



SUBHASH SILK MILLS LIMITED

**48TH
ANNUAL REPORT
2017-2018**

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

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

AUDITORS:

M/s. Govind Prasad & Co.

BANKERS:

Axis Bank
State Bank of India
Citibank N.A.

REGISTERED OFFICE & CONTACT DETAILS:

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

REGISTRAR & TRANSFER AGENT:

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

Important Communication to Members

The Ministry of Corporate Affairs has now permitted companies to send various notices / documents under the Companies Act, 2013, to its shareholders, through electronic mode. We request the Members to support this initiative and register their E-mail addresses in respect of the shares held in the Company with the M/s. Purva 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).

48th ANNUAL REPORT 2017-2018	CONTENTS	Page Nos.
Date : September 25, 2018	Notice	3-7
	Annexure to Notice	8-10
	Directors Report	10-15
	Secretarial Audit Report	16-18
	Extract of Annual Return – MGT-9 along with Annexure on Conservation of Energy, Technology Absorption	18-24
Day : Tuesday	MDA Report	24-25
	Corporate Governance Report	25-34
	MD & CFO Certification	34-35
	Auditors Certificate on CG Report	35
Time : 11.30 a.m.	Auditor's Report	36-40
	Balance Sheet	41
	Profit & Loss Account	42-43
	Cash Flow Statement	43
Place : The Indian Merchants Chamber, Pravin Chandra Gandhi Board Room, Churchgate, Mumbai – 400020.	Notes to Financial Statements	44-54
	Communication for Shareholders	55-56
	Attendance Slip & Proxy Form	57-58

NOTICE

NOTICE IS HEREBY GIVEN THAT THE **FORTY EIGHTH 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 **TUESDAY, SEPTEMBER 25, 2018 AT 11:30 AM** TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

- 1. Adoption of Financial Statements:** To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended **March 31, 2018** and the Reports of the Board of Directors and Auditors thereon.
- 2. Appointment of Mr. Dhiraj Mehra (DIN 01409010) as a Director liable to retire by rotation:** To appoint a Director in place of **Mr. Dhiraj Mehra (DIN 01409010)**, who retires by rotation and, being eligible, offers herself for re-appointment. The shareholders are requested to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** pursuant to the provisions of Articles of Association and Section 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the approval of the members of the Company be and is hereby accorded to the re-appointment of **Mr. Dhiraj Mehra (DIN 01409010)**, as Director, to the extent that she is required to retire by rotation.”

SPECIAL BUSINESS:

- 3. Re-Appointment of Mr. Sumeet Mehra (DIN 00342934) as a Chairman of the Company w.e.f. March 22, 2018 for a period of 5 years:** : To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution** -

“**RESOLVED THAT** pursuant to the provisions of Section 197, 203 and any other applicable provisions of the Companies Act 2013 read with Schedule V of the Act and Chapter XIII of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 as may be applicable (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the requisite approval of statutory authorities, if any, as may be required **Mr. Sumeet Mehra (DIN 00342934)** be and is hereby re-appointed as a Chairman of the Company for a period of 5 years w.e.f. **March 22, 2018**, upon the terms and conditions as to remuneration appended to the notice and that the Board of Directors be and are hereby authorised to alter and vary such terms and condition of the said appointment and/or the remuneration subject to the same not exceeding the limits specified in Schedule V of the Companies Act 2013.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Section 197(3) and other applicable provisions, if any, of the Companies Act 2013 and the rules framed thereunder, where in any financial year during the period of his office as a Chairman of the Company has no profits or its profits are inadequate, the Company may pay to **Mr. Sumeet Mehra (DIN 00342934)**, the minimum remuneration by way of salary, allowance & perquisites within limits prescribed under Schedule V of the Companies Act, 2013.

“**RESOLVED FURTHER THAT** the Overall Managerial Remuneration payable to the Executive Director(s) of the Company shall not be exceed the maximum limits i.e. Ten Percent (10%) of the Net Profits of the Company as laid down in Section 197(1) of the Companies Act 2013.

“**RESOLVED FURTHER THAT** **Ms. Priyanka Mankame, Chief Financial Officer** or **Ms. Paridhi Somani, Company Secretary** of the Company be and are hereby authorised to take all such actions and give all such directions, or do all such acts, deeds, matters and things as may be necessary in this regard and further to execute all such deeds, documents and writings etc as may be necessary in this regard.”

4. **Re-Appointment of Mr. Dhiraj Mehra (DIN 01409010) as Managing Director of the Company w.e.f. March 22, 2018 For A Period Of 5 Years:** To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution** –

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act 2013 read with Schedule V of the Act and Chapter XIII of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 as may be applicable (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the requisite approval of statutory authorities, if any, as may be required **Mr. Dhiraj Mehra (DIN 01409010)** be and is hereby re-appointed as an Managing Director of the Company for a period of 5 years w. e. f. **March 22, 2018**, upon the terms and conditions as to remuneration appended to the notice and that the Board of Directors be and are hereby authorised to alter and vary such terms and condition of the said appointment and/or the remuneration subject to the same not exceeding the limits specified in Schedule V of the Companies Act 2013.

"RESOLVED FURTHER THAT pursuant to the provisions of Section 197(3) and other applicable provisions, if any, of the Companies Act 2013 and the rules framed thereunder, where in any financial year during the period of his office as an Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to **Mr. Dhiraj Mehra (DIN 01409010)** the minimum remuneration by way of salary, allowance & perquisites within limits prescribed under Schedule V of the Companies Act, 2013.

"RESOLVED FURTHER THAT the Overall Managerial Remuneration payable to the Managing Director of the company shall not be exceeded the maximum limits i.e. Ten Percent (10%) of the Net Profits of the Company as laid down in Section 197(1) of the Companies Act 2013.

"RESOLVED FURTHER THAT Ms. Priyanka Mankame, Chief Financial Officer or Ms. Paridhi Somani, Company Secretary of the Company be and are hereby authorised to take all such actions and give all such directions, or do all such acts, deeds, matters and things as may be necessary in this regard and further to execute all such deeds, documents and writings etc as may be necessary in this regard."

Regd. Office:

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

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

**PARIDHI SOMANI
COMPANY SECRETARY**

Place: Mumbai

Date: August 13, 2018

NOTES

1. A member entitled to attend and vote at AGM is entitled to appoint a proxy to attend and vote in the meeting instead of himself/herself, and the proxy need not be a member of company.
2. The proxy form, in order to be effective, must be duly completed and deposited at the registered office of the Company not less than 48 hour before the commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding (50) fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.
3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of Board Resolution to the Company, authorizing their representatives to attend and vote on their behalf at the Meeting.
4. Members/proxies attending the Meeting should bring the Attendance Slip, duly filled, for handing over at the venue of the meeting. Members are requested to bring their copy of the Annual Report with them at the Annual General Meeting, as the copies of the report will not be circulated at the meeting.
5. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company at **G-15, Ground Floor, Prem Kutir, 177**

Marine Drive, Mumbai 400020, on all working days except Saturdays and Sundays during business hours up to the date of the Annual General Meeting.

6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act 2013, will be available for inspection by the members at the AGM.
7. **The Register of Members and the Share Transfer Registers of the Company will remain closed from Tuesday, September 18, 2018 to Monday, September 24, 2018 (both days inclusive).**
8. Explanatory statements pursuant to section 102(1) of the Companies Act, 2013 relating to the Ordinary Business to be transacted at the meeting is Annexed hereto.
9. (a) Members holding shares in physical form are requested to advise immediately change in their address, if any, quoting their folio number(s) to the Registrar & Share Transfer Agent, M/s. Purva Sharegistry (India) Pvt. Ltd.
(b) Members holding shares in the electronic form are requested to advise immediately change in their address, if any, quoting their Client ID No., to their respective Depository Participants.
10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
11. Members desirous of getting any information in respect of accounts of the Company and proposed resolution, are requested to send their queries in writing to the Company at its registered office at least 7 days before the date of the meeting, so that the required information can be made available at the meeting.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar M/s. Purva Sharegistry (India) Pvt. Ltd.
13. The Ministry of Corporate Affairs ("Ministry"), Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. As per the Circular No. 17/2011, dated 21.04.2011 and Circular No. 18/2011, dated 29.04.2011 issued by the Ministry of Corporate Affairs, companies can now send various notice/documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors Report, Auditors Report, etc.) to their shareholders through electronic mode, to the registered email address of the shareholders.
14. With a view to using natural resources responsibly, we request shareholders to update their email address with their Depository Participants or RTA (i.e. M/s. Purva Sharegistry (India) Pvt. Ltd.) to send communications electronically.
15. The Company has already joined the Depository System and the ISIN for the equity shares of the Company is **INE690D01014**. Members holding shares in physical mode are requested to convert their holdings into Dematerialized mode.
16. Non-Resident Indian Members are requested to update M/s. Purva Sharegistry (India) Pvt. Ltd. immediately of any change in their residential status on return to India for permanent settlement.
17. **Voting through electronic means:**
In compliance with the provisions of Section 108 of the Act read with Rule 20 of Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, 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 **48th AGM** and the business at the **48th AGM** may be transacted through such voting. The Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable all its shareholders to cast their vote electronically.
The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the **48th AGM** apart from remote e-voting. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

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

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **Saturday, September 22, 2018 at 9 a.m. and will end on Monday, September 24, 2018 at 5:00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Tuesday, September 18, 2018** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID :
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant **SUBHASH SILK MILLS LIMITED** on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code & click on Forgot Password& enter the details as prompted by system.
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
18. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com or call the Registrar & Transfer Agent, Purva Sharegistry Pvt. Ltd. at +91-22-23016761 or write an email to purvhashr@mtnl.net.in
19. **Ms. Jyoti N. Kholia**, Partner at **KNK & CO. LLP**, Company Secretaries, has been appointed as Scrutinizer to oversee that the e-voting process has been carried out in fair and transparent manner. The Results shall be declared on or after the Annual General Meeting of the Company. The results declared along with the scrutinizer's report shall be placed on the Company's website www.subhashsilk Mills.com, and on the website of CDSL within two days of passing of the resolutions at the AGM of the Company and will also be communicated to stock exchange.
20. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-Voting period unlock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
21. Members may also note that the Notice of the **48th AGM** and the Company's Annual Report **2017-2018** will be available on the Company's website **www.subhashsilk Mills.com**. The physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at cs@subhashsilk Mills.com.
22. Additional information, pursuant to the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, in respect of the Directors seeking appointment / re-appointment at the AGM, is furnished as annexure to the Notice. The Director have furnished consent and declaration for her re-appointment as required under the Companies Act 2013 and the Rules thereunder.

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

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

**PARIDHI SOMANI
COMPANY SECRETARY**

Place: Mumbai
Date: August 13, 2018

ANNEXURE TO ITEM 2 OF THE NOTICE

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

Name of the Director	DHIRAJ MEHRA	SUMEET MEHRA
DIN	01409010	00342934
Date of Birth	November 17, 1974	September 14, 1970
Nationality	Indian	Indian
Date of Appointment on Board	October 25, 2006	August 01, 1995
Brief Profile including Qualifications	Dhiraj Mehra received his bachelor's degree in business administration with a minor in computer applications from University of Notre Dame. He has been involved with Subhash Silk Mills Limited since his return from studies in the United States of America and has been the Managing Director of the Company since 2013. In addition to his business ventures, he runs the family owned charitable trust in Mumbai, India which helps promote and provide basic education and quality healthcare for the underprivileged.	Mr. Sumeet Mehra received his bachelor's degree in commerce and accounting from Sydenham College and completed a 3 month Management Course with the world renowned Harvard Business School. He has been involved in the management of Subhash Silk Mills Limited since over 20 years and has been serving as an Executive Chairman since 2013.
Shareholding in Company	280500 shares	235900 shares
List of Directorships held in other Companies (Including Private Companies)	1. Premkutir Private Limited 2. Subhash Fabrics Private Limited 3. Platinum Fashion Apparel Private Limited 4. Pheodora Property Developers Private Limited	1. Subhash Fabrics Pvt Ltd 2. Excellent Holdings Pvt Ltd 3. Taranga Holdings Pvt Ltd 4. Sparkle Clean Tech Pvt Ltd 5. Aquabrane Water Technologies Pvt Ltd 6. SparkleClean-Tech Systems Pvt Ltd
Memberships / Chairmanships of Audit & Stakeholders' Relationship Committees across Public Companies	Not applicable	Not Applicable
Relation (related party)	Mr. Dhiraj Mehra is relative of Mr. Sumeet Mehra and Mrs. Nameeta Mehra	Mr. Sumeet Mehra is relative of Mr. Dhiraj Mehra and Mrs. Nameeta Mehra

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013
Statement Pursuant to Section 102 of the Companies Act, 2013**ITEM No. 3**

Mr. Sumeet Mehra is proposed to be re-appointed as Chairman with effect from 22nd March, 2018 for a period of 5 years on the terms and conditions as laid down in the Agreement as detailed below:

- I. **Salary:** Rs.50,000/- per month with such increments as may be decided by the Board of Directors (which includes any committee thereof) from time to time but subject to a maximum salary of Rs.1,50,000/- per month.
- II. **Perks:** Prerequisites as stated below:

Category A:

- a. **Housing I** – The Company shall provide rent-free accommodation to the Chairman within Mumbai city limits or at any other place as may be required from time to time.
- b. **Housing II** – In case no accommodation is provided by the Company, the Chairman shall be entitled to house Rent Allowance subject to the ceilings laid down in housing.
- c. **Medical Reimbursement:** Expenses incurred for self and family, subject to a ceiling of three months' salary in a year or nine months' salary over a period of three years.
- d. **Leave travel concession** for self and family once in a year in accordance with the rules of the Company.
- e. **Club Fees:** Fees of the clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.
- f. **Personal Accident Insurance:** Premium not to exceed Rs.1,00,000/- per annum.

Category B:

Contribution to Provident Fund, Super Annuation Fund or Annuity Fund, so however that these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity will be limited to half a month's Salary for each completed year of service.

Category C:

Provision of Car with driver and telephone at the Chairman's residence provided that personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to the Chairman.

- III. **Commission** @ 1% of the Net Profits of the Company, computed in accordance with the provisions of Section 197 of the Companies Act, 2013 subject to, the amount being restricted to an amount equal to the annual salary.

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

Further, keeping in consideration the importance of the matter the Board recommends the Resolution for your Approval as Special Resolution.

ITEM No. 4

Mr. Dhiraj Mehra is proposed to be re-appointed as Managing Director with effect from 22nd March, 2018 for a period of 5 years on the terms and conditions as laid down in the Agreement as detailed below:

- I. **Salary:** Rs.1,50,000/- per month with such increments as may be decided by the Board of Directors (which includes any committee thereof) from time to time but subject to a maximum salary of Rs.2,00,000/- per month.
- II. **Perks:** Prerequisites as stated below:

Category A:

- a. **Housing I** – The Company shall provide rent-free accommodation to the Managing Director within Mumbai city limits or at any other place as may be required from time to time.

- b. **Housing II** – In case no accommodation is provided by the Company, the Managing Director shall be entitled to house Rent Allowance subject to the ceilings laid down in housing.
- c. **Medical Reimbursement:** Expenses incurred for self and family, subject to a ceiling of three months’ salary in a year or nine months’ salary over a period of three years.
- d. **Leave travel concession** for self and family once in a year in accordance with the rules of the Company.
- e. **Club Fees:** Fees of the clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.
- f. **Personal Accident Insurance:** Premium not to exceed Rs.1,00,000/- per annum.

Category B:

Contribution to Provident Fund, Super Annuation Fund or Annuity Fund, so however that these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity will be limited to half a month’s Salary for each completed year of service.

Category C:

Provision of Car with driver and telephone at the Managing Director’s residence provided that personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to the Managing Director.

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

Further, keeping in consideration the importance of the matter the Board recommends the Resolution for your Approval as Special Resolution.

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

**Place: Mumbai
Date: August 13, 2018**

**SD/-
PARIDHI SOMANI
COMPANY SECRETARY**

DIRECTORS’ REPORT

Dear Members,

The Board of Directors hereby submit the **48th Annual Report** along with the Audited Financial Statements of the Company for the Financial Year ended **March 31, 2018**.

1. FINANCIAL HIGHLIGHTS OF PERFORMANCE:

The financial performance of the Company is summarized as under:

Particulars	Amounts in Rs. (in Lakhs)	
	2017-2018	2016-2017
Income from Operations	5.90	1.22
Add : Other Income	178.31	169.37
Total Income	184.21	170.59
Less: Expenses	120.74	109.62
Profit before Interest, Depreciation and Taxes	63.47	60.97
Less : Finance Cost	6.48	0.13
Profit before Depreciation and Taxes	56.99	60.84
Less : Depreciation	56.48	57.20
Profit/Loss Before Taxes	0.51	3.64
Less : Current Taxation	10.60	8.65
Less: Deferred Tax	(0.72)	(0.60)
Less: Prior year tax adjustments	(1.17)	-