

MD	✓			MC	✓
CS	✓			MY	NA
RO	✓			NY	NA
TRA	✓			SI	✓
AGM	✓	✓		SI	✓
YE	✓	✓			✓

28th

Annual Report

1997-98

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Subhash Silk Mills Limited




Subhash Silk Mills Limited

BOARD OF DIRECTORS

Mr. Ved Prakash Mehra	Chairman
Mr. Subash V. Mehra	Managing Director
Mr. Chandulal P. Shah	Director
Mr. Sumeet S. Mehra	Director
Mr. Rajinder Kumar Bahri	Director
Mr. Vishnu G. Narang	Director
Mr. Dhiraj S. Mehra	Director
Mr. Lalitha Shankaran	Nominee Director IDBI

AUDITORS :

M/s S. M. Kapoor & Co.

BANKERS

Bank of India
Dena Bank

REGD. OFFICE

Mehra Industrial Compound,
Andheri Kurla Road,
Sakinaka, Andheri (East),
Mumbai - 400 072.

REGISTERAR & TRANSFER AGENT:

M/s. Online Management Services Ltd.
2, Bandra Hill View Co. op. Hsg. Soc. Ltd.,
3rd Floor, 85, Hill Road, Bandra (West),
Mumbai 400 050.

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Date	: 30th December 1998
Day	: Wednesday
Time	: 11 a. m.
Place	: The Indian Merchants Chamber, Kilachand Conference Room, (2nd Floor), Churchgate, Mumbai - 400 020.

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Subhash Silk Mills Limited

NOTICE

Notice is hereby given that the 28th Annual General Meeting of **M/s. SUBHASH SILK MILLS LTD.** will be held at Indian Merchants Chamber, Kilachand Conference Room, (2nd Floor), Churchgate, Mumbai - 400 020 on 30th December, 1998 at 11 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. C.P. Shah who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Dhiraj S. Mehra who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint M/S S. M. Kapoor & Co. Chartered Accountants as Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS :

5. TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION, THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION :

"Resolved that consent of the Shareholders of the Company pursuant to the provisions of section 61 of the Companies Act, 1956, be and is hereby accorded to delisting of securities of the Company from non-regional Stock Exchanges namely Madras and Ahmedabad.

Further resolved that the Board of Directors of the company be and is hereby authorised and empowered to do such acts, deeds and things as may be necessary to give effect to this resolution."

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

SUBHASH V. MEHRA
Managing Director

Regd. Office :

Mehra Industrial Compound
Andheri - Kurla Road,
Saki Naka, Andheri (East),
Mumbai 400 072.

Place : Mumbai

Date : 27th November 1998

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NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. THE FORM OF PROXY IS HERETO ANNEXED.
2. The instrument appointing a proxy should be deposited at the Registered Office of the Company, duly completed, not less than forty eight hours before the commencement of the meeting.
3. The Register of Member and the Share transfer books of the company will remain closed from wednesday 23 December 98 to wednesday 30 December 98. (Both days inclusive)
4. Members are requested to intimate the change in their address, if any, immediately to MIS Online Management Services Limited. 2, Bandra Hill View Co. op. Soc.Ltd.,3rd Floor, 85, Hill Road, Bandra (West), Mumbai 400 050.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT,1956.**ITEM NO.5**

In view of infrequent trading of securities and to control expenses on listing fees, your consent is sought for delisting of securities on all Stock Exchanges other than Mumbai Stock Exchange.

None of the Director is in any way, whether directly or indirectly concerned or interested in the resolution.

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

SUBHASH V. MEHRA
Managing Director

Regd. Office :
Mehra Industrial Compound
Andheri - Kurla Road,
Saki Naka, Andheri (East)
Mumbai 400 072.

Place : Mumbai

Date : 27th November 1998



Subhash Silk Mills Limited

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the 28th Annual Report along with the Audited Accounts of the Company for the year ended 31st March, 1998.

I. FINANCIAL RESULTS :

	For the year Ended 31.3.98 Rs. Lacs	For the year Ended 31.3.97 Rs. Lacs
2. Total Income	2218.99	3244.07
3. Profit Before Depreciation, Interest and Taxes	32.85	118.74
4. Less : Interest	204.19	78.20
Depreciation	70.52	15.29
5. Profit before Tax	(241.86)	25.25
6. Less : Provision for Taxes	----	3.25
6. Profit after Tax	(241.86)	22.00
7. Add : Balance brought forward from the Previous Year	77.66	122.98
Taxation Adjustments of Earlier years	(12.66)	(6.28)
Depreciation Adjustments of Earlier years	----	(21.47)
Transfer from General Reserve	165.00	----
Investment Allowance Reserve written back	14.43	10.43
8. AMOUNT AVAILABLE FOR APPROPRIATIONS:	2.57	127.66
APPROPRIATIONS:		
(i) Proposed Dividend on Equity	----	----
(ii) General Reserve	----	50.00
(iii) Balance carried to Balance Sheet	2.57	77.66

II. DIVIDEND :

Your Directors do not recommend any Dividend for the year ended 31st March, 1998 in view of the loss for the year.

III. LABOUR PROBLEM

The Company is having labour problem at the Andheri Saki Naka Factory, whereby the Company suspended operations from 20th February, 1998 and declared a Lock-Out with effect from 9th March, 1998. There has been a disruption of activities since the beginning of this financial year which got escalated in October 1997 and the whole factory came to a stand still under the Lock-Out. The Case is pending in the Industrial / Labour Court and the matter is sub-judice. The Factory at Khopoli which had installed 12 Imported Sulzer Looms has been working partially.

IV. PERFORMANCE

There has been a very dull year and the Company could not achieve much due to Lock-Out in the last quarter of the financial year. The Sales Turnover has fallen down from Rs. 3,056.31 Lacs to Rs. 2,210.62 Lacs, thereby a decrease of 27%.

On the Export side, the Sales have also decreased from Rs. 284.34 Lacs to Rs. 229.00 Lacs.

V. REVIEW OF ACTIVITIES - KHOPOLI PROJECT :

The first phase of the project has been completed with the installation of 12 Nos. Imported Sulzer Looms. Due to Lock Out at Andheri Factory, the activities at Khopoli Factory has also been affected.

VI. SUBSIDIARY COMPANY :

Since there is no Subsidiary Company, hence the provisions of Section 212 of the Companies Act, 1956 is not applicable.

VII. PARTICULARS OF DISCLOSURE IN THE REPORT OF BOARD OF DIRECTORS PURSUANT OF COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES 1988**A) Conservation of Energy**

Your Company has made efforts and implemented various steps recommended by technical experts to reduce the energy consumption at various levels.

B) Foreign Exchange Earning and Outgo

Your Company has been making continuous efforts to increase its Export during the year under review, the foreign exchange earned on Export Sales of Cloth etc. was Rs.229.00 Lacs as against Export Sales of Cloth of Rs.284.34 lacs for the previous year. The Total Foreign Exchange outgo during the year is detailed below :

(Rs. In lacs)			
i)	Capital Goods	:	NIL
ii)	Foreign Travelling Expenses	:	4.25
iii)	Import of Raw Materials	:	NIL
iv)	Stores & Spares	:	NIL

C) Research and Development

During the year, the Company has made efforts towards :

- 1) Development of new designs and patterns for the fabrics. The Company has introduced Computers to prepare new patterns for Printing on CAD/CAM System.
- 2) Development Inhouse facilities for checking the quality of the Cloth and to introduce such measures as will benefit the marketing of such cloth.


Subhash Silk Mills Limited

VIII. PROJECTIONS VS. PERFORMANCE (IN TERMS OF CLAUSE 43 OF THE LISTING AGREEMENT)

The following profitability projections in the Prospectus dated 24th January, 1995 as per I.D.B.I.

Particulars	(Rs. In lacs)	
	1997-98	1997-98
	Performance 1997-98	Projections (Prospectus dt. 24.1.95)
Total Income	2218.99	2953.17
PBT	(241.86)	633.10
EPS (Rs.)	NIL	NIL

* The variance is due to the lease Income of Rs. 232.50 Lacs not materialised during the year from Saki Naka and Khopoli has not functioned fully due to the subdued market conditions and Lock Out at Andheri Factory.

IX) AUDITORS:

M/s. S.M. Kapoor & Co., Chartered Accountants are retiring as Statutory Auditors of the Company at the conclusion of the Annual General Meeting. They being eligible for reappointment as Statutory Auditors have furnished the required Certificate U/s. 224(1B) of the Companies Act, 1956. Your Directors recommend their reappointment as Statutory Auditors on remuneration to be approved by the Board.

X) PARTICULARS OF EMPLOYEES:

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of this Report for the year ended 31st March, 1998 is given as an annexure and forms an integral part of this report.

XI) ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the Company's Employees, Investors, Customers, Suppliers, Financial Institutions and Bankers for the unstinted support and co-operation received from them throughout the year.

For And on Behalf of the Board

VED PRAKASH MEHRA

Chairman

Place : Mumbai

Dated: 27th November, 1998.