



**Subhash Silk Mills Limited**

**44th  
Annual Report  
2013-2014**



## BOARD OF DIRECTORS

Mr.	Sumeet S. Mehra	Chairman
Mr.	Dhiraj S. Mehra	Managing Director
Mr.	Lav Kumar Vadehra	Director
Mr.	Radhe Mohan Malhotra	Director
Mr.	Anant Singhania	Director
Mrs.	Nameeta S. Mehra	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 : Thursday	Directors Report	10
Time : 11.30 a.m.	MDAR Report	12
	Corporate Governance Report	12
Place : The Indian Merchants Chamber, P. Gandhi Board Room, (Fourth Floor) Churchgate, Mumbai – 400 020.	Auditor's Report	19
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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 44th Annual General Meeting of SUBHASH SILK MILLS LTD. will be held at Indian Merchants Chamber, Pravin Chandra Gandhi Board Room, Churchgate, Mumbai - 400 020 on 25th September, 2014 at 11.30 a.m. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 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 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, at a remuneration fixed by the Board and as may be agreed between the Auditor and Board.

**SPECIAL BUSINESS**

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

“Appointment of Mrs Nameeta Mehra (DIN:06806385) as Director of the Company.

“**RESOLVED THAT** pursuant to provisions of Section 149, 152 and 160 of the Companies Act, 2013 and rules made thereunder Mrs Nameeta Mehra (DIN:06806385) who was appointed as an Additional Director pursuant to Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, proposing her candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

“Appointment of Mr Anant Singhania (DIN: 00019992) Independent Director of the Company.

“**RESOLVED THAT** pursuant to provisions of Section 149, 152 and 160 of the Companies Act, 2013 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr Anant Singhania (DIN: 00019992) who was appointed as an Additional Director pursuant to Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation.”

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

“Appointment of Shri Radhemohan Malhotra (DIN:01874316) an Independent Director of the Company .

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri. Radhemohan Malhotra (DIN:01874316 ), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 49th Annual General Meeting of the Company in the calendar year 2019.”

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

“Appointment of Shri. Lav Kumar Vadehra (DIN: 01936360) as an Independent Director of the Company .

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Lav Kumar Vadehra (DIN: 01936360) who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 49th Annual General Meeting of the Company in the calendar year 2019.”

7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Special Resolution:

Amendment to Articles of Association.

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**Regd. Office:**

G-15 Prem Kutir,  
177 Marine Drive,  
Mumbai – 400 020.

Place: Mumbai

Date: 30th May, 2014

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

**DHIRAJ MEHRA**

Managing Director

**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.

The instrument appointing the proxy in Form MGT-11 annexed hereto, in order to be effective, should reach at the registered office of the Company at least 48 hours before the time of the meeting. A person can act as a proxy on behalf of the members not exceeding 50 and holding in aggregate not more than ten percent of the total paid up share capital of the Company. A member holding more than 10% 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 proxy for any other person or shareholder.

2. All alterations made in the Form of Proxy should be duly initialed.

3. Explanatory Statements pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting are annexed hereto.

4. 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.

5. In accordance with provisions of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means ("e-voting") to its members. The Company has engaged the services of Central Depository Services Limited ("CDSL") to provide e-voting facilities and for security and enabling the members to cast their vote in a secure manner. It may be noted that this e-voting facility is optional.

6. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

7. In case of joint holders attending the meeting, only such joint holder who is higher on the order of names will be entitled to vote.

8. The notice is being sent to all the members, whose names appeared in the Register of Members as on 15th August, 2014. This notice of the Annual General Meeting of the members of the company is also displayed/posted on the websites of the company i.e. [www.subhashsilk Mills.com](http://www.subhashsilk Mills.com) and that of Central Depository Services (India) Limited ("CDSL") [www.evotingindia.com](http://www.evotingindia.com).

9. 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.

10. Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and to the Registrars of the Company i.e. M/s. Purva Sharegistry (India) Pvt. Ltd. in respect of their physical share folios, if any.

11. Shareholders are requested to fill-in and sign the attendance slip and hand it over at the entrance to the venue.

12. Members, who are holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificates to consolidate their holdings in one folio.

13. SEBI vide its Circular No. MRD/Dop/Cir-05/2009 dated 20th May 2009 has made it mandatory to submit PAN for registration of physical share transfer requests. Members holding shares in electronic form are, therefore, requested to submit a copy of their PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents M/s. Purva Sharegistry (India) Pvt. Ltd.

14. 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.

15. 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.

16. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of their electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with the Company's Registrar & Transfer Agents, M/s. Purva Sharegistry (India) Pvt. Ltd by sending an e-mail to [purvhashr@mtnl.net.in](mailto:purvhashr@mtnl.net.in) along with details like Name, Folio No. etc. The procedure and instructions for voting through electronic means are as follows. We request you to follow the below procedure for e-voting:

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:

For Members holding shares in Demat and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department(Applicable for both Demat as well as Physical shareholders)

	<ul style="list-style-type: none"> <li>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.</li> </ul> <p>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.</p>
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	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or dividend Bank details in order to login.</li> </ul> <p>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.</p>

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, 20th September, 2014 at 9a.m. and will end on 22nd September, 2014 at 6:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on Friday, 15th August, 2014 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 Mills.com](http://www.subhashsilk Mills.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.

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

Place: Mumbai

Date: 30th May, 2014

**DHIRAJ MEHRA**

Managing Director

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT ,2013.**

Statement Pursuant to Section 102 of the Companies Act, 2013

**Item No.3**

Mrs Nameeta Mehra who was appointed as an Additional Director on under Section 161 of the Companies Act ,2013 on 4th August, 2014, holds the office upto the Annual General Meeting . Therefore it is in the interest of the Company that Mrs Nameeta Mehra be appointed as Non Executive Non Independent Director of the Company , as she possess the rich experience in administration .

None of the Directors / Key Managerial Personnel of the Company other than Shri Dhiraj Mehra and Shri Sumeet Mehra are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Items No. 3 of the Notice.

**Item No. 4 to 7:**

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Mr.Anant Singhania, Mr. Radhemohan Malhotra, and Mr. Lav Kumar Vadhera as Independent Directors of the Company up to 5 (five) consecutive years i.e. 49th Annual General Meeting of the Company to be held in 2019.The Company has also received Notice pursuant to Section 160 of the Companies Act, 2013 from members proposing the appointment of aforesaid Independent Directors.

A brief profile along with other details of the Independent Directors are as follows:

Name of the Director	Mr. Anant Ajaypat Singhania
Date of joining the Board	4th August, 2014
Profile of the Director	Mr. Singhania is a fifth generation industrialist from the illustrious Singhania Family. He has been a member on various committees including the Indi-Italian Chamber of Commerce and the Indian Merchants Chamber. His has vast experience in Corporate



	Governance, Business Management.
No. of shares held in the Company	Nil

Name of the Director	Mr. Radhemohan Malhotra
Date of joining the Board	27th October, 2005
Profile of the Director	Mr. Malhotra started his career in the Textile Commissioners Office. Following which he joined Castle Mills and dealt with Government Liason and HRD Development for a large number of years. He has over 40 years experience in the field of Human Resource Development and Government Liason.
No. of shares held in the Company	Nil

Name of the Director	Mr . Lav Kumar Vadehra
Date of joining the Board	29th July, 2002
Profile of the Director	Mr. Vadehra has worked in senior positions with the State Trading Corporation, New Delhi, New York and Mumbai for over 12 years. After leaving State Trading Corporation, he has started his own pharma-chemical manufacturing and trading Company and is currently successfully running his own manufacturing plant. He has over 40 years in International Trade experience.
No. of shares held in the Company	NIL

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Items No. 4,5,6 of the Notice.

#### ITEM NO. 7.

The existing AoA are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 . Majority portion of Companies Act ,2013 came into vogue on April 1,2014 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013

With the coming into force of the Companies Act, 2013 several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA is based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 7 of the Notice.

**DIRECTOR'S REPORT****TO THE MEMBERS**

Your Directors hereby present the 44th Annual Report along with the Audited Accounts of the Company for the year ended 31st March, 2014.

**I. FINANCIAL RESULTS:**

	For the year Ended 31.03.14 Rs.(Lakhs)	For the year Ended 31.03.13 Rs.(Lakhs)
1. Total Income	1072.00	460.25
2. Profit / Loss Before Depreciation, Interest and Taxes	941.97	316.74
3. Less : Interest	0.92	18.42
Depreciation	37.07	37.19
4. Profit / Loss Before Extraordinary Items	903.98	261.13
5. Extraordinary Items	0.00	290.27
6. Profit / Loss Before Taxes	903.98	551.40
5. Less : Provision for Taxes	160.00	116.00
6. Profit / Loss After Tax	743.98	435.40
7. Add : Balance b/f. from the Previous Year	(-) 184.26	(-) 619.66
8. Less : Prior Year Tax Adjustments	0.00	0.00
9. Amount Available for Appropriation	559.38	(-) 184.26
<b>APPROPRIATIONS :</b>		
(i) Proposed Dividend on Equity	0.00	0.00
(ii) General Reserve	0.00	0.00
(iii) Balance carried to Balance Sheet	559.38	(-) 184.26

The Company's property at Khopoli has been fully leased out. The said warehousing contracts have yielded an income of Rs.197.54 Lakhs (P.Y. Rs.230.05 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.11.51 Lakhs.

**II. DIVIDEND:**

Your Directors do not recommend any Dividend for the year ended 31<sup>st</sup> March, 2014.

**III. DIRECTORS RESPONSIBILITY STATEMENT:**

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with a proper explanation relating to material departures.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgements 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 loss of the Company for the period.
- (iii) The Directors of have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the annual accounts on a going concern basis.

**IV. THE YEAR AT A GLANCE:**

The Company would like to express its heartfelt condolences to the family of Mr. Manoharlal Kapur, Independent Director of the Company who breathed his last in February, 2014. Mr. Manoharlal Kapur was an important part of the Board and as a Chartered Accountant he also headed various committees of the Company. His presence and timely advice will be missed by the Board.

Total Income for the current period has been Rs.1072 Lakhs. This includes warehousing charges of Rs.197.54 Lakhs and sale of flats of belonging to the Company of Rs.851.49 Lakhs.