial year, **4 (four)** Audit Committee Meetings were convened and held on **May 14, 2018, August 3, 2018, November 3, 2018 and January 30, 2019**. More details on the committee are given in Corporate Governance Report.

##### **b. Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee consisted of 3 (three) members. During the Financial Year, **1 (One)** Meeting was convened and held on **January 30, 2019**. More details on the Committee are given in Corporate Governance Report.

##### **c. Stakeholder Relationship Committee:**

The Stakeholder Relationship Committee which comprises of 2 members. During the Financial Year, **4 (Four)** meetings were convened and held on **May 14, 2018, August 3, 2018, November 3, 2018 and January 30, 2019**. More details on the committee are given in Corporate Governance Report.

#### **23. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**



In order to prevent sexual harassment of women at work place the Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and during the financial year Company has not received any complaint of such harassment.

#### **24. DIRECTORS' RESPONSIBILITY STATEMENT:**

The Financial Statements are prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Companies Act 2013 ('the Act') read with the Rule 7 of the Companies (Accounts) Rules 2014, the provisions of the Act and guidelines issued by SEBI. There are no material departures from the prescribed accounting standards in the adoption of these standards.

The Board of Directors of the Company confirms:

- i. In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 that period;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors have prepared the Annual Accounts on a going concern basis;
- v. The Directors have laid down an adequate system of internal financial control to be followed by the Company and such internal financial controls are adequate and operating efficiently;
- vi. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

#### **25. PARTICULARS OF EMPLOYEES:**

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:

The Company has three Executive Director (including one Managing Director). Further sitting fee of Rs. 10,000/- each has been paid to the 3 Independent Directors during the year.

The particulars of the employees who are covered by the provisions contained in Rule 5(2) and rule 5(3) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are:

Employed throughout the year	Nil
Employed for part of the year	Nil

The remuneration paid to all key management personnel was in accordance with remuneration policy adopted by the company.

In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the Company Secretary in advance.

#### **26. STATUTORY AUDITORS & THEIR REPORT:**

**M/s. Govind Prasad & Co.** (Firm Registration No.: **114360W**), Chartered Accountants had resigned w.e.f. August 27, 2019 due to change in their firm's constitution and thus, the Board noted their resignation and proposed appointment of their new firm i.e. **M/s. Govind Prasad & Co.** (Firm Registration No.: **114360W**) with the same name and Registration No. for one year i.e. FY 2019-20 pursuant to provisions of Section 139 of the Companies Act 2013 and Rules made thereunder.

Further there was no qualification or adverse remarks in the Auditors Report for the financial year ended **March 31, 2019**.

**27. SECRETARIAL AUDITOR & HER REPORT:**

Pursuant to the provision of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed **KNK & Co. LLP, Company Secretaries** to undertake the Secretarial Audit of the Company for **FY 2018-19**. The Secretarial Audit Report is annexed herewith as **“Annexure A”**. Further there were no qualifications or remarks in the Secretarial Report for the Financial Year ended **March 31, 2019**.

**28. INTERNAL AUDITORS:**

**M/s S. N. Katdare & Co.**, Chartered Accountants performs the duties of Internal Auditors of the Company and their report is reviewed by the Audit Committee from time to time.

**29. EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as **“Annexure B”**.

**30. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information on Conservation of Energy, Technology Adsorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed with this report as **“Annexure C”**.

**31. CORPORATE SOCIAL RESPONSIBILITY:**

Your Company does not fall in the criteria mentioned under Section 135(1) of the Companies Act, 2013 for applicability of the provisions of Corporate Social Responsibility. Hence, your Company is not required to constitute CSR Committee and to comply with other provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

**32. RELATED PARTY TRANSACTIONS:**

There were no material contracts or arrangements entered into by the company in accordance with provisions of section 188 of the Companies Act, 2013. All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 is not required. None of the Directors has any pecuniary relationships or transactions vis-à-vis the company.

**33. CODE OF CONDUCT:**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Code has been placed on Company's website [www.subhashsilk Mills.com](http://www.subhashsilk Mills.com). The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

**34. DEMATERIALISATION OF SHARES:**

The agreement with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for admitting the Equity Shares of the Company in the depository mode still continues. The shareholders have already dematerialized their shares and Purva Sharegistry (India) Pvt. Ltd. continue to be the Registrar and Transfer Agents of the Company for shares held in physical form as well as for providing connectivity in a Depository Mode with both NSDL & CDSL.

SEBI vide its recent circular has proposed to prohibit transfer of shares in physical form. In view of the numerous advantages offered by the Depository system as well as to avoid frauds, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the depositories.

**35. PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board of Directors and the designated employees have confirmed compliance with the Code.

**36. LISTING:**

The Equity Shares of your Company are presently listed on the BSE Limited (Bombay Stock Exchange). And the Company has paid the annual listing fees for the financial year 2018-19.

**37. WEBSITE OF THE COMPANY:**

The Company maintains a functional website i.e. www.subhashsilk Mills.com where detailed information of the Company and its activities are provided along with

**38. COMPLIANCE WITH SECRETARIAL STANDARDS ON THE BOARD AND GENERAL MEETINGS:**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

**39. FRAUD DETECTED BY THE AUDITORS OR AUDIT COMMITTEE, IF ANY:**

There were no fraud identified or detected by the Auditors or Audit Committee of the Company.

**40. DETAILS OF MAINTENANCE OF COST RECORD AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB-SECTION(1) OF SECTION 148 OF THE COMPANIES ACT, 2013:**

The Company was not required to maintain cost records as specified by the Central Government u/s 148(1) of the Companies Act 2013 for the financial year 2018-19.

**41. ACKNOWLEDGEMENTS:**

We thank our customers, vendors, investors, bankers for their continued support during the financial year. We place on record our appreciation of the contribution made by our employees at all levels. We also thank the government for their support and look forward to their continued support in future.

**BY ORDER OF THE BOARD OF DIRECTORS  
For SUBHASH SILK MILLS LTD.**

**Date: August 28, 2019  
Place: Mumbai**

<b>SD/-</b>	<b>SD/-</b>
<b>SUMEET MEHRA</b>	<b>DHIRAJ MEHRA</b>
<b>CHAIRMAN &amp; DIRECTOR</b>	<b>MANAGING DIRECTOR</b>
<b>DIN: 00342934</b>	<b>DIN: 01409010</b>

**ANNEXURE 'A'**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2019**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
**Subhash Silk Mills Limited**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions

and the adherence to good corporate practices by **Subhash Silk Mills Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined books, papers, minute books, forms and returns filed and other records maintained by the Company as per '**Annexure I**'. Further we have relied on the representation made by the Company and its officer for the systems and mechanism formed by them for compliances under following Acts, Laws, Rules and Regulations for the Financial Year ended on **31<sup>st</sup> March, 2019** according to the provisions of:

- i. The Companies Act, 1956 (the Old Act) and the Rules made thereunder and The Companies Act 2013 (the Act) and the rules made thereunder, both the Old Act and the Act, to the extent applicable;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

The following Acts, Rules and Regulations were not applicable/attracted to/by the Company for the Financial Year ended on **31<sup>st</sup> March, 2019**:

- v. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- vi. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.
  - a. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vii. Other Acts or Laws applicable to the Company:
  - a. Maternity Benefits Act, 1961;
  - b. Employee Compensation Act, 1923;
  - c. Equal Remuneration Act, 1976;
  - d. The Sexual harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
  - e. Negotiable Instruments Act, 1881.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India on Board Meetings and General Meetings i.e. SS-1 and SS-2.

- ii. The Listing Agreement and Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereafter.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice was given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except in few board meetings which were held by obtaining consent from Directors for holding meeting at shorter notice. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There were no dissenting views of Board members and hence all decisions were duly approved.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For KNK & Co. LLP**  
**Company Secretaries**  
**FRN: L2017MH002800**  
**SD/-**  
**Jyoti N. Kholia**  
**Partner**  
**FCS No.: 9803**  
**C. P. No.: 12224**

**Place: Mumbai**  
**Date: 31-07-2019**

**Note:** This report is to be read with letter of even date which is annexed as 'Annexure II' and forms an integral part of this report.

**ANNEXURE - I**

**LIST OF DOCUMENTS VERIFIED**

1. Memorandum and Articles of Association of the Company as amended from time to time and Policies of the Company.
2. Minutes of the Meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee along with Attendance Registers held during the year under review.
3. Minutes of General Body Meetings held during the year under review.
4. Statutory Registers viz.
  - Register of Directors and KMP
  - Register of Charges, if any
  - Register of Contracts
5. Agenda papers along with notes submitted to all the Directors / Members for the Board Meetings and Committee Meetings respectively.
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 149 and Section 184 of the Companies Act, 2013.
7. All statutory forms filed by the Company under applicable provisions of the Companies Act, 2013 and attachments thereof during the period under review.
8. ROC File, Listing Compliances File, Books of Accounts and other documents as provided by the Company for the period under review.

**Annexure II**

To,  
The Members,  
**Subhash Silk Mills Limited**

The report of even date is to be read along with this letter.

1. The maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The

verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**ANNEXURE - 'B'**

**EXTRACT OF ANNUAL RETURN  
AS ON THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2019**

*[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

CIN	<b>L17106MH1970PLC014868</b>
Registration Date	6 <sup>th</sup> NOVEMBER, 1970
Name of the Company	SUBHASH SILK MILLS LIMITED
Category / Sub-Category of the Company	Company Limited by Shares Non-Government Company
Address of the registered Office and contact details	G-15, Ground Floor, Premkutir, 177 Marine Drive, Mumbai : 400020 Phone: 022 - 40619000 Fax: 022 - 22825309 <b>E-mail:</b> cs@subhashsilk Mills.com <b>Website:</b> www.subhashsilk Mills.com
Whether listed company	Yes
Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	M/s. PurvaSharegistry (India) Pvt. Ltd. Shiv Shakti Industrial Estate, 9, Sitaram Mills Compound, J.R. Boricha Marg, Lower Parel, Mumbai - 400011 Phone : 022-23016761 Fax : 022-23012517 E-mail: busicomp@gmail.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

SI No.	Name and Description of main products / services	NIC Code of the Product/Services	% to total turnover of the company
1	Manufacture of Readymade Garments	2650	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name and Address of the company	CIN /GLN	Holding / Subsidiary Associates	% of share held	Applicable section
NIL					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):**

**I. Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year as on 01-April-2018				No. of Shares held at the end of the year as on 31-March-2019				% Change during year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/HUF	1648200	493600	2141800	50.51	1648200	493600	2141800	50.51	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	902700	-	902700	21.29	902700	-	902700	21.29	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other									
<b>Total shareholding of Promoter (A)</b>	<b>2550900</b>	<b>493600</b>	<b>3044500</b>	<b>71.80</b>	<b>2550900</b>	<b>493600</b>	<b>3044500</b>	<b>71.80</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	198500	198500	4.68	-	198500	198500	4.68	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>198500</b>	<b>198500</b>	<b>4.68</b>	<b>0</b>	<b>198500</b>	<b>198500</b>	<b>4.68</b>	<b>-</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	700	263100	263800	6.22	700	263100	263800	6.22	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	90918	302700	393618	9.28	120018	274600	394618	9.30	0.02

Category of Shareholders	No. of Shares held at the beginning of the year as on 01-April-2018				No. of Shares held at the end of the year as on 31-March-2019				% Change during year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	338400	338400	7.98	-	338400	338400	7.98	-
c) Others (specify)									
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Hindu Undivided Family (HUF)	1482	-	1482	0.03	482	-	482	0.01	-0.02
Clearing Members	200	-	200	0.00	200	-	200	0.00	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>93300</b>	<b>904200</b>	<b>997500</b>	<b>23.52</b>	<b>93300</b>	<b>904200</b>	<b>997500</b>	<b>23.52</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>92300</b>	<b>1103700</b>	<b>1196000</b>	<b>28.20</b>	<b>92300</b>	<b>1103700</b>	<b>1196000</b>	<b>28.20</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>2644200</b>	<b>1596300</b>	<b>4240500</b>	<b>100.00</b>	<b>2644200</b>	<b>1596300</b>	<b>4240500</b>	<b>100.00</b>	<b>-</b>

**(ii) Shareholding of Promoter-**

SN	Shareholder's Name	Shareholding at the beginning of year as on 01-April-2018			Shareholding at the end of the year as on 31-March-2019			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	
1	Subhash Mehra	633500	14.94	-	633500	14.94	-	-
2	Excellent Holdings Pvt. Ltd.	490900	11.58	-	490900	11.58	-	-
3	Nameeta Subhash Mehra	477000	11.25	-	477000	11.25	-	-



4	Taranga Holdings Pvt. Ltd.	411800	9.71	-	411800	9.71	-	-
5	Dhiraj Subhash Mehra	280500	6.61	-	280500	6.61	-	-
6	VedPrakash Mehra (HUF)	264400	6.24	-	264400	6.24	-	-
7	Sumeet Subhash Mehra	235900	5.56	-	235900	5.56	-	-
8	Subhash V. Mehra (HUF)	164500	3.88	-	164500	3.88	-	-
9	Superna Mehra	21300	0.50	-	21300	0.50	-	-
10	Pooja Mehra	64700	1.53	-	64700	1.53	-	-
	<b>Total</b>	<b>3044500</b>	<b>71.80</b>	<b>-</b>	<b>3044500</b>	<b>71.80</b>	<b>-</b>	<b>-</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

There has been no change in Promoter's shareholding during the financial year under review.

**(IV) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year as on 01-April-2018		Shareholding at the end of the year as on 31-March-2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Porus V. Thapar	59500	1.40	59500	1.40
2	SBR Engineers	59500	1.40	59000	1.40
3	Vijaykumar Agarwal	51600	1.21	51600	1.21
4	Vikram Mehra	72600	1.71	72600	1.71
5	Subhash Fabrics Pvt Ltd	138000	3.25	138000	3.25
6	Bank of India A/c BOI Mutual	198500	4.68	198500	4.68

**(V) Shareholding of Directors and Key Managerial Personnel:**

S N	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the end of the year		Cumulative Shareholding during year	
		No. of shares	% of total shares of company	No. of shares	% of total shares of the company
<b>1</b>	<b>Dhiraj Subhash Mehra (MD)</b>				
	At the beginning of the year	280500	6.61	280500	6.61
	At the end of the year	280500	6.61	280500	6.61
	<b>Shareholding of Director</b>				
<b>2</b>	<b>Nameeta Subhash Mehra</b>				
	At the beginning of the year	477000	11.25	477000	11.25
	At the end of the year	477000	11.25	477000	11.25
<b>3</b>	<b>Sumeet Subhash Mehra (Chairman)</b>				
	At the beginning of the year	235900	5.56	235900	5.56
	At the end of the year	235900	5.56	235900	5.56

**V. INDEBTEDNESS: Indebtedness of Company including interest outstanding / accrued but not due for payment:**

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	-	1,22,69,087	-	1,22,69,087

ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>1,22,69,087</b>	-	<b>1,22,69,087</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	41,03,216	-	41,03,216
* Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	1,63,72,303	-	1,63,72,303
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>1,63,72,303</b>	-	<b>1,63,72,303</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager (Rs. Lakhs)**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Dhiraj Mehra	Sumeet Mehra	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18.00	6.00	24.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	Others specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>18.00</b>	<b>6.00</b>	<b>24.00</b>
	Ceiling as per the Act			

**B. Remuneration to other directors**
**(Rs. Lakhs)**

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Lav Kumar Vadehra	Radhe Mohan Malhotra	Anant Singhania	
1	<b>Independent Directors</b>				
	Fee for attending board committee meetings	0.10	0.10	0.10	0.30
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	0.10	0.10	0.10	0.30
2	<b>Other Non-Executive Directors</b>				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	<b>Total (B)=(1+2)</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>	<b>0.30</b>
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	Rs. 1,00,000 per meeting			

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD**
**(Rs. Lakhs)**

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS Paridhi Somani	CFO Priyanka Mankame	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.8	1.2	3.0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	Others specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>1.8</b>	<b>1.2</b>	<b>3.0</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of Companies Act	Brief Description	Details of Penalty / Punishment/Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any
<b>A. COMPANY</b>					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None
<b>B. DIRECTORS</b>					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None

**ANNEXURE - C**
**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO ETC.**

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

**A. CONSERVATION OF ENERGY:**
**Efforts made for conservation of energy:**

1. Replacement of high power consumption equipment by upgradation to equipment having better efficiency with lower power consumption.
2. Installation of energy saving lamps and devices wherever possible.
3. Periodical maintenance of electrical systems of the Company.

**Additional investments and proposals being implemented for Energy: Nil.**

The Company is engaged in the continuous review of energy costs

**Impact of above measures on consumption of energy:**

It is difficult to assess the definite impact of the measure as the total energy cost forms a small constituent of the overall production costs.

**Capital Investment on energy conservation equipment's**

Capital investments were incurred previously but nothing during the previous year.

**Power & Fuel Consumption:**

Refer Form 'A' attached

**B. TECHNOLOGY ABSORPTION:** Refer Form 'B' attached

**C. FOREIGN EXCHANGE EARNING AND OUTGO:**

	2018-2019	2017-2018
Earning : Export	-	-
Outgo : Import	-	-
Outgo : Bank Charges	-	-

**FORM A - POWER & FUEL CONSUMPTION**

			2018-2019	2017-2018
1	Electricity			
	Purchased	Units	115962	78043
	Total	Rs.	1326975	853040
	Rate / Unit	Rs.	11.44	10.93
	Own Generation through*		-	-
	*Not Applicable, Since the Company does not have any Diesel Generator or Steam Turbine / Generator			
2	Furnace Oil			
	Purchased	Ltr	-	-
	Total	Rs.	-	-
	Rate / Unit	Rs.	-	-
3	Consumption per unit of products	Standards		
	Electricity		-	-
	Furnace Oil		-	-
	Reason for variation**		-	-

**FORM B - TECHNOLOGY ABSORPTION**

**RESEARCH AND DEVELOPMENT (R & D)**

**Specific areas in which the company carried out R & D:**

The Company has worked on various programmes to reduce fabric wastage for production of garments. Also, various packaging methodologies are also researched to reduce the cost of transport.

**Benefits derived as a result of above R & D:**

None visible in the present year.

**Future plan of action:**

Improve stitching quality, reduce fabric wastage and reduce packed weight of products.

**Expenses on R & D:**

The development work is carried by the concerned department on an ongoing basis.

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

Efficient training of staff with a definite approach towards improving their efficiency is conducted regularly. There are no particulars which are specifically required to be mentioned.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

**Industry Structure & Development**

The textile industry has two broad segments. First, the unorganized sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. India is the world's second-largest exporter of textiles and apparels, with a massive raw material and manufacturing base. The textile industry is a significant contributor to the economy, both in terms of its domestic share and exports. This sector is one of the largest sources of job creation in the country, employing about 45 mn people directly. In the year 2019, the textile industry contributes approximately 15% of the country's total exports and is one of the largest employers of labour in the Country. The Indian Textile Industry approximately contributes to 15% to the Overall Index of Industrial Production and 2% to the GDP.

**Opportunities & Threats:**

The textile industry in India traditionally, after agriculture, is the only industry that has generated huge employment for both skilled and unskilled labor in textiles. The textile industry continues

to be the second largest employment generating sector in India. Further, Indian exports of locally made retail and lifestyle products has gone up.

The main threat to the industry is Competition from low cost neighboring countries like Bangladesh, Vietnam, Indonesia and Pakistan.

**Segment-wise or product-wise performance:**

Your Company has made sale of Readymade Garments to the service sector and of fabrics to various traders.

**Financial Performance**

Total turnover of the Company during the year was **Rs. 218.73 Lakhs** as against **Rs. 184.21 Lakhs** in the previous year. Net profit after Tax was **Rs. 0.88 Lakh** as compared to loss after tax of **Rs. 8.20 Lakhs** in the previous year.

**Risks & Concerns**

The primary risk for the Company is with the unorganized low cost sector. Having to compete with low cost, low quality manufacturers is always a concern. Secondly, import of fabrics is always a direct competitor to the Company.

There are currently no significant borrowings and as such the Company is well isolated from financial risks & concerns, especially with the increasing interest rates.

**Internal Control Systems**

The Company has suitable internal control systems which ensure safeguarding the Company's assets, promote efficiency and ensure compliance with legal and regulatory provisions.

The audit committee is headed by a businessman with over 40 years of financial expertise. The statutory auditors also discuss their comments and findings with the management as well as with the audit committee.

**Employees:**

The Company has 5-6 employees on its payroll.

**For and on behalf of the Board of Directors,  
Of SUBHASH SILK MILLS LIMITED**

SD/-

**Sumeet S. Mehra**

**Chairman & Director**

**DIN: 00342934**

Place: Mumbai

Date: August 28, 2019

**CORPORATE GOVERNANCE REPORT****I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:**

The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, the government and lenders. The Company is committed to achieve the highest international standards of Corporate Governance. Good corporate governance leads to long term shareholder value and enhances interest of stake holders. The Company continues to place uncompromising emphasis on integrity and regulatory compliances. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time.

**II. BOARD OF DIRECTORS:****A. Size and Composition of the Board:**

The Board comprises of **6 (Six)** Directors out of them **one** is a **woman director** and who are responsible for management of the Company's business. The Board's role, functions, responsibility and accountability are clearly defined.

The composition of Board of Directors is in compliance with provisions of Listing Agreement with Stock Exchanges, SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 and amendments, if any. The Board comprises of optimum combination of Executive and Non-Executive Directors.

The Company is having **1 (One) Managing Director viz. Mr. Dhiraj Mehra**. The Board periodically evaluates the need for change in its Composition and Size.

Category	No. of Directors	% of Total No. of Directors
Executive Directors	3	50%
Independent Directors & Non-Executive Director	3	50%
<b>Total</b>	<b>6</b>	<b>100%</b>

A Composition, categories and brief resume of all the Directors on the Board, Number of Board Meetings along with their attendance thereat, as also the Committee Memberships held by them in the Company are given below:

**i. Independent Directors' Profile:**

**Shri Lav Kumar Vadehra**, aged **76 years**. He is a Graduate in Science and Foreign Trade. He worked in senior positions for the State Trading Corporation in New Delhi, New York and Mumbai for 12 years, eventually leaving to start his own pharma-chemical manufacturing and trading business. He has over 40 years' experience.

**Shri Radhe Mohan Malhotra**, aged **85 years** is an expert in Human Resource Development and has honed his skills during his tenure ship as General Manager of the Company for a number of years. His knowledge of various procedural issues and Government Departments and formalities are greatly appreciated by the Board from time to time.

**Shri Anant Singhania**, aged **45 years** is a fifth generation industrialist of the illustrious Singhania Family. He has extensive experience in Corporate Governance and Business Management and has been on various executive committees including the Indo-Italian Chamber of Commerce and the Indian Merchants Chamber. His Governance and Management skills will be looked upon by the Board of Directors.

**ii. Director appointed, resigned or retired during the year:**

**Mr. Dhiraj Mehra** was reappointed by the Company at the Annual General Meeting held on **September 25, 2018** as per Section 152(6) of the Companies Act 2013.

**iii. Details of meetings attended by Directors along with their Directorship and membership in other Companies:**

Name of Directors	Categories	Attendance of meetings during the year			No. of Directors (including Private Limited Companies)	No. of Membership(s)/Chairmanship(s) of Board Committees in other Companies
		No. of Board Meeting held	Board Meeting	Whether attended last AGM held on 25-09-2018		
Mr. Sumeet S. Mehra	Executive Chairman	5	5	Yes	8	0
Mr. Dhiraj Mehra	Managing Director	5	5	Yes	4	0
Mrs. Nameeta S. Mehra	Executive Woman Director	5	5	Yes	4	0
Mr. Lavkumar Vadehra	Independent Non-Executive Director	5	5	Yes	4	0
Mr. Radhemohan Malhotra	Independent Non-Executive Director	5	5	Yes	NIL	0
Mr. Anant Singhania	Independent Non-Executive Director	5	4	Yes	2	0

**iv. Directorship and Committee membership in other companies:**

None of the Directors on the Board is a Member of more than 10 committees and Chairman of more than 5 Committees across all companies in India of which he/she is a director. All the Directors have made necessary disclosures regarding Committee positions occupied by them. The Directorship held by Directors as mentioned above, also include Directorships in Companies Registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.

**v. Chairman & Managing Director of the Board:**

The Company had appointed **Mr. Sumeet S. Mehra as Executive Chairman** of the Board ('the Chairman') and **Mr. Dhiraj Mehra as Managing Director**.

**vi. Responsibilities of the Chairman and Managing Director:**

The Responsibilities and authority of these officials are as follows:

The Chairman, being leader of the Board, is responsible for fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long-term benefit of the Company and its stakeholders. His primary responsibility is to ensure that the Board provides effective governance to the Company. This authority is exercised by presiding over the Board Meetings and General Meetings of the Company.

The Managing Director is responsible for Corporate Strategy, Brand Equity, Planning, External Contacts and all matters related to the management of the Company. He is also responsible for achieving annual and long-term business targets. He is also designated as Chief Compliance Officer (CCO).

**vii. Induction & Training of Board of Directors:**

All new non-executive directors inducted to the Board are introduced to our Company culture through orientation sessions. Current executive directors provide an overview of our operations and familiarize the new non-executive directors with them.

**viii. Succession Planning:**

The Nomination & Remuneration Committee works with Board on the leadership succession plan and prepares contingency plans for succession in case of any exigencies.

**ix. Separate Meeting of Independent Director:**

As stipulated by the code of Independent Directors under the Companies Act, 2013 and the Listing Regulations a separate meeting of the Independent Director of the Company was held on **January 30, 2019** to review the performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company, assessment of the quality, quantity and timeliness of the flow of information between the Company's management and the Board and its committees.

**x. Prevention of Insider Trading:**

As per SEBI (Prevention of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees at Senior Management and other employees, who could have the access to the unpublished price sensitive information of the Company, are governed by this code.

The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. The Company has adopted an Insider Trading Policy to regulate, monitor and report trading by insiders under SEBI (Prevention of Insider Trading) Regulation, 2015.

**xi. Code of Conduct:**

In compliance with the Regulations 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the Companies Act 2013, the Company has framed and adopted a Code of Conduct and Ethics ('the Code') for all the Board members and all the employees in the management grade of the Company.

All the Board members and senior management personnel have confirmed compliance with the code.

**xii. Details of Board Meeting Held:**

**5 (Five)** Board Meetings were held during the Financial Year ended **March 31, 2019**. The Board meets at least once in a quarter to review the quarterly financial results and operations of the Company.

The time gap between the two Board Meetings was not more than 120 days as required under the provisions of Companies Act 2013 and SEBI (LODR) Regulations, 2015 including amendments, if any.

The details of such Board Meetings are as follows:

Sr. No.	Date of the Board Meetings	Board Strength	No. of Directors present
1	May 29, 2018	6	6
2	August 13, 2018	6	6
3	September 25, 2018	6	6
4	November 13, 2018	6	6
5	February 14, 2019	6	5

### III. BOARD COMMITTEES:

**The Company has following 3 (three) committees:**

- A) Audit Committee;
- B) Stakeholders' Relationship Committee;
- C) Nomination and Remuneration Committee.

#### **A. AUDIT COMMITTEE:**

##### **i. Brief Description of Terms of reference:**

The terms of reference stipulated by the Board to the Audit Committee are as follows:

1. Review of Company's financial reporting process and the disclosure to ensure that the financial statement is correct, sufficient and credible.
2. Recommending Appointment/Removal of External Auditors, Fixation of audit fees and payment for other services.
3. Reviewing, with the management, Annual Financial statements and Auditors' Report before submission to the Board with focus on the matters required to be included in Director's Responsibility Statement to be included in Board's report, changes in accounting policies and practices, major accounting entries, disclosure of any related party transactions, qualifications in draft audit report, significant adjustments arising out of audit Accounting standards.
4. Statutory compliance and legal requirements.
5. Any related party transactions of material nature with promoters, managements, subsidiaries or relatives etc. that may have potential conflict with interest of the Company at large.
6. Reviewing and monitoring the auditor's independence, their performance and effectiveness of audit process.
7. Scrutinizing inter-corporate loans and investments.
8. Evaluating internal financial controls and risk management systems.
7. Reviewing with the management, external and internal auditors, the adequacy of internal control systems and internal audit function.
8. Discussion with internal Auditors, any significant findings and follow-up thereon. Reviewing any suspected fraud, irregularity or failure of internal control system of material nature and reporting the matter to Board.
9. Discussion with external Auditor in respect of pre and post audit matters to ascertain any area of concern.
10. Reviewing the functioning of Whistle Blower Mechanism.
11. Look into reason for substantial defaults in payments to depositors, debenture holders and creditors, if any.

##### **ii) Composition of members of Audit Committee:**

Sr. No.	Name of Member	Designation	Category
1	Mr. Lav Kumar Vadehra	Chairman	Independent Director
2	Mr. Radhemohan Malhotra	Member	Independent Director
3	Mr. Dhiraj Mehra	Member	Executive Director (MD)



**iii) Meetings and Attendance during the year:**

Name of Members	Dates of Audit Committee Meetings held and Members attendance			
	May 14, 2018	August 3, 2018	November 3, 2018	January 30, 2019
Mr. Lav Kumar Vadehra	P	P	P	P
Mr. Radhemohan Malhotra	P	P	P	P
Mr. Dhiraj Mehra	P	P	P	P

P = Present A = Absent

**B. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

**i. Brief Description of Terms of reference:**

The Company has constituted a Stakeholders' Relationship Committee of the Directors to consider and redress the grievances of security holders of the Company such as non-receipt of refund orders, shares sent for registration of transfer, non-receipt of notices and audited annual report, dividend etc.

**ii. Composition of Stakeholders' Relationship Committee:**

Sr. No.	Name of the Member	Designation	Category
1	Radhe Mohan Malhotra	Chairman	Independent Director
2	Lav Kumar Vadehra	Member	Independent Director

**iii. Meetings and Attendance during the year:**

Name of Members	Dates of Stakeholders Relationship Committee Meetings held & Members attendance			
	May 14, 2018	August 3, 2018	November 3, 2018	January 30, 2019
Mr. Radhemohan Malhotra	P	P	P	P
Mr. Lav Kumar Vadehra	P	P	P	P

P = Present A = Absent

**iv. Share Transfer Agent:**

The Committee oversees the performance of the Registrar and Share Transfer Agents and recommends measures to improve investor services.

The Company has authorized Directors severally to approve the Share Transfers. In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations (duly amended), the Board has approved the Committee to implement and monitor the various requirements as set out in the Code.

The Board had designated **Ms. Pardhi Somani**, Company Secretary as the Compliance Officer w.e.f. **May 30, 2016**.

There were no complaints received from shareholders during the Financial Year **2018-2019**. Further, the requests for transfer and dematerialization of shares was approved within the prescribed timelines.

**C. NOMINATION AND REMUNERATION COMMITTEE:**

**i. Brief Description of Terms of reference:**

1. The Company has a Remuneration Committee, which determines and recommends the remuneration payable to the Managing Director, Directors and Key Managerial Personnel and other employees on the basis of their performances as well as Company's performance, subject to the consents as may be required. The remuneration to the Executive Directors consists of a fixed salary and other perquisites, wherever applicable. The perquisites are considered as a part of remuneration.
2. Formulating criteria for evaluation of Independent Directors and the Board.

The Non-Executive Directors are not paid any remuneration except sitting fees for attending the Board Meetings or Committee Meetings.

**ii. Composition of Nomination and Remuneration Committee:**

Sr. No.	Name of Member	Designation	Category
1	Mr. Radhemohan Malhotra	Chairman	Independent Director
2	Mr. Lav Kumar Vadehra	Member	Independent Director
3	Mr. Anant Singhanian	Member	Independent Director

**iii. Meetings and Attendance during the year:**

Name of Members	Dates of Nomination & Remuneration Committee Meetings held and Members attendance
	January 30, 2019
Mr. Radhemohan Malhotra	P
Mr. Lav Kumar Vadehra	P
Mr. Anant Singhanian	P

P = Present A = Absent

**iv. Board member evaluation:**

The Board works with Nomination & Remuneration Committee to lay down the evaluation criteria for the performance of executive, non-executive, independent directors through peer evaluation, excluding the director being evaluated through a Board effectiveness survey. Feedback on each director is encouraged to be provided as a part of the survey.

During the financial year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and Executive Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board’s functioning such as composition of the Board and committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of Executive Directors including the Chairman of the Board, who were evaluated on parameters such as attendance, contribution in the meetings and otherwise, independent judgment, safeguarding the shareholders’ interest etc.

**v. Remuneration Policy: Objective and Purpose of the Policy**

1. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
2. To determine remuneration based on the Company’s size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry.
3. To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
4. To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. In the context of the aforesaid criteria the following policy has been formulated to formulate criteria for determining qualifications, positive attributes and independence of a Director.
6. To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company, subject to the provisions of law and their service contract.
7. To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
8. To ensure that the remuneration to Directors, KMP and Senior Management Personnel consists of fixed and variable component and same reflects long term and short term objectives appropriate to working of the Company and its goals.
9. To develop a succession plan for the Board and to regularly review the plan.
10. To devise a policy on Board diversity.

**Details of Remuneration, Sitting Fees & No. of Shares held by each Directors:**

Sr. No.	Name of the Directors	Remuneration	Sitting fees	No. of Shares held
1	Mr. Dhiraj Mehra	1,50,000/- p.m.	NIL	2,80,500
2	Mr. Sumeet S. Mehra	50,000/- p.m.	NIL	2,35,900
6	Mrs. Nameeta S. Mehra	NIL	NIL	4,77,000
3	Mr. Anant Singhania	NIL	10,000/- p.a.	NIL
4	Mr. Radhemohan Malhotra	NIL	10,000/- p.a.	NIL
5	Mr. Lav Kumar Vadehra	NIL	10,000/- p.a.	NIL

**v) Details of Remuneration for the year ended on March 31, 2019:**
**a) Executive Directors:**
**(Amount in lakhs)**

Name of the Director	Basic Salary	Perquisites and allowance	Total	Stock option granted
Mr. Dhiraj Mehra	18.00	NIL	18.00	NIL
Mr. Sumeet S. Mehra	6.00	NIL	6.00	NIL
Mr. Nameeta S. Mehra	NIL	NIL	NIL	NIL

**b) Independent Non-Executive Directors:**
**(In Rs.)**

Name of the Directors	Sitting Fees	Commission	Total
Mr. Radhe Malhotra	10,000/- p.a.	NIL	10,000/- p.a.
Mr. Lav Kumar Vadehra	10,000/- p.a.	NIL	10,000/- p.a.
Mr. Anant Singhania	10,000/- p.a.	NIL	10,000/- p.a.

**IV. GENERAL BODY MEETINGS:**
**i) Annual General Meetings:**

Particulars of last three Annual General Meeting held along with Special Resolutions passed in the previous three AGMs:

AG M	Year Ending	Venue	Date and Time	Special resolution passed for the following items
48 <sup>th</sup>	31 <sup>st</sup> March 2018	The Indian Merchants Chamber, Pravin Chandra Gandhi Board Room, Churchgate, Mumbai - 400020.	September 25, 2018 at 11.30 AM	1. Re-Appointment of Mr. Sumeet Mehra (DIN 00342934) as a Chairman of the Company w.e.f. March 22, 2018 for a period of 5 years. 2. Re-Appointment of Mr. Dhiraj Mehra (DIN 01409010) as Managing Director of the Company w.e.f. March 22, 2018 For A Period Of 5 Years.
47 <sup>th</sup>	31 <sup>st</sup> March 2017	Indian Merchants Chamber, Ashok Birla Board Room, 3 <sup>rd</sup> Floor Churchgate, Mumbai - 400 020	September 28, 2017 at 11.30 AM	None
46 <sup>th</sup>	31 <sup>st</sup> March, 2016	Indian Merchants Chamber, Pravin Chandra Gandhi Board Room, Churchgate, Mumbai - 400 020	September 8, 2016 at 11.30 AM	None

**ii) Postal Ballot:**

The Company did not have any separate Postal Ballot in the last Financial Year.

**Remote e-voting and ballot voting at the AGM**

To allow the shareholders to vote on the resolutions proposed at AGM, the Company has arranged for remote e-voting facility. The Company has engaged CDSL to provide e-voting facility to all the members. Members whose names appear on the Register of Members as on **September 23, 2019**.

**V. DISCLOSURES:**

- i. There were no transactions of material nature undertaken by your Company with its promoters, Directors or the management, their subsidiaries or relatives that may have a potential conflict with the interest of the Company.
- ii. The Company has fulfilled all the statutory compliances and there was no penalty imposed on the Company by SEBI or any Statutory Authority. However, the Company had paid penalty to BSE Ltd for filing compliances of Listing Agreement with delays.
- iii. Your Company has followed Whistle Blower Mechanism by adopting and adhering to Whistle Blower Policy and affirms that no personnel have been denied access to the Audit Committee.

**VI. WHISTLE BLOWER POLICY-**

With the rapid expansion of business in terms of volume, value and geography, various risks associated with the business have also increased considerably. One such risk identified is the risk of fraud & misconduct. The Audit Committee is committed to ensure fraud-free work environment and to this end, the Committee formed Whistle Blower Policy providing a platform to all the employees to report any suspected or confirmed incident of fraud /misconduct through any of the following reporting protocols:

- E-mail: [cs@subhashsilk Mills.com](mailto:cs@subhashsilk Mills.com)
- Address: G-15, Ground Floor, Premkutir, 177, Marine Drive, Mumbai - 400020.

In order to instill more confidence amongst Whistle Blowers, the Management of the above referred reporting protocols are managed by an independent agency. Adequate safeguards have been provided in the policy to prevent victimization of anyone who is using this platform and direct access to Chairman of the Audit Committee is also available in exceptional cases.

This policy is applicable to all the directors, employees, vendors and customers of the Company and contains features similar to the Whistle Blower Policy. The policy is also posted on the website of the Company.

The main objectives of the policy are as under:

1. This mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy.
2. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward & express these concerns without fear of punishment or unfair treatment.
3. The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.
4. This neither releases employees from their duty of confidentiality in course of their work nor can it be used as a route for raising malicious allegations about a personal situation.

**VII. MD / CFO CERTIFICATION**

As required by schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the MD & CFO Certification is provided in this Annual Report.

**VIII. MEANS OF COMMUNICATION:****i. Quarterly Results and Annual Financial Results:**

The Quarterly and Annual Financial Results of Company are generally published in National newspaper i.e. **Asian Age** in English & **Pratyaksha** in vernacular language.

**ii. Website:**

The Securities and Exchange Board of India (SEBI) has made it mandatory for companies to maintain an updated website to post yearly and quarterly financial statements,

shareholding pattern, details for shareholders, code of conduct, presentation made to institutional investors/analysts/press release etc. on website.

Accordingly, the Company has provided all such disclosures under “Investor Relation” section of the Company’s website: www.subhashsilk Mills.com apart from filing the same with BSE for publishing the same on their website.

**IX. GENERAL SHAREHOLDER INFORMATION:**

**i. Forthcoming Annual General Meeting:**

**Day:** Monday

**Date:** September 30, 2019

**Time:** 11.30 a.m.

**Venue:** Indian Merchants Chamber, Ashok Birla Board Room, 3<sup>rd</sup> Floor, Churchgate, Mumbai - 400 020.

**ii. Financial year:** April 1, 2018 to March 31, 2019.

**iii. Dates of Book Closure:** September 24, 2019 to September 28, 2019 (both days inclusive).

**iv. Dividend Payment:** The Board of Directors has not recommended any dividend for the financial year ended on March 31, 2019.

**v. Listing on Stock Exchanges:**

**BSE Limited (Bombay Stock Exchange)**

P. J. Towers, Dalal Street, Mumbai – 400 001. The Annual Listing Fee of the BSE are paid for the Financial Year 2019-20.

**vi. Stock Code:**

Security Code - 530231

Security ID - SUBSM

ISIN Code - INE690D01014

**vii. Market Price Data:**

Yearly High and Low of shares price at the stock exchange:

Year	BSE	
	High Price	Low price
2018	14.05	12.16

Monthly high and low of shares prices at the stock exchange:

Month	BSE	
	Monthly High Price	Monthly Low price
June 2018	14.05	13.39
December 2018	14.00	14.00

**viii. Registrar and Share Transfer Agent:**

**M/s. Purva Sharegistry (India) Private Limited.**

Shiv Shakti Industrial Estate, 9, Sitaram Mill Compound,

J.R. Boricha Marg, Lower Parel, Mumbai 400011.

Tel.: 022-23016761 / 23018261.

➤ **Reconciliation of Share Capital Audit**

As stipulated by SEBI, the Practicing Company Secretary carries out an Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital.

This audit is carried out every quarter and report thereon is submitted to Stock Exchange and to Board of Directors. The audit confirms that total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

**ix. Share Transfer System:**

Transfer of shares which are in dematerialized form will be done through the depositories with no involvement of the Company. As regards transfer of share held in physical form, the transfer of document can be lodged to the Registrar and Share Transfer Agent at the above address. The Directors are severally empowered to approve the above transfer.

The Company obtains a certificate from Company Secretary in practice under Clause 47(C) of Listing Agreement on half yearly basis and files the said certificate with the Stock Exchanges.

**x. Plant Locations:**

Subhash Silk Mills Ltd. Village, Sajgaon Tal. Khalapur, Dist. Raigad, Maharashtra

**xi. Address for correspondence:**

The shareholders may address their queries and communications to the Registrar and Share Transfer Agent at the address given above or may contact a company directly at the following address:

**SUBHASH SILK MILLS LIMITED:**

Registered Office: G-15 Prem Kutir, Gr. Floor, 177 Marine Drive, Mumbai 400020  
 Tel +91-22-22825309/ +91-22-40619000  
 Fax +91-22-22825309 / +91-22-27563061  
 Corporate office 89 GautamComplex, Sec. 11, CBD Belapur, Navi Mumbai 400614  
 Website www.subhashsilk Mills.com  
 Email cs@subhashsilk Mills.com

**xii. Details of Non-Compliances and penalties imposed by BSE Limited during last 3 years:**

Year Ending	Non-Compliance of Clauses of Listing Agreement	Quarter	Penalty Imposed	Penalties Paid
31 <sup>st</sup> March, 2019	None	NA	NA	NA
31 <sup>st</sup> March, 2018	None	NA	NA	NA
31 <sup>st</sup> March, 2017	None	NA	NA	NA

**X. NON-MANDATORY REQUIREMENTS:**

**i. Office of the Chairman of the Board and re-imburement of expenses by the Company:**

The Chairman of the Company i.e. **Mr. Sumeet S. Mehra** is an Executive Director and any reimbursement of his expenses is made by the Company.

**ii. Shareholders' Rights:**

The Company's financial results are published in the newspapers and also posted on its own website (www.subhashsilk Mills.com). The Company furnishes the financial results on receipt of request from the shareholders.

**iii. Audit Qualification:**

The Auditors' Qualification is not having major impact in the financial transactions.

**iv. Separate posts of Chairman and CEO:**

The Company had appointed **Mr. Sumeet S. Mehra** as Chairman, who is also Director of Company. Further the Company has not appointed/designated any person as CEO.

**v. Reporting of Internal Auditor:**

The Company's Internal Auditor reports directly to the Audit Committee.

**MD & CFO CERTIFICATION**

To,  
**The Board of Directors,**  
**Subhash Silk Mills Limited**

Dear Members of the Board,

We, **Dhiraj Mehra**, Managing Director and **Priyanka Mankame**, Chief Financial Officer of **Subhash Silk Mills Limited**, to the best of our knowledge and belief, certify that:

1. We have reviewed the Financial Statements and Cash Flow Statement of the Company and all notes on accounts and the Board's Report for the year ended **March 31, 2019**.
2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make statements made, in the light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
4. There are no transactions entered into by the Company during the year ended **March 31, 2019**, that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics.

5. We accept responsibility for establishing and maintaining internal controls for financial reporting for the Company and we have –
  - evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.
  - Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
6. We affirm that –
  - There has not been any significant change in internal control over financial reporting during the year under reference.
  - There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.
  - We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.
7. We affirm that we have not denied any personnel access to the Audit Committee of the Company and we have provided protection to the whistleblowers from unfair termination and other unfair or prejudicial employment practices.
8. We further declare that all Board members have affirmed compliance with Code of Conduct and Ethics for the year covered under this report.

**SD/-****Dhiraj Mehra****MD****DIN: 01409010****Place: Mumbai****Date: August 28, 2019****SD/-****Priyanka Mankame****CFO****AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE REPORT**

To

The Members of

**Subhash Silk Mills Limited**

Mumbai

We have examined the compliance of conditions of Corporate Governance by **Subhash Silk Mills Limited** (the Company) for the year ended **31<sup>st</sup> March, 2019**, as per relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of

**Govind Prasad & Co.****Chartered Accountants****FRN: 114360W****SD/-****Govind Prasad****M. No. 047948****Place: Mumbai****Date August 13, 2019**

**Independent Auditor's Report**

**To**  
**The Members of M/s. Subhash Silk Mills Limited**  
**Report on the Standalone Financial Statements**

**Opinion**

We have audited the standalone financial statements of Subhash Silk Mills Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the note no. 2(k) the company provides for gratuity on cash basis instead of actuarial valuation, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, we have determined that there are no key audit matters to communicate in our report.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered



material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Report on Other Legal and Regulatory Requirements**

As required by the **Companies (Auditor's Report) Order, 2016** ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls, our financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure -B
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Govind Prasad and Co**  
**Chartered Accountants**  
**Firm Regn.No 114360W**

**Govind Prasad**  
**M. No. 047948**  
**Place: Mumbai**  
**Date: 20<sup>th</sup> May 2019**

**Subhash Silk Mills Ltd**  
(Annexure to Auditor's Report)

- (I) IN RESPECT OF ITS FIXED ASSETS:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has physically verified certain assets during the period in accord with a programme of verification, which in our opinion provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to no material discrepancies were noticed on such verification. In our opinion fixed assets have been properly dealt with in the books of accounts.
  - (c) In our opinion and according to the information and explanations given to us in our opinion and according to the information and explanations given to us, the title deed of the immovable properties of the company are held in the name of the company.
- (ii) In respect of its inventories, in our opinion and according to the information and explanations given to us, the management at reasonable intervals has physically verified the inventory and no material discrepancies were noticed on physical verifications.

- (iii) In respect of loans secured or unsecured granted to companies, firms or other parties covered by clause (76) of section 2 of the companies Act, 2013,
- (a) In our opinion the terms and conditions of grant of such loans are not prejudicial to the company's interest.
  - (b) The repayments of principal amount as well as interest are regular whichever applicable.
  - (c) There is no amount overdue which is more than Rs. 5 lakhs.
- (iv) In respect of loans investments and guarantees, in our opinion and according to the information and explanations given to us, provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) In our opinion and according to the information and explanation given to us, the company has not accepted deposits from the public as per section 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) According to information and explanation given to us, the maintenance of cost records has not been prescribed by the Central Government sub section (1) of section 148 of the Companies Act 2013.
- (vii) According to the information and explanation given to us in respect of statutory and other dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value added Tax, Goods and Service Tax and other statutory dues with the appropriate authorities during the period.
  - (b) There are disputed dues of Sales Tax, Income Tax, Customs Duty, Service Tax, Excise Duty, Value Added Tax, Goods and Service Tax and any other statutory dues with the appropriate authorities during the period as under:
- |            |              |          |  |
|------------|--------------|----------|--|
| Income Tax | A.Y. 2015-16 | 8,13,900 | against which appeal is pending in front of commissioner |
|------------|--------------|----------|--|
- (viii) In our opinion and according to the information and explanations given to us, since the company has not taken any loan from financial institutions, banks and debenture holders, clause (viii) is not applicable.
- (ix) In our opinion and according to the information and explanations given to us, the company has not raised any money by way of public issue/follow-on offer and the company has not availed any term loan, clause (ix) is not applicable.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the period.
- (xi) In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.
- (xii) Since the company is not a Nidhi Company, clause xii is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 and the relevant details have been disclosed in the financial statement etc. as required by the accounting standards and Companies Act, 2013.

(xiv) In our opinion and according to the information and explanations given to us, the company has not made preferential allotment/private placement of shares or fully paid up shares during the year under review hence this clause is not applicable.

(xv) In our opinion and according to the information and explanations given to us, the non-cash transactions with directors or persons connected with them, in our opinion, provisions of Section 192 have been complied with.

(xvi) Since the company is not a banking company, clause xvi is not applicable.

**For GOVIND PRASAD & CO.**

**Chartered Accountants**

**SD/-**

**(GOVIND PRASAD)**

**Membership No. 047948**

**Firm Registration No. 114360W**

**Place: Mumbai**

**Date: 20<sup>th</sup> May 2019**

### **Annexure - B to the Auditors' Report**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Subhash Silk Mills** ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the

assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Govind Prasad & Co.  
Chartered Accountants**

**SD/-**

**(Govind Prasad)**

**Membership No. 47948**

**Firm Registration No.114360W**

**Place: Mumbai**

**Date : 20<sup>th</sup> May, 2019.**

**SUBHASH SILK MILLS LIMITED**  
**Balance Sheet as at 31st March, 2019**

Particulars	Note No	As at 31st March, 2019	As at 31st March, 2018
1	2	3	4
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	129,618,249	135,084,902
(b) Financial Assets			
Investment	4	33,100	33,100
(c) Income Tax Assets	5	7,392,271	6,584,581
(d) Deferred Tax Assets	6	326,625	316,790
(e) Other Assets	7	276,552	276,552
<b>Total Non-Current Assets</b>		<b>137,646,797</b>	<b>142,295,925</b>
<b>Current Assets</b>			
(a) Inventories	8	2,020,935	2,005,314
(b) Financial Assets			
(i) Trade Receivable	9	13,563,105	8,848,018
(ii) Cash and Cash Equivalents	10	5,032,517	4,178,445
(iii) Loans	11	51,454	311,401
(c) Other Assets	12	29,195	35,713
<b>Total Current Assets</b>		<b>20,697,206</b>	<b>15,378,891</b>
<b>TOTAL ASSETS</b>		<b>158,344,003</b>	<b>157,674,816</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Share Capital	13	40,493,808	40,493,808
(b) Other Equity	14	56,471,872	56,383,491
		<b>96,965,680</b>	<b>96,877,299</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Long - term Borrowings	15	16,372,303	12,269,087
(b) Long Term Liabilities	16	40,159,381	40,159,381
		<b>56,531,684</b>	<b>52,428,468</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
Trade Payable	17	4,429,718	4,441,993
(b) Other Liabilities	18	416,922	3,927,056
(c) Current Income Tax Liabilities	19	0	0
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,846,639</b>	<b>8,369,049</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>158,344,003</b>	<b>157,674,815</b>
<b>Background</b>	<b>1</b>		
<b>Significant Accounting Policies</b>	<b>2</b>		
<b>Notes to the financial statements</b>	<b>28 to 40</b>		
As per our report of even date		For and on behalf of Board Subhash Silk Mills Ltd.	
For Govind Prasad & Co.		Sd/-	Dhiraj Mehra
Chartered Accountants		Sumeet Mehra	Managing Director & CCO
Firm Registration No. 114360W		Chairman & Director	DIN - 01409010
Sd/-		DIN - 00342934	
Govind Prasad		Sd/-	Sd/-
Partner		Priyanka Mankame	Paridhi Somani
Membership No. 047948		Chief Financial Officer	Company Secretary
Mumbai		Mumbai	
Dated :20th May, 2019		Dated :20th May, 2019	

**SUBHASH SILK MILLS LIMITED**  
**Statement of Profit and Loss for the Year ended 31st March, 2019**

	Particulars	Note No	From	From
			(01/04/18 to 31/03/19)	(01/04/17 to 31/03/18)
			Current Year	Previous Year
<b>I</b>	Revenue From Operations	<b>20</b>	524,683	589,865
<b>II</b>	Other Income	<b>21</b>	21,348,189	17,831,390
<b>III</b>	<b>TOTAL INCOME</b>		<b>21,872,872</b>	<b>18,421,255</b>
<b>IV</b>	<b>EXPENSES :</b>			
	(a) Cost of Materials Consumed	<b>22</b>	160,246	146,940
	(b) Changes in Inventories of Finished goods	<b>23</b>	(15,621)	(1,703)
	(c) Employee Benefits Expense	<b>24</b>	2,138,999	1,870,875
	(d) Finance Costs	<b>25</b>	24,63,436	647,905
	(e) Depreciation and Amortization Exp	<b>26</b>	5,466,653	5,648,283
	(f) Other Expenses	<b>27</b>	10,232,493	10,057,451
	<b>TOTAL EXPENSES</b>		<b>20,446,205</b>	<b>18,369,751</b>
<b>V</b>	<b>PROFIT BEFOR TAX ( III - IV )</b>		<b>1,426,667</b>	<b>51,504</b>
<b>VI</b>	<b>Tax Expenses</b>			
	(a) Current Tax		1,220,000	1,060,000
	(b) Prior Year Tax Adj		128,121	(116,799)
	(c) Deferred Tax		(9,835)	(71,609)
	<b>Total Tax Expenses</b>		<b>1,338,286</b>	<b>871,592</b>
<b>VII</b>	<b>PROFIT FOR THE YEAR ( V - VI )</b>		<b>88,381</b>	<b>(820,088)</b>
<b>VIII</b>	<b>OTHER COMPREHENSIVE INCOME</b>			
<b>(A)</b>	<b>(i) Items that will be reclassified subsequently to the statement of profit and loss :</b>			
	(a) Net changes in fair values of investments other than equity shares carries at fair value through OCI		0	0
	<b>(ii) Income Tax on items that will be reclassified subsequently to statement of profit and loss :</b>		0	0
<b>(B)</b>	<b>(i) Items that will not be reclassified subsequently to the statement of profit and loss :</b>			
	(a) Remeasurement of defined employee benefit plans		0	0
	(b) Changes in fair values of investment in equities carried at fair value through OCI		0	0
	<b>(ii) Income Tax on items that will be not be reclassified subsequently to statement of profit and loss :</b>		0	0
	<b>TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)</b>		<b>0</b>	<b>0</b>
<b>IX</b>	<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>88,381</b>	<b>(820,088)</b>
<b>X</b>	<b>Earnings per equity share :- Basic &amp; Diluted Rs.</b>			
	Weighted average number of equity shares (face value of Rs. 10/- each)		0.02	(0.19)
	<b>Background</b>	<b>1</b>		
	<b>Significant Accounting Policies</b>	<b>2</b>		
<b>XI</b>	<b>Notes forming part of the Financial Statements</b>	<b>28 to 40</b>		
As per our report of even date		For and on behalf of Board Subhash Silk Mills Ltd.		
For Govind Prasad & Co.		Sd/-		Sd/-
Chartered Accountants		Sumeet Mehra		Dhiraj Mehra
Firm Registration No. 114360W		Chairman & Director		Managing Director & CCO
Sd/-		DIN - 00342934		DIN- 01409010
Govind Prasad		Sd/-		Sd/-
Partner		Priyanka Mankame		Paridhi Somani
Membership No. 047948		Chief Financial Officer		Company Secretary
Mumbai		Mumbai		
Dated :20th May,2019		Dated :20th May,2019		

<b>SUBHASH SILK MILLS LIMITED</b>				
<b>CASH FLOW STATEMENT FOR THE YEAR ENDING MARCH 31, 2019</b>				
		<b>March, 2019</b>		<b>March, 2018</b>
<b>A</b>	<b>Cash Flow From Operating Activities</b>			
	Net Profit/(Loss) Before Tax	1,426,667		51,504
	<b>Adjustments:</b>			
	Depreciation	5,466,653		5,648,283
	Interest Charged	2,463,436		647,905
	Profit on Sale of Assets	0		(145,378)
	Interest Received	0		7,930,089
	<b>Operating Profit Before Working Capital Changes</b>	<b>9,356,756</b>		<b>6,202,314</b>
	<b>Adjustments:</b>			
	Inventories	(15,621)		(1,703)
	Sundry Debtors	(4,715,086)		2,920,700
	Loans and Advances	266,465		(309,503)
	Trade Payable	(5,678,220)		(10,142,463)
	Cash Generated From Operations	<b>(785,707)</b>		<b>(8,213,343)</b>
	Interest Charged	(2,463,436)		(647,905)
	Net Cash From Operating Activities	<b>(3,249,143)</b>		<b>(8,861,247)</b>
<b>B</b>	<b>Net Cash From Operating Activities</b>			
	<b>Cash Flow From Investing Activities</b>			
	Sale of Fixed Assets	0		205,000
	Dividend Received	0		205,000
	Net Cash Used in Investing Activities	<b>0</b>		<b>205,000</b>
<b>C</b>	<b>Cash Flow From Financing Activities</b>			
	Loan Repaid	4,103,216		10,052,869
	Loan Taken	0		4,103,216
	<b>Total Of A+B+C</b>	<b>854,073</b>		<b>1,396,621</b>
	Cash and Cash Equivalents Opening	(4,178,445)		(2,781,822)
	Cash and Cash Equivalents Closing	<b>5,032,517</b>		<b>854,073</b>
<b>As per our report of even date</b>		<b>For and on behalf of Board Subhash Silk Mills Ltd.</b>		
<b>For Govind Prasad &amp; Co.</b>		<b>Sd/-</b>		
<b>Chartered Accountants</b>		<b>Sumeet Mehra</b>		
<b>Firm Registration No. 114360W</b>		<b>Chairman &amp; Director</b>		
<b>Sd/-</b>		<b>DIN - 00342934</b>		
<b>Govind Prasad</b>		<b>Sd/-</b>		
<b>Partner</b>		<b>Priyanka Mankame</b>		
<b>Membership No. 047948</b>		<b>Chief Financial Officer</b>		
<b>Mumbai</b>		<b>Paridhi Somani</b>		
<b>Dated :20th May,2019</b>		<b>Company Secretary</b>		
		<b>Mumbai</b>		
		<b>Dated :20th May,2019</b>		

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**  
(All amounts in Indian Rupees unless otherwise stated)

Note ..... "1" **BACKGROUND**

Subhash Silk Mills Limited is a Public Limited company. The address of its registered Office is G-15, Ground Floor, Premkutir, 177, Marine Drive, Mumbai 400 020 and is engaged in manufacturing of fabrics and warehousing activities.

The financial statements for the year ended March 31, 2019 were approved by the Board of Director and authorized for issue on May 20, 2019.

Note ..... “2”

**SIGNIFICANT ACCOUNTING POLICIES****a. BASIS OF ACCOUNTING**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as “Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. Previous period have been restated to Ind AS.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rule, 2015 read with Section 133 of the Companies Act, 2013.

**b. USE OF ESTIMATES**

The presentation of Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent liabilities. The estimates and assumption used in the accompanying Financial Statements are based upon management’s evaluation of the relevant facts and circumstances as of the date of the financial statement. Actual results may differ from the estimates and assumptions used in preparing the accompanying Financial statements.

**c. BASIS OF PREPARATION**

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**d. PROPERTY, PLANT AND EQUIPMENT**

Fixed assets are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use, less accumulated depreciation and impairment loss except plant & machinery, which have revalued, are stated at revalued figure.

Intangible assets purchased are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

**e. DEPRECIATION**

Depreciation is provided on the Straight-Line Method at the manner prescribed under schedule II of the companies Act, 2013.

**f. INVENTORIES**

i) Inventories of Fabrics is valued at Lower of cost and market value

**g. INVESTMENT**

- i) Non-current investment is carried at fair value through OCI.
- ii) Current investment is carried at fair value through OCI.

**h. REVENUE RECOGNITION**

i) The revenue is recognized as and when goods are dispatched to the party, in case of sale of services on completion of Job and in case of sale of trading, on raising of invoice and transfer of material to the party.



ii) Other income is recognized on accrual basis.

**i. RETIREMENT BENEFITS**

PF and other retirement benefits are not applicable to the Company. Gratuity is accounted for on Cash Basis. However as per AS-15 issued by Institute of Chartered Accountant of India, Retirement benefit to be provided on the basis of actuarial valuation but the same is not implemented by the company

**j. FOREIGN CURRENCY TRANSACTIONS**

Foreign currency transactions are recorded at the exchange rates prevailing on the date of transaction. Gains & Losses arising out of subsequent fluctuations are accounted for on actual payment or realization. Current assets & liabilities denominated in foreign currency as at the Balance Sheet date are converted at the exchange rates prevailing on that date. Exchange differences are recognized in the Profit & Loss Account.

**k. TAXES ON INCOME**

Current tax is determined as the amount of tax payable in respect of estimated taxable income for the year. Deferred tax is recognized subject to the consideration of prudence, on timing deference, being the difference between taxable income & accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liability.

**l. BORROWING COST**

Borrowing cost incurred in relation to the acquisition, construction of assets are capitalized as the part of the cost of such assets up to the date when such assets are ready for intended use. Other borrowing cost are charged as an expenses in the year in which these are incurred.

**m. IMPAIRMENT OF ASSETS**

Impairment loss is provided to the extent the carrying amounts of assets exceed their recoverable amount. Recoverable amount is the higher of an assets net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arms length transaction between knowledgeable, willing parties, less the costs of disposal.

**n. PROVISIONS & CONTINGENT LIABILITIES**

The Company creates a provision where there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.

**o. CASH AND CASH EQUIVALENTS**

The Company considers all highly liquid financial instruments, which are readily convertible into know amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balance with banks which are unrestricted for withdrawal and usage.

**p. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

**q. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

**r. FINANCIAL LIABILITIES**

Financial liabilities are measured at amortized cost using the effective interest method.

**s. EQUITY INSTRUMENTS**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities.

**t. INTANGIBLE ASSETS**

Intangible assets purchased are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

**As per our report of even date**

**For Govind Prasad & Co.  
Chartered Accountants**

**Sd/-  
Govind Prasad  
Proprietor  
Membership No. 047948  
Firm Registration No. 114360W  
Mumbai  
Dated :May 20, 2019**

**For and on behalf of Board Subhash Silk Mills Ltd.**

**Sd/-  
Sumeet Mehra  
Chairman & Director  
DIN - 00342934**

**Sd/-  
Dhiraj Mehra  
Managing Director & CCO  
DIN - 01409010**

**Mumbai  
Dated :May 20, 2019**

**Sd/-  
Priyanka Mankame  
CFO**

**Sd/-  
Paridhi Somani  
Company Secretary**

**Notes to Accounts ..... "3"**
**NON-CURRENT ASSETS**
**(a) Property, Plant and Equipment : Property, Plant and Equipment Consist of the following**

<b>Description</b>	<b>Freehold Land</b>	<b>Buildings</b>	<b>Residential Flat</b>	<b>Electrical Installation</b>	<b>Computers</b>	<b>Office equipment</b>	<b>Furniture and fixtures</b>	<b>Vehicles</b>	<b>Total</b>
Cost as at April 1, 2018	12,705,335	108,003,383	86,461,783	3,547,024	481,974	277,513	16,313	4,114,486	215,607,811
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Cost as at March 31, 2019	12,705,335	108,003,383	86,461,783	3,547,024	481,974	277,513	16,313	4,114,486	215,607,811
Accumulated depreciation as at April 1, 2018	-	61,373,345	11,485,192	3,286,174	457,876	230,408	8,587	3,681,327	80,522,909
Depreciation for period	-	2,448,248	2,737,956	42,504	-	19,132	3,100	215,713	5,466,653
Disposals	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2019	-	63,821,593	14,223,148	3,328,678	457,876	249,540	11,687	3,897,040	85,989,562
<b>Net carrying amount as at March 31, 2019</b>	<b>12,705,335</b>	<b>44,181,790</b>	<b>72,238,635</b>	<b>218,346</b>	<b>24,098</b>	<b>27,973</b>	<b>4,626</b>	<b>217,446</b>	<b>129,618,249</b>
Cost as at April 1, 2017	12,705,335	108,003,383	86,461,783	3,547,024	481,974	277,513	16,313	5,306,935	216,800,260
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	1,192,449	1,192,449
Cost as at March 31, 2018	12,705,335	108,003,383	86,461,783	3,547,024	481,974	277,513	16,313	4,114,486	215,607,811
Accumulated depreciation as at April 1, 2017	-	58,925,097	8,747,236	3,243,670	433,436	211,276	5,487	4,441,251	76,007,453
Depreciation for period	-	2,448,248	2,737,956	42,504	24,440	19,132	3,100	372,903	5,648,283
Disposals	-	-	-	-	-	-	-	1,132,827	1,132,827
Accumulated depreciation as at March 31, 2018	-	61,373,345	11,485,192	3,286,174	457,876	230,408	8,587	3,681,327	80,522,909
<b>Net carrying amount as at March 31, 2018</b>	<b>12,705,335</b>	<b>46,630,038</b>	<b>74,976,591</b>	<b>260,850</b>	<b>24,098</b>	<b>47,105</b>	<b>7,726</b>	<b>433,159</b>	<b>135,084,902</b>

**STATEMENT OF CHANGES IN EQUITY**

**A. EQUITY SHARE CAPITAL**

Balance as at April 1, 2017	Changes in equity share capital during the period	Balance as at March 31, 2018
4,04,93,808	0	4,04,93,808

( Rs. Crores )

Balance as at April 1, 2018	Changes in equity share capital during the period	Balance as at March 31, 2019
4,04,93,808	0	4,04,93,808

**B. OTHER EQUITY**

	Reserves and Surplus		
	Securities Premium	General Reserve	Retained Earnings
<b>Balance as at April 1, 2017</b>	4,59,82,000	0	1,12,21,579
Profit for the year	0	0	-8,20,088
<b>Total Comprehensive Income</b>	<b>0</b>	<b>0</b>	<b>-8,20,088</b>
<b>Balance as at March 31, 2018</b>	<b>4,59,82,000</b>	<b>0</b>	<b>1,04,01,491</b>
<b>Balance as at April 1, 2018</b>	4,59,82,000	0	1,04,01,491
Profit for the year	0	0	88,381
<b>Total Comprehensive Income</b>	<b>0</b>	<b>0</b>	<b>88,381</b>
<b>Balance as at March 31, 2019</b>	<b>4,59,82,000</b>	<b>0</b>	<b>1,04,89,872</b>

As at 31st, March,  
2019

As at 31st, March,  
2018

Notes to Accounts ..... "4"

**NON - CURRENT ASSETS**

**(c) Financial Assets**

**Investments**

**(i) Investment in Shares**

**UNQUOTED**

In Fully Paid-up Equity Shares of Rs.100/- each

Rayon Mills Commercial Corporation Limited

Art Silk Co-operative Limited

25	2,500	25	2,500
306	30,600	25	30,600
	<u>33,100</u>		<u>33,100</u>

Notes to Accounts ..... "5"

**d) Income Tax Assets**

Advance Tax including TDS

4,11,72,271

40,009,581

Less: Provision for Income Tax

3,37,80,000

33,425,000

73,92,271

6,584,581

Notes to Accounts ..... "6"

**(b) Deferred Tax Liabilities**

0

**DETAILS OF DEFERRED TAX LIABILITY**

The Company has during the year Recognized in the profit & loss accounts a difference of (Rs. 9,835) Between net, deferred tax Assets of and on the deferred tax Assets of Rs. 3,26,625/- As on 31st March, 2019 Rs. 3,16,790/- As on 31st March, 2018

Deferred Tax Liability

Depreciation

3,26,625

3,16,790

Total

3,26,625

3,16,790

Deferred Tax Assets	0	0
Total	3,26,625	3,16,790

**Notes to Accounts** ..... "7"

**(e) Other Assets**

Sundry Deposits	276,552	276,552
	<b>276,552</b>	<b>276,552</b>

**Notes to Accounts** ..... "8"

**(a) Inventories**

(As per inventory taken, valued and certified by the Director)

Stock of Fabrics	20,20,935	20,05,314
	20,20,935	20,05,314

**Notes to Accounts** ..... "9"

**(ii) Trade Receivable**

Unsecured, Considered Good

Debts Exceeding Six Months	96,73,516	62,15,299
	<b>96,73,516</b>	<b>62,15,299</b>

Others	38,89,588	26,32,719
	<b>1,35,63,105</b>	<b>88,48,018</b>

**Notes to Accounts** ..... "10"

**(iii) Cash and Cash Equivalents**

Balance with Scheduled Banks

In Current Accounts	2,34,851	2,10,693
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Cash on Hand	47,97,667	39,67,752
	<b>50,32,517</b>	<b>41,78,445</b>

**Notes to Accounts** ..... "11"

**(iv) Loans**

(Unsecured, considered good)

Advances Recoverable in Cash or in Kind or for Value to Be Received

	51,454	3,11,401
	<b>51,454</b>	<b>3,11,401</b>

**Notes to Accounts** ..... "12"

**(c) Other Assets**

Prepaid Expenses	29,195	35,713
	<b>29,195</b>	<b>35,713</b>

**Notes to Accounts** ..... "13"

**EQUITY AND LIABILITIES**

**(a) Share Capital**

**AUTHORISED**

50,00,000 (P.Y.50,00,000) Equity Shares of Rs. 10.00 each	50,000,000	50,000,000
	<b>50,000,000</b>	<b>50,000,000</b>

**ISSUED, SUBSCRIBED AND PAID UP:**

42,40,500 (P.Y.42,40,500) Equity Shares of Rs.10.00 each	42,405,000	42,405,000
Less Calls in arrears	1,911,192	1,911,192
	<b>40,493,808</b>	<b>40,493,808</b>

**a) Reconciliation of the number of equity shares and Preferential shares outstanding at the beginning and at the end of the year :**

Equity Shares of Rs.10/- each fully Paid-up

Shares Outstanding at the beginning of the year

**Addition:** During the Year

Shares Outstanding at the end of the year

AS AT		AS AT	
31st March, 2019		31st March, 2018	
No.	Amount	No.	Amount
4,240,500	42,405,000	4,240,500	42,405,000
0	0	0	0
<b>4,240,500</b>	<b>42,405,000</b>	<b>4,240,500</b>	<b>42,405,000</b>

**b) Terms / rights attached to equity shares :**

The Company has only one class of shares referred to as equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the equity share holders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Detail of Shareholders holding more than 5% shares:

<b>Name of Shareholders</b>	<b>As at 31st March, 2019</b>		<b>As at 31st March, 2018</b>	
	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
1) Subhash Mehra	633,500	15	633,500	15
2) Excellent Holdings Pvt Ltd	490,900	12	490,900	12
3) Nameeta Mehra	477,000	11	477,000	11
4) Taranga Holdings Pvt Ltd	411,800	10	411,800	10
5) Dhiraj Mehra	280,500	7	280,500	7
6) Ved Prakash Mehra HUF	244,400	6	244,400	6
7) Sumeet Subhash Mehra	235,900	6	235,900	6

**Notes to Accounts ..... "14"**

**(b) Other Equity**

**Share Premium**

Per last Balance Sheet	55,220,000	55,220,000
Less Calls in Arrears	9,238,000	9,238,000
<b>Balance at the Close of the Year</b>	<b>45,982,000</b>	<b>45,982,000</b>

**Balance in Profit and Loss Statement**

As per Last Balance Sheet	1,04,01,491	1,12,21,579
Add : Profit for the Year	88,381	(8,20,088)
Add: Other Comprehensive Income		
<b>Balance at the Close of the Year</b>	<b>5,64,71,872</b>	<b>5,63,83,491</b>

**Notes to Accounts ..... "15"**

**Non-Current Liabilities**

**(a) Financial Liabilities**

**(i) Long - term Borrowings**

**Unsecured**

From Directors	70,56,553	50,79,192
From Others	93,15,750	71,89,895
<b>Total</b>	<b>1,63,72,303</b>	<b>1,22,69,087</b>

**Notes to Accounts ..... "16"**

**(b) Long Term Liabilities**

Sundry Deposits	4,01,59,381	4,01,59,381
-----------------	-------------	-------------

**CURRENT LIABILITIES**

**Notes to Accounts ..... "17"**

**Trade Payable**

Trade Payable for Goods	25,963	25,963
Others	44,03,755	44,16,030
	<b>44,29,718</b>	<b>44,41,993</b>

**Note:** There are no delays in payment to Micro and Small enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006, This information has been determined

to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**Notes to Accounts** ..... "18"

**(b) Other Liabilities**

Statutory Liabilities	4,16,922	4,34,984
Advance from Customer	0	34,92,072
	<b>4,16,922</b>	<b>39,27,056</b>

#Against Hypothecation of Car , Vehicles Loan Repayment of Term Loans are:-on EMI Basis

**Notes to Accounts** ..... "19"

**Current Liabilities**

**(c) Current Income Tax Liabilities**

Provision for Income Tax	0	0
Advance Tax including TDS	0	0
	<b>0</b>	<b>0</b>

**Notes to Accounts** ..... "20"

**Revenue From Operations**

Sale of Garments	5,24,683	5,89,865
<b>TOTAL</b>	<b>5,24,683</b>	<b>5,89,865</b>

**Notes to Accounts** ..... "21"

**Other Income**

Warehousing Charges	2,12,85,144	1,75,95,351
Interest Received	63,045	90,661
Profit on Sale of Car	0	1,45,378
Other Income	0	0
<b>TOTAL</b>	<b>2,13,48,189</b>	<b>1,78,31,390</b>

**Notes to Accounts** ..... "22"

**(a) Cost of Materials Consumed**

Imported	0	0
Indigenous- Fabrics	1,60,246	1,46,940
<b>MATERIAL CONSUMED</b>	<b>1,60,246</b>	<b>1,46,940</b>

**Notes to Accounts** ..... "23"

**(b) Changes in Inventories of Finished Goods Work-in-progress**

Closing Stock of Finished Goods	20,20,935	20,05,314
Less : Opening Stock of Finished Goods	20,05,314	20,03,611
<b>TOTAL</b>	<b>(15,621)</b>	<b>(1,703)</b>

**Notes to Accounts** ..... "24"

**(c) Employee Benefits Expense**

Salaries, Wages, Bonus & Commission	20,74,239	18,22,725
Staff Welfare Expenses	64,760	48,150
<b>TOTAL</b>	<b>21,38,999</b>	<b>18,70,875</b>

**Notes to Accounts** ..... "25"

**(d) Finance Costs**

Interest on Loans	24,26,826	5,70,820
Other Charges	36,610	77,085
<b>TOTAL</b>	<b>24,63,436</b>	<b>6,47,905</b>

**Notes to Accounts** ..... "26"

**(e) Depreciation and Amortization Exp**

I) Tangible Assets	54,66,653	56,48,283
	<b>54,66,653</b>	<b>56,48,283</b>

**Notes to Accounts ..... "27"**

**(f) Other Expenses**

**1) MANUFACTURING AND OTHER DIRECT EXP**

Packing Charges	400	5,363
Labour Charges	32,741	25,861
Other Manufacturing Expenses	2,04,090	1,84,765
Coolie, Cartage, Transportation	14,290	12,984
	<b>2,51,521</b>	<b>2,28,973</b>

**2) ADMINISTRATION AND SELLING EXP**

Rates and Taxes	14,75,972	23,75,574
Traveling and Conveyance	1,00,130	1,32,487
Advertisement	56,780	30,802
Security Charges	4,54,500	6,26,027
Auditor Remuneration	1,50,000	1,50,000
Directors Remuneration	24,00,000	24,00,000
General Expenses	2,06,308	2,59,070
Insurance Charges	62,320	56,941
Legal and Professional Expenses	3,68,748	7,66,131
Sundry Balance W/off	0	5,911
Repairs and Maintenance Charges	9,293	47,295
Repairs and Maintenance Building	36,16,256	15,00,725
Commission Paid	22,924	48,464
Entertainment Exp	0	37,809
Postage, Telephone and Telex	1,17,961	1,04,382
Printing and Stationery	66,982	62,123
Electricity Charges	15,059	61,080
Charity and Donations	53,500	71,502
Motor Vehicle Expenses	8,04,239	10,92,156
	<b>99,80,972</b>	<b>98,28,478</b>
<b>TOTAL</b>	<b>87,56,521</b>	<b>1,00,57,451</b>

**NOTES ..... "28"**

**CONTINGENT LIABILITIES:** Income Tax Demand for A.Y. 2015-16 of Rs. 8,13,900/- against which appeal is pending in front of commissioner.

**NOTES ..... "29"**

Estimated amount of contract remaining to be executed on capital account and not provided for is Nil (Previous year Nil).

**NOTES ..... "30"**

**AUDITORS REMUNERATION**

	<b>As on 31/03/19</b>	<b>As on 31/03/18</b>
Audit fees	1,50,000	1,50,000
Other Matters	0.00	0
Service Tax & GST	27,000	27,000
<b>Total</b>	<b>1,77,000</b>	<b>1,77,000</b>

**NOTES ..... "31"**

**MANAGERIAL REMUNERATION**

	<b>As on 31/03/19</b>	<b>As on 31/03/18</b>
Salary and Commission	24,00,000	24,00,000
<b>Total</b>	<b>24,00,000</b>	<b>24,00,000</b>



**NOTES ..... "32"**

**EXPENDITURE IN FOREIGN CURRENCY**

	As on 31/03/19	As on 31/03/18
<b>Traveling expenses</b>	NIL	NIL

**NOTES ..... "33"**

**EARNING IN FOREIGN CURRENCY**

NIL	NIL
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**NOTES ..... "34"**

Since the company is operating in one segment, thus segment wise reporting is not applicable.

**NOTES ..... "35"**

**Name and Nature of Transaction with related parties: 2018-19**

Name of Related Parties & Nature of Transaction Value of Transaction

1. Subhash Knitting Industries )	Enterprises over which Key Managerial Personnel are able To exercise significant influence
2. Aquabrane Water Technolo- ) -gies Pvt Ltd )	
3. Sparkle Clean Tech P Ltd )	
4. Sparkleclean Tech Systems Pvt Ltd)	
4. Dhiraj Mehra )	Key Managerial Personnel
5. Sumeet Mehra )	
6. Nandini Dhowan )	Relative of Key Managerial Personnel

(i) Information about related party transactions Rs. In Lakhs

<b>Nature of Transaction</b>	<b>Key Man Per.</b>	<b>Other</b>	<b>Total</b>
Net Loans and Advances taken (Returned)	19.78	-	19.78
P.Y	(70.26)	-	(70.26)
Warehousing Income	-	56.21	56.21
P.Y	-	56.21	56.21
Salaries Paid	24.00	4.80	28.80
P.Y	24.00	4.80	28.80
Balance as on 31/03/19			
Loans Taken	70.56	0.00	70.56
P.Y	50.79	0.00	50.79
Deposits taken	-	27.20	27.20
P.Y	-	27.20	27.20

**NOTES ..... "36"**

**EARNING PER SHARE**

Basic earning per share has been calculated by dividend profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The company has not issued any potential equity shares and accordingly, the basic earning per share and diluted earning per share are the same. Earning per share has been calculated as under:

	As on 31/03/19	As on 31/03/18
Profit after taxation after extra ordinary items		
Profit after taxation before extra ordinary items	88,381	(-)820,088
Weighted average no. of shares	42,40,500	42,40,500
Earning per share Basic and Diluted (After extra in Rs. Ordinary items)	0.02	(-)0.19

Earning per share before extra ordinary items Basic and Diluted 0.02 (-)0.19

**NOTES** ..... "37"

Sundry Debtors and Creditors & advance are subjected to confirmation by the respective parties. Necessary Adjustments in account will be made in the year in which discrepancy, if any, may be noticed.

**NOTES** ..... "38"

Sundry Loan & Advances and other assets are, in the opinion of management stated at the amount realizable in the ordinary course of business and provision for all known and determined liabilities are adequate and not in excess of the amounts reasonably required.

**NOTES** ..... "39"

Figures have been rounded off to the nearest rupee.

**NOTES** ..... "40"

Previous year figures have been regrouped / reclassified wherever necessary.

As per our report of even date

For Govind Prasad & Co.  
Chartered Accountants

Sd/-  
Govind Prasad  
Proprietor  
Membership No. 047948  
Firm Registration No. 114360W  
Mumbai  
Dated :May 20, 2019

For and on behalf of Board Subhash Silk Mills Ltd.

Sd/-  
Sumeet Mehra  
Chairman & Director  
DIN - 00342934

Sd/-  
Dhiraj Mehra  
Managing Director & CCO  
DIN - 01409010

Mumbai  
Dated :May 20, 2019

Sd/-  
Priyanka Mankame  
CFO

Sd/-  
Paridhi Somani  
Company Secretary

**COMMUNICATION TO SHAREHOLDERS**

Dear Shareholder(s),

This is to inform you that the Company is in process of updation of records of the shareholders in order to reduce the physical documentation as far as possible.

With new BSE listing agreement, it is mandatory for all the investors including transferors to complete their KYC information. Hence, we have to update your PAN No., phone no. and e-mail id in our records. We would also like to update your current signature records in our system.

To achieve this we solicit your co-operation in providing the following details to us:

1. If you are holding the shares in dematerialized form you may update all your records with your Depository Participant (DP).
2. If you are holding shares in physical form, you may provide the following :  
Folio No. :  
Pan No. :  
E-mail ID :  
Telephone No. :  
Name and Signatures: i.  
ii.

Thanking you,  
For, Subhash Silk Mills Ltd.  
Sd/-  
Dhiraj Mehra  
Managing Director & CCO  
DIN: 01409010

**LETTER TO SHAREHOLDERS FOR UPDATION OF PAN AND OTHER DETAILS**

 Ref. No. PURVA/SUBHASHS/01/19-20     **Register/Speed Post**     Date: 28<sup>th</sup> August, 2019

To,  
 Dear Shareholders,  
**SUBASH SILK MILLS LIMITED**  
**ISIN: INE690D01014**

The Securities and Exchange Board of India vide Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 has mandated submission of Permanent Account Number (PAN) and bank account details of all securities holders holding securities in physical form. Further, SEBI has given a notification on June 8<sup>th</sup>, 2018 stating that physical transfer of shares will be allowed until December 4<sup>th</sup>, 2018 vide Circular No. SEBI/LAD/NRO/GN/2018/24. Hence, kindly send your shares for transfer before December 4<sup>th</sup>, 2018 or demat your shares with your Depository Participant at any time after updating your KYC information with us. Kindly submit the following details and documents to the address mentioned below within 21 days of receipt of this communication. As per our records, your folio needs to be updated with the PAN / Complete Bank details so that the investments held by you are in compliance with the aforementioned circular.

I/We hereby, declare that the particulars given below are correct and complete and undertake to inform the Company of any subsequent change(s) in the above particulars.

Registered Folio No.:										
Mobile No.										
Email Id										
Name of the first/sole shareholder Address:										
IFSC Code										
Bank Name of First Holder										
Branch										
Bank Account Number										
Account Type (Please tick the option) ( <input type="checkbox"/> )	Saving		Current		Cash Credit		Others			
MICR No.										
Name	PAN No.				Signature					
1.										
2.										
3.										

**Note:** Please fill in the information in CAPITAL LETTERS and ENGLISH ONLY.

**Kindly enclose:-**

Copy of Self attested Pan Cards of all the shareholder(s)

Copy of address proof of First Holder (Preferably Aadhar Card)

Copy of cancelled cheque of First Holder

In case of updation / change of signature, please provide the signature attested by bank manager with his name, employee code no., address of the bank and bank seal:

**Purva Sharegistry (India) Pvt. Ltd.**

(Unit – **SUBASH SILK MILLS LIMITED - ISIN : INE690D01014**)

9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Near Lodha Excelus, Lower Parel East, Mumbai – 400 011

**SUBHASH SILK MILLS LIMITED  
CIN: L17106MH1970PLC014868**

Registered office: G-15 PREM KUTIR, GR. FLOOR, 177 MARINE DRIVE, MUMBAI 400020  
[E-Mail: subhashsilk Mills Ltd@gmail.com] [Website: www.subhashsilk Mills.com] [Tel no: 022 22825309]

**ATTENDANCE SLIP  
To be handed over at the entrance of the Meeting Hall**

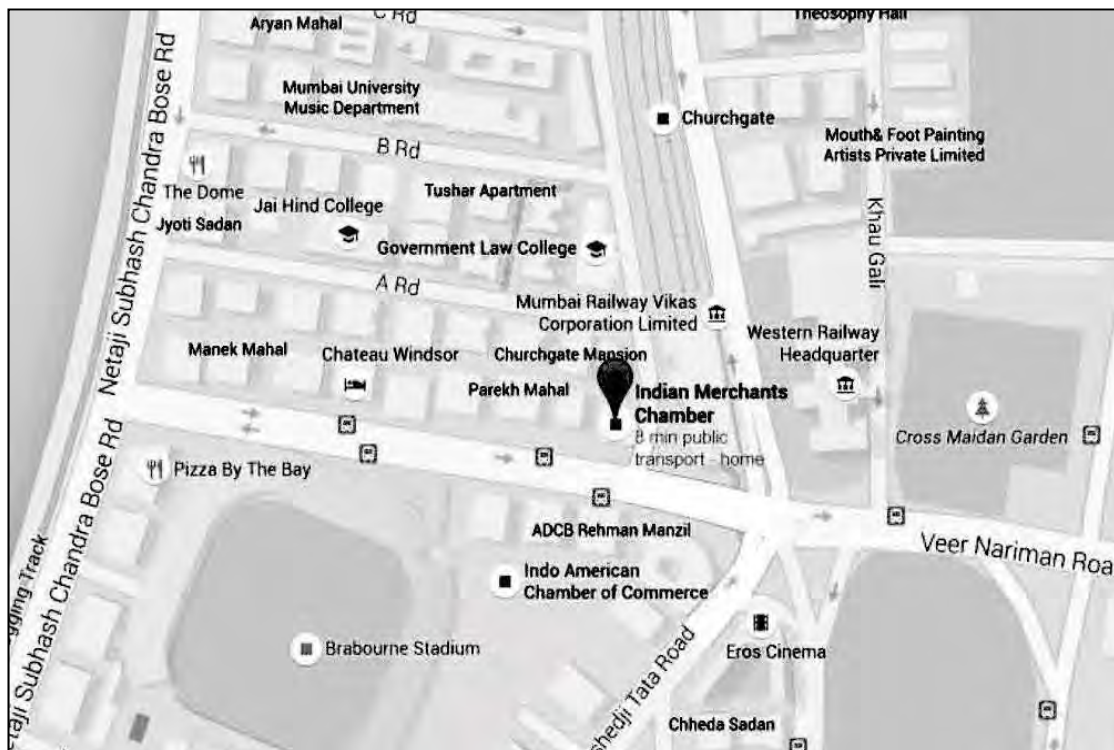
Folio No./Client ID : \_\_\_\_\_

I hereby record my presence at the **49<sup>TH</sup> ANNUAL GENERAL MEETING** to be held at **ASHOK BIRLA BOARD ROOM, 3<sup>RD</sup> FLOOR, INDIAN MERCHANTS CHAMBER, CHURCHGATE, MUMBAI 400020** on **Monday, September 30, 2019** at **11:30 a.m.**

\_\_\_\_\_  
Member's/Proxy's Full Name

\_\_\_\_\_  
Member's/Proxy's Signature

**ROUTE MAP TO THE VENUE OF THE AGM**



**Form No. MGT-11  
SUBHASH SILK MILLS LIMITED**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014

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22825309]

**PROXY FORM**

<b>Name of the Member (s):</b>		<b>Folio No. /Client Id:</b>	
<b>Registered Address:</b>		<b>DP ID:</b>	
<b>E-mail Id:</b>			

I/We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint :

1. Name : ..... Address : .....
- E-mail : ..... Signature : ..... or failing him  
Id
2. Name : ..... Address : .....
- E-mail : ..... Signature : ..... or failing him  
Id

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 45th Annual General Meeting of the company, to be held at **Indian Merchants Chamber, Ashok Birla Board Room, 3<sup>rd</sup> Floor, Churchgate, Mumbai 400020 on Monday, September 30, 2019 at 11.30 a.m.** and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Particulars	Optional*	
		For	Against
1.			
2.			
3.			
4.			
5.			
6.			

Signed this ..... day of ....., 2019

**Signature of Shareholder:**

**Signature of Proxyholder(s):**

<p><b>Affix 1 Rupee</b></p>  <p><b>Revenue Stamp</b></p>
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Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.