

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) cs@subhashsilk Mills.com (W) www.subhashsilk Mills.com

June 30, 2020

To,

Listing Department,

BSE Limited,

Phiroze Jeejeebhoy Towers

Dalal Street, Fort, Mumbai 400001

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, 2020

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, 2020

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, Premkurtior, 177, Marine Drive, Mumbai 400 020.
Statement of Audited Financial Results for the Year Ended 31st March, 2020

(Rs in Lakhs except EPS)

S.No	Particulars	Quarter Ended			Year Ended	
		31-Mar-20 (Audited)	31-Dec-19 (Unaudited)	31-Mar-19 (Audited)	31-Mar-20 (Audited)	31-Mar-19 (Audited)
	Revenues					
I	a) Revenue from Operations	0.00	0.01	0.51	0.31	5.25
II	b) Other Income	57.86	58.41	53.21	224.25	213.48
III	Total Revenue (I+II)	57.86	58.42	53.72	224.56	218.73
	Expenses					
	a) Cost of materials consumed	(0.01)	0.00	0.10	0.08	1.00
	b) Change in inventories of finished goods, work-in-progress and stock-in-trade	0.00	0.01	0.08	0.04	(0.15)
	c) Employees Benefits Expense	5.59	5.59	5.56	21.33	21.39
	d) Finance Cost	2.85	4.05	7.81	16.95	24.63
	e) Depreciation and amortisation Expense	13.07	13.12	13.37	52.56	54.67
	f) Manufacturing and Operating Expenses	0.07	0.00	0.40	0.11	2.51
	g) Administrative and Operating Expenses	25.33	32.76	19.91	105.01	99.81
IV	Total Expenses	46.90	55.53	47.23	196.08	204.46
V	Profit before exceptional and extraordinary items and taxes (III - IV)	10.96	2.89	6.49	28.48	14.27
VI	Profit/(Loss) from extraordinary items and taxes (V)	10.96	2.89	6.49	28.48	14.27
VII	Profit before Tax (VI)	10.96	2.89	6.49	28.48	14.27
VIII	Tax Expenses					
	a) Current Tax	2.50	5.67	3.56	14.75	12.20
	b) Deferred Tax	1.99	(1.40)	(0.10)	1.17	(0.10)
	c) Tax Expenses related to earlier years		42.39	1.28	42.39	1.28
IX	Profit for the period (IX-X)	6.47	(43.77)	1.75	(29.83)	0.89
X	Other Comprehensive Income					
	(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)	6.47	(43.77)	1.75	(29.83)	0.89
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	534.89	564.72
XIV	Earning Per Share in Rs. (Not Annualised)					
	a) Basic	0.16	(1.08)	0.04	(0.74)	0.02
	b) Diluted	0.16	(1.08)	0.04	(0.74)	0.02

AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2020

PARTICULARS	(Rs in Lacs)	
	(Audited) 31-Mar-20	(Audited) 31-Mar-19
ASSETS		
Non-Current Assets		
(a) Property, Plant and Equipment	1,243.62	1,296.18
(b) Financial Assets		
Investment	0.33	0.33
(c) Income Tax Assets	29.77	73.92
(d) Deferred Tax Assets	2.09	3.27
(e) Other Assets	2.77	2.77
Total Non-Current Assets	1,278.58	1,376.47
Current Assets		
(a) Inventories	20.17	20.21
(b) Financial Assets		
(i) Trade Receivable	204.44	135.63
(ii) Cash and Cash Equivalents	60.99	50.33
(iii) Loans	1.20	0.51
(c) Other Assets	0.28	0.29
Total Current Assets	287.08	206.97
TOTAL ASSETS	1,565.66	1,583.44
EQUITY AND LIABILITIES		
Equity		
(a) Share Capital	404.94	404.94
(b) Other Equity	534.89	564.72
	939.83	969.66
Liabilities		
Non-Current Liabilities		
(a) Financial Liabilities		
(i) Long-term Borrowings	157.40	163.72
(b) Long Term Liabilities	410.89	401.59
	568.29	565.31
Current Liabilities		
(a) Financial Liabilities		
Trade Payable	53.70	44.30
(b) Other Liabilities	3.84	4.17
(c) Current Income Tax Liabilities	-	-
TOTAL CURRENT LIABILITIES	57.54	48.47
TOTAL EQUITY AND LIABILITIES	1,565.66	1,583.44


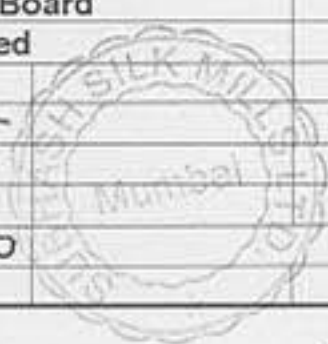
- The above audited results for the year ended 31st March, 2020 have been received by the Audit committee and approved by the Board of Directors at its meeting held on 30th June, 2020
- The above results have been prepared in accordance with the Companies (Indian Accounting standard) Rules 2015 (Ind AS) prescribed under section 133 of the companies Act, 2013.

Place : Mumbai
Date : 30th June, 2020

By Order of the Board of Directors

(Dhiren Mehra)
Managing Director



SUBHASH SILK MILLS LIMITED				
CASH FLOW STATEMENT AS ON 31ST MARCH 2020				
(pursuant to Regulation 33(3)(g) of the SEBI LODR Regulations, 2015)				(Rs. In lakhs)
		March, 2020		March, 2019
		(Audited)		(Audited)
	Rupees	Rupees	Rupees	Rupees
A	Cash Flow From Operating Activities			
	Net Profit/(Loss) Before Tax	28.48		14.27
	Adjustments:			
	Depreciation	52.56	54.67	
	Interest Charged	16.95	24.63	
	Profit on Sale of Assets	0	0	
	Interest Received	0	69.51	79.30
	Operating Profit Before Working Capital Changes	98.00		93.57
	Adjustments:			
	Inventories	0.04	(0.16)	
	Sundry Debtors	(68.81)	(47.15)	
	Loans and Advances	(0.68)	2.66	
	Trade Payable	(3.90)	(56.78)	(101.42)
	Cash Generated From Operations	24.64		(7.86)
	Interest Charged	(16.95)	(24.63)	(24.63)
	Net Cash From Operating Activities	7.69		(32.49)
B	Net Cash From Operating Activities			
	Cash Flow From Investing Activities			
	Sale of Fixed Assets	-	-	-
	Dividend Received	-	-	-
	Net Cash Used in Investing Activities	-		-
C	Cash Flow From Financing Activities			
	Loan Repaid	2.97	41.03	
	Loan Taken	-	2.97	41.03
	Total Of A+B+C	10.67		8.54
	Cash and Cash Equivalents Opening	(50.33)	(41.78)	
	Cash and Cash Equivalents Closing	60.99	50.33	8.54
For and on behalf of the Board				
Subhash Silk Mills Limited				
				
Dhiraj Mehra				
Managing Director & CCO				
DIN No - 01409010				
				
Place: Mumbai				
Date: 30th June, 2020				

Subhash Silk Mills Ltd.

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June 30, 2020

To,

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Dalal Street, Fort, Mumbai 400001

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, 2020

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, 2020
------------------------	----------------

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
SUBHASH SILK MILLS LTD.**

I. Report on the Audit of the Standalone Financial Statements

1. Qualified Opinion

We have audited the accompanying Standalone Financial Statements of **SUBHASH SILK MILLS LTD.** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, notes to the financial statements, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matters described in the *basis for qualified opinion* section of our report, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Qualified Opinion

As per the note no 2(i): Retirement Benefits of the notes forming the part of the financial statements the company provides for gratuity on cash basis instead of actuarial valuation, which is not as per the requirements of IND AS 19: Employee Benefits prescribed under section 133 of the Companies Act, 2013.

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

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



Revenue Recognition under IND AS 115: Revenue from contract with customers: Rental Income	How our audit assessed the key matter
<p>The company has let-out its warehouse to various tenants under leave and license agreement</p> <p>We identified revenue recognition of rental income as a Key Audit Matter since:</p> <p>a. the major income of the company is through the rental income</p>	<p>Our audit procedures on revenue recognized from fixed price contracts includes:</p> <ul style="list-style-type: none"> • Obtained an understanding of the system processes and controls implemented by company for recording and computing revenue. • Analyzed various leave and license agreement with the various tenants • With regards to information technology: <ul style="list-style-type: none"> ◦ Assessed the IT environment which the business system operates in and tested the system controls over which the revenue is recognized; ◦ Tested IT controls over appropriateness of cost and revenue reports generated by the system; ◦ Tested controls pertaining to allocation of resources and budgeting systems which prevent unauthorized recording or changes to costs incurred and controls relating to the estimation of contract costs required to complete the respective projects

4. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

5. 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 Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the



Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone 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.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone



Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern

- v) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation
- C. Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in
- i) planning the scope of our audit work and in evaluating the results of our work; and
 - ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.
- D. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- E. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

II. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account
 - D. In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- G. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- H. 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Place : Mumbai

Date : 30/6/2020



For Govind Prasad and Co
Chartered Accountants

(Govind Prasad)
PARTNER

Membership No. 047948
Firm Registration No. 114360W
UDIN: 20047948AAAABP4467

ANNEXURE 'A' TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of SUBHASH SILK MILLS LTD. for the year ended 31st March, 2020.

On the basis of the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its 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.
2. 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.
3. The company has not granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, thus this clause is not applicable
4. In respect of loans, investments, guarantees, and security, the company has not granted loan, made investment or provided security during the year under consideration thus provisions of section 185 and 186 of the Companies Act, 2013 is not applicable.
5. 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, thus this clause is not applicable
6. Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
7. (a) The company is regular in depositing undisputed statutory dues including provident fund, Employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
(b) Dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have been deposited on time there is no dispute is pending on the part of company.
8. The company hasn't taken any loans or borrowed any money from financial institution, bank, Government or raised money through debentures, thus this clause is not applicable.
9. The company hasn't raised any money by way of initial public offer or further public offer (including debt instruments), thus this clause is not applicable
10. 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.
11. Managerial remuneration has been paid or provided in accordance with the requisite approvals Mandated by the provisions of section 197 read with Schedule V to the Companies Act.



12. Company is not a Nidhi Company, thus this clause is not applicable
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards;
14. The company hasn't made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, thus this clause is not applicable
15. The company hasn't entered into any non-cash transactions with directors or persons connected with him, thus this clause is not applicable
16. The company is not a banking company thus this clause is not applicable

Place : Mumbai
Date : 30/6/2020



For Govind Prasad and Co
Chartered Accountants

A handwritten signature in blue ink, appearing to be "Govind Prasad".

(Govind Prasad)
PARTNER

Membership No. 047948
Firm Registration No. 114360W
UDIN: 20047948AAAABP4467

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 LTD.** ("The Company") as of 31 March 2020 in conjunction with our audit of the 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 2020, 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.

Place : Mumbai

Date : 30/6/2020



For Govind Prasad and Co
Chartered Accountants

(Govind Prasad)
PARTNER

Membership No. 047948

Firm Registration No. 114360W

UDIN: 20047948AAAABP4467

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) cs@subhashsilk Mills.com (W) www.subhashsilk Mills.com

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Standalone Annual Audited Financial Results

(Rs. in Lakhs)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
I	1	Turnover / Total income	224.56	The effects of the Qualification cannot be Quantified hence the adjusted figures cannot be ascertained.
	2	Total Expenditure	196.08	
	3	Net Profit/(Loss)	28.48 (29.83)	
	4	Earnings Per Share	(0.70)	
	5	Total Assets	1565.66	
	6	Total Liabilities	625.84	
	7	Net Worth	939.83	
	8	Any other financial item(s) (as felt appropriate by the management)	-	
II	Audit Qualification (each audit qualification separately)			
	a.	Details of Audit Qualification	As per the no 2(i): Retirement Benefits of the notes forming the part of the financial statements the company provides for gratuity on case basis instead of actuarial valuation, which is not as per the requirements of IND AS 19: Employee Benefits prescribed under section 133 of the Companies Act, 2013	
	b.	Type of Audit Qualification Qualified Opinion /	Qualified Opinion	

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		Disclaimer of Opinion / Adverse Opinion	
	c.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Appeared first time
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views	The effects of above qualification are not quantified by the Auditor.
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i)	Management's estimation on the impact of audit qualification:	The impact cannot be estimated.
	(ii)	If management is unable to estimate the impact, reasons for the same	Since, the provision needs to be done through actuarial valuation which is not done, and hence impact cannot be estimated. However, the same is not material due to lower employee strength. The same will be implemented in the current year.
	(iii)	Auditors' Comments on (i) or (ii) above	The management contention is that the amount cannot estimated is correct and is taken on record.
III Signatories:			
	•	DHIRAJ SUBHASH MEHRA	Managing Director (DIN: 01409010)
	•	PRIYANKA PRADIP MANKAME	CFO (PAN: APNPM7168P)
	•	LAV KUMAR VADEHRA	Audit Committee Chairman (DIN: 01936360)
	•	Govind Prasad (Partner of Govind Prasad & Co)	Statutory Auditors