

**Impact of above measures on consumption of energy:**

It is difficult to assess the definite impact of the measure as the total energy cost forms a small constituent of the overall production costs.

**Capital Investment on energy conservation equipment's**

Capital investments were incurred previously but nothing during the previous year.

**Power & Fuel Consumption:**

Refer Form 'A' attached

**B. TECHNOLOGY ABSORPTION:** Refer Form 'B' attached

**C. FOREIGN EXCHANGE EARNING AND OUTGO:**

	2017-2018	2016-2017
Earning : Export	-	-
Outgo : Import	-	-
Outgo : Bank Charges	-	-

**FORM A - POWER & FUEL CONSUMPTION**

			2017-2018	2016-2017
1	Electricity			
	Purchased	Units	78043	74876
	Total	Rs.	853040	844391
	Rate / Unit	Rs.	10.93	11.28
	Own Generation through*		-	-
*Not Applicable, Since the Company does not have any Diesel Generator or Steam Turbine / Generator				
2	Furnace Oil			
	Purchased	Ltr	-	-
	Total	Rs.	-	-
	Rate / Unit	Rs.	-	-
3	Consumption per unit of products	Standards		
	Electricity		-	-
	Furnace Oil		-	-
	Reason for variation**		-	-

**FORM B - TECHNOLOGY ABSORPTION**

**RESEARCH AND DEVELOPMENT (R & D)**

**Specific areas in which the company carried out R & D:**

The Company has worked on various programmes to reduce fabric wastage for production of garments. Also, various packaging methodologies are also researched to reduce the cost of transport.

**Benefits derived as a result of above R & D:**

None visible in the present year.

**Future plan of action:**

Improve stitching quality, reduce fabric wastage and reduce packed weight of products.

**Expenses on R & D:**

The development work is carried by the concerned department on an ongoing basis.

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

Efficient training of staff with a definite approach towards improving their efficiency is conducted regularly. There are no particulars which are specifically required to be mentioned.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

**Industry Structure & Development**

The textile industry has two broad segments. First, the unorganized sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organized sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale. Important legislations are being held up in Parliament due to which investments and outlook for the textile industry haven't changed much from the previous year. In the year 2018, the textile industry contributes approximately 13% of the country's total exports and is one of the largest employers

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:**