

of labour in the Country. The Indian Textile Industry approximately contributes to **14%** to the Overall Index of Industrial Production and **2%** to the GDP.

Opportunities & Threats:

The textile industry in India traditionally, after agriculture, is the only industry that has generated huge employment for both skilled and unskilled labor in textiles. The textile industry continues to be the second largest employment generating sector in India. Further, Indian exports of locally made retail and lifestyle products has gone up.

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

Segment-wise or product-wise performance:

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

Financial Performance

Total turnover of the Company during the year was **Rs. 184.21 Lakhs** as against **Rs. 170.59 Lakhs** in the previous year. Net Loss after Tax was **Rs. 8.20 Lakhs** as compared to **Rs. 4.41 Lakhs** in the previous year.

Risks & Concerns

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

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

Internal Control Systems

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

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

Employees:

The Company has 8-10 employees on its payroll.

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

SD/-

Sumeet S. Mehra

Chairman & Director

DIN: 00342934

Place: Mumbai

Date: August 13, 2018

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

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

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

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

The composition of Board of Directors is in compliance with provisions of Listing Agreement with Stock Exchanges, SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 and amendments, if any. The Board comprises of optimum combination of Executive and Non-Executive Directors. The Company is having **1 (One) Managing Director viz. Mr. Dhiraj Mehra**. The Board periodically evaluates the need for change in its Composition and Size.

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

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

i. Independent Directors' Profile:

Shri Lav Kumar Vadehra, aged **75 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 **84 years** is an expert in Human Resource Development and has honed his skills during his tenure ship as General Manager of the Company for a number of years. His knowledge of various procedural issues and Government Departments and formalities are greatly appreciated by the Board from time to time.

Shri Anant Singhania, aged **44 years** is a fifth generation industrialist of the illustrious Singhania Family. He has extensive experience in Corporate Governance and Business Management and has been on various executive committees including the Indo-Italian Chamber of Commerce and the Indian Merchants Chamber. His Governance and Management skills will be looked upon by the Board of Directors.

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

Mrs. Nameeta S. Mehra was reappointed by the Company at the Annual General Meeting held on **September 28, 2017**.

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

Name of Directors	Categories	Attendance of meetings during the year			No. of Directors hips (including Private Limited Companies)	No. of Membershi p(s)/Chair manship(s) of Board Committee s in other Companies
		No. of Board Meeti ng held	Boa rd Me etin g	Whether attended last AGM held on 28-09-2017		
Mr. Sumeet S. Mehra	Executive Chairman	5	5	No	8	0
Mr. Dhiraj Mehra	Managing Director	5	5	Yes	4	0
Mrs. Nameeta S. Mehra	Executive Woman Director	5	5	Yes	4	0
Mr. Lavkumar Vadehra	Independent Non-Executive Director	5	5	Yes	4	0
Mr. Radhemohan Malhotra	Independent Non-Executive Director	5	5	Yes	NIL	0
Mr. Anant Singhania	Independent Non-Executive Director	5	5	Yes	2	0

iv. Directorship and Committee membership in other companies:

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

v. Chairman & Managing Director of the Board:

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

vi. Responsibilities of the Chairman and Managing Director:

The Responsibilities and authority of these officials are as follows:

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

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

vii. Induction & Training of Board of Directors:

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

viii. Succession Planning:

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

ix. Separate Meeting of Independent Director:

As stipulated by the code of Independent Directors under the Companies Act, 2013 and the Listing Regulations a separate meeting of the Independent Director of the Company was held on **February 10, 2018** to review the performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company, assessment of the quality, quantity and timeliness of the flow of information between the Company's management and the Board and its committees.

x. Prevention of Insider Trading:

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

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

xi. Code of Conduct:

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

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

xii. Details of Board Meeting Held:

5 (Five) Board Meetings were held during the Financial Year ended **March 31, 2018**. The Board meets at least once in a quarter to review the quarterly financial results and operations of the Company.

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

The details of such Board Meetings are as follows:

Sr. No.	Date of the Board Meeting	Board Strength	No. of Directors present
1	May 29, 2017	6	6
2	August 10, 2017	6	6
3	September 28, 2017	6	6
4	November 14, 2017	6	6
5	February 10, 2018	6	6

III. BOARD COMMITTEES:

The Company has following 3 (three) committees:

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

A. AUDIT COMMITTEE:

i. Brief Description of Terms of reference:

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

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

ii) Composition of members of Audit Committee:

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

iii) Meetings and Attendance during the year:

Name of Members	Dates of Audit Committee Meetings held and Members attendance			
	May 16, 2017	August 1, 2017	November 6, 2017	January 30, 2018
Mr. Lav Kumar Vadehra	P	P	P	P
Mr. Radhemohan Malhotra	P	P	P	P
Mr. Dhiraj Mehra	P	P	P	P

P = Present A = Absent

B. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

i. Brief Description of Terms of reference:

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

ii. Composition of Stakeholders' Relationship Committee:

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

iii. Meetings and Attendance during the year:

Name of Members	Dates of Stakeholders Relationship Committee Meetings held & Members attendance			
	May 16, 2017	August 1, 2017	November 6, 2017	January 30, 2018
Mr. Radhemohan Malhotra	P	P	P	P
Mr. Lav Kumar Vadehra	P	P	P	P

P = Present A = Absent

iv. Share Transfer Agent:

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

The Company has authorized Directors severally to approve the Share Transfers. In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (duly amended), the Board has approved the Committee to implement and monitor the various requirements as set out in the Code.

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

There were no complaints received from shareholders during the Financial Year **2017-2018**. Further, the requests for transfer and dematerialization of shares was duly approved within the prescribed timelines.

C. NOMINATION AND REMUNERATION COMMITTEE:

i. Brief Description of Terms of reference:

1. The Company has a Remuneration Committee, which determines and recommends the remuneration payable to the Managing Director, Directors and Key Managerial Personnel and other employees on the basis of their performances as well as Company's performance, subject to the consents as may be required. The remuneration to the

Executive Directors consists of a fixed salary and other perquisites, wherever applicable. The perquisites are considered as a part of remuneration.

2. Formulating criteria for evaluation of Independent Directors and the Board.
The Non-Executive Directors are not paid any remuneration except sitting fees for attending the Board Meetings or Committee Meetings.

ii. Composition of Nomination and Remuneration Committee:

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

iii. Meetings and Attendance during the year:

Name of Members	Dates of Nomination & Remuneration Committee Meetings held and Members attendance	
	January 30, 2018	February 10, 2018
Mr. Radhemohan Malhotra	P	P
Mr. Lav Kumar Vadehra	P	P
Mr. Anant Singhania	P	P

P = Present A = Absent

iv. Board member evaluation:

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

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

v. Remuneration Policy: Objective and Purpose of the Policy

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

8. To ensure that the remuneration to Directors, KMP and Senior Management Personnel consists of fixed and variable component and same reflects long term and short term objectives appropriate to working of the Company and its goals.
9. To develop a succession plan for the Board and to regularly review the plan.
10. To devise a policy on Board diversity.

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

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

v) Details of Remuneration for the year ended on March 31, 2018:

a) Executive Directors:

(Amount in lakhs)

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

b) Independent Non-Executive Directors:

(In Rs.)

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

IV. GENERAL BODY MEETINGS:

i) Annual General Meetings:

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

AG M	Year Ending	Venue	Date and Time	Special resolution passed for the following items
47 th	31 st March 2017	Indian Merchants Chamber, Ashok Birla Board Room, 3 rd Floor Churchgate, Mumbai - 400 020	September 28, 2017 at 11.30 AM	None
46 th	31 st March, 2016	Indian Merchants Chamber, Pravin Chandra Gandhi Board Room, Churchgate, Mumbai - 400 020	September 8, 2016 at 11.30 AM	None
45 th	31 st March, 2015	Indian Merchants Chamber, Pravin Chandra Gandhi Board Room, Churchgate, Mumbai - 400 020	September 30, 2015 at 11.30 AM	None

ii) Postal Ballot:

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

Remote e-voting and ballot voting at the AGM

To allow the shareholders to vote on the resolutions proposed at AGM, the Company has arranged for remote e-voting facility. The Company has engaged CDSL to provide e-voting facility to all the members. Members whose names appear on the Register of Members as on **September 18, 2018**.

V. DISCLOSURES:

- i. There were no transactions of material nature undertaken by your Company with its promoters, Directors or the management, their subsidiaries or relatives that may have a potential conflict with the interest of the Company.

- ii. The Company has fulfilled all the statutory compliances and there was no penalty imposed on the Company by SEBI or any Statutory Authority. However, the Company had paid penalty to BSE Ltd for filing compliances of Listing Agreement with delays.
- iii. Your Company has followed Whistle Blower Mechanism by adopting and adhering to Whistle Blower Policy and affirms that no personnel have been denied access to the Audit Committee.

VI. WHISTLE BLOWER POLICY-

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

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

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

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

The main objectives of the policy are as under:

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

VII. MD / CFO CERTIFICATION

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

VIII. MEANS OF COMMUNICATION:

i. Quarterly Results and Annual Financial Results:

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

ii. Website:

The Securities and Exchange Board of India (SEBI) has made it mandatory for companies to maintain an updated website to post yearly and quarterly financial statements, shareholding pattern, details for shareholders, code of conduct, presentation made to institutional investors/analysts/press release etc. on website.

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

IX. GENERAL SHAREHOLDER INFORMATION:

i. Forthcoming Annual General Meeting:

Day: Tuesday

Date: September 25, 2018

Time: 11.30 a.m.

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

- ii. **Financial year:** April 1, 2017 to March 31, 2018.
- iii. **Dates of Book Closure:** September 18, 2018 to September 24, 2018 (both days inclusive).
- iv. **Dividend Payment:** The Board of Directors has not recommended any dividend for the financial year ended on March 31, 2018.
- v. **Listing on Stock Exchanges:**
BSE Limited (Bombay Stock Exchange)
 P. J. Towers, Dalal Street, Mumbai – 400 001. The Annual Listing Fee of the BSE are paid for the Financial Year 2018-2019.
- vi. **Stock Code:**
 Security Code – 530231
 Security ID – SUBSM
 ISIN Code - INE690D01014

vii. Market Price Data:

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

Month	BSE	
	Monthly High Price	Monthly Low price
April 2017	12.00	12.00
May 2017	12.00	11.40
June 2017	11.97	11.40
July 2017	11.97	11.97
August 2017	12.25	11.97
September 2017	12.25	11.64
October 2017	11.64	11.64
November 2017	11.64	11.06
December 2017	11.61	11.61
January 2018	12.19	12.19
February 2018	12.79	12.16
March 2018	12.76	12.16

- viii. **Registrar and Share Transfer Agent:**
M/s. Purva Sharegistry (India) Private Limited.
 Shiv Shakti Industrial Estate, 9, Sitaram Mill Compound,
 J.R. Boricha Marg, Lower Parel, Mumbai 400011.
 Tel.: 022-23016761 / 23018261.

➤ **Reconciliation of Share Capital Audit**

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

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

ix. Share Transfer System:

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

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

x. Plant Locations:

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

xi. Address for correspondence:

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

SUBHASH SILK MILLS LIMITED:

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

xii. Details of Non-Compliances and penalties imposed by Bombay Stock Exchange during last 3 years:

Year Ending	Non-Compliance of Clauses of Listing Agreement	Quarter	Penalty Imposed (in Rs.)	Penalties Paid
31 st March, 2018	None	NA	NA	NA
31 st March, 2017	None	NA	NA	NA
31 st March, 2016	Late Submission of Financial Results under Clause 41	June 2015	57000	Paid

X. NON-MANDATORY REQUIREMENTS:

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

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

ii. Shareholders' Rights:

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

iii. Audit Qualification:

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

iv. Separate posts of Chairman and CEO:

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

v. Reporting of Internal Auditor:

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

MD & CFO CERTIFICATION

To,
The Board of Directors,
Subhash Silk Mills Limited

Dear Members of the Board,

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

1. We have reviewed the Financial Statements and Cash Flow Statement of the Company and all notes on accounts and the Board's Report for the year ended **March 31, 2018**.
2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make statements made, in the light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
4. There are no transactions entered into by the Company during the year ended **March 31, 2018**, that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics.
5. We accept responsibility for establishing and maintaining internal controls for financial reporting for the Company and we have -
 - evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.

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

SD/-**Dhiraj Mehra****MD****DIN: 01409010****Place: Mumbai****Date: August 13, 2018****SD/-****Priyanka Mankame****CFO****AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE REPORT**

To

The Members of

Subhash Silk Mills Limited

Mumbai

We have examined the compliance of conditions of Corporate Governance by **Subhash Silk Mills Limited** (the Company) for the year ended **31st March, 2018**, as per relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations.

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

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

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

For and on behalf of

Govind Prasad & Co.**Chartered Accountants****FRN: 114360W****SD/-****Govind Prasad****Proprietor****M. No. 047948****Place: Mumbai****Date August 13, 2018**