



**Subhash silk Mills Limited**

**45th  
Annual Report  
2014-2015**



## BOARD OF DIRECTORS

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 Singhania (00019992)	Director
Mrs. Nameeta S. Mehra (01874270)	Director

### AUDITORS :

M/s. S. M. Kapoor & Co.

### BANKERS :

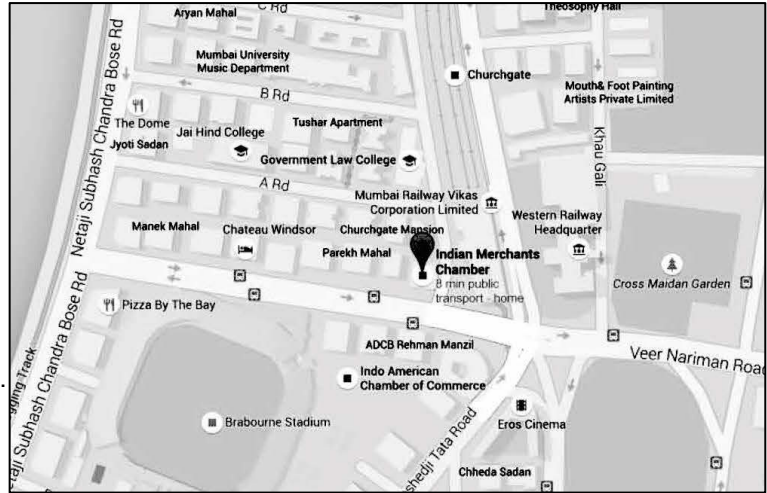
Citibank N.A.  
Axis Bank

### REGD.OFFICE

G-15, Ground Floor, Prem Kutir,  
177 Marine Drive,  
Mumbai 400020

### REGISTRAR & TRANSFER AGENT :

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



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Day	: Wednesday	Directors Report	8
Time	: 11.30 a.m.	MDAR Report	23
Place	: The Indian Merchants Chamber, P. Gandhi Board Room, (Fourth Floor) Churchgate, Mumbai – 400 020.	Corporate Governance Report	24
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### Important Communication to Members

The Ministry of Corporate Affairs has now permitted companies to send various notices / documents under the Companies Act, 1956, 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 Sharegistry (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).

**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE FORTY FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF SUBHASH SILK MILLS LIMITED (CIN: L17106MH1970PLC014868) WILL BE HELD AT THE INDIAN MERCHANTS CHAMBER, PRAVIN CHANDRA GANDHI BOARD ROOM, CHURCHGATE, MUMBAI - 400020 ON WEDNESDAY, 30TH SEPTEMBER, 2015 AT 11:30AM ON TO TRANSACT THE FOLLOWING BUSINESS:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the financial statements of the Company for the year ended 31<sup>st</sup> March ,2015 including audited Balance sheet as at 31<sup>st</sup> March, 2015 and Statement of Profit & Loss for the year ended on that date together with the Auditors' and Directors' Report thereon.
2. To appoint a Director in place of Mr. Dhiraj S. Mehra (DIN No. 01409010), who retires by rotation and being eligible, offers himself for re-appointment.
3. **Appointment of Statutory Auditors**

To consider & if though 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 (including any statutory modification(s) or re-enactment thereof , for the time being in force), M/s. S. M. Kapoor & Co., Chartered Accountants , Mumbai (Registration No. 104809W) issued by the Institute of Chartered Accountants of India, the retiring Statutory Auditors of the Company, who hold office up to the date of this Annual General Meeting and have confirmed their eligibility to be appointed as Auditors in terms of the provision of section 141 of the Act and the relevant Rules and offered themselves for re-appointment, be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next 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 for the year ending March 31, 2016”.

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

**DHIRAJ MEHRA**  
Managing Director  
DIN No. 01409010

**Regd. Office:**

G-15 Prem Kutir,  
177 Marine Drive,  
Mumbai – 400 020.  
Contact No.

Email Id: subhashsilkmillsltd@gmail.com

Website: www.subhashsilk Mills.com

Place: Mumbai

Date: 6-August-2015

**NOTES**

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

1. 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 ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. 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. 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 400 020 , on all working days except Saturdays and Sundays during business hours up to the date of the Meeting.
3. The register of members and the share transfer registers of the Company will remain closed from 23<sup>rd</sup> September, 2015 to 29<sup>th</sup> September, 2015 (both days inclusive).
4. Explanatory statements pursuant to section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting under item No. 4 to 8 is Annexed hereto.
5. (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.
6. 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.
7. 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.
8. 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.
9. 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.
10. Members, who have not registered their e-mail addresses, are requested to registered their e-mail address in respect of electronic holdings with the depository through their concerned Depository Participants and members who hold shares in physical form are requested to send their details to M/s. Purva Sharegistry (India) Pvt. Ltd (Registrar and Transfer agent) in order to enable the company to serve the notice/Documents including Annual Report thought e-mail as an initiative in consonance with circular issued by Ministry of Corporate Affairs allowing paperless compliances by the companies.
11. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of Board Resolution authorising their representatives to attend and vote on their behalf at the Meeting.
12. 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.
13. Non-Resident Indian Members are requested to M/s. Purva Sharegistry (India) Pvt. Ltd. immediately of any change in their residential status on return to India for permanent settlement.

#### **14. 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 Clause 35B of listing Agreement, 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 45<sup>th</sup> AGM and the business at the 45<sup>th</sup> AGM may be transacted through such voting. the company has entered agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable all its shareholders to cast their vote electronically.

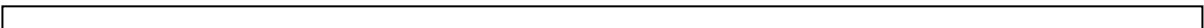


The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 45th AGM apart from remote e-voting. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise 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 Mrs. Ragini Chokshi, partner of Ragini Chokshi & Co., Practicing Company Secretaries, as the scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

- a. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) and Click on "Shareholders" tab.
- b. Select the Electronic Voting Sequence Number - along with "SubhashSilk" from the drop down menu and click on "SUBMIT"
- c. Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- d. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your existing password is to be used. If you are a first time user follow the steps given below:

		<b>For Members holding shares in Demat and Physical Form</b>
PAN		Enter your 10 digit alpha-numeric PAN issued by Income Tax Department(Applicable for both Demat as well as Physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the demat account/folio number in the PAN field. In case the folio 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 folio number 1 then enter RA00000001 in the PAN field.
DOB		Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details		Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or dividend Bank details in order to login. If the details are not recorded with the depository or company please enter number of shares held by you as on the cut off date in the Dividend Bank details field.

- e. After entering these details appropriately, click on "SUBMIT" tab.
- f. Members holding shares in physical form will then reach directly the EVSN 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. The new password has to be minimum eight characters consisting of atleast one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & \*). 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 the 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. Kindly note that this changed password is to be also used by Demat holders for voting for resolutions for the company or any other company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
- g. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- h. Click on the relevant EVSN on which you choose to vote.
- i. 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.
- j. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.



k. 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.

l. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

m. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

n. If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

o. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

p. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

q. Please follow all steps from sl. no. 18(a) to 18(p) above to cast vote.

17. The voting period begins on, 27th September, 2015 at 9a.m. and will end on 29th September, 2015 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on Wednesday, 23rd September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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 Shareregistry Pvt. Ltd. at +91-22-23016761 or write an email to [purvashr@mtnl.net.in](mailto:purvashr@mtnl.net.in)

18. Mrs Ragini Chokshi of M/s Ragini Chokshi & Co, have appointed as Scrutiniser to oversee that the evoting process has been carried out in fair and transparent manner. The Results shall be declared on or after the General Meeting of the Company. The results declared alongwith the scrutinizer's report shall be placed on the Company's website [www.subhashsilk.com](http://www.subhashsilk.com), and on the website of CDSL within two days of passing of the resolutions at the general meeting of the Company and communicated to stock exchange.

19. 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.

**Regd. Office:**

G-15 Prem Kutir,  
177 Marine Drive,  
Mumbai 400 020.  
Place: Mumbai  
Date: 6th August, 2015

By Order of the board  
For **SUBHASH SILK MILLS LTD.**

**DHIRAJ MEHRA**  
Managing Director

**ANNEXURE TO ITEM 2 OF THE NOTICE**

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

Name of the Director	<b>DHIRAJ SUBHASH MEHRA</b>
Director Identification Number (DIN)	01409010
Date of Birth	17-NOVEMBER-1974
Nationality	INDIAN

Date of Appointment on Board	25-OCTOBER-2006
Qualification	BBA – MARKETING
Shareholding in Subhash Silk Mills Limited	280500 shares
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	N/A.
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	N/A.

Mrs. Nameeta S. Mehra is Mr. Dhiraj S. Mehra's mother

Mr. Sumeet S. Mehra is Mr. Dhiraj S. Mehra's brother

## DIRECTOR'S REPORT

Your Directors hereby present the 45th Annual Report along with the Audited Accounts of the Company for the year ended 31st March, 2015.

### FINANCIAL HIGHLIGHTS OF PERFORMANCE:

The financial performance of the Company for the year ended on 31<sup>st</sup> March, 2015 is summarized as under:

(Amount in Rs. Lakhs)

Particulars	Consolidated	
	2014-2015	2013-2014
Income from Operations	15.23	12.73
Add : Other Income	158.06	1059.26
Profit before Interest, Depreciation and Taxes	25.55	942.36
Less : Finance Cost	0.56	0.92
Profit before Depreciation and Taxes	24.99	941.44
Less : Depreciation	80.57	37.06
Profit Before Taxes	(55.58)	904.38
Less : Provision for Current Taxation	0	315.00
Less: Provision for Deferred Taxation	0	0
Less: Taxes in respect of earlier years	0	0
Profit/ Loss after Taxes	(55.58)	589.38

### AMOUNT CARRIED FORWARD TO RESERVES:

Your Company has not transferred any amount to its reserves.

### PERFORMANCE REVIEW

The Company's total income increased to Rs.12.73 lakhs from Rs.15.23 lakhs and profit / (loss) after tax to loss of Rs.55.58 lakhs from profit of Rs589.38 Lakhs in the previous year. Trading in debt papers and development of retail clients like PF/Pension/Gratuity trust etc. has continued to yield good results.

The Company's property at Khopoli has been fully leased out. The said warehousing contracts have yielded an income of Rs.158.05 Lakhs (P.Y. Rs.197.54 Lakhs) in the current year under review.

Your Company has made sale of Readymade Garments to the service sector and of fabrics to various traders. Sales for the financial year have been Rs.12.73 Lakhs.

### DIVIDEND

Your Directors do not recommend any Dividend for the year ended 31st March, 2015.

### CHANGES IN THE NATURE OF BUSINESS:

There were no changes in the nature of business during the year ended 31<sup>st</sup> March, 2015.

### 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, 2015 and the date of this Report of the Directors.

**SUBSIDIARIES, JOINT VENTURE OR ASSOCIATES COMPANIES DURING THE YEAR:**

The Company has no subsidiaries, joint ventures or associated companies therefore disclosures in this regards are not provided in this report.

**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).

**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 are posted in the Website of the Company.

**Remuneration Policy**

The Board has, on the recommendation of the Appointment & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is posted in the Website of the Company.

**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 behaviour the company has adopted a vigil mechanism policy. The aim of the policy is to provide adequate safeguards against victimization of whistle blower who avails of the mechanism and also provide direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases.

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 the Audit Committee of the Company.

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees willing to raise a concern about serious irregularities within the Company.

This policy posted on the company's website [www.subhashsilk Mills.com](http://www.subhashsilk Mills.com)

**EMPLOYEE'S STOCK OPTION SCHEME**

During the year under the Review, there was no employee's stock option given.

**FIXED DEPOSITS**

The Company has no public deposits as of date and will not accept any deposits without prior approval of the Statutory Authorities concerned.

**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 attached to the Report on Corporate Governance.

**MANAGEMENT DISCUSSION AND ANALYSIS**

A detailed review on the operations and performance of the Company and its business is given in the Management Discussion and Analysis, which forms a part of this report.

**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 in the notes to the financial statements.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate system of internal control to safeguard and protect from loss, unauthorised use or disposition of its assets. All the transactions are probably authorised, 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.

**DIRECTORS**

Mr. Dhiraj S. Mehra (DIN No. 01409010) ,Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. Your Directors recommend his re-appointment.

During the year under review, Members approved appointment Mrs. Nameeta Mehra as a Director of the Company, Mr. Anant Ajaypat Singhania (DIN No. 00019992), Mr. Radhemohan Ramgopal Malhotra (DIN No. 01874316) and Mr. Lavkumar Kidarnath Vadehra (DIN No. 01936360) as Independent Directors of the Company in 44th Annual General Meeting held on 25th September, 2014. These Independent Directors are not liable to retire by rotation.

**DETAILS KEY MANAGERIAL PERSONNEL:**

The following three persons were formally appointed/ designated as Key Managerial Personnel of 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

Mrs. Priyanka Mankame, is formally designated as Chief Financial Officer w.e.f. 11<sup>th</sup> February, 2015.

Pursuant to section 203 of the Companies Act, 2013 read along with rule 8 of Companies (Appointment and Remuneration) Rules, 2014, it is mandatory to appoint Company Secretary if paid up share capital of the Company is more than 5 crores. Since our Company's paid up capital is less than 5 crores, so requirement for appointment Company Secretary is not mandatory.

**DECLARATION ABOUT INDEPENDENT DIRECTORS UNDER SUB-SECTION 6 OF SECTION 149:**

The Company has received 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 clause 49 of the Listing Agreement.

As required under Clause 49 of the Listing Agreement with the Stock Exchange, the information on the particulars of the Directors proposed for appointment/ re-appointment has been given in the Notice of the Annual General Meeting.

**BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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.

**AUDIT COMMITTEE**

The Audit Committee during the year consisted of 3 member. During the year four Audit Committee Meetings were convened and held on 30<sup>th</sup> May, 2014, 04<sup>th</sup> August, 2014, 31<sup>st</sup> October, 2014 and 11<sup>th</sup> February, 2015.

More details on the committee are given in corporate governance Report.

**BOARD MEETINGS**

During the year four Board Meetings were convened and held on 30<sup>th</sup> May, 2014, 04<sup>th</sup> August, 2014, 31<sup>st</sup> October, 2014 and 11<sup>th</sup> February, 2015.

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.

**NOMINATION AND REMUNERATION COMMITTEE:**

During the year Three Meetings were convened and held on 30<sup>th</sup> May, 2014, 04<sup>th</sup> August, 2014, and 11<sup>th</sup> February, 2015.

The Board has re-constituted its committee which comprises of 3 members; more details on the committee are given in Corporate Governance Report.

**STAKEHOLDER RELATIONSHIP COMMITTEE:**

The Board has re-constituted /change in nomenclature of Stakeholders and Relationship Committee' which comprises of 3 members; more details on the committee are given in Corporate Governance Report.

**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 year Company has not received any complaint of such harassment.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of section 134(3)(c) read with section 134(5) of the Companies Act, 2013 and Clause 49(III)(D)(4)(a) of the listing agreement with Stock Exchanges in the preparation of the annual accounts for the year ended on March 31, 2015 and state that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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 Act 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 proper internal financial controls to be followed by the Company and they were adequate and are operating effectively; and
- vi. the directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **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. Further sitting fee of Rs.5,000/- each has been paid to the three 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 and 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 Chief Financial officer in advance.

#### **AUDITORS**

##### **Statutory Auditors**

M/s. S. M. Kapoor & Co.(Firm Registration No.: 104909W), Chartered Accountants who are to retire at the conclusion of the forthcoming Annual General meeting have offered themselves for re-appointment as Auditors of the Company. A written certificate to the effect that their appointment, if made, would be within the prescribed limits under section 139 of the Companies Act, 2013, has been obtained by the Company from them. The Members are requested to consider their re-appointment and fix remuneration.

##### **Secretarial Auditors**

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 has appointed M/s Ragini Chokshi & Co.(CP No.: 1436, FCS: 2390), Company Secretaries to undertake the secretarial audit of the company. The Secretarial Audit Report is annexed herewith as "Annexure A"

The observations made in the report with regard to E-forms were delayed filed with MCA. The Companies Act, 2013 with Rules, 2014 become applicable from 1<sup>st</sup> April, 2014. Since the Companies Act, 2013 was new; we were not accustomed to Act so the company filed E-forms delayed with MCA

authority. Our intention is never disobey any regulations and provisions. However; the Company would ensure in future compliance of the requisite provisions and take all precaution in this regards. The Company will make an application for Condonation of delay of E-forms as required under Companies Act, 2013 which E-forms has not been filed with MCA authority

**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.

**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”.

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conversation 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 herewith as “Annexure C”.

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

Your Company does not fall in the criteria mentioned under Section 135 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

**RELATED PARTY TRANSACTIONS**

There were no contracts or arrangements entered into by the company in accordance with provisions of section 188 of the Companies Act, 2013. All material 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.

**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 the 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.

**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. Many shareholders have already dematerialized their shares and Purvaa 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.

**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 Directors and the designated employees have confirmed compliance with the Code.

**LISITING**

The Equity Shares of your Company are presently listed on the Bombay Stock Exchange Ltd. And the Company has paid the annual listing fees for the financial year 2015-2016.

**WEBSITE OF THE COMPANY**

The Company maintains a website [www.subhashsilk Mills.com](http://www.subhashsilk Mills.com) where detailed information of the company and its products are provided

**INFORMATION PURSUANT TO SECTION 134(3) OF THE COMPANIES ACT, 2013**

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, will be provided upon request. 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. The prescribed particulars of Conservation of Energy, Technology Absorption do not apply to your Company. There are no foreign exchange earnings & outgo during the year under report.

**ACKNOWLEDGEMENTS**

The company has been very well supported from all quarters and therefore your directors wish to place on record their sincere appreciation for the support and co-operation received from Employees, Dealers, Suppliers, Central, and State Governments, bankers, and others associated with the Company.

Your Directors wish to thank the banks, financial institutions, shareholders and business associates for their continued support and cooperation.

We look forward to receiving the continued patronage from all quarters to become a better and stronger company.

**CAUTIONARY STATEMENT**

The statements contained in the Board's Report and Management Discussion and Analysis contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations. Various factors such as economic conditions, changes in government regulations, tax, regime, other statutes, market forces and other associated and individual factors may however lead to variation in actual results. Readers are cautioned not to place undue reliance on the forward looking statements.

For and on behalf of the Board  
For Subhash Silk Mills Limited

Dhiraj Mehra  
DIN: 01409010

Place: Mumbai  
Dated: 6<sup>th</sup> August, 2015

**ANNEXURE 'A'**  
**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**FOR THE PERIOD 01-04-2014 TO 31-03-2015**

To,  
The Members  
**Subhash Silk Mills Limited**  
G-15 Prem Kutir,  
177 Marine Drive,  
Mumbai – 400 020

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 (L17106MH1970PLC014868)** (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 my opinion thereon.

Based on our verification of the **Subhash Silk Mills Limited** 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 **1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015** ("the reporting period") 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 the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period **1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015** according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (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) Foreign Exchange Management Act, 1999 and the Rules and Regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**not applicable**)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **Not applicable as there was no Substantial Acquisition of Shares & Takeover made during the year**
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- **Not applicable as the Company did not issue any security during the financial year under review**
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- **Not applicable as the Company did not have any scheme for its employees during the financial year under review.**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable as the Company has not issued any debt securities during the financial year under review.**
  - f. 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.
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review.**
  - h. Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2009- **Not applicable as the Company has not bought back any of its securities during the financial year under review.**
- (vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

We are of the opinion that the management has complied with the following laws specifically applicable to the Company:

  1. Factories Act, 1948
  2. Negotiable Instruments Act, 1881
  3. Minimum Wages Act, 1948
  4. Payment of Bonus Act, 1965
  5. Maternity Benefit Act, 1961

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India- **Not applicable since these Secretarial Standards will come into effect from 1<sup>st</sup> July, 2015 hence not applicable to the Company during the audit period under review**
- b) Listing Agreement with The Bombay Stock Exchange Limited

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

1. There was delay in filing E- forms with MCA.
2. Pursuant to section 203 of the Companies Act, 2013 read along with rule 8 of Companies (Appointment and Remuneration) Rules, 2014, it is mandatory to appoint Company Secretary if paid up share capital of the Company is more than 5 Crores. Since the Company's paid up capital is less than 5 Crores, so requirement for appointment Company Secretary is not mandatory.
3. During the financial year, the company has not filed the following e-forms:

Sr. No	Details of forms filed	Date of passing resolution/event
1)	Form MGT-14 for approval of audited financial result for Quarter ended 31/03/2014	30/05/2014
2)	Form MGT-14 for Disclosure of Directors Interest under Section 184 of the companies Act, 2013	04/08/2014
3)	Form MGT-14 for approval of un-audited financial result for Quarter ended 30/06/2014	04/08/2014
4)	Form MGT-14 for approval of un-audited financial result for Quarter ended 30/09/2014	31/10/2014

**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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and 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.

All decisions at Board meetings and committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of directors or Committee of the Board as the case may be.

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

Place: Mumbai  
Date : 6<sup>th</sup> August, 2015

FOR RAGINI CHOKSHI & CO.

MRS. RAGINI CHOKSHI  
(PARTNER)  
C.P.NO. 1436  
FCS NO. 2390

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,  
The Members  
**Subhash Silk Mills Limited**  
G-15 Prem Kutir,  
177 Marine Drive,  
Mumbai – 400 020

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record 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. Where ever 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 provision 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.

Place: Mumbai  
Date : 6<sup>th</sup> August, 2015

FOR RAGINI CHOKSHI & CO.

MRS.RAGINI CHOKSHI  
(PARTNER)  
C.P.NO. 1436  
FCS NO. 2390

**ANNEXURE – B**  
**Form No. MGT-9**

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March, 2015

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	L17106MH1970PLC014868
Registration Date	06 <sup>th</sup> NOVEMBER,1970
Name of the Company	SUBHASH SILK MILLS LIMITED
Category / Sub-Category of the Company	Company having share capital
Address of the registered Office and contact details	G-15, GROUND FLOOR, PREMKUTIR,177 MARINE DRIVE Mumbai : 400020 Phone: 022 , Fax: <b>E-mail:</b> subhashsilkmillsltd@gmail.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:-

Sl 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:-**

Sl No.	Name and Address of the company	CIN /GLN	Holding / Subsidiary Associates	% of share held	Applicable section
	NIL		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 31-March-2014				No. of Shares held at the end of the year as on 31-March-2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	280500	510400	790900	18.65	280500	510400	790900	18.65	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	902700	-	902700	21.29	902700	-	902700	21.29	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	1346400	2100	1348900	31.81	1346400	2100	1348900	31.81	-
<b>Total shareholding of Promoter (A)</b>	2529600	512500	3042500	71.75	2529600	512500	3042500	71.75	-
<b>B. Public Shareholding</b>									
1. Institutions	-	-	-	-	-	-	-	-	-
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) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	198500	198500	4.68	-	198500	198500	4.68	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.	1822	266000	267822	6.32	1822	266000	267822	6.32	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	71095	164800	335895	7.92	71095	164800	335895	7.92	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	11483	25,650	383400	9.31	11483	25,650	383400	9.31	-
c) Others (specify)									
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Hindu Undivided Family (HUF)	900	-	900	0.02	900	-	900	0.02	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	85300	914200	999500	23.57	85300	914200	999500	23.57	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	85300	1112700	1198000	28,25	85300	1112700	1198000	28,25	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	2614900	1625600	4240500	100.00	2614900	1625600	4240500	100.00	-

**(ii) Shareholding of Promoter-**

SN	Shareholder's Name	Shareholding at the beginning of the year as on 31-March-2014	Shareholding at the end of the year as on 31-March-2015	% change in shareholding during the
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		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	year
1	Subhash Mehra	633500	14.93	-	633500	14.93	-	-
2	Excellent Holdings Pvt. Ltd.	490900	11.57	-	490900	11.57	-	-
3	Nameeat Mehra	477000	11.24	-	477000	11.24	-	-
4	Taranga Holdings Pvt. Ltd.	411800	9.71	-	411800	9.71	-	-
5	Dhiraj Mehra	280500	6.61	-	280500	6.61	-	-
6	VedPrakash Mehra (HUF)	244400	5.76	-	244400	5.76	-	-
7	Sumeet Subhash Mehra	235900	5.56	-	235900	5.56	-	-
8	Subhash V. Mehra (HUF)	107000	2.52	-	107000	2.52	-	-
9	Vikram Mehra	80000	1.88	-	80000	1.88	-	-
10	Subhash V Mehra (HUF)	57500	1.35	-	57500	1.35	-	-
11	VedPrakash Mehra (HUF)	20000	0.47	-	20000	0.47	-	-
12	Rajinder Kumar Bahri	2500	0.05	-	2500	0.05	-	-
13	Vishindas G. Narang	1500	0.03	-	1500	0.03	-	-
	Total	3042500	71.74	-	3042500	71.74	-	-

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

THERE HAS BEEN NO CHANGE IN PROMOTER'S SHAREHOLDING DURING THE YEAR

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year as on 31-March-2014		Shareholding at the end of the year as on 31-March-2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Pooja Mehra	64700	1.52	64700	1.52
2	Porus V. Thapar	59500	1.40	59500	1.40
3	SBR Engineers	59500	1.40	59500	1.40
4	Vijaykumar Agarwal	51600	1.21	51600	1.21
5	Kantilal Dhanraj	23800	0.56	23800	0.56
6	Loonchand Dhanraj	23800	0.56	23800	0.56
7	Mahavirchand Dhanraj	23800	0.56	23800	0.56
8	Dhanraj Nathmal	23700	0.56	23800	0.56
9	Superna Mehra	21300	0.50	21300	0.50
10	Poonamchand Agarwal	19800	0.46	19800	0.46

## (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 the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>Shareholding of Key Managerial Personnel</b>				

<b>1</b>	<b>Dhiraj Mehra (Managing director)</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 Mehra</b>				
	At the beginning of the year	477000	11.24	477000	11.24
	At the end of the year	477000	11.24	477000	11.24
<b>3</b>	<b>Sumeet Mehra</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
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	4,77,52,421
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	9,578
<b>Total (i+ii+iii)</b>	-	-	-	4,77,61,999
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	3,50,00,000	-	3,50,00,000
* Reduction	4,77,61,996	-	-	4,77,61,996
<b>Net Change</b>	(4,77,61,996)	3,50,00,000	-	(1,27,61,996)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3	3,50,00,000	-	3,50,00,003
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	3	3,50,00,000	-	3,50,00,003

**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
1	Gross salary	Dhiraj Mehra	Sumeet Mehra			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18	6	-	-	24
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.4	0.4	-	-	0.8
	(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	-	-	-	-	-
	Total (A)	18.4	6.4	-	-	24.4
	Ceiling as per the Act					

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

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Lav Kumar Vadehra	Radhe Mohan Malhotra	Nameeta Mehra	AnantSingh ania	
	Fee for attending board committee meetings	-	0.05	-	0.05	0.10
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	0.05	-	0.05	0.10
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	0.05	-	0.05	0.10
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act					

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(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	-	-	-	-
	Total	-	-	-	-

\* Pursuant to section 203 of the Companies Act, 2013 read along with rule 8 of Companies (Appointment and Remuneration) Rules, 2014, it is mandatory to appoint Company Secretary if paid up share capital of the Company is more than 5 crores. Since our Company's paid up capital is less than 5 crores, so requirement for appointment Company Secretary is not mandatory.

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<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**

	2014 - 2015	2013 - 2014
Earning : Export	-	-
Outgo : Import	-	-
Outgo : Bank Charges	-	-

**FORM A****POWER & FUEL CONSUMPTION**

			2014 - 2015	2013 - 2014
1	Electricity			
	Purchased	Units	84205	86901
	Total	Rs.	878963	933570
	Rate / Unit	Rs.	10.43	10.74
	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**

This past year has not brought much respite to the textile industry inspite of the stable Central Government due to policy paralysis. Important legislations are being held up in Parliament due to which investments and outlook for the textile industry haven't changed much from the previous year. In the year 2015, total textile exports to the world grew by 5.4% to US\$41.4 Billion. Exports could do better if there is adequate and timely support given by the Government. At present the textile industry contributes 11% of the country's total exports and is one of the largest employers of labour in the Country.

The Indian Textile Industry also contributes to 14% to the Industrial Production and 5% to the GDP.

**Opportunities & Threats**

The Government's Make in India project will give a much needed impetus to the Indian Textile Manufacturing Industry. At present, India accounts for 63% of the textile industry loom capacity and 14% of the textile fibre production. Increase in domestic demands should boost cloth and garment productions.

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

**Financial Performance**

Total turnover of the Company during the year was 173.29 Lakhs as against 220.50 Lakhs in the previous year. The turnover decreased by 21.4% compared to the previous year. Loss before interest, depreciation and taxes was Rs. 136.15 Lakhs.

#### **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 chartered accountant with over 40 years of experience. The statutory auditors also discuss their comments and findings with the management as well as with the audit committee.

For and on behalf of the Board of Directors,

**Sumeet Mehra**

*Chairman*

Place : Mumbai

Date : 6th August, 2015

## **CORPORATE GOVERNANCE REPORT**

**The Company pursuant to Clause 49 of the listing agreement with the Stock Exchanges furnishes its report on the code on Corporate Governance.**

### **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. Composition of 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 and the Companies Act, 2013. The Board comprises of optimum combination of Executive and Non-Executive Directors. The Company is having 1 (One) Managing Director viz. Mr. Dhiraj Mehra.

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

None of the Directors on the Board is a Member on more than ten Committees and Chairman of more than five committees across all the Companies in which he is a Director. All the Directors have made necessary disclosures regarding Committee positions occupied by them.

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) Directors Profile:**



**Shri Lav Kumar Vadehra**, aged 72 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 74 years is an expert in Human Resource Development and has honed his skills during his tenureship 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 41 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.

**Smt. Nameeta S. Mehra**, aged 66 years has a wealth of experience in the textile field. She has a keen eye of fashion and fabrics and has also successfully managed her own fashion business in the past. Her insight into the fashion business as well as her administrative capabilities will be a positive addition to the Board of Directors.

#### **Director appointment and Resigned / Retired during the year**

**Mrs. Nameeta Mehra** was appointed as an Additional Director on the Board of the Company on 04<sup>th</sup> August, 2014 to hold the office till the date of Annual General Meeting. Her appointment as an Executive Director was ratified by members of the Company by passing Ordinary Resolution in the Annual General Meeting i.e. on September 25, 2014.

**Mr. Anant Singhania** was appointed as an Additional Independent Director on the Board of the Company on 04<sup>th</sup> August, 2014 to hold the office till the date of Annual General Meeting. His appointment as an Independent Director was ratified by members of the Company by passing Ordinary Resolution in the Annual General Meeting i.e. on September 25, 2014.

**Mr. Radhemohan Malhotra** was appointed as an Independent director by passing an Ordinary resolution in the Annual General Meeting held on September 25, 2014 to meet the requirements of the Companies Act, 2013 and Listing Agreement with Stock Exchanges.

**Mr. Lavkumar Vadehra** was appointed as an Independent director by passing an Ordinary resolution in the Annual General Meeting held on September 25, 2014 to meet the requirements of the Companies Act, 2013 and Listing Agreement with Stock Exchanges.

#### **ii) Details of meetings attended by Directors and their Directorship and membership in other Companies:**

Name of Director	Categories	Attendance of meetings during the year			No. of Directorships	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 Sept 25, 2014		
Mrs. NAMEETA MEHRA	Executive Director	4	3	Yes	4	0
Mr. ANANT SINGHANIA	Independent Director	4	3	Yes	2	0
Mr. RADHEMOHAN MALHOTRA	Independent Director	4	4	Yes	NIL	0
Mr. LAVKUMAR VADEHRA	Independent Director	4	4	Yes	3	0
Mr. DHIRAJ MEHRA	Executive Director	4	4	Yes	4	0
Mr. SUMEET MEHRA	Chairman	4	4	Yes	6	0

#### **iii) 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 (as specified in clause 49 (II) (D) of the Revised Listing Agreement with the Stock

Exchange only Audit Committee and Stakeholders Relationship Committee are considered as per this clause) across all companies in India of which he is a director.

**iv) Independent Directors do not serve in more than 7 listed companies.**

The directorship held by Directors as mentioned above, do not include Alternate Directorships and Directorships in Foreign Companies, Companies Registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.

In accordance with Clause 49 of the Listing Agreement, Membership/Chairmanship of Audit Committee and Stakeholders' Relationship Committee in all Public Limited companies (Excluding Bedmutha Industries Limited) is considered.

**v) Induction & Training of Board Members:**

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction program including the presentation from the Managing Director on the Company's manufacturing, marketing, finance and other important aspects. The Chairman briefs the Director about their legal and regulatory responsibilities as a Director. The induction for Independent Directors include interactive sessions with Board and Committee Members, Business and Functional Heads, visit to the manufacturing site etc.

**vi) Separate Meeting of Independent Director:**

As stipulated by the code of Independent Directors under the Companies Act, 2013 and the listing agreement a separate meeting of the Independent director of the Company was held on 28<sup>th</sup> March, 2015 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.

**vi) Evaluation of the Board's Performance:**

During the 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 & committees, experience & competencies, performance of specific duties & 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.

**vii) Prevention of Insider Trading Code:**

As per SEBI (Prevention of Insider Trading) Regulation, 1992, 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.

**viii) Code of Conduct**

The Board of Directors has laid down a Code of Conduct for Business 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.

**ix) Details of Board Meeting Held:**

Four Board Meetings were held during the year ended 31<sup>st</sup> March 2015. 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 four months as required under the provisions of Clause 49 (II)(D) of the Listing Agreement. The details of such Board Meetings are as follows:

Sr. No	Date of the Board Meeting	Board Strength	No. of Directors present
1	30 <sup>th</sup> MAY, 2014	4	4
2	4 <sup>th</sup> AUGUST, 2014	6	6
3	31 <sup>st</sup> OCTOBER, 2014	6	6
4	11 <sup>th</sup> FEBRUARY, 2015	6	6

**III. BOARD COMMITTEES:**

The Company has following five 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. Scrutinising inter-corporate loans and investments.
8. Evaluating internal financial controls and risk management systems.
6. Reviewing with the management, external and internal auditors, the adequacy of internal control systems and internal audit function.
7. 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.
8. Discussion with external Auditor in respect of pre and post audit matters to ascertain any area of concern.
9. Reviewing the functioning of Whistle Blower Mechanism.
10. Look into reason for substantial defaults in payments to depositors, debenture holders and creditors, if any.

**ii) Composition, names of members & Chairman:**

Name of Member	Designation	Category
Lav Kumar Vadehra	Chairman	Independent Director
Radhemohan Malhotra	Member	Independent Director
Dhiraj Mehra	Member	Executive Director (Managing Director)

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

Name of Members	Dates of the Audit Committee Meetings held and Attendance					
	30 <sup>th</sup> 2014	May	4 <sup>th</sup> 2014	August,	31 <sup>st</sup> 2014	October, 11 <sup>th</sup> 2015
RADHE MOHAN MALHOTRA	P		P		P	P
LAV KUMAR VADEHRA	P		P		P	P
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 Shareholders'/ Investors' Grievances Committee:**

Name of the Member	Designation	Category
--------------------	-------------	----------

RADHE MOHAN MALHOTRA	Chairman	Independent Director
LAV KUMAR VADEHRA	Member	Director

Since the Company has not received any complaint or investor grievance from the shareholders of the Company, therefore, no meeting was conducted during the financial year 2014-15. The investor complaint as on 31<sup>st</sup> March, 2015 is nil.

### iii) 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, 1992 (duly amended), the Board has approved the Committee to implement and monitor the various requirements as set out in the Code.

The Board has designated Shri Dhiraj Mehra, Director as the compliance officer. The total number of complaints received and replied to the satisfaction of the shareholders during the year under review was NIL. Outstanding complaints as on 31st March, 2015 were NIL. No requests for transfer or dematerialization were pending for approval as on 31st March, 2015.

### C) NOMINATION AND REMUNERATION COMMITTEE :

#### i) Brief Description of Terms of reference:

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

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:

Name of Member	Designation	Category
RADHE MOHAN MALHOTRA	Chairman	Independent Director
LAV KUMAR VADEHRA	Member	Independent Director
NAMEETA MEHRA	Member	Independent Director

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

Name of Members	Dates of the Nomination and Remuneration Committee Meetings held and Attendance		
	30 <sup>th</sup> May, 2014	4 <sup>th</sup> August, 2014	11 <sup>th</sup> February, 2015
RADHE MOHAN MALHOTRA	P	P	P
LAV KUMAR VADEHRA	P	P	P
NAMEETA MEHRA	--	P	P

P = Present A = Absent

#### iv) 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.

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

**v) Details of Remuneration for the year ended on 31<sup>st</sup> March, 2014**

**a) Executive Directors:**

(Amount in lakhs)

Name of the Director	Basic Salary	Perquisites and allowance	Retire benefits	Commission payable	Performance linked insensitive	Total	Stock option granted
Dhiraj Mehra	18	NIL	NIL	NIL	NIL	18	NIL
Sumeet Mehra	6	NIL	NIL	NIL	NIL	6	NIL
Nameeta Mehra	NIL	NIL	NIL	NIL	NIL	NIL	NIL

**b) Independent Directors: Pending, to be finalized with Accounts Dept**

(In Rs.)

Name of the Directors	Sitting Fees	Commission	Total
Radhe Malhotra	5,000/- p.a.	NIL	5,000/-
Lav Kumar Vadehra	5,000/- p.a.	NIL	5,000/-
Anant Singhania	5,000/- p.a.	NIL	5,000/-

**GENERAL BODY MEETINGS :**

**i) Annual General Meetings:**

**A . Particulars of last three Annual General Meeting**

AGM	Year Ending	Venue	Date and Time	Special resolution were passed for the following items
44 <sup>th</sup>	31 <sup>st</sup> March, 2014	Indian Merchants Chamber, Pravin Chandra Gandhi Board Room, Churchgate, Mumbai - 400 020	25th Sept, 2014 at 11.30 a.m.	1. To adopt new set of Articles of Association of the Company containing regulations in conformity to the Companies Act, 2013, and thereby substitute the existing Articles of Association.
43 <sup>rd</sup>	31 <sup>st</sup> March, 2013	Indian Merchants Chamber, Jolly Conference Room, Churchgate, Mumbai - 400 020	19 <sup>th</sup> June, 2013 at 11.30am	To appoint Shri Sumeet Mehra as Chairman. To appoint Shri Dhiraj Mehra as Manaing Director at the Annual General Meeting held

				on 19th June, 2013
42 <sup>nd</sup>	31 <sup>st</sup> March, 2012	Indian Merchants Chamber, Pravin Chandra Gandhi Board Room, Churchgate, Mumbai - 400 020	27 <sup>th</sup> Sept, 2012 at 11:30 a.m.	1. To appoint Shri Sumeet Mehra as Executive Director.

**DISCLOSURES:**

a) 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.

b) The Company has fulfilled all the statutory compliances and there was no penalty imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to Clause 49 of Listing Agreement during the last three years.

c) 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.

**d) 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: subhashsilkmillsltd@gmail.com
  - Written Communication to: G-15, GROUND FLOOR, PREMKUTIR, 177, MARINE DRIVE, Mumbai.
- 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 the 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 and 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 the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

e) The Company has complied with the requirements regarding the Board of Directors, Audit Committee and other Board Committees and other disclosures as required under the provisions of the revised Clause 49 of the listing agreement.

**CEO / CFO Certification**

The Managing Director and the Audit Committee Chairman of the Company give annual certification of the financial reporting and internal controls to the Board in terms of Clause 49. The Managing Director and the Audit Committee Chairman also give quarterly certification on financial results while placing the financial certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement.

**CODE OF CONDUCT:**

In accordance with Clause 49(II)(E)(2) of the Listing Agreement with the Stock Exchanges, I, Mr. Dhiraj Mehra, in my capacity as the Managing Director of Subhash Silk Mills Limited, hereby confirm that all members of the Board of Directors and Senior Management Personnel of the Company have affirmed their compliance with the code of conduct of the Company in respect of the financial year 2014-2015.

Sd/-

Dhiraj Mehra  
Managing Director

**MEANS OF COMMUNICATION:**

**i) Quarterly Results and Annual Financial Results:** Quarterly and Annual Financial results of the Company are generally published in National newspaper i.e. ASIAN AGE in English and 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 the website. Accordingly, the Company has provided all such disclosures under "Investor Relation" section of the Company's website: [www.subhashsilk Mills.com](http://www.subhashsilk Mills.com) apart from filing the same to NSE and BSE for publishing the same on their website.

**GENERAL SHAREHOLDER INFORMATION:****i) Forthcoming Annual General Meeting**

**Date:** 30-September-2015

**Time:** 11.30a.m.

**Venue:** Indian Merchants Chamber, Pravin Chandra Gandhi Board Room, Churchgate, Mumbai - 400 020.

**ii) Financial year:** 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015.

**iii) Date of Book Closure:** 23-Sept-2015 to 29-Sept-2015 (both days inclusive).

**iv) Dividend Payment:** Board of Directors has not recommended any dividend for the financial year ended on 31<sup>st</sup> March, 2015.

**v) Listing on Stock Exchanges:****Bombay Stock Exchange Limited (BSE)**

Phiroj Jeejibhoy Towers, Dalal street  
Mumbai – 400 001.

The Annual Listing Fee of the Bombay Stock Exchange are paid for the Financial year 2015-16.

**vi) Stock Code:** The Bombay Stock Exchange – "530231"  
Scrip ID – "SUBSM"

ISIN Code for the Company's equity share : INE690D01014

**vii) Market Price Data:****Monthly high and low of shares prices at the stock exchanges:**

Month	BSE	
	Monthly High Price	Monthly Low price
April 2014	29.75	24.10
May 2014	24.10	18.80
June 2014	18.80	15.40
July 2014	16.95	14.65
August 2014	14.65	12.61
September 2014	12.61	9.82
October 2014	9.82	9.82
November 2014	9.94	9.82
December 2014	9.82	9.82
January 2015	9.82	9.82
February 2015	9.82	9.82
March 2015	10.40	9.82

**viii) Performance of the Company's share prices:**

Monthly closing share prices vis-à-vis monthly closing of BSE Sensex and monthly closing of Nifty:

Month	BSE SENSEX	SSML Share Price	NIFTY	SSML Shares Price
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	Sensex	% Increase(+)/ Decrease (-)	Share Price	% Increase(+)/ Decrease (-)	Sensex	% Increase(+)/ Decrease (-)	Share Price	% Increase(+)/ Decrease (-)
Apr-14	22417.80	0.14%	24.10	-19.67%	6696.40	-0.12%	24.10	-19.67%
May-14	24217.34	7.43%	18.80	-22%	7229.95	7.38%	18.80	-22%
Jun-14	25413.78	4.71%	16.15	-14.1%	7611.35	5.01%	16.15	-14.1%
Jul-14	25894.97	1.86%	14.65	-9.29%	7721.30	1.42%	14.65	-9.29%
Aug-14	26638.11	2.79%	12.61	-13.92%	7954.35	2.93%	12.61	-13.92%
Sep-14	26630.51	-0.03%	9.82	-18.03%	7964.80	0.13%	9.82	-18.03%
Oct-14	27865.83	4.43%	9.82	-	8322.20	4.29%	9.82	-
Nov-14	28693.99	2.89%	9.94	1.22%	8588.25	3.10%	9.94	1.22%
Dec-14	27499.42	-4.34%	9.94	-	8282.70	-3.69%	9.94	-
Jan-15	29182.95	5.77%	9.94	-	8808.90	5.97%	9.94	-
Feb-15	29361.50	0.61%	9.94	-	8901.85	1.04%	9.94	-
Mar-15	27957.49	-5.02%	10.00	0.60%	8491.00	-4.84%	10.00	0.60%

**ix) 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, a qualified Practising 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 the report thereon is submitted to the Stock Exchange and to the Board of Directors. The audit confirms that the 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.

**x) 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 the Listing Agreement on half yearly basis and files the said certificate with the Stock Exchanges.

**xi) Distribution of Shareholding:**

No. of Shares	Shareholders	Shares	% of the total shares
0-5000	645	1113820	2.63
5001- 10,000	50	407000	0.96
10001-20,000	25	427450	1.01
20,001-30,000	3	80730	0.19
30,001-40,000	5	197170	0.46
40,001-50,000	5	244000	0.58
50,001-1,00,000	18	1562000	3.68
1,00,001 and above	28	38372830	90.49
<b>Total</b>	<b>779</b>	<b>4240500</b>	<b>100</b>

**xi) Dematerialization of shares and liquidity as on 31<sup>st</sup> March, 2015:**

Category	Shareholders	Number of Shares	%
NSDL	142	2581585	60.88
CDSL	95	34715	0.82
Physical	538	1624800	38.30
<b>Total</b>	<b>775</b>	<b>4240500</b>	<b>100</b>

**xiii) Shareholding Pattern as on 31st March, 2015:**

Category code	Category of Shareholders	Number of Shareholders	Total number of Shares	As a percentage of A+B+C
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<b>A</b>	<b>Shareholding Pattern of Promoter and Promoter Group</b>			
1	Indian	13	3042500	71.75
2	Foreign	0	0	0
	Total shareholding of Promoter and Promoter Group	13	3042500	71.75
<b>B</b>	<b>Public Shareholding</b>			
1	Institutions	1	198500	4.68
2	Non Institutions	765	999500	23.57
	Total Public Shareholding	766	119800	28.25
<b>C</b>	<b>Shares held by Custodians and against which Depository receipt have been issued</b>			
1	Promoter and promoter group	0	0	0
2	Public	0	0	0
	<b>Total A+B+C</b>	<b>779</b>	<b>4240500</b>	<b>100</b>

**Note:** The above shareholding pattern is as per the record of Registrar and Transfer Agent as on 31<sup>st</sup> March 2015.

**xiv) Outstanding GDR/Warrants and Convertible Bonds, Conversion Dates and likely impact on Equity**

The Company has no outstanding GDRs/ADRs/Warrants or any Convertible instruments.

**xv) Plant Locations:**

**Plant-1:** Subhash Silk Mills Ltd. Village , Sajgaon Tal. Khalapur, Dist. Raigad, Maharashtra

**xvi) 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 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	subhashsilk MillsLtd@gmail.com

**II NON-MANDATORY REQUIREMENTS**

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

The Chairman of the Company i.e. Mr. SUMEET MEHRA is an Executive Director and any reimbursement of his expenses is made by the Company.

**2. Shareholders' Rights**

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

**3. Audit Qualification**

The Company, at present, does not have any audit qualification pertaining to the financial statements.

**4. Separate posts of Chairman and CEO**

The Company has a separate post of Chairman, who is Whole-time Director of the Company as Mr. SUMEET MEHRA.

**5. Reporting of Internal Auditor**

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

**CERTIFICATE ON CORPORATE GOVERNANCE**

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, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the 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.

We 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

**S.M. Kapoor & Co**

Chartered Accountants

**Shekhar Gupta**

Partner

M. No. 15622

Mumbai,, 6<sup>th</sup> August, 2015

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## **AUDITORS' REPORT**

To The Members of

**SUBHASH SILK MILLS LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **SUBHASH SILK MILLS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information..

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

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the **Loss** for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Emphasis of Matters**

In our opinion and the best of our information and according to the explanation given to us, there is no matter which may have an adverse effect on the functioning of the company.

**Report on other Legal and Regulatory Requirements**

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 appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid 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 written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us :
  - i. The Company did not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which required to be transferred to Investor Education and Protection Fund by the Company.

For S M KAPOOR & CO.  
Chartered Accountants

(SHEKHAR GUPTA)  
PARTNER

**Membership No. 15622**  
Firm Registration No. 104809W

**Place: Mumbai**

Date: 6<sup>th</sup> August, 2015

Re: 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 year in accordance 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

- (ii) In respect of its Inventories:
  - (a) In our opinion, the management at reasonable intervals has physically verified the inventories and the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanation given to us, the procedure for verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act and hence clause (iii) sub-clauses (a), (b), (c) and (d) of para 4 not applicable.

(e) In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956, according to of the information and explanations given to us, the Company has taken interest free loans from 3 parties covered in register u/s 301 aggregating to Rs. 48,31,316.

(f) The terms and conditions of the loans are, in our opinion, prima facie not prejudicial to the interests of the company.

(g) The payment of principal amount to the parties from whom loans given by the company is regular as per the mutual understanding between the parties.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of books and records of the company, carried out in accordance with the auditing standards generally accepted in India and according to the information and explanation given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

(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 explanations 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, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, cess and any other statutory dues with the appropriate authorities during the year, whenever there is delays in payment dues are paid along with interest as per rules and regulation under respective act except Income Tax dues for the Financial Year 2013-14 of Rs. 1.2 crores

(b) There are no disputed dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, Value Added Tax, Cess and any other statutory dues with the appropriate authorities during the year.

(viii) The Company does not have accumulated losses which are more than 50% at the end of the year. Further the company did not have cash losses in the current financial year however incurred cash loss in the preceding financial year.

(ix) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.

(x) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.

(xi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.

(xii) 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 year.

for S.M. Kapoor & Co.  
Chartered Accountants

(Shekhar Gupta)  
Partner

Membership No. 15622  
Firm Regn. No. 104809 W

Place: Mumbai  
Date: 6<sup>th</sup> August, 2015

**BALANCE SHEET AS AT 31ST MARCH, 2015**

	Note No.		31.03.2015 Rs.		31.03.2014 Rs.
<b>I. EQUITY AND LIABILITIES</b>					
<b>1) SHAREHOLDERS FUNDS</b>					
a) Share Capital	1	4,04,93,808		4,04,93,808	
b) Reserves & Surplus	2	<u>6,52,18,283</u>	10,57,12,091	<u>8,64,93,700</u>	12,69,87,508
<b>2) NON-CURRENT LIABILITIES</b>					
a) Long Term Borrowings	3	48,31,316		52,16,509	
b) Other Long Term Liab.	4	<u>2,39,57,832</u>	2,87,89,148	<u>2,36,93,626</u>	2,89,10,135
<b>3) CURRENT LIABILITIES</b>					
a) Trade Payables	5	19,78,795		11,31,912	
b) Other Current Liab	6	29,52,575		30,70,127	
c) Short Term Provisions	7	<u>2,70,73,882</u>	3,20,05,252	<u>2,86,46,180</u>	3,28,48,219
			<u>16,65,06,491</u>		<u>18,87,45,862</u>
<b>II. ASSETS</b>					
<b>1) NON-CURRENT ASSETS</b>					
a) Fixed Assets					
i) Tangible Assets	8	15,43,76,276		16,05,03,810	
ii) Capital Work-in-Progress		-		1,59,74,125	
b) Non-Current Investments	9	33,100		33,100	
c) Long Term Loans & Advances	10	<u>2,83,877</u>	15,46,93,253	<u>10,63,877</u>	17,75,74,912
<b>2) CURRENT ASSETS</b>					
a) Inventories	11	23,16,021		23,72,162	
b) Trade Receivables	12	74,21,432		74,61,534	
c) Cash & Cash Equival.	13	15,95,546		9,69,860	
d) Short Term Loans & Advances	14	3,58,633		30,804	
e) Other Current Assets	15	<u>1,21,607</u>	1,18,13,238	<u>3,36,590</u>	1,11,70,950
			<u>16,65,06,492</u>		<u>18,87,45,862</u>

**Significant Accounting Policies** 22  
**Notes to the financial statements** 1 to 22

As per our report of even date  
For S. M. Kapoor & Co.  
Chartered Accountants

For and on Behalf of the Board

**SHEKHAR GUPTA**  
Partner

**SUMEET MEHRA**  
Director

**DHIRAJ MEHRA**  
Director

**R. M. MALHOTRA**  
Director

Place : Mumbai  
Date : 6th August, 2015

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2015**

	Note No.	31.03.2015 Rs.	31.03.2014 Rs.
<b>I. INCOME</b>			
1. Revenue from Operations	16	15,23,385	12,73,000
2. Other Income	17	1,58,06,337	10,59,26,609
<b>Total Revenue</b>		<u>1,73,29,722</u>	<u>10,71,99,609</u>
<b>II. EXPENSES</b>			
3. Cost of Materials			
Consumed	18	7,88,947	9,31,041
4. Change in inventories of			
Finished Goods, Stock in			
Progress & Stock in Trade	19	56,141	(7,38,756)
5. Employee Benefit Exp.	20	24,01,867	20,40,098
6. Finance Costs	21	55,902	92,303
7. Depreciation &			
Amortization Expenses	8	80,56,615	37,06,510
8. Other Expenses	22	1,15,28,215	1,07,30,685
<b>Total Expenses</b>		<u>2,28,87,688</u>	<u>1,67,61,881</u>
Profit Before Tax & Extraordinary Income		(55,57,966)	9,04,37,728
<b>Extraordinary Income</b>		-	-
Profit Before Tax after Extraordinary Income		(55,57,966)	9,04,37,728
Tax Expenses			
Current		-	3,15,00,000
Current on Extraordinary Income		-	-
<b>Profit for the Year</b>		<u>(55,57,966)</u>	<u>5,89,37,728</u>
Earning per Share of face value of Rs.10/- each after Extraordinary Charges			
Basic and Diluted (in Rs.)		(1.31)	13.90
Earning per Equity Share of face value of Rs.10/- each before Extra Ordinary Charges			
Basic and Diluted (in Rs.)		(1.31)	13.90

Significant Accounting Policies 23

Notes to the financial statements 1 to 24

As per our report of even date  
For S. M. Kapoor & Co.  
Chartered Accountants

For and on Behalf of the Board

**SHEKHAR GUPTA**  
Partner

**SUMEET  
MEHRA**  
Director

**DHIRAJ  
MEHRA**  
Director

**MANOHARLAL  
KAPUR**  
Director

Place : Mumbai  
Date : 6th August, 2015

**NOTES TO THE FINANCIAL STATEMENTS**

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
<b>1. SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
50,00,000 Equity Shares (P.Y. 50,00,000) of Rs. 10 each	<u>5,00,00,000</u>	<u>5,00,00,000</u>
<b>ISSUED, SUBSCRIBED &amp; PAID-UP</b>		
42,40,500 (P.Y. 42,40,500) Equity Shares of Rs.10/- each	4,24,05,000	4,24,05,000
Less : Calls in arrears	<u>19,11,192</u>	<u>19,11,192</u>
	<u>4,04,93,808</u>	<u>4,04,93,808</u>
Details of Shareholders holding more than 5% shares:		
Subhash Mehra 15%	6,33,500	15% 6,33,500
Excellent Holdings Pvt. Ltd. 12%	4,90,900	12% 4,90,900
Nameeta Mehra 11%	4,77,000	11% 4,77,000
Taranga Holdings Pvt. Ltd. 10%	4,11,800	10% 4,11,800
Dhiraj Mehra 7%	2,80,500	7% 2,80,500
Ved Prakash Mehra HUF 6%	2,44,400	6% 2,44,400
Sumeet Mehra 6%	2,35,900	6% 2,35,900
<b>2. RESERVES &amp; SURPLUS</b>		
Security Premium 5,52,20,000		5,52,20,000
Less : Calls in Arrears 92,38,000	4,59,82,000	92,38,000 4,59,82,000
Balance in Profit & Loss Statement As per Last Balance Sheet 4,05,11,700		(1,84,26,028)
Add : Dep. Reserve (1,57,17,451)		-
Add : Profit for the Year (55,57,966)	1,92,36,283	5,89,37,728
	<u>6,52,18,283</u>	<u>8,64,93,700</u>
<b>3. LONG TERM BORROWINGS</b>		
<b>SECURED</b>		
Car Loan – from Banks (Secured Ag. Hypothecation of Cars)	-	1,79,313
<b>UNSECURED</b>		
From Directors	48,31,316	50,37,196
	<u>48,31,316</u>	<u>52,16,509</u>
<b>4. OTHERS LONG TERM LIABILITIES</b>		
Deposits Received from Tenants	2,39,57,832	2,36,93,626
	<u>2,39,57,832</u>	<u>2,36,93,626</u>
<b>5. TRADE PAYABLES</b>		
For Goods		
Micro, Small & Medium Enterprises	-	-
Others	1,76,714	3,00,876
For Expenses	14,78,232	6,61,463
For Capital Goods	3,23,849	1,69,573
	<u>11,31,912</u>	<u>11,31,912</u>
The details of amounts outstanding to Micro, Small & Medium Enterprises based on available information with the Company is NIL		
<b>6. OTHER CURRENT LIABILITIES</b>		
Current Maturity of Long Term Debts	1,79,313	4,18,064
Other Payables	27,73,262	26,52,063
	<u>29,52,575</u>	<u>30,70,127</u>

## NOTES TO THE FINANCIAL STATEMENTS (contd)

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
<b>7. SHORT TERM PROVISIONS</b>		
Provision for Income Tax	4,40,20,000	4,40,20,000
Less Advance Tax Including TDS	<u>1,69,46,118</u>	<u>1,53,73,820</u>
	<u>2,70,73,882</u>	<u>2,86,46,180</u>

**1. FIXED ASSETS**

	Gross Block				Depreciation				Net Block	
	Cost as on 31 Mar, '14	Additions	Deductions/ Transfers	Cost as on 31 Mar, '15	As on 31 Mar, '14	For the Year	Deduction/ Transfer	As on 31 Mar, '15	As At 31 Mar, '15	As at 31 Mar, '14
Land-Freehold	1,27,05,335	0	0	1,27,05,335	0	0	0	0	1,27,05,335	1,27,05,335
Factory Building	9,20,29,259	1,59,74,125	0	10,80,03,384	3,27,84,487	45,79,272	(1,45,33,817)	5,18,97,576	5,61,05,808	5,92,44,772
Flat	8,49,81,820	14,79,963	0	8,64,61,783	0	27,18,359	(5,52,964)	32,71,323	8,31,90,460	8,49,81,820
Electrical Installation	35,47,024	0	0	35,47,024	32,27,346	42,505	1,11,190	31,58,661	3,88,363	3,19,678
Computer	3,51,405	1,30,570	0	4,81,975	3,05,864	18,180	(26,699)	3,50,743	1,31,232	45,541
Vehicles	56,18,574	0	0	56,18,574	25,40,585	6,67,205	(6,28,274)	38,36,064	17,82,510	30,77,989
Office Equipment	1,82,481	61,874	0	2,44,355	53,806	31,094	(86,887)	1,71,787	72,568	1,28,675
<b>Total</b>	<b>19,94,15,898</b>	<b>1,76,46,532</b>	<b>0</b>	<b>19,94,15,898</b>	<b>3,89,12,088</b>	<b>80,56,615</b>	<b>(1,57,17,451)</b>	<b>6,26,86,154</b>	<b>15,43,76,276</b>	<b>16,05,03,810</b>
P.Y.	11,42,20,061	8,53,65,625	1,69,788	19,94,15,898	3,52,07,595	37,06,510	2,017	3,89,12,088	16,05,03,810	7,90,12,466

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
<b>9. NON CURRENT INVESTMENTS</b> (Unquoted unless otherwise stated) <b>NON TRADE AT COST</b> 25 Shares (P.Y. 25 Shares) of Rs.100/- each fully paid up in Rayon Mills Commercial Corporation	2,500	2,500
306 Shares (P.Y. 306 Shares) of Rs.100/- each fully paid up in Art Silk Co-operative Ltd.	<u>30,600</u>	<u>30,600</u>
	<u>33,100</u>	<u>33,100</u>
<b>10. LONG TERM LOANS AND ADVANCES</b> Security Deposits	<u>2,83,877</u>	<u>10,63,877</u>
	<u>2,83,877</u>	<u>10,63,877</u>
<b>11. INVENTORIES</b> Stock of Fabrics	<u>23,16,021</u>	<u>23,72,162</u>
	<u>23,16,021</u>	<u>23,72,162</u>
<b>12. TRADE RECEIVABLES</b> (Unsecured considered good) Over six months	69,00,022	63,91,057
Others	<u>5,21,410</u>	<u>10,70,477</u>
	<u>74,21,432</u>	<u>74,61,534</u>



**NOTES TO THE FINANCIAL STATEMENTS (contd)**

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
<b>13. CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	12,19,694	3,56,309
Balance with Bank	3,75,852	5,90,928
Fixed Deposits with Bank	0	22,623
	<u>15,95,546</u>	<u>9,69,860</u>
<b>14. SHORT TERM LOANS AND ADVANCES</b>		
Balance with Govt. Authorities	1,483	5,804
Others	3,57,150	25,000
	<u>3,58,633</u>	<u>30,804</u>
<b>15. OTHER CURRENT ASSETS</b>		
Taxes Paid (net of Provisions)	0	0
Others	1,21,607	3,36,590
	<u>1,21,607</u>	<u>3,36,590</u>
<b>16. REVENUE FROM OPERATIONS</b>		
Sale of Garments	15,14,635	11,50,650
Income from Services	8,750	1,22,350
	<u>15,23,385</u>	<u>12,73,000</u>
<b>17. OTHER INCOME</b>		
Warehousing Charges	1,58,05,305	1,97,53,952
Interest Recd. from Others	0	55,755
Profit from Sale of Flats	0	8,51,49,362
Other non-operating Income	1,032	9,67,540
	<u>1,58,06,337</u>	<u>10,59,26,609</u>
<b>18. COST OF MATERIAL CONSUMED</b>		
	% of Consumption	% of Consumption
Imported	0%	0%
Indigeneous – Fabrics	100%	100%
- Others	0	0
	<u>7,88,947</u>	<u>9,68,215</u>
<b>19. CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE</b>		
Closing Stock of Finished Goods	23,16,021	23,72,162
Opening Stock of Finished Goods	23,72,162	16,33,406
	<u>56,141</u>	<u>(7,38,756)</u>
<b>20. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	23,27,877	19,96,038
Staff Welfare Expenses	73,990	44,060
	<u>24,01,867</u>	<u>20,40,098</u>
<b>21. FINANCE COSTS</b>		
Interest Expenses	54,344	91,135
Other Borrowing Costs	1,558	1,168
	<u>55,902</u>	<u>92,303</u>

## NOTES TO THE FINANCIAL STATEMENTS (contd)

	As at 31.03.2015 Rs.		As at 31.03.2014 Rs.	
<b>22. OTHER EXPENSES</b>				
<b>Manufacturing Expenses</b>				
Packing Charges	1,600		1,600	
Labour Charges	1,09,103		1,09,103	
Other Mfg. Expenses	87,619	1,98,322	87,619	1,98,322
<b>Other Expenses</b>				
Advertisement Expenses	10,830		8,000	
Rates & Taxes	12,04,191		6,41,049	
Rent	12,06,000		31,32,000	
General Expenses	2,77,433		2,14,597	
Electricity Expenses	2,05,377		2,21,446	
Printing & Stationery Exp.	51,748		27,984	
Communication Exp.	1,49,844		1,93,457	
Motor Car Expenses	6,08,525		5,59,536	
Charity & Donations	1,22,503		92,003	
Security Charges	5,00,644		4,50,742	
Repairs & Maintenance	39,730		70,150	
Bldg. Repairs & Maint.	33,98,600		11,52,578	
Conveyance Expenses	1,63,603		4,77,557	
Auditors' Remuneration	2,50,000		2,50,000	
Directors Remuneration	24,00,000		24,00,000	
Insurance Expenses	21,550		99,118	
Legal & Prof. Charges	2,07,943		5,42,146	
Sundry Balances W/off.	61,009	1,08,79,530	0	1,05,32,363
		<u>1,15,28,215</u>		<u>1,07,30,685</u>

**NOTE 23: SIGNIFICANT ACCOUNTING POLICIES****(i) BASIC OF PREPARATION OF FINANCIAL STATEMENTS**

- (a) The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company
- (b) Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles followed by the Company.

**(ii) USE OF ESTIMATES**

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

**(iii) FIXED ASSETS**

Fixed assets have been stated at cost of acquisition including incidental charges to bring the asset into the working condition for the intended use less depreciation.

**(iv) DEPRECIATION AND AMORTISATION**

- (a) Depreciation on fixed assets are provided on straight line method at the rates prescribed under Schedule XIV of the Companies Act, 2013, subject to writing off of 95% of the original cost.
- (b) Difference in Depreciation due to changes in the Companies Act, 2013 have been debited / credited to the Capital Reserves.

**(v) IMPAIRMENT**

Impairment loss is recognized whenever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of profit and loss and carrying amount of the asset is reduced to its recoverable amount.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased.

(vi) INVESTMENTS

All long term Investments are valued at cost. However Provision for Diminution is made if such diminution is permanent in nature.

(vii) INVENTORIES

- (a) Inventories of fabric and garments are valued at the lower of cost and estimated net realizable value, after providing for cost of obsolescence. Finished goods and Work-in-progress include an appropriate proportion of overheads and, where applicable, excise duty.

(viii) SALES

Sales comprises of sale of fabric, garments and flats less rebates, incentives and returns.

(ix) RECOGNITION OF REVENUE

- (a) Sales : Sales of fabrics and garments are recognized as and when the goods are dispatched to the party.  
 (b) Other Income: Other Income is recognized as and when it has become due.

(x) RETIREMENT BENEFIT SCHEMES

Provision for retirement benefits, to the extent applicable to the Company, has been provided as follows:

- (a) Provident Fund is not applicable to the Company.  
 (b) Gratuity has not been provided in the books of accounts as the same will be charged as and when paid.  
 (c) Leave encashment has not been provided in the books of accounts as the same will be charged as and when paid.

(xi) TAXATION

Provision for current income tax is made in accordance with the Income Tax Act, 1961. Deferred tax liabilities and assets are recognized at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

(xii) METHOD OF ACCOUNTING

The Company follows mercantile system of accounting, Income and Expenditure are accounted for on accrual basis unless otherwise stated.

(xiii) BORROWING COSTS

Interest and other costs incurred for acquisition of qualifying assets, upto the date of commissioning / installation, are capitalized as part of the cost of the said asset.

(xiv) FOREIGN CURRENCY TRANSLATION

Liabilities / Assets in foreign currencies are reckoned in the accounts as per the following governing principles :

- (a) All foreign currency transactions, except (b) below mentioned, are recorded at the rate prevailing on the date of the transaction and the exchange difference arising out of the year end transactions are charged to the Profit & Loss Account.  
 (b) All foreign currency Assets and Liabilities are restated at the exchange rate prevailing at the year end. The net variation arising out of the said translation are adjusted to the cost of the Fixed Assets. Depreciation on such variation is provided for the full year.

(xv) PROVISIONS, CONTINGENT LIABILITIES and CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**NOTE 24: OTHER NOTES:**

(1) CONTINGENT LIABILITIES

- (a) The Company has to make payment of Rs.1.2 Crores towards Income Tax Dues for the year ended 31-Mar-2014.  
 (2) The Company has shown Sundry Debtors and Loans and Advances over six months as good as in the opinion of the management the same is recoverable and no provision is required to be made.  
 (3) Retirement Benefit Scheme  
 a) The Company has not provided for Leave Encashment which is unascertained and will be provided as and when it is paid by which the profit of the Company has been overstated to that extent.

- b) The Company has not provided for Gratuity which is unascertained and will be provided as and when it is paid by which the profit of the Company has been overstated to that extent.
- (4) The Company has not made any provisions for deferred tax asset as it is not certain that this amount will be realized in the near future.
- (5) As per the Accounting Standard (AS) 28 – Impairment of Assets, the Management carried out an internal impairment test as of 31<sup>st</sup> March 2014 and provided for the impairment loss where recoverable amount was lower than the amount carried in the accounts by providing for the same in the books of account.
- (6) Debit and Credit balances are subject to confirmation.

(7) Auditors remuneration includes :	31.03.15	31.03.14
	Rs.	Rs.
Audit fees	50,000	50,000
Tax Audit	2,00,000	2,00,000
Service Tax	<u>30,900</u>	<u>30,900</u>
TOTAL	2,80,900	2,80,900

(8) Capital Work in Progress:	31.03.2015	31.03.2014
	Rs.	Rs.
Building Under Construction	<u>Rs. NIL</u>	<u>Rs.15,974,125</u>
TOTAL	<u>Rs. NIL</u>	<u>Rs.15,974,125</u>

(9) CONSUMPTION OF STORES & SPARES:

	Value (Rs.)	% of Total	Value (Rs.)	% of Total
a) Imported	-	-	-	-
b) Indigenous	<u>0.00</u>	<u>100%</u>	<u>0.00</u>	<u>100.00%</u>
TOTAL	0.00	100%	0.00	100.00%

(10) C.I.F. Value of Imports :	31.03.2015	31.03.2014
	Rs.	Rs.
a) Raw Materials	NIL	NIL
b) Stores and Spares	NIL	NIL
TOTAL	NIL	NIL

(11) Expenditure in Foreign Currency : NIL

(12) Earning in Foreign Exchange :  
F.O.B. Value of Exports NIL

(13) Related Party disclosure under Accounting Standard 18

(i) Information about related party as required by AS-18

Sr. No.	Related Party	Relationship
1.	Subhash Knitting Industries ) Managerial Personnel are able ) To exercise significant influence )	Enterprises over which Key
2.	Subhash Fabrics Pvt. Ltd. )	
3.	Subhash Trading Corp. )	
4.	Acuity International P Ltd )	
5.	Aquabrane Water Technologies Pvt Ltd )	
6.	Sparkle Clean Tech P Ltd )	
7.	Subhash Mehra )	Key Managerial Personnel
8.	Dhiraj Mehra )	
9.	Sumeet Mehra )	
10.	Nandini Dhowan )	Relative of Key Managerial Personnel

(ii) Information about related party transactions	Rs. In Lakhs		
Nature of Transaction	Key Man Per.	Other	Total
Net Loans and Advances taken			
(Returned)	(2.05)	-	(2.05)
P.Y	(7.89)	(90.14)	(98.03)
Deposit Taken	-	-	-
P.Y	-	12.18	12.18

Other Income		-	71.94	71.94
	P.Y	-	40.74	40.74
Salaries Paid		24.00	4.20	28.20
	P.Y	23.39	4.20	27.59
Commission Paid		-	-	-
	P.Y	-	2.07	2.07
Balance as on 31/03/14				
Loans Taken		50.37	-	50.37
	P.Y	192.61	-	192.61
Deposits taken		-	27.20	27.20
	P.Y	-	27.20	27.20

(14) Calculation of Basic & Diluted Earnings Per Share :	31.03.2015	31.03.2014	
(a) Net Profit / Loss as per Profit & Loss Account Before Extra ordinary Income	(Rs.55,57,996)	Rs.5,89,37,728	
(b) Net Profit / Loss as per Profit & Loss Account after Extra ordinary Income	(Rs.55,57,996)	Rs.5,89,37,728	
(c) Weighted Average No. of Shares	42,40,500	42,40,500	
(d) Basic & Diluted Earnings Per Share After Extra Ordinary Income	(Rs.1.31)		Rs. 13.89
(e) Basic & Diluted Earnings Per Share Before Extra Ordinary Income	(Rs.1.31)		Rs. 13.89

## (15) SEGMENT REPORTING

Since the Company is dealing in only one segment i.e. Textile and hence Segment reporting is not applicable.

(16) Figures have been rounded off to the nearest rupee.

(17) Previous years figures have been regrouped wherever necessary.

(18) The statement of significant accounting policies and the notes form an integral part of the accounts for the period ended.

(19) Previous period figures have been regrouped/reclassified wherever necessary.

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As per our report of even date For and on Behalf of the Board  
For S. M. Kapoor & Co.  
Chartered Accountants

Shekhar Gupta  
Partner

Director

Director

Director

Place : Mumbai  
Date : 6th August, 2015

## CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE PERIOD APRIL 2014 TO MARCH, 2015

	1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015 Rs.	1 <sup>st</sup> April, 2013 to 31 <sup>st</sup> March, 2014 Rs.
<b>A. Cash Flow from Operating Activities</b>		
a) Net profit before Tax & extraordinary items	(55,57,966)	9,04,37,728
Adjustment for :		
Depreciation	80,56,615	37,06,510
Interest	55,902	92,303
Loss on sale of Fixed Assets	<u>0</u>	<u>0</u>
	81,12,517	37,98,813
b) Operating Profit before Working Capital Changes	25,54,552	9,42,36,540
Adjustment for :		
Trade & Other receivables	7,07,256	12,45,962
Inventories	56,141	2,00,44,610
Trade Payables	<u>(5,78,761)</u>	<u>(1,44,29,206)</u>
	1,84,636	68,61,366
c) Cash Generated from operations	<u>27,39,188</u>	<u>10,10,97,906</u>
Interest paid	55,902	92,303
d) Cash flow before Extraordinary items	<u>26,83,285</u>	<u>10,10,05,604</u>
Extraordinary items	0	0
<b>Net Cash flow from Operating Activities</b>	<u><u>26,83,285</u></u>	<u><u>10,10,05,604</u></u>
<b>B. Cash Flow from Investing Activities</b>		
Sale of Fixed Assets	0	1,67,771
Sale of Investments	0	0
Purchase of Fixed Assets	(16,72,407)	(8,71,08,406)
<b>Net Cash flow from Investing Activities</b>	<u><u>(16,72,407)</u></u>	<u><u>(8,69,40,635)</u></u>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of Capital (inclusive of Premium & Exclusive of Bonus shares)	0	0
Proceeds from borrowing	(3,85,193)	(1,46,61,694)
	<u><u>(3,85,193)</u></u>	<u><u>(1,46,61,694)</u></u>
<b>D. Net Increase/(Decrease) in Cash and Cash Equivalent (A+B+C)</b>	6,25,685	(5,96,724)
Cash and Cash Equivalent at the beginning of the year	9,69,860	15,66,584
Cash and Cash Equivalent at the end of the year	15,95,546	9,69,860

We have verified the above Cash Flow Statement of Subhash Silk Mills Limited derived from the Audited Financial Statements of the Company for the period 1st April, 2012 to 31st March, 2013 and found the statement to be in accordance therewith and also with the requirements of clause 32 of the Listing Agreement with the Stock Exchange.

For S. M. Kapoor & Co.  
Chartered Accountants

For & on behalf of the Board

**SHEKHAR  
GUPTA**  
PARTNER  
Membership No. 15622  
Place : Mumbai  
Date : 6th August, 2015

**SUMEET  
MEHRA**  
CHAIRMAN

**DHIRAJ  
MEHRA**  
MANAGING DIRECTOR

**RADHE MOHAN  
MALHOTRA**  
DIRECTOR

## Chief Executive Officer and Chief Financial Officer Certification

We, Radhe Mohan Malhotra, non-executive director of the Company and Dhiraj Mehra, Managing Director of the Company, to the best of our knowledge and belief certify that :

1. We have reviewed financial statements and the cash flow statement for the period ended 31st March, 2015 and to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) 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 regulation.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.
4. We have indicated to the Auditors and the Audit committee :
  - (i) significant changes in internal control over financial reporting during the year.
  - (ii) significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - (iii) any fraud, which we have become aware and that involves the Management of other employee who have significant role in the Company's internal control systems.
5. It is further declared that all the board members and senior management have affirmed compliance with the Company's Code of Conduct.

Radhemohan Malhotra  
*Non-Executive Director*

Dhiraj Mehra  
*Managing Director*

Place : Mumbai  
Date : 6th August, 2015

**SUBHASH SILK MILLS LIMITED**

CIN : L17106MH1970PLC014868

Registered office: G-15 PREM KUTIR, GR. FLOOR, 177 MARINE DRIVE, MUMBAI 400020.  
 [E-Mail: subhashsilkmillsltd@gmail.com] [Website: www.subhashsilkmillsltd.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 45<sup>th</sup> ANNUAL GENERAL MEETING to be held at PRAVINCHANDRA GANDHI BOARD ROOM, INDIAN MERCHANTS CHAMBER, CHURCHGATE, MUMBAI 400020 on 30<sup>th</sup> September, 2015 at 11:30 a.m.

Member's/Proxy's Full Name

Member's/Proxy's Signature

**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

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

**PROXY FORM**

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

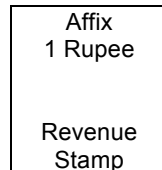
I/We, being the member (s) of ..... shares of the above named company, hereby appoint :

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

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 Pravinchandra Gandhi Board Room, Indian Merchants Chamber, Churchgate, Mumbai 400020 on September 30, 2015 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.			

Signed this ..... day of ....., 2015



Signature of Shareholder :

Signature of Proxyholder(s) :

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.