

Subhash Silk Mills Ltd.

Regd. Office :G-15, Ground Floor, Prem Kutir, 177 Marine Drive, Mumbai 400020
Admin Office : 89, Gautam Complex, Sector 11, CBD Belapur, Navi Mumbai 400614
CIN : L17106MH1970PLC014868

(T) 022-40619000 (F) 022-22825309 (E) admin@subhashsilk Mills.com (W) www.subhashsilk Mills.com

May 20, 2019

To,
Listing Department,
BSE Limited,
Stock Exchange Building,
2nd Floor, Dalal Street,
Fort, Mumbai 400023

Ref.: Company Code No. 530231

Sub.: Submission of Audited Financial Results as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 for the Quarter and Year ended March 31, 2019

With reference to the captioned matter, kindly find enclosed herewith Audited Financial Results in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 for the following period:

QUARTER AND YEAR ENDED	March 31, 2019
-------------------------------	-----------------------

Kindly acknowledge receipt of the same.

Thanking you,
Yours Faithfully,
For Subhash Silk Mills Ltd.,



Dhiraj Mehra
Managing Director & CCO
DIN: 01409010

Encl.: As stated above.

SUBHASH SILK MILLS LIMITED

Regd. Office : G-15, Ground Floor, Premkurtor, 177, Marine Drive, Mumbai 400 020.

Statement of Audited Financial Results for the Year Ended 31st March, 2019

(Rs in Lakhs except EPS)

S.No	Particulars	Quarter Ended			Year Ended	
		31-Mar-19 (Audited)	31-Dec-18 (Unaudited)	31-Mar-18 (Audited)	31-Mar-19 (Audited)	31-Mar-18 (Audited)
	Revenues					
I	a) Revenue from Operations	0.51	0.00	4.94	5.25	5.90
II	b) Other Income	53.21	53.84	47.88	213.48	178.31
III	Total Revenue (I+II)	53.72	53.84	52.82	218.73	184.21
	Expenses					
	a) Cost of materials consumed	0.10	0.09	1.12	1.60	1.47
	b) Change in inventories of finished goods, work-in-progress and stock-in-trade	0.08	(0.09)	0.07	(0.15)	(0.02)
	c) Employees Benefits Expense	5.56	6.23	4.25	21.39	18.71
	d) Finance Cost	7.81	3.12	6.45	24.63	6.48
	e) Depreciation and amortisation Expense	13.37	13.67	13.81	54.67	56.48
	f) Manufacturing and Operating Expenses	0.40	0.00	1.64	2.51	2.29
	g) Administrative and Operating Expenses	19.91	29.21	28.04	99.81	98.28
IV	Total Expenses	47.23	52.23	55.38	204.46	183.69
V	Profit before exceptional and extraordinary items and taxes (III - IV)	6.49	1.61	(2.56)	14.27	0.52
VI	Profit/(Loss) from extraordinary items and taxes (V)	6.49	1.61	(2.56)	14.27	0.52
VII	Profit before Tax (VI)	6.49	1.61	(2.56)	14.27	0.52
VIII	Tax Expenses					
	a) Current Tax	3.56	2.36	4.95	12.20	10.60
	b) Deferred Tax	1.18	0.00	0.87	1.18	(1.88)
IX	Profit for the period (IX-X)	1.75	(0.75)	(8.38)	0.89	(8.20)
X	Other Comprehensive Income	0.00	0.00	0.00	0.00	0.00
	(i) Tax on above	0.00	0.00	0.00	0.00	0.00
	Total of Other Comprehensive Income	0.00	0.00	0.00	0.00	0.00
XI	Total Comprehensive Income for the period (XI+XII)	1.75	(0.75)	(8.38)	0.89	(8.20)
XII	Paid up equity share capital	404.94	404.94	404.94	404.94	404.94
	(Face Value of the Share Rs.10/- each)					
XIII	Other Equity	0.00	0.00	0.00	564.72	563.83
XIV	Earning Per Share in Rs. (Not Annualised)					
	a) Basic	0.04	(0.02)	(0.21)	0.02	(0.20)
	b) Diluted	0.04	(0.02)	(0.21)	0.02	(0.20)

AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2019

PARTICULARS	(Rs in Lacs)	
	Audited 31.03.19	Audited 31.03.18
ASSETS		
Non-Current Assets		
(a) Property, Plant and Equipment	1,296.18	1,350.85
(b) Financial Assets		
Investment	0.33	0.33
(c) Income Tax Assets	73.92	65.85
(d) Deferred Tax Assets	3.27	3.17
(e) Other Assets	2.77	2.77
Total Non-Current Assets	1,376.47	1,422.97
Current Assets		
(a) Inventories	20.21	20.05
(b) Financial Assets		
(i) Trade Receivable	135.63	88.48
(ii) Cash and Cash Equivalents	50.33	41.78
(iii) Loans	0.51	3.11
(c) Other Assets	0.29	0.36
Total Current Assets	206.97	153.78
TOTAL ASSETS	1,583.44	1,576.75
EQUITY AND LIABILITIES		
Equity		
(a) Share Capital	404.94	404.94
(b) Other Equity	564.72	563.83
	969.66	968.77
Liabilities		
Non-Current Liabilities		
(a) Financial Liabilities		
(i) Long - term Borrowings	163.72	122.69
(b) Long Term Liabilities	401.59	401.60
	565.31	524.29
Current Liabilities		

(a) Financial Liabilities		
Trade Payable	44.30	44.42
(b) Other Liabilities	4.17	39.27
(c) Current Income Tax Liabilities	-	-
TOTAL CURRENT LIABILITIES	48.47	83.69
TOTAL EQUITY AND LIABILITIES	1,583.44	1,576.75

1 The above audited results for the year ended 31st March, 2019 have been received by the Audit committee and approved by the Board of Directors at its meeting held on 20th May, 2019

2 The above results have been prepared in accordance with the Companies (Indian Accounting standard) Rules 2015 (Ind AS) prescribed under section 133 of the companies Act, 2013. Beginning 1st April 2017, the Company has for the first time adopted Ind. As. The impact of transition has been provided in Other equity (opening Reserves as per Previous Generally Accepted Accounting Principles (Previous GAAP) as at 1st April 2016. The figure for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS. Further, in accordance with Ind AS 101 First Time adoption of Indian Accounting standards, the Company has presented a reconciliation of profit as per previous GAAP and Ind AS.

Reconciliation of profit between Previous GAAP and Ind AS

(Rs. In Lakhs)

Sr. NO	Nature of Adjustments	Quarter ended		Year ended
		31st March 19	31st March 18	31st March 18
1	Profit as per Previous GAAP	1.75	(8.38)	(8.20)
	Add/(Less) : Adjustments in statement of profit and Loss	-	-	-
2	Actuarial loss/(gain) on defined benefit liability reclassified to OCI	-	-	-
3	Current tax impact on above reclassified to OCI	-	-	-
4	Net Profit before OCI as per Ind AS	1.75	(8.38)	(8.20)
5	Other Comprehensive Income (net of Tax impact)	-	-	-
6	Total Comprehensive income as per Ind AS	1.75	(8.38)	(8.20)

Place : Mumbai
Date : 20th May, 2019

By Order of the Board of Directors

(Dhiraj Mehra)
Managing Director
DIN 01409010



Subhash Silk Mills Ltd.

Regd. Office : G-15, Ground Floor, Prem Kutir, 177 Marine Drive, Mumbai 400020
Admin Office : 89, Gautam Complex, Sector 11, CBD Belapur, Navi Mumbai 400614
CIN : L17106MH1970PLC014868

(T) 022-40619000 (F) 022-22825309 (E) admin@subhashsilk Mills.com (W) www.subhashsilk Mills.com

May 20, 2019

To,

Listing Department,

BSE Limited,

Stock Exchange Building,

2nd Floor, Dalal Street,

Fort, Mumbai 400023

Ref.: Company Code No. 530231

Sub.: Declaration for unmodified opinion in the Auditors Report for the year ended March 31, 2019

With reference to the captioned matter, I, the undersigned, hereby declare on behalf of the Company that the Auditors Report for the year ended **March 31, 2019** has no qualifications or remarks. Thus the auditor's report for the said period is with unmodified opinion.

Kindly take the same on your record.

Thanking you,

Yours Faithfully,

For Subhash Silk Mills Ltd.,



Dhiraj Mehra

Managing Director & CCO

DIN: 01409010

Subhash Silk Mills Ltd.

Regd. Office : G-15, Ground Floor, Prem Kutir, 177 Marine Drive, Mumbai 400020
Admin Office : 89, Gautam Complex, Sector 11, CBD Belapur, Navi Mumbai 400614
CIN : L17106MH1970PLC014868

(T) 022-40619000 (F) 022-22825309 (E) admin@subhashsilk Mills.com (W) www.subhashsilk Mills.com

May 20, 2019

To,

Listing Department,

BSE Limited,

Stock Exchange Building,

2nd Floor, Dalal Street,

Fort, Mumbai 400023

Ref.: Company Code No. 530231

Sub.: Submission of Auditors Report as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 for the Quarter and Year ended March 31, 2019

With reference to captioned matter, kindly find enclosed herewith Auditors Report in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 for the following period:

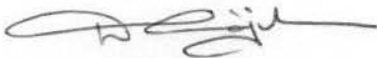
QUARTER AND YEAR ENDED	MARCH 31, 2019
-------------------------------	-----------------------

Kindly acknowledge receipt of the same.

Thanking you,

Yours Faithfully,

For Subhash Silk Mills Ltd.,



Dhiraj Mehra

Managing Director & CCO

DIN: 01409010

Encl.: As stated above.



GOVIND PRASAD & CO.

CHARTERED ACCOUNTANTS

Govind Prasad: B.Com, FCA

Mob No.: 9869447724, E-mail: govind_aggarwal@hotmail.com

Mob No.: 9320017276, E-mail: govind@cagovind.com

Nikhil Parmar: B. Com, ACA

Mob No: 9594904611

E-mail: nikhil@cagovind.com

Independent Auditor's Report

To the Members of M/s. Subhash Silk Mills Limited

Report on the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Subhash Silk Mills Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the note no. 2(k) the company provides for gratuity on cash basis instead of actuarial valuation, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, we have determined that there are no key audit matters to communicate in our report.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if



individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

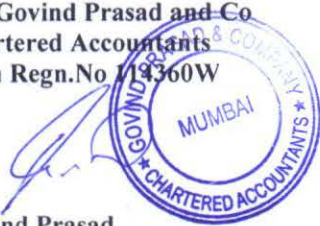
Report on Other Legal and Regulatory Requirements

As required by the **Companies (Auditor's Report) Order, 2016** ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls, our financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure –B
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Govind Prasad and Co
Chartered Accountants
Firm Regn.No. 19360W



Govind Prasad
Partner
M. No. 047948

Place: Mumbai
Date: 20th May 2019

Re: Subhash Silk Mills Ltd
(Annexure to Auditor's Report)

(I) IN RESPECT OF ITS FIXED ASSETS:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has physically verified certain assets during the period in accord with a programme of verification, which in our opinion provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to no material discrepancies were noticed on such verification. In our opinion fixed assets have been properly dealt with in the books of accounts.
- (c) In our opinion and according to the information and explanations given to us in our opinion and according to the information and explanations given to us, the title deed of the immovable properties of the company are held in the name of the company.
- (ii) In respect of its inventories, in our opinion and according to the information and explanations given to us, the management at reasonable intervals has physically verified the inventory and no material discrepancies were noticed on physical verifications.
- (iii) In respect of loans secured or unsecured granted to companies, firms or other parties covered by clause (76) of section 2 of the companies Act, 2013,
- (a) In our opinion the terms and conditions of grant of such loans are not prejudicial to the company's interest.
- (b) The repayments of principal amount as well as interest are regular whichever applicable.
- (c) There is no amount overdue which is more than Rs. 5 lakhs.
- (iv) In respect of loans investments and guarantees, in our opinion and according to the information and explanations given to us, provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) In our opinion and according to the information and explanation given to us, the company has not accepted deposits from the public as per section 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) According to information and explanation given to us, the maintenance of cost records has not been prescribed by the Central Government sub section (1) of section 148 of the Companies Act 2013.
- (vii) According to the information and explanation given to us in respect of statutory and other dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value added Tax, Goods and Service Tax and other statutory dues with the appropriate authorities during the period.
- (b) There are disputed dues of Sales Tax, Income Tax, Customs Duty, Service Tax, Excise Duty, Value Added Tax, Goods and Service Tax and any other statutory dues with the appropriate authorities during the period as under:

Income Tax AY 2015-16 Rs. 8,19,300 against which appeal is pending in front of commissioner





GOVIND PRASAD & CO.

CHARTERED ACCOUNTANTS

Govind Prasad: B.Com, FCA

Mob No.: 9869447724, E-mail: govind_aggarwal@hotmail.com

Mob No.: 9320017276, E-mail: govind@cagovind.com

Nikhil Parmar: B. Com, ACA

Mob No: 9594904611

E-mail: nikhil@cagovind.com

Independent Auditor's Report

To the Members of M/s. Subhash Silk Mills Limited

Report on the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Subhash Silk Mills Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the note no. 2(k) the company provides for gratuity on cash basis instead of actuarial valuation, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, we have determined that there are no key audit matters to communicate in our report.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if



individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

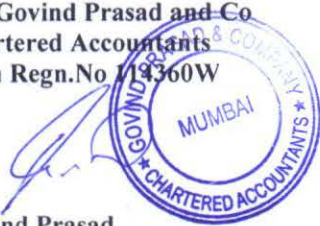
Report on Other Legal and Regulatory Requirements

As required by the **Companies (Auditor's Report) Order, 2016** ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls, our financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure –B
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Govind Prasad and Co
Chartered Accountants
Firm Regn.No. 19360W



Govind Prasad
Partner
M. No. 047948

Place: Mumbai
Date: 20th May 2019

Re: Subhash Silk Mills Ltd
(Annexure to Auditor's Report)

(I) IN RESPECT OF ITS FIXED ASSETS:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has physically verified certain assets during the period in accord with a programme of verification, which in our opinion provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to no material discrepancies were noticed on such verification. In our opinion fixed assets have been properly dealt with in the books of accounts.
- (c) In our opinion and according to the information and explanations given to us in our opinion and according to the information and explanations given to us, the title deed of the immovable properties of the company are held in the name of the company.
- (ii) In respect of its inventories, in our opinion and according to the information and explanations given to us, the management at reasonable intervals has physically verified the inventory and no material discrepancies were noticed on physical verifications.
- (iii) In respect of loans secured or unsecured granted to companies, firms or other parties covered by clause (76) of section 2 of the companies Act, 2013,
- (a) In our opinion the terms and conditions of grant of such loans are not prejudicial to the company's interest.
- (b) The repayments of principal amount as well as interest are regular whichever applicable.
- (c) There is no amount overdue which is more than Rs. 5 lakhs.
- (iv) In respect of loans investments and guarantees, in our opinion and according to the information and explanations given to us, provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) In our opinion and according to the information and explanation given to us, the company has not accepted deposits from the public as per section 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) According to information and explanation given to us, the maintenance of cost records has not been prescribed by the Central Government sub section (1) of section 148 of the Companies Act 2013.
- (vii) According to the information and explanation given to us in respect of statutory and other dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value added Tax, Goods and Service Tax and other statutory dues with the appropriate authorities during the period.
- (b) There are disputed dues of Sales Tax, Income Tax, Customs Duty, Service Tax, Excise Duty, Value Added Tax, Goods and Service Tax and any other statutory dues with the appropriate authorities during the period as under:

Income Tax AY 2015-16 Rs. 8,19,300 against which appeal is pending in front of commissioner



(viii) In our opinion and according to the information and explanations given to us, since the company has not taken any loan from financial institutions, banks and debenture holders, clause (viii) is not applicable.

(ix) In our opinion and according to the information and explanations given to us, the company has not raised any money by way of public issue/follow-on offer and the company has not availed any term loan, clause (ix) is not applicable.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the period.

(xi) In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.

(xii) Since the company is not a Nidhi Company, clause xii is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 and the relevant details have been disclosed in the financial statement etc. as required by the accounting standards and Companies Act, 2013.

(xiv) In our opinion and according to the information and explanations given to us, the company has not made preferential allotment/private placement of shares or fully paid up shares during the year under review hence this clause is not applicable.

(xv) In our opinion and according to the information and explanations given to us, the non-cash transactions with directors or persons connected with them, in our opinion, provisions of Section 192 have been complied with.

(xvi) Since the company is not a banking company, clause xvi is not applicable.

For GOVIND PRASAD & CO.
Chartered Accountants



(GOVIND PRASAD)
PARTNER
Membership No. 047948
Firm Registration No. 114360W
Place: Mumbai
Date: 20th May 2019

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Subhash Silk Mills** ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions



of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Govind Prasad & Co.

Chartered Accountants



(Govind Prasad)

Partner

Membership No. 47948

Firm Registration No.114360W

Place: Mumbai

Date : 20th May, 2019.