ANNUAL REPORT
2017-2018

EASTERN SILK INDUSTRIES LTD.

CIN: L17226WB1946PLC013554

EASTERN SILK INDUSTRIES LTD.

BOARD OF DIRECTORS
S. S. Shah *Chairman & Managing Director*
Sundeep Shah *Executive Director*
Megha Shah *Executive Director*
G. D. Harnathka
H. S. Gopalka
R. K. Somany

CHIEF FINANCIAL OFFICER
U. S. Gutgutia

COMPANY SECRETARY
Deepak Agarwal

REGISTERED OFFICE
19 R. N. Mukherjee Road
Kolkata - 700 001

FACTORIES
Unit 1
411, Telugarahalli Road, Anekal,
Bangalore – 562 106

Unit 2
Kammansandra Agrahara Kasaba Hobli,
Anekal, Bangalore – 562 106

Unit 3
11A, 2nd Cross Industrial Area, Nanjangud,
Karnataka – 571 301

Unit 4
Falta Special Economic Zone,
24 Parganas (South), West Bengal

AUDITORS
Suresh Kumar Mittal & Co.
Chartered Accountants
House No.60, 1st Floor
Pocket H-3, Sector-18
Rohini, Delhi-110 085

BANKERS
State Bank of India

REGISTRARS & SHARE TRANSFER AGENTS
ABS Consultant Pvt. Ltd.
Room No.- 99, Stephen House, 6th Floor
4, B.B.D. Bag (East)
Kolkata - 700 001
Phone : 2243 0153, 2220 1043
email : absconsultant@vsnl.net

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NOTICE TO THE MEMBERS

The Seventy Second Annual General Meeting of M/s. Eastern Silk Industries Limited (CIN: **L17226WB1946PLC013554**) will be held on Wednesday, the 25th, July, 2018 at 11:00 A.M. at Kala Kunj, 48, Shakespeare Sarani, Kolkata - 700 017, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Statement of Profit & Loss for the year ended 31st March, 2018 and the Balance Sheet as at that date together with the report of the Directors and Auditors thereon.
2. To consider and if thought fit, to pass with or without modification, the following resolution as a **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197 & 203 of the Companies Act 2013 read with Schedule V and other applicable provisions of the said Act (including any amendment, modification, variation or re-enactment thereof) and subject to approval of the Central Government, if any, the approval of the Company be and is hereby accorded to the re-appointment of Sri Sundeep Shah (**DIN. 00484311**) as the Whole Time Director of the Company for a period of three years effective from 1st September 2018 to 31st August 2021 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby severally authorized to do all such acts, things and deeds as may be necessary, proper and expedient to give effect to the above resolution."

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197 & 203 of the Companies Act 2013 read with Schedule V and other applicable provisions of the said Act (including any amendment, modification, variation or re-enactment thereof), and subject to approval of the Central Government, if any, the approval of the Company be and is hereby accorded to the re-appointment of Ms. Megha Shah (**DIN. 07172597**) as the Whole Time Director of the Company for a period of three years effective from 1st September 2018 to 31st August 2021 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby severally authorized to do all such acts things and deeds as may be necessary to give effect to the above resolution."

4. To consider and if thought fit, to pass with or without modification, the following Resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. G.D Harnathka (**DIN: 01360829**), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed to hold office for five consecutive years for a term from September 22, 2018 to September 21, 2023 and whose office shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby severally authorized to do all such acts things and deeds as may be necessary to give effect to the above resolution."

SPECIAL BUSINESS:

5. To borrow in excess of the paid-up capital and free reserves and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and in supersession of all earlier resolutions passed in this regard under the Companies Act, 1956 (earlier in force)and, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board), to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other Persons, Promoters (including Directors), Firms, Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), subject to such aggregate borrowings not exceeding the amount which is Rs. 300 Crores (Rupees Three hundred Crores only) over and above the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and subject to other approvals, if applicable or required under any statute(s) / rule(s)/ regulation(s) or any law for the time being in force or required from any other concerned authorities and in supersession of all earlier resolutions passed in this regard under the Companies Act, 1956 (earlier in force), the Board of Directors of the Company be and is hereby authorised and shall be deemed to have always been so authorised to create such mortgages/ charges/ hypothecation and / or other encumbrances, in addition to the existing mortgages, charges, hypothecation and time to time together with interest, cost, charges and other incidental expenses in terms of agreement(s) entered / to be entered into by the Board of Directors / Committee(s) thereof of the Company within the overall borrowing limits fixed pursuant to Section 180(1)(c) of the Companies Act, 2013 i.e. Rs. 300,00,00,000/- (Rupees Three Hundred Crores only) at any time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to finalise, settle, and execute such documents / deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages / charges as aforesaid."

7. Sale of undertaking under Section 180 (1) (a) of the Companies Act, 2013 and to consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**

"RESOLVED THAT, pursuant to the provisions of Section 180(1)(a) and Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, approval and consent of the members of the Company be and is hereby granted to the Board of Directors to sell and transfer the fixed assets including Land, Building, Plant & Machinery & other assets at 11A, 2nd Cross Industrial Area, Nanjungud, Karnataka 571 301 on an "as is where is" basis or in any other manner as the Board may deem fit in the interest of the Company, for an appropriate consideration and on such terms and conditions as may be deemed fit by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to finalise and execute necessary documents including but not limited to definitive Agreements, deeds of assignment / conveyance and other ancillary documents, with effect from such date and in such manner as is decided by the Board to do all such other acts, deeds,

matters and things as they may deem necessary and/or expedient to give effect to the above Resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and transfer of the Undertaking as they may in their absolute discretion deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company with power to delegate to any Officers of the Company, with authorities as required, affixing the Common Seal of the Company on agreements/documents, arranging delivery and execution of contracts, deeds, agreements and instruments."

Registered Office:
19, R. N. Mukherjee Road
Kolkata - 700 001
Dated: The 30th May, 2018
CIN: **L17226WB1946PLC013554**
Email: investors@easternsilk.com

By Order of the Board
DEEPAK AGARWAL
SECRETARY

NOTES:

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead and the proxy need not be a member of the Company. The proxy, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the meeting**.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 19th July 2018 to 25th July 2018, both days inclusive on account of Annual General Meeting.
3. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given below. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members, separately.

   Voting through electronic means

   I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

   II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

   III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

   IV. The remote e-voting period commences on 22nd July, 2018 (9:00 am) and ends on 24th July, 2018 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18th July, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner to vote electronically on NSDL e-Voting, system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to esil.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Other Information of E-Voting:

VI. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

VIII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 18th July, 2018.

IX. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 18th July, 2018, may obtain the login ID and password by sending a request at "evoting@nsdl.co.in" or RTA at "absconsultant@vsnl.net".

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

X. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XII. Mr. Atish Kumar Shaw, Practicing Chartered Accountant (Membership No. 306098) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting-facility.

XIV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XV. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company **www.easternsilk.com** and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the NSE Limited, Mumbai.

4. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business set out in the Notice is annexed hereto.

5. Additional information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchange regarding the Directors who are proposed to be appointed/re-appointed at the Annual General Meeting are provided in the Annexure to this Notice.

6. Pursuant to the provisions of Section 123, 124 of the Companies Act, 2013, dividends which remain unpaid or unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund of the Central Government. At the instance of Allahabad Bank, HDFC Bank Ltd. closed all the bank accounts of the Company during the year which included closure of the Dividend Account for the year 2009 and 2010 also. The Company is pursuing the matter with The Reserve Bank of India & HDFC Bank Ltd to reinstate the Dividend Accounts in order to facilitate the Company to deposit the Unclaimed Dividend amount for the year 2009 with Investor Education and Protection Fund to comply with the required provision of the Companies Act, 2013. The balances in the said Dividend Accounts are still shown under Bank Balances Other than Cash & Cash Equivalents reported under Note No.9 in the financial statements for the year ended 31st March, 2018.

7. Pursuant to sub-division of each Equity share of Rs.10/- into five Equity shares of Rs.2/- each, members holding shares in physical form, were requested to surrender old share certificates to obtain new share certificates in lieu thereof. Those members, who have not surrendered their old share certificates to the Company's Registrars and Share Transfer Agents, are requested to do so at the earliest.

8. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrars and Share Transfer Agents.

Explanatory Statement under Section 102 of the Companies Act, 2013 ("the Act")

Item No. 2

Sri Sundeep Shah was reappointed as the Whole Time Executive Director of the Company for a period of three (3) years with effect from 1st September 2015 on the terms and conditions and remuneration as approved by the Members at the Annual General Meeting held on 23rd September 2015. As such, the present term of office of Sri Sundeep Shah shall expire on 31st August 2018. Sri Sundeep Shah has been associated with the Company since past three decades and possesses immense experience of overseas business. Keeping in view the contribution made by Sri Sundeep Shah for the growth of the Company, the Board of Directors of the Company and Nomination and Remuneration Committee have recommended the appointment of Sri Sundeep Shah as the Executive Director for a further period of three years effective from 1st September 2018 on the following terms and conditions:

1. Salary : ₹1,25,000/- per month
2. Perquisites : Sri Sundeep Shah will be entitled to the perquisites / benefits of residential accommodation or house rent allowance in lieu thereof; Gas, Electricity, Water, Furnishings; Medical expenses reimbursement for self and family; leave travel concession, club fees and personal accident insurance in accordance with the rules of the Company subject to limit of an amount equal to the annual salary.

   In the event of loss or inadequacy of profits of the Company in any financial year, Sri Sundeep Shah will be entitled to such remuneration by way of salary, perquisites and allowance as specified above, subject to the approval of the Central Government if any pursuant to Schedule V of the Companies Act, 2013.

   Provisions for the use of the Company's car for official and personal use and telephone at residence shall not be included in the computation of the perquisites for the purpose of calculating the said ceiling.

   The Company's contribution to provident fund, gratuity payable as per rules of the Company and encashment of the leave at the end of the tenure shall not be included in the computation of the limits for the remuneration and perquisites as aforesaid.

   The above may be treated as an abstract of the terms of appointment and Memorandum of concern or interest, pursuant to Section 190 of the Companies Act, 2013.

   Sri Sundeep Shah, the Whole Time Director of the Company, Sri S.S Shah and Ms. Megha Shah being a relative of Sri Sundeep Shah may be deemed to be interested in the resolution set out at item No. 2.

Item No. 3

Ms. Megha Shah was appointed as the Executive Woman Director of the Company for a period of three (3) years with effect from 1st September 2015 on the terms and conditions and remuneration as approved by the Members at the Annual General Meeting held on 23rd September 2015. As such, the present term of office of Ms. Megha Shah shall expire on 31st August 2018. Ms. Megha Shah has been providing her valuable contribution to the Company in designing fabrics in specific orders from the customer and her inclusion in the management of the Company is strengthening the Board with new and innovative ideas. Keeping in view her contribution to the Board and growth of the Company, the Board of Directors of the Company and Nomination and Remuneration Committee have recommended the reappointment of Ms. Megha Shah as the Executive Director for a further period of three years effective from 1st September 2018 on the following terms and conditions:

1. Salary : ₹50,000/- per month
2. Perquisites : Ms.Megha Shah will be entitled to the perquisites / benefits of residential accommodation or house rent allowance in lieu thereof; Gas, Electricity, Water, Furnishings; Medical expenses reimbursement for self and family; leave travel concession, club fees and personal accident insurance in accordance with the rules of the Company subject to limit of an amount equal to the annual salary.

   In the event of loss or inadequacy of profits of the Company in any financial year, Ms. Megha Shah will be entitled to such remuneration by way of salary, perquisites and allowance as specified above, subject to the approval of the Central Government if any pursuant to Schedule V of the Companies Act, 2013.

   Provisions for the use of the Company's car for official and personal use and telephone at residence shall not be included in the computation of the perquisites for the purpose of calculating the said ceiling.

The Company's contribution to provident fund, gratuity payable as per rules of the Company and encashment of the leave at the end of the tenure shall not be included in the computation of the limits for the remuneration and perquisites as aforesaid.

The above may be treated as an abstract of the terms of appointment and Memorandum of concern or interest, pursuant to Section 190 of the Companies Act, 2013.

Ms. Megha Shah, Director of the Company, Sri S.S Shah and Sri Sundeep Shah being a relative of Ms. Megha Shah may be deemed to be interested in the resolution set out at item No. 3.

Item No. 4

As per Section 149(10) of the Companies Act, 2013 (CA 2013), an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

In line with the aforesaid provisions of the CA 2013 and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. G.D Harnathka, it is proposed to re-appoint him for the second term as an independent Director on the Board of the Company for a period of five years from September 22, 2018 to September 21, 2023.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. G.D Harnathka as an Independent Director. Accordingly, the Board recommends passing of the Resolution at Item No. 4 of the Notice as a Special Resolution.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives except Mr. G.D Harnathka, being an appointee, are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

Item No. 5 & 6

In terms of Section 180(1)(c) & 180(1)(a) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) by the Company beyond the aggregate of the paid-up capital of the Company and its free reserve requires approval from the shareholders of the Company.

Keeping in view your Company's business requirements and growth plans, it is considered desirable to increase the said borrowing limits to a sum not exceeding Rs. 300 crores (Rupees Three Hundred Crores only) under the provisions of Section 180(1)(c) of the Companies Act, 2013 (the "Act").The borrowings by a Company, in general, are required to be secured by mortgage or charge on all or any of the moveable or immovable properties of the Company in such form, manner and ranking as may be determined by the Board from time to time, in consultation with the lender(s).

The Board of Directors of the Company has been approaching the promoters and the executive directors to infuse further unsecured funds which would help the Company to repay the existing debt and came out from the present difficult situation. Further at the time of sanctioning of the Corporate Debt Restructuring (CDR) mechanism, the Consortium members stipulated one of the conditions for the promoters to infuse further funds as the unsecured loans and the same shall not carry any rate of interest. Copy of the CDR sanctioned documents referred in proposed resolution shall remain open for inspection by the members at the Registered Office of the Company during normal business hours on any working day.

Your consent is required under the provisions of Sections180 (1) (c) and 180(1) (a) of the Act, to increase the borrowing limits and to mortgage and / or create a charge on any of the moveable and / or immovable properties and / or the whole or any part of the undertaking(s) of your Company to secure its borrowings.

Mr. S.S Shah, Mr. Sundeep Shah and Ms. Megha Shah Director and promoters of the Company and their respective promoter relatives may be deemed to be interested in the resolution.

The Board commends the Special Resolution set out at Item No. 5 & 6 of the Notice for approval by the shareholders.

Item No. 7

Members of the Company are further requested to note that Section 180(1)(a) of the Companies Act, 2013 mandates that the Board of Directors of a company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of any undertaking(s) of the company, only with the approval of the members of the Company by way of a special

resolution. Explanation (i) to Section 180(1) (a) of the Companies Act, 2013 states that the meaning of an 'undertaking' for the purposes of Section 180(1) of the Companies Act, 2013 is an undertaking in which the investment of the company exceeds twenty percent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty percent of the total income of the company during the previous financial year. Explanation (ii) to Section 180 (1)(a) of the Companies Act, 2013 states that the meaning of 'substantially the whole of the undertaking' for the purposes of Section 180(1) is in any financial year, twenty percent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year.

In the year 2011, in light of the changing economic scenario and due to increasing competitive environment particularly from the unorganized sector Nanjungud unit of the Company became inoperative.

As the Unit is considered no longer viable, after considering various options the Board decided to sell the same in the overall best interest of all the stakeholders. The Board of Directors of the Company, at its meeting held on 30th May, 2018 approved the Company to sell / dispose off its Nanjungud Unit situated at at 11A, 2nd Cross Industrial Area, Nanjungud, Karnataka 571 301 on an "as is where is" basis. The net proceeds from the sale of the unit will be utilized to repay the existing loans or general business purpose. Accordingly, pursuant to Section 180(1)(a) of the Companies Act, 2013, members of the Company are further requested to note that their consent to the Board is being sought by way of a Special Resolution to sell and transfer, the fixed assets including Land, Building, & other assets at 11A, 2nd Cross Industrial Area, Nanjungud, Karnataka 571 301.

The sale of the said Undertaking will not have any impact on the Company's existing operations and workings. The Board of Directors of the Company has approved the proposal to transfer the Undertaking as above, to the suitable Purchaser.

In compliance with the applicable provisions of the Companies Act, 2013, Special Resolution as set out in the accompanying Notice is now being placed before the members for their approval. Your Directors recommend the passing of the resolution as Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the said Special Resolution.

Annexure to Notice dated 30th May, 2018

Details of Directors seeking Re-Appointment at the forthcoming Annual General Meeting

(Pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015)

Particulars	Name of the Director	Name of the Director	Name of the Director
Name of the Director	Sundeep Shah	Megha Shah	G.D Harnathka
DIN	00484311	07172597	01360829
Age	55 years	31 years	80 years
Date of Appointment on the Board	01.09.2006	01.09.2015	24.07.2000
Qualification	B.Com.	B.Com.	B.Com
Experience	Wide experience in textile field and handling overseas customers	Designing of fabrics & Textile goods	Wide experience in textile & textile goods business
Directorship held in other Public Companies	-	-	-
Memberships / Chairmanships of Committees of Public Companies	-	-	-
Shareholding of Non-Executive Directors	-	-	-
Relationship with any Director(s) of the Company	-	-	-
Other Activities	Associated with charitable trusts and educational institutions.	-	Associated with charitable trusts and educational institutions.

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their Seventy Second Annual Report together with the Audited Statements of Accounts of your Company for the year ended March 31, 2018.

FINANCIAL RESULTS

(₹. in Lacs)

	2018	2017
Profit/(Loss) before depreciation/Exceptional Items and taxation	**(2,930.47)**	(6,516.46)
Less/Add: Depreciation	**876.05**	1,066.20
Profit/(Loss) before taxation	**(3,806.52)**	(7,582.66)
(Add)/Less: Exceptional Items	**(5,910.03)**	11,996.44
Profit/(Loss)for the year before taxation	**2,103.51**	4,413.78
Less/Add: Provision for Current/Earlier Year Taxation	**0.03**	7.45
Profit/(Loss) for the year	**2,103.48**	4,406.33
Add: Balance b/f of Retained Earnings of Previous Year	**(21,215.74)**	(25,622.07)
Which Directors have decided to carry forward to the next year	**(19,112.26)**	(21,215.74)

PERFORMANCE REVIEW

Highlights of performance during the financial year 2017-18 are:

- Total Revenue from Operation of the Company is ₹. 5,149.32 Lacs as against ₹.6,342.29 Lacs in the previous year.
- Operating Profit / ((Loss) is ₹. (2,930.47) Lacs as against ₹. (6,516.46) Lacs in the previous year.
- Profit / (Loss) before taxation is ₹. 2,103.51 Lacs as against ₹. 4,413.78 Lacs in the previous year.
- Profit / (Loss) after Tax is ₹. 2,103.48 Lacs as against ₹. 4,406.33 Lacs in the previous year.

The performance of the Company during the year under review showed decrease in the sales due to the non-supportive markets and varied changes in the customer preferences. The Company has been settling its outstanding dues with the banks and financial Institutions on One Time Settlement (OTS) basis and also entering into settlement arrangement with the ARC's. During the year, the Company entered into a settlement arrangement with an Asset Reconstruction Company (ARC) who acquired the company's loan from Allahabad Bank. The remission of liability on account of settlement arrangement resulted in the after tax profits during the year under review.

The Company was a BIFR referred company under the Sick Industrial Companies (Special Provision) Act, 1985 (SICA), pending registration of the same as a Sick Unit. Further Ministry of Finance vide a notification dated 25th November 2016, has repealed the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) with effect from 1st December, 2016, which resulted in the dissolution of BIFR. Again it was at the option of the Company to pursue the matter pending before the National Company Law Tribunal (NCLT) within 120 days from the dissolution of the BIFR. Management after deliberate discussions had come to the conclusion that it will not pursue the matter before the NCLT, taking into account the fact that the Company has been settling its outstanding dues with the banks and financial Institutions on One Time Settlement (OTS) basis and also entering into settlement arrangement with the ARC's.

Inspite of the successfully introducing new designs and new blends by your Company, it has not resulted in fetching the desired results. As conveyed earlier difficulties faced by the Company can only be resorted by increasing the scale of operation via infusion of machines and technology.

FUTURE OUTLOOK

Within the limited scope and under restricted market condition, your management is very positively responding to matching situation in the global market. To bring down the cost of production, your Company will have to increase the scale of operation which further requires infusion of machineries and technology.

DIVIDEND

In view of the accumulated losses the Board of Directors does not recommend any dividend on Equity Shares. The Board of Directors does not also declare dividend on Redeemable Cumulative Preference Shares.

PUBLIC DEPOSIT SCHEME

During the year, your Company has not accepted any deposits. There are no outstanding deposits as on date.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Requisite declarations from all the Independent Directors of the Company confirming that they are not disqualified to act as an Independent Director in compliance with the provisions of Section 149 of the Companies Act, 2013 and the Board is also in the opinion that the Independent Directors fulfill all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Director.

Necessary policies and the criteria for the performance evaluation of Directors as Individual, Board and Committees are devised by the Company. Evaluation of Board and Committees are being done under best practices prevalent in the Industry. The Company ensures constitution of the Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively. Nomination & Remuneration Committee formulated by the Company's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements), Regulations,2015 evaluates the each individual whether they met the specified criteria and provides valuable contribution to the Company. At the time of appointment/re-appointment of Independent Director, Nomination & Remuneration Committee assess the independence of the directors as referred in Section 149(6) of the Companies Act, 2013 and Regulations of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and re-assess the same when any new interest or relationships are disclosed by them. The Independent Directors shall abide by the "Code of Independent Directors" as specified in Schedule IV to the Companies Act, 2013. Nomination & Remuneration Committee ensures that all the requisite and applicable provisions of the Companies Act, 2013 rules and regulations made thereunder and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended from time to time are complied with.

DIRECTORS

Mr. Dilip Kumar Rungta, resigned from the directorship of the Company as on 31st July, 2017 and Mr. Ramesh Kumar Somany was duly appointed in his place. Mr. Sundeep Shah & Ms. Megha Shah are proposed to be re-appointed for a tenure of 3 years at the ensuing 72nd Annual General Meeting of the Company.

KEY MANAGERIAL PERSONNEL

Following are the Key Managerial Personnel of the Company:
Mr. S.S Shah - Managing Director
Mr. U.S Gutgutia - Chief Financial Officer (CFO)
Mr. Deepak Agarwal - Company Secretary

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 134(3)(c) of the Companies Act, 2013, your Directors state that:

i) in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review.

iii) that the Directors have taken proper and sufficient care for 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 fraud and other irregularities.

iv) that the Directors have prepared the accounts for the financial year ended 31st March, 2018 on a going concern basis.

v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

NUMBER OF MEETINGS OF THE BOARD

The details of the meetings of the Board and the details of the attendance of the directors in the meetings are provided in the Corporate Governance Report.

DETAILS OF COMMITTEES OF THE BOARD

Composition of Audit Committee of Directors, Nomination & Remuneration Committee of Directors, Stakeholders Relationship/ Grievance Committee of Directors and Share Transfer Committee of Directors, number of meetings held in each committee, and meetings attended by each member as required under the Companies Act, 2013 are provided in Corporate Governance Report and forming part of this report.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the requirements of Corporate Governance is attached to the report on Corporate Governance.

A separate section on Corporate Governance and Management Discussion and Analysis together with the Auditor's certificate confirming the compliance of conditions on Corporate Governance as Schedule V (Part E) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 with the Stock Exchange form part of the Annual Report as **"Annexure II"**

PARTICULARS OF LOANS, GURANTEES, INVESTMENTS AND SECURITIES MADE

There are no loans given, investments made, guarantees given or security provided by the Company to any entity, under Section 186 of the Companies Act, 2013.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Your Directors draw attention of the members to Note 47 to the financial statement which sets out related party disclosures.

MATERIAL CHANGES

No material changes or commitments affecting the financial position of the Company have occurred after the closure of the financial year till the date of this report.

CORPORATE SOCIAL RESPONSIBILITY

The Company formulated the Corporate Social Responsibility Committee (CSRC) in consultation with the Board during the F.Y 2014-15 pursuant to introduction of Section 135 under the Companies Act, 2013. Mr. Sundeep Shah, Mr. H. S. Gopalka and Mr. G.D Harnathka are the members of the CSRC. Since the Company has been incurring cash losses in the last three preceding financial years, the Board does not recommend any amount to be spent on the CSR activities. However the Board ensures that once the Company will start earning cash profits, they shall after taking into account the recommendations of the CSRC, approve the Corporate Social Responsibility Policy of the Company and shall disclose contents of such policy in its report and will also place the same on the Company's website www.easternsilk.com.

BANK LOANS

The Company has entered into a settlement arrangement with Omkara Asset Reconstruction Company Private Ltd. (ARC), who acquired the Company's loan from Allahabad Bank. Out of the 11(Eleven) Consortium members, the Company have already settled with 4(four) banks/financial Institutions on One Time Settlement (OTS) basis and entered into a settlement arrangement through ARC's for 6(Six) banks/financial Institutions and efforts are going on and the Company is hopeful to arrive at the settlement arrangement soon with the remaining financial institution i.e. Exim Bank.

RISK MANAGEMENT

The Company has been addressing various risks impacting the Company and the policy of the Company. During the year, your Directors made sure that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

The Company monitors, manages and reports on the principal risks and uncertainties that can impact its strategic long term objectives. The risk management process is reviewed periodically in order to keep it aligned with the emerging risks across the globe. Various programmes involve risk identification, assessment and risk mitigation planning for strategic, operational, and financial compliance related risks across various levels of the organization.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

DISCLOSURE OF PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The particulars required to be furnished under Section 134(3) (m) of the Companies Act, 2013 read with Companies (Disclosure of particulars of Board of Directors) Rules, 1988 are set out in "Annexure I", which forms part of the report.

AUDITORS

Messrs. Suresh Kumar Mittal & Co., Chartered Accountants, New Delhi (Firm Regn. No.500063N) has been appointed as Auditors of the Company for a period of five years commencing from the conclusion of Seventy First Annual General Meeting till the conclusion of Seventy Sixth Annual General Meeting.

Messrs. Suresh Kumar Mittal & Co., Chartered Accountants, had consented to the said appointment and confirmed that their appointment are within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the act read with the Companies (Audit and Auditors) Rules, 2014.

COST AUDITORS

Pursuant to the Companies (Cost Records And Audit) Rules, 2014 notified w.e.f 30th June, 2014 Textile Industry has been exempt from maintaining the cost records and for conducting the audit of such records. However Your Company is continuing its association with M/s. N. Radhakrishnan & Co., a firm of Cost Auditors, for assisting and directing the Company with regard to allocation of direct and indirect costs to the various products and suggesting various measures lowering the cost without compromising with the quality.

SECRETARIAL AUDITOR

The Board has appointed Ms. Garima Gupta, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as **"Annexure III"** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

COMPLIANCE OF SECRETARIAL STANDARDS

Yours Company has complied with the applicable Secretarial Standards.

EXTRACT OF ANNUAL RETURN

The particulars required to be furnished under Section 134(3)(a) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 as prescribed in Form No. MGT-9 is given in **"Annexure IV"** annexed to this report.

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(q) AND SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Your Directors appreciate the significant contribution made by the employees to the operations of your Company during the period. In terms of provisions of Section 197(12) of the Act read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars and disclosures of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The company in pursuance to the provisions of section 177(9) & (10) of the Companies Act, 2013 has formulated a vigil mechanism (whistle blower policy) for its Directors and Employees of the Company to report their genuine concerns about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of Directors and employees who avail of the mechanism. In exceptional cases, Directors and employees have direct access to the Chairman of the Audit Committee. The Vigil Mechanism (Whistle Blower Policy) is available on the company's website.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the period under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review there were no cases filed pursuant to the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENT

Your Directors wish to convey their appreciation for the co-operation and assistance received from the government, financial institutions, bankers and stakeholders of your Company. The Board wishes to place on record its deep appreciation for the integrity and hard work of its employees at all levels to meet challenging markets.

Registered Office:
19 R N Mukherjee Road
Kolkata 700 001
Dated: The 30th May, 2018

By Order of the Board
S. S. SHAH
Chairman & Managing Director

ANNEXURE TO DIRECTORS' REPORT

"Annexure I"

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014 are as follows:

CONSERVATION OF ENERGY

FORM A

The Company is engaged in the continuous review of energy costs, reduction in energy generation cost through improved operational and maintenance practices.

(A) Power and Fuel Consumption

				Current Year	Previous Year
1.	Electricity				
	(a)	Purchased	Units	**2,826,125.00**	2,939,721.00
		Total Amount	-	**22,124,514.00**	20,261,996.00
		Rate/Unit	-	**7.83**	6.89
	(b)	Own Generation through			
		Diesel Generator	Units	**170,116.00**	129,120.00
		Total Amount	-	**2,463,095.00**	2,346,097.00
		Cost/Unit	-	**14.48**	18.17
2.	(a)	Briquettes			
		Quantity	Kgs	**1,878,250.00**	1,949,390.00
		Total Amount	`	**11,480,974.00**	11,501,803.00
		Cost/Unit	`	**6.11**	5.90
	(b)	Fire Wood			
		Quantity	Kgs.	**-**	61,600.00
		Total Amount	-	**-**	294,973.00
		Cost/Unit	-	**-**	4.79

(B) Consumption per unit of products:

Fabrics	Mtrs	**502,647.47**	512,510.87
Electricity	-	**44.02**	39.53
Briquettes	-	**22.84**	22.44
Fire Wood	-	-	0.58
Diesel	-	**4.90**	4.58

TECHNOLOGY ABSORPTION

Form B

Research & Development

1.	Specific areas in which R&D carried out by the Company	R&D activities are carried out for development of new products.
2.	Benefits derived as a result of above R&D	Improvement in quality and customer satisfaction.
3.	Future plan of action	Development of new varieties of products.
4.	Expenditure on R & D	Capital - Nil Recurring - Nil R&D Expenditure as a percentage of turnover -

Technology Absorption, Adaptation & Innovation

1.	Efforts in brief, made towards technology Absorption, adaptation and innovation	Latest softwares are used for better design development.
2.	Benefits derived as a result of the above	Improved products.
3.	Details of imported technology	Not Applicable.

Foreign exchange earnings & outgo

(a)	Activities relating to exports, initiatives taken to increase exports, development of new export markets for product and services and export plans.	Participating in the international trade fairs to showcase the company's new developments and also invite the different company's selling agents as well as customers to provide a platform of interaction in order to procure orders for the Company's product as well as scout for new customers. Travelling expenses in respect of such activities are also expensive. Travelling by the sales personnel also brings in order for the Company's products.
(b)	i) Overseas Travelling ii) Commission to Agents iii) Consultation Fees iv) Others	The information on foreign exchange earnings and outgo is contained in the Note No. 51 & 52 of Notes on Financial Statements.

By Order of the Board
S.S. SHAH
Chairman & Managing Director

Kolkata 700 001
Dated: The 30th May, 2018

"Annexure II"

REPORT ON CORPORATE GOVERNANCE

In accordance with Schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 with the Stock Exchange, a Report containing the details of Corporate Governance of Eastern Silk Industries Limited for the year 2017-18 is given below.

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company lays emphasis on good corporate practices which will enable the management to conduct the affairs of the Company in a transparent manner and culminate in optimum use of its resources for achieving highest standards of corporate governance.

II. BOARD OF DIRECTORS

The Board comprises of six Directors, which include three Executive Directors and three Non-Executive Independent Directors as on March 31, 2018. The composition of the Board of Directors and also the number of the Board of Directors or Board Committees of which he is a member / Chairperson are as under.

Name of the Director	Category	No. of other Directorship	No. of Membership of other Board Committee	No. of Board Committee for which Chairperson
Mr. S.S. Shah	Chairman & Managing Director	-	-	Nil
Mr. Sundeep Shah	Executive Director	-	-	Nil
Smt. Megha Shah	Executive Director	-	-	Nil
Mr. G.D. Harnathka	Non-Executive, Independent	-	-	Nil
Mr. H.S. Gopalka	Non-Executive, Independent	-	-	Nil
Mr. R.K Somany	Non-Executive, Independent	4	-	Nil

During the year under review, Board Meetings were held on 30th May 2017, 31st July, 2017, 14th September, 2017, 14th December, 2017 and 14th February 2018. The attendance of the Directors for the Board Meeting and the last Annual General Meeting (AGM) was as follows:

Name of the Director	Meeting Attended	Whether attended the last AGM
Mr. S.S. Shah	5 out of 5	Yes
Mr. Sundeep Shah	5 out of 5	Yes
Ms. Megha Shah	5 out of 5	No
Mr. G.D. Harnathka	3 out of 5	No
Mr. H.S. Gopalka	5 out of 5	Yes
Mr. R.K Somany	4 out of 4	Yes
Mr. D.K Rungta *	1 out of 1	No

*Mr. Dilip Kumar Rungta resigned w.e.f 31/07/2017 and Mr. Ramesh Kumar Somany appointed at his place as the Additional Non Executive Independent Director w.e.f 31/07/2017 and subsequently regularised at the 71st Annual General Meeting (AGM) held as on 06th September, 2017.

Pursuant to the provisions of the Companies Act, 2013 and as required under Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 agenda papers were circulated to the Directors in advance for each meeting. All relevant information was placed before the Board from time to time; the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committees.

III. AUDIT COMMITTEE

(a) Constitution

The Audit Committee of the Company was constituted to exercise powers and discharge functions as stipulated in Section 177 of the Companies Act, 2013, under Part C of Schedule II of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 with Stock Exchange and other relevant statutory / regulatory provisions.

(b) Composition

The Audit Committee of the Company comprises of two Non-Executive (Independent) Directors and one Executive Director having knowledge of corporate finance, accounts and company law. The Chairman of the Committee is an Independent Director, elected by the members of the Committee. Mr. Hari Shankar Gopalka, Chairman of the Audit Committee was present at the last Annual General Meeting. Mr. Dilip Kumar Rungta resigned w.e.f 31/07/2017 and Mr. Ramesh Kumar Somany appointed at his place w.e.f 31/07/2017.

The Company Secretary acts as the Secretary of the Committee. Besides the Committee members, Financial Officer and partners / representatives of the firm of Statutory Auditors and Internal Auditors are permanent invitees at the meetings of the Committee.

(c) Meetings and Attendance

During the financial year ended 31st March 2018 five Audit Committee meetings were held on 29th May 2017, 29th July 2017, 13th November 2017, 13th December 2017 and 13th February 2018 respectively which were attended by all the members of the Committee. The composition of the Audit Committee and details of their attendance at the meetings are as follows:

Name of the Director	Position	Category	No. of Meeting Attended
Mr. Hari Shankar Gopalka	Chairman	Non-Executive Independent Director	5
Mr. Sundeep Shah	Member	Executive Promoter Director	5
Mr. Ramesh Kumar Somany	Member	Non-Executive Independent Director	4
Mr. Dilip Kumar Rungta	Ex-Member	Non-Executive Independent Director	1

IV. NOMINATION & REMUNERATION COMMITTEE (FORMERLY KNOWN AS "REMUNERATION COMMITTEE")

(a) Constitution

The Board has framed the Nomination & Remuneration policy, and the Committee of the Company is formed to recommend remuneration packages for whole-time Directors. Such recommendations are based on the overall financial performance and profitability of the Company and on evaluation of the personal contribution of the individual directors.

(b) Composition

The Members of the Nomination & Remuneration Committee are Mr. H.S. Gopalka, Mr. R.K Somany and Mr. G.D. Harnathka. Mr. Dilip Kumar Rungta resigned w.e.f 31/07/2017 and Mr. Ramesh Kumar Somany appointed at his place w.e.f 31/07/2017.

(c) Meeting and Attendance

During the financial year ended 31st March 2018, two Nomination & Remuneration Committee Meeting was held as on 29th July, 2017 and 13th September, 2017. The details of the remuneration to the directors for the year ended March 31, 2018 are presented in the extract of the Annual return of the Company, which is annexed herewith as Annexure IV to this report.

Name of the Director	Position	Category	No. of Meeting Attended
Mr. Hari Shankar Gopalka	Chairman	Non-Executive Independent Director	2
Mr. R.K Somany	Member	Non-Executive Independent Director	1
Mr. G. D. Harnathka	Member	Non-Executive Independent Director	2
Mr. Dilip Kumar Rungta	Ex-Member	Non-Executive Independent Director	1

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Independent Directors and those areas as mentioned under Part D of Schedule II of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 as well as section 178 of the Companies Act, 2013 as follows:

AREAS OF EVALUATION

1. Frequency of meetings attended
2. Timeliness of circulating Agenda for meetings and descriptiveness
3. Quality, quantity and timeliness of flow of information to the Board
4. Promptness with which Minutes of the meetings are drawn and circulated
5. Opportunity to discuss matters of critical importance, before decisions are made
6. Familiarity with the objects, operations and other functions of the company
7. Importance given to Internal Audit Reports, Management responses and steps towards improvement
8. Avoidance of conflict of interest
9. Exercise of fiscal oversight and monitoring financial performance
10. Level of monitoring of Corporate Governance Regulations and compliance
11. Adherence to Code of Conduct and Business ethics by directors individually and collectively
12. Monitoring of Regulatory compliances and risk assessment
13. Review of Internal Control Systems
14. Performance of the Chairperson of the company including leadership qualities.
15. Performance of the Whole time Director
16. Overall performance of the Board/ Committees

V. STAKEHOLDER REALTIONSHIP/GRIEVANCE COMMITTEE OF DIRECTORS (FORMERLY KNOWN AS "INVESTOR'S GRIEVANCE COMMITTEE")

(a) Constitution

The Board of Director has constituted a Stakeholder Relationship / Grievance Committee of Directors. The role of the Committee is to consider and resolve the grievances of security holders and perform such roles as may require under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015. Continuous efforts are made to ensure that grievances are expeditiously redressed to the satisfaction of investors. A status report of shareholders complaints and redressed thereof is prepared and placed before Stakeholders' Relationship/ Grievance Committee of Directors.

The Secretary of the Company Mr. Deepak Agarwal is the Compliance Officer.

(b) Composition

The Committee comprises of two non-executive independent directors namely Mr. H. S. Gopalka and Mr. Ramesh Kumar Somany and one Executive Director namely Mr. Sundeep Shah. Mr. Ramesh Kumar Somany was the Chairman of the Committee by its members. Mr. Dilip Kumar Rungta resigned w.e.f 31/07/2017 and Mr. Ramesh Kumar Somany appointed at his place w.e.f 31/07/2017.

(c) Meeting and Attendance

During the financial year ended 31st March, 2018, five Investors' Grievance Committee meetings were held on 27th May, 2017, 28th July, 2017, 12th September, 2017, 12th December, 2017 and 12th February, 2018.

Name of the Director	Position	Category	No. of Meeting Attended
Mr. Ramesh Kumar Somany	Chairman	Non-Executive Independent Director	4
Mr. Hari Shankar Gopalka	Member	Non-Executive Independent Director	5
Mr. Sundeep Shah	Member	Executive Promoter Director	5
Mr. Dilip Kumar Rungta	Ex-Member	Non-Executive Independent Director	1

VI. SHARE TRANSFER COMMITTEE OF DIRECTORS

(a) Constitution

The role of the Committee is to deal with issuance of duplicate of share certificates, transmission of shares, and transfer of shares and supervision of transfer of shares delegated to officers of the Company. The delegated authorities attend share transfer formalities at least thrice in a month. Transfer of shares are processed and registered within the stipulated time, provided all the documents are valid and complete in all respect. Share transfers approved by the delegated authorities are placed before Share Transfer Committee/ Board for its review. As on 31st March, 2018, no shares were pending for transfer for more than 15 days.

(b) Composition

The members of the Committee are Mr. S.S.Shah, Mr. Sundeep Shah and Mr. Deepak Agarwal. Mr. S.S. Shah acts as the Chairman of the Committee.

(c) Meeting and Attendance

During the financial year ended 31st March, 2018, Seven transfer Committee meetings were held on 19th April, 2017, 23rd June, 2017, 20th September, 2017, 13th December, 2017, and 17th February, 2018, 15th March, 2018, 23rd March, 2018. No sitting fee was paid to any member of the Share Transfer Committee.

Name of the Director	Position	Category	No. of Meeting Attended
Mr. S.S. Shah	Chairman	Non-Executive Independent Director	7
Mr. Sundeep Shah	Member	Non-Executive Independent Director	7
Mr. Deepak Agarwal	Member	Compliance Officer	7

VII. GENERAL BODY MEETING

i) General Meetings:

The last three Annual General Meeting of the Company were held as under:-

Date	Time	Venue
23rd September 2015	11:00 A.M.	Kala Kunj, 48 Shakespeare Sarani Kolkata - 700 017
28th September 2016	11:00 A.M.	-- DO --
6th September 2017	11:00 A.M.	-- DO --

ii) Special Resolutions:

Special resolutions were passed during the year at the AGM held as on 6th September, 2017 for reappointment of Mr. S.S Shah as the Managing Director and reappointment of Mr. H.S Gopalka as the Independent Director in the Company.

iii) Ballot Voting

Ballot Voting was conducted during the year at the AGM held as on 06th September, 2017 to get in line with the e-voting provisions newly introduced under the Companies Act, 2013 and the same has been conducted and managed by the Scrutinizer, Mr. Atish Kumar Shaw.

VIII. DISCLOSURES

(a) The Company has not entered into any transaction of a material nature with the promoters, directors or management, or their relatives that may have potential conflict with the interest of the Company at large.

(b) A qualified practicing Company Secretary carries out a secretarial audit to reconcile the total admitted capital with National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

(c) Chairman and Managing Director and Executive (Finance) have furnished the requisite certificates to the Board of Directors pursuant to the Schedule V (Part D) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.

IX. MEANS OF COMMUNICATION

The financial results of the Company are published in English (Financial Express) and Regional (Arthik Lipi) newspapers in India. The results are also displayed on the Company's website (www.easternsilk.com). Press releases are also made by the Company from time to time to facilitate better communication with the shareholders and investors.

X. GENERAL SHAREHOLDERS INFORMATION

i) Seventy Second Annual General Meeting

Venue	:	Kala Kunj, 48 Shakespeare Sarani, Kolkata - 700 017
Date	:	25th July, 2018
Time	:	11:00 A.M.

ii) Financial Calendar

First quarter results	-	By mid of September
Second quarter results	-	By mid of December
Third quarter results	-	By mid of February
Fourth quarter results	-	By end May

iii) Book Closure

The date of book closure is from 19th July 2018 to 25th July 2018 (both days inclusive).

iv) Listing on Stock Exchange

NAME OF STOCK EXCHANGE	STOCK CODE
National Stock Exchange of India Ltd.	EASTSILK

Listing fee for the year 2017-18 has been paid to National Stock Exchange of India Ltd.

v) Stock Market Data

The Company's high and low prices recorded on National Stock Exchange of India Ltd. during the financial year 2017-18 are given below:

MONTH	HIGH (₹.)	LOW (₹.)
APRIL 2017	2.65	2.20
MAY 2017	2.70	2.05
JUNE 2017	3.50	2.10
JULY 2017	6.35	2.70
AUGUST 2017	8.70	5.45
SEPTEMBER 2017	-	-
OCTOBER 2017	-	-
NOVEMBER 2017	5.40	4.70
DECEMBER 2017	6.70	4.55
JANUARY 2018	6.85	5.20
FEBRUARY 2018	5.85	4.50
MARCH 2018	4.70	3.65

vi) Share Holding (as on 31st March, 2018)

The shareholding distribution as at 31st March, 2018 is as follows:

No. of Shares	Number of Share Holders	% to Total Holders	No. of Shares held	% to total Holding
Upto 500	14,613	68.49	30,28,416	3.84
501 - 1000	3,056	14.32	26,89,936	3.41
1001 - 2000	1,526	7.15	24,70,326	3.13
2001 - 3000	662	3.10	17,22,938	2.18
3001 - 4000	291	1.36	10,60,205	1.34
4001 - 5000	312	1.46	14,90,356	1.89
5001 - 10000	447	2.10	33,75,378	4.28
10001 & above	429	2.01	6,31,15,065	79.94
TOTAL	21,336	100.00	7,89,52,620	100.00

The shareholding pattern as at 31st March, 2018 is as follows:

Category	No. Shares	% age of Holding
Promoters including NRI Promoters	4,04,88,351	51.28
Financial Institutions, Banks, Mutual Fund Etc.	15,14,665	1.92
Non Resident Indians / OCBs / FIIs	12,74.760	1.61
Private Corporate Bodies	91,94,704	11.65
Indian Public	2,64,80,140	33.54
TOTAL	7,89,52,620	100.00

vii) Dematerialisation of Shares

As directed by Securities Exchange Board of India (SEBI) Equity shares of the Company are being traded in compulsory dematerialised form by all the investors.

The Company has entered into an agreement with both depositories viz., National Security Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) enabling the investors to hold shares of the Company in electronic form.

The ISIN of Eastern Silk for transactions of shares in depository mode is INE 962CO1027.

As on 31.03.2018 the dematerialised shares were 7,65,86,792 which represents 97.00% of the total subscribed capital. The equity shares of the Company are regularly traded on the National Stock Exchange.

viii) Share Transfer System

Share transfers in physical form are registered by the Registrar and Share Transfer Agents and are returned to the respective transferees within a period ranging from fifteen days to one month provided the documents lodged with the Registrar/Company are clear in all respects.

ix) Registrar and Share Transfer Agents

The Company's Share Transfer Agents are ABS Consultant Pvt. Ltd., Room No. 99, Stephen House, 6th Floor, 4 BBD Bag (East), Kolkata - 700 001 for effecting transfer/transmission etc. in physical and demat form.

x) Plant Location

Unit 1	:	411, Telugarahalli Road Anekal, Bangalore - 562 106
Unit 2	:	Kammansandra Agrahara Kasaba Hobli Anekal, Bangalore - 560 106
Unit 3	:	11A, 2nd Cross Industrial Area Nanjangud, Karnataka - 571 301
Unit 4	:	Falta Special Economic Zone 24 Parganas (South), West Bengal

xi) Address for Correspondence

Eastern Silk Industries Limited
(CIN: L17226WB1946PLC013554)
19, R. N. Mukherjee Road
Kolkata - 700 001
Phone: 2243 - 0817 - 19 (3 Lines)
Fax: 2248 - 2486
Email: investors@easternsilk.com
Website: www.easternsilk.com

CODE OF PROFESSIONAL CONDUCT

The Company had formulated a Code of Conduct for all Board Members and Senior Managerial Personnel and the same was adopted by the Board in its meeting held on 27th January 2005. The Code is also available on the website of the Company.

"Annexure III"

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Eastern Silk Industries Limited
19 R.N Mukherjee Road
Kolkata - 700 001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Eastern Silk Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2018 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**;

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014 **(Not applicable to the Company during the Audit Period)**;

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**.

(vi) The management of the Company has informed that there is no industry specific law which is applicable to the Company. However laws as identified by the management and applicable to the Company are mentioned in **"Annexure-B"**

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Stock Exchanges/ the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the laws applicable specifically to the Company.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. None of the Directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

a. The Company is a BIFR Company pending registration. Ministry of Finance vide notification dated 25th November 2016, has repealed the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) with effect from 1st December, 2016, which resulted in the dissolution of BIFR. Again it was at the option of the Company to pursue the matter pending before the National Company Law Tribunal (NCLT) within 120 days from the dissolution of the BIFR. It has been conveyed by the management it will not pursue the matter before the NCLT, taking into account the fact that the Company has been settling its outstanding dues with the banks and financial Institutions on One Time Settlement (OTS) basis and also entering into settlement arrangement with the ARC's.

Place: Kolkata
Date: May 30, 2018

Garima Gupta
ACS No. 23738, C P No: 9308

"Annexure A"

To,
The Members
Eastern Silk Industries Limited
19 R.N Mukherjee Road
Kolkata - 700 001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an option on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

"Annexure B"

List of applicable laws other than the laws listed above:

I. Employees' Provident Fund and Miscellaneous Provisions Act, 1952
II. Employees' Sate Insurance Act, 1948
III. Income Tax Act, 1961
IV. Service Tax Act
V. Goods & Service Tax Act (GST)
VI. Factories Act, 1948
VII. Industrial Dispute Act, 1947
VIII. Industrial Relation Act
IX. Foreign Exchange Management Act, 1999
X. The Customs Act,1962
XI. The Central Excise Act,1944
XII. Central & Local Sales Tax Act
XIII. Shops & Establishment Act, 1963
XIV. Minimum Wages Act, 1948
XV. Payment of Gratuity Act, 1972
XVI. Payment of Bonus Act, 1965
XVII. Payment of Wages Act, 1936
XVIII. Compulsory Notification of Vacancies Act, 1959

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I.	**REGISTRATION AND OTHER DETAILS:**	
i)	CIN	**L17226WB1946PLC013554**
ii)	Registration Date	09-04-1946
iii)	Name of the Company	Eastern Silk Industries Limited
iv)	Category/Sub-Category of the Company	Public Company/Limited by Shares
v)	Address of the Registered Office and contact details	19 R.N Mukherjee Road, Kolkata 700001
vi)	Whether listed Company	Yes / ~~No~~
vii)	Name,Address and Contact details of Registrar and Transfer Agency, if any	ABS Consultant Pvt. Ltd. 99, Stephen House, 6th floor 4 B.B.D Bag (East) Kolkata 700001 Ph.033 2230-1043 / 2243-0153 Fax : 033 2243-0153
II.	**PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**	
	All the business activities contributing 10% or more of the total turnover of the company shall be stated:-	As per Attachment A
III.	**PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**	As per Attachment B
IV.	**SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**	
i)	Category-wise Share Holding	As per Attachment C
ii)	Shareholding of Promoters	As per Attachment D
iii)	Change in Promoters' Shareholding	As per Attachment E
iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment F
v)	Shareholding of Directors and Key Managerial Personnel	As per Attachment G
V	**INDEBTEDNESS**	
	Indebtedness of the Company including interest outstanding/accrued but not due for payment	As per Attachment H
VI	**REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**	
A	Remuneration to Managing Directors, Whole-time Directors and/or Manager	As per Attachment I
B	Remuneration to other directors	As per Attachment J
C	Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD	As per Attachment K
VII	**PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**	As per Attachment L

ATTACHMENT A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are given below:

SL.No.	Name and Description of main products/services	NIC Code of the product/service *	% to total turnover of the Company #
1.	Textile & Textile Goods	131 - Spinning Weaving and Furnishing of Textiles	95.98%
		139 - Manufacture of Other Textiles	4.02%

* As per National Industrial Clasification - Ministry of Statistics and Programme Implementation
\# On the basis of Gross Turnover

ATTACHMENT B

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SL. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	NIL	NIL	NIL	NIL	NIL

ATTACHMENT C

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				**No.of shares held at the end of the year [As on 31.03.2018]**				**% of change during the year**
	Demat	Physical	Total	% of total shares	**Demat**	**Physical**	**Total**	**% of total shares**	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	1,72,75,615	-	1,72,75,615	21.88	**1,72,75,615**	**-**	**1,72,75,615**	**21.88**	**-**
b) Central Govt.									
c) State Govt.(s)									
d) Bodies Corporate	2,32,12,736	-	2,32,12,736	29.40	**2,32,12,736**	**-**	**2,32,12,736**	**29.40**	**-**
e) Banks/Fi									
f) Any Other..									
(f.i) Petroleum Trust (through Trustees for sole beneficiary									
SUB-TOTAL (A)(1)	4,04,88,351	-	4,04,88,351	51.28	**4,04,88,351**	**-**	**4,04,88,351**	**51.28**	**-**
(2) Foreign									
a) NRIs-Individuals									
b) Other-Individuals									
c) Bodies Corporate									
d) Banks/Fi									
e) Any other…									
SUB-TOTAL(A)(2)									

Category of shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				**No.of shares held at the end of the year [As on 31.03.2018]**				**% of change during the year**
	Demat	Physical	Total	% of total shares	**Demat**	**Physical**	**Total**	**% of total shares**	
TOTAL SHARE HOLDING OF PROMOTER(A)= (A)(1)+(A)(2)	4,04,88,351	-	4,04,88,351	51.28	**4,04,88,351**	**-**	**4,04,88,351**	**51.28**	**-**
B. PUBLIC SHAREHOLDING									
1. Institutions									
A) Mutual funds	-	12,915	12,915	0.02	**-**	**12,915**	**12,915**	**0.02**	**-**
B) Banks/F.I's	500	1,250	1,750	0.00	**500**	**1,250**	**1,750**	**0.00**	**-**
C) Central Govt.									
D) State Govt(s)									
E) Venture Capital/Funds									
F) Insurance Companies	33,12,295	-	33,12,295	4.20	**15,00,000**	**-**	**15,00,000**	**1.90**	**-54.71**
G) FIIs									
H) Foreign Venture Capital Funds									
I) Others									
SUB-TOTAL (B)(1)	33,12,795	14,165	33,26,960	4.22	**15,00,500**	**14,165**	**15,14,665**	**1.92**	**-54.47**
2. Non-institutions									
a) Bodies Corporate	86,34,854	42,645	86,77,499	10.99	**91,52,059**	**42,645**	**91,94,704**	**11.65**	**5.96**
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	2,22,32,113	18,17,739	2,40,49,852	30.46	**2,08,69,059**	**18,06,934**	**2,26,75,993**	**28.71**	**-5.71**
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	11,16,006	-	11,16,006	1.41	**38,04,147**	**-**	**38,04,147**	**4.82**	**240.87**
C) Others									
(c-i) NRI's	7,91,868	68,985	8,60,853	1.09	**7,72,676**	**68,985**	**8,41,661**	**1.07**	**-2.23**
(c-ii) Overseas Corporate Bodies	-	1,000	1,000	0.00	**-**	**1,000**	**1,000**	**0.00**	**-**
(c-iii) Foreign Bodies	-	4,32,099	4,32,099	0.55	**-**	**4,32,099**	**4,32,099**	**0.55**	**-**
SUB TOTAL (B)(2)	3,27,74,841	23,62,468	3,51,37,309	44.50	**3,45,97,941**	**23,51,663**	**3,69,49,604**	**46.80**	**5.16**
TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+(B)(2)	3,60,87,636	23,76,633	3,84,64,269	48.72	**3,60,98,441**	**23,65,828**	**3,84,64,269**	**48.72**	**-**
GRAND TOTAL (A+B)	7,65,71,002	23,76,633	7,89,52,620	100.00	**7,65,86,792**	**23,65,828**	**7,89,52,620**	**100.00**	**-**

ATTACHMENT D

V. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(ii) Shareholding of Promoters

		Shareholding at the beginning of the year (As on 01.04.2017)			**Shareholding at the end of the year (As on 31.03.2018)**			
SL. No.	Shareholder's Name	No.of Shares	% of shares of the Company	% of shares pledged/ encumbered to total shares	**No.of Shares**	**% of shares of the Company**	**% of shares pledged/ encumbered to total shares**	**% change in shareholding during the year**
1	Megha Shah	33,750	0.04	100.00	**33,750**	**0.04**	**100.00**	**-**
2	Varun Shah	1,20,000	0.15	100.00	**1,20,000**	**0.15**	**100.00**	**-**
3	Neha Shah	1,68,750	0.21	100.00	**1,68,750**	**0.21**	**100.00**	**-**
4	Pramod Kumar Shah	2,65,000	0.34	100.00	**2,65,000**	**0.34**	**100.00**	**-**
5	Preeti Shah	5,01,240	0.63	100.00	**5,01,240**	**0.63**	**100.00**	**-**
6	Kavita Shah	6,62,750	0.84	100.00	**6,62,750**	**0.84**	**100.00**	**-**
7	Shyam Sunder Shah	13,96,750	1.77	100.00	**13,96,750**	**1.77**	**100.00**	**-**
8	Sundeep Shah	16,64,000	2.11	100.00	**16,64,000**	**2.11**	**100.00**	**-**
9	Ginia Devi Shah	53,24,170	6.74	100.00	**53,24,170**	**6.74**	**100.00**	**-**
10	Shyam Sunder Shah	71,39,205	9.04	100.00	**71,39,205**	**9.04**	**100.00**	**-**
11	P K Textiles Limited	15,27,380	1.93	100.00	**15,27,380**	**1.93**	**100.00**	**-**
12	Lucky Goldstar Company Limited	17,51,580	2.22	100.00	**17,51,580**	**2.22**	**100.00**	**-**
13	Ethics Commercials Limited	26,88,696	3.41	100.00	**26,88,696**	**3.41**	**100.00**	**-**
14	Gemini Overseas Limited	76,69,580	9.71	100.00	**76,69,580**	**9.71**	**100.00**	**-**
15	Tarun Fabrics Limited	95,75,500	12.13	100.00	**95,75,500**	**12.13**	**100.00**	**-**

ATTACHMENT E

IV. SHARE HOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

(iii) Change in Promoters' Shareholding

		Shareholding at the beginning of the year (As on 01.04.2017)		**Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)**	
SL. No.		No. of shares	% of total shares of the Company	**No. of shares**	**% of total shares of the company**
	At the Beginning of the year	4,04,88,351	51.28	**4,04,88,351**	**51.28**
	Date wize Increase/Decrease in Promoters Share holding during the year	#			
	specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc) #				
	At the End of the year	4,04,88,351	51.28	**4,04,88,351**	**51.28**

Note: # There is no change in the total shareholding of promoters between 01.04.2017 and 31.03.2018

ATTACHMENT F

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

SL. No.	Name	Shareholding	
		No. of Shares at the end of the year (31.03.18)	% of total shares of the Company (31.03.18)
1.	Universal Overseas Ltd.	35,81,167	4.54%
2.	P K Regency Pvt.Ltd	20,54,753	2.60%
3.	Hitesh Ramji Javeri Jtly. Radhabai Ramji Javeri Jtly. Harsha Hitesh Javeri	8,52,000	1.08%
4.	Harsha Hitesh Javeri Jtly. Hitesh Ramji Javeri Jtly. Radhabai Ramji Javeri	7,90,000	1.00%
5.	Radhabai Ramji Javeri Jtly. Hitesh Ramji Javeri	7,60,000	0.96%
6.	Life Insurance Corpn.Of India	7,50,000	0.95%
7.	National Insurance Co. Ltd.	7,50,000	0.95%
8.	Angel holdings Pvt. Ltd.	7,20,300	0.91%
9.	LSC Securities Ltd	6,28,162	0.80%
10.	Morgan Wright Pte Ltd.	4,32,099	0.55%

 # Note: The information with regard to the date wise increase/decrease in the shareholding during the year shall be made available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

ATTACHMENT G

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(v) Shareholding of Directors and Key Managerial Personnel

		Shareholding					Cumulative Shareholding during the year (01.04.17 to 31.03.18)	
SL. No.	Name	No. of Shares at the beginning (01.04.17)/ end of the year (31.03.18)	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Shares	% of total shares of the Company
A.	**DIRECTORS:**							
1.	Shyam Sunder Shah	71,39,205	9.04%	01.04.17	0	Nil Movement during the year.		
	Chairman & Managing Director	71,39,205	9.04%	31.03.18			71,39,205	9.04%
2.	Sundeep Shah	16,64,000	2.11%	01.04.17	0	Nil Movement during the year		
	Executive Director	16,64,000	2.11%	31.03.18			16,64,000	2.11%
3.	Megha Shah	33750	0.04%	01.04.17	0	Nil Movement during the year		
	Executive Director	33750	0.04%	31.03.18			33750	0.04%
4.	G.D Harnathka	Nil	Nil	01.04.17	0	Nil Movement during the year		
	Non-Executive Director	Nil	Nil	31.03.18			Nil	Nil
5.	H.S Gopalka	14,700	0.01%	01.04.17	0	Nil Movement during the year		
	Non-Executive Director	14,700	0.01%	31.03.18			14,700	0.01%
6.	Ramesh Kumar Somany	Nil	Nil	01.04.17	0	Nil Movement during the year		
	Non-Executive Director	Nil	Nil	31.03.18			Nil	Nil
B.	**Key Managerial Personnel (KMP's)**							
6	U.S Gutgutia	Nil	Nil	01.04.17	0	Nil Movement during the year		
	Chief Financial Officer	Nil	Nil	31.03.18			Nil	Nil
7	Deepak Agarwal	Nil	Nil	01.04.17	0	Nil Movement during the year		
	Company Secretary	Nil	Nil	31.03.18			Nil	Nil

ATTACHMENT H

V. INDEBTENDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

				Amount (₹. in lacs)
	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2017)				
i) Principal Amount	19,598.54	1474.00	-	21,072.54
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
TOTAL (I+II+III)	19,598.54	1474.00	-	21,072.54
Change in indebtedness during the financial year				
Addition	-	696.00	-	696.00
Reduction	7,912.83	-	-	7,912.83
Exchange Difference				
Net change Indebtedness at the end of the financial Year (31.03.2018)	-	-	-	-
i) Principal Amount	11,685.71	2,170.00	-	13,855.71
ii) Interest due but not paid	-	-	-	-
Iii) Interest accrued but not due	-	-	-	-
TOTAL (I+II+III)	11,685.71	2,170.00	-	13,855.71

ATTACHMENT I

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹)

		Name of MD/WTD/Manager			
SL	Particulars of Remuneration	S.S Shah	Sundeep Shah	Megha Shah	**Total Amount**
1.	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the income tax Act, 1961	22,80,000/-	15,00,000/-	5,70,000/-	**43,50,000/-**
	b) Value of perquisites u/s. 17(2) of the income tax Act, 1961	-	-	-	**-**
	c) Profits in lieu of salary under section 17(3) of the income tax act, 1961	-	-		**-**
2.	Stock Option	-	-		**-**
3.	Sweat Equity	-	-		**-**
4.	Commission -- As % of profit -- Others	-	-		**-**
5.	Others	3,96,000/-	2,58,000/-	98,400/-	**7,52,400/-**
	TOTAL (A)	26,76,000/-	17,58,000/-	6,68,400/-	**51,02,400/-**

ATTACHMENT J

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

B. Remuneration to Other Directors: (₹)

		Name of Directors				Total Amount
Sl. No.	Particulars of Remuneration					
1.	Independent Directors	H.S Gopalka	G.D Harnathka	R.K. Somany	Dilip Kumar Rungta	
	- Fee for attending board/ committee meetings	35,000/-	15,000/-	28,000/-	7,000/-	85,000/-
	- Commission					
	- Others					
	TOTAL (1)	35,000/-	15,000/-	28,000/-	7,000/-	85,000/-
2.	Other Non-Executive Directors					
	- Fee for attending board/ committee meetings	-	-	-	-	-
	- Commission	-	-	-	-	-
	- Others	-	-	-	-	-
	TOTAL (2)	-	-	-	-	-
	TOTAL (B)= (1+2)	35,000/-	15,000/-	28,000/-	7,000/-	85,000/-
	TOTAL MANAGERIAL REMUNERATION					51,87,400/- *

(* Total Remuneration to Managing Director, Whole Time Director and all other director)

ATTACHMENT K

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

C. Remuneration to key managerial personnel other than md/manager/wtd (₹)

		Name of CEO/CFO/CS		
Sl. No.	Particulars of Remuneration	U.S Gutgutia Chief financial Officer	Deepak Agarwal Company Secretary	**Total Amount**
1.	Gross Salary a) Salary as per provisions contained in section 17(1) of the income tax Act, 1961	8,55,000/-	8,55,000/-	17,10,000/-
	b) Value of perquisites u/s. 17(2) of the income tax Act, 1961	1,02,600/-	1,02,600/-	2,05,200/-
	c) Profits in lieu of slary under section 17(3) of the income tax act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - As % of profit - Others	-	-	-
5.	Others	1,54,955/-	1,70,890/-	3,25,845/-
	TOTAL (C)	11,12,555/-	11,28,490/-	22,41,045/-

ATTACHMENT L

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES (Company, Directors & Other Officers in default)

Type	Section of the Companies Act	Brief Description	Details of Penalty/punishment/ compounding fees imposed	Authority (RD/NLT/ COURT)	Appeal made, if an (give details)
Penalty					
Punishment					
Compounding					

MANAGEMENT'S DISCUSSION AND ANALYSIS

(In terms of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

1. OVERALL REVIEW, INDUSTRY STRUCTURE AND DEVELOPMENTS

The overall performance of the Company for the year under review does not improved much but it intends to positively match the global market. The infusion of the new machineries and technology would be required to bring down the cost of production. The company is developing standard designs in common warps for regular products to reduce cost and it is hoped that these measures will bring the positive results for the future. The equilibrium in demand supply will take some time.

2. OPPORTUNITIES AND THREATS

The Company is engaged in manufacturing of textile and allied products currently from developing yarn to producing premium fashionable fabrics. Keeping itself updated on fashion and market trends worldwide, the company is today globally recognised for its deep understanding of silk. The threat is from small players who will enter the market and existing players creating competition in these segments due to which the margins will be under pressure in the future.

Company Status:

The Company has not been able to increase its customer base. Due to high production cost the margins are under pressure. To strengthen the Company's drive on cost optimization, the Company is aggressively working with various international suppliers and co-operating on technical know-how exchange to strengthen its contacts for a long term and continued supply of raw material.

Company Outlook:

With successful GST implementation, which brought nationwide uniform tax structure, the Company is hopeful that it would pave way for better stability in prices and maintaining the margins. Despite threats and concerns pertaining to high production cost, skilled man power requirement, dependency on imported raw materials and others the outlook remains cautiously positive to improve its performance.

3. RISK MANAGEMENT (Forms part of Director's Report)

4. SEGMENT WISE AND PRODUCT WISE PERFORMANCE

The Company's business activities falls within a single primary segment viz. Textiles. The Company does not have any other segment as of now. The products and dealings are closely related with textiles and its allied products.

5. HEALTHY, SAFETY AND ENVIRONMENT

The Company accords significant importance to health, safety and Environment and related issues are taken up on priority basis. The Company ensures compliance of all statutory regulations related to Health, Safety and Environment. The Company's business activities falls within a single primary segment viz. Textiles. The Company believes in environmental protection and maintaining ecological balance. All discharges are closely monitored and were well within the statutory norms during the year under review.

6. HUMAN RESOURCE AND INDUSTRIAL RELATIONS

The Company strongly believes in the importance of Human Capital and nurturing the same. To match with the fast paced technological changes and also the changes in their business environment, the employees are provided regular training for upgradation of skills. The Company understands the importance of multi-skilling and job rotation and hence scientifically moves its employees in various roles thereby creating a versatile work force.

7. INTERNALLY CONTROL SYSTEM AND THEIR ADEQUACY (Forms part of Director's Report)

8. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE (Forms part of Director's Report)

9. CAUTIONARY STATEMENT

Certain statements in this report on Management Discussion and Analysis describing the Company's view about the industry, objectives, projections, estimates, expectations or predictions may be forward looking within the meaning of applicable laws and regulations. Actual results may differ from those implied therein. Important factors that could make a difference include economic developments within India and countries with which the Company conducts business, government regulations and tax regime, availability of raw materials and prices and other incidental factors.

ANNUAL COMPLIANCE WITH THE CODE OF CONDUCT FOR THE FINANCIAL YEAR 2017-2018

Pursuant to the Schedule V (Part D) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, I hereby confirm that the Company has received affirmations on compliance with the Code of Conduct for the financial year ended March 31, 2018 from all the Board Members and Senior Management Personnel.

For and on behalf of the Board of Directors
Eastern Silk Industries Limited
S.S Shah
Chairman & Managing Director

Place: Kolkata
Date : 30th May, 2018

CEO / CFO CERTIFICATION

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Eastern Silk Industries Limited ("the Company") to the best of our knowledge and belief certify that:

a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of our knowledge and belief, we state that:

i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii. 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.

b. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee:

i. significant changes, if any, in internal control over financial reporting during the year;

ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Eastern Silk Industries Limited**
S.S. Shah
Chairman and Managing Director

For **Eastern Silk Industries Limited**
U.S Gutgutia
Chief Financial Officer

Place: Kolkata
The 30th May, 2018

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERANCE UNDER SCHEDULE V (PART E) OF SEBI (LISITNG OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members
Eastern Silk Industries Limited

We have examined the compliance of conditions of Corporate Governance by Eastern Silk Industries Limited ('the Company'), for the year ended on 31st March, 2018, as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the NSE Limited, Mumbai.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with 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 compiled with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the NSE Limited, Mumbai.

We state that based on the report given by the Registrars & Share Transfer Agent of the Company to the Investors Grievance Committee, as on March 31, 2018 there were no Investors' grievance matter against the Company remaining unattended/ pending for more than 30 days.

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

For **SURESH KUMAR MITTAL & CO.**
Firm Registration No.:500063N
Chartered Accountant
(Rashi Goel)
PARTNER
Membership No. : 522561

Place: Kolkata
The 30th May, 2018.

Independent Auditors' Report

To
The Members
Eastern Silk Industries Limited

Report on the Ind AS financial statements
We have audited the accompanying Ind AS financial statements of **Eastern Silk Industries Limited** which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), Statement of Change in Equity and Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act and the rule made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Ind AS financial statements .

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 31st March, 2018, and its profit (including other comprehensive income), its cash flows and the change in equity for the year ended on that date.

EMPHASIS OF MATTER
We draw attention to;

a) Note No. 37 (b) to the Ind AS financial statements which states that the company has not provided interest to lenders amounting to ₹ 2,156.61 Lakhs for the period April '2014 to March '2018 (including ₹ 539.15 Lakhs for the period April '2017 to March '2018).

b) Note No. 40(a) to the Ind AS financial statements which states that a fresh provision of ₹ 2,768.09 Lakhs has been made during the year for bad & doubtful debts, thus aggregating to ₹ 12,879.22 Lakhs as at 31st March 2018 against a total Overdue Trade Receivables of ₹ 15,399.49 Lakhs, of which ₹ 2,520.27 Lakhs is considered good for recovery by the management. We are unable to express any opinion on correctness and/or adequacy of the provision for bad & doubtful debts.

c) Note No. 41 to the Ind AS financial statements regarding non recognition of Net Deferred Tax Assets (DTA) of ₹ 3,425.81 Lakhs in the accounts. We are unable to express any opinion regarding non-recognisation of DTA and about its adjustment against future profits of the company.

OTHER MATTERS

The financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended 31st March, 2016 and 31st March, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by M/s B. K. Shroff & Co., Kolkata, whose report for the year ended 31st March 2017 and 31st March 2016 dated 30th May, 2017 and 30th May, 2016 respectively expressed an unmodified opinion on those financial statements. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us, on which we have expressed an unmodified opinion vide our report dated 30th May, 2018.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory requirements

1. 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", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the act, we report that:
   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
   c) The Balance sheet, Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Change in Equity dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e) On the basis of written representation received from the directors as at 31st March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as at 31st March, 2018, 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 over 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:
      - The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note No. 31 to 35 & 40(b) to the Ind AS financial statements
      - The Company has no long-term contracts including derivative contracts hence no provision is required under the applicable law or accounting standards
      - There has been delay in transferring amounts which are required to be transferred to the Investor Education and Protection Fund by the Company due to closure of Dividend Account for the Year 2009 & 2010 by the HDFC Bank Ltd. during the F.Y. 2016-17 resulting in non-transfer of the unclaimed amount for the year 2009 & 2010 to the Investors Education & Protection Fund - Refer Note No.42 to the Ind AS financial statements.

For **SURESH KUMAR MITTAL & CO.**
Chartered Accountants
Firm Registration No.: 500063N
(Rashi Goel)
PARTNER
Membership No. : 522561

Place: Kolkata
Date: The 30th May, 2018

"Annexure A" referred to in Paragraph 1 of Our Report of even date to the members of Eastern Silk Industries Limited on the accounts of the Company for the year ended 31st March, 2018

i) a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. The management has physically verified certain fixed assets during the year in accordance with a programme of verification, which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals having regard to the size of the Company and nature of its assets. According to the information and explanations given to us no material discrepancies were noticed on such verification and the same have been properly dealt with in the books of account.

c. The title deeds of immovable properties are held in the name of the Company.

ii) As explained to us, inventories have been physically verified by the management at regular intervals during the year. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on such verification and the same have been properly dealt with in the books of account.

iii) The Company has not granted any 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 and as such clauses (iii) (a) (b) (c) of the order are not applicable to the Company.

iv) In our opinion and according to the information and explanations given to us, no loans, investments, guarantees, and security covered under section 185 and 186 of the Companies Act, 2013 has been given or made by the Company.

v) According to the information and explanation given to us, the Company has not accepted any deposit from the public and as such clause (v) of the order is not applicable to the Company.

vi) The Central Government has not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the products dealt with by the Company.

vii) According to the information and explanations given to us in respect of the statutory dues:

a. The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Cess and other applicable statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, details of dues of Customs Duty, Excise Duty, Income Tax, Sales Tax, Wealth Tax, Service Tax and Cess which have not been deposited on account of any dispute are as follows :

Name of the Statute	Name of the Dues	Amount (₹. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	Excise Duty and Penalty	26.72	2002-03	Deputy Commissioner, Central Excise
Employees State Insurance Act	Employees State Insurance	6.03	1995-96 & 2002-03	Asst. Director, ESIC
Customs Duty Act	Custom Duty	109.77	2001-02	Hon'ble High Court of Karnataka
Customs Duty Act	Custom Duty	154.50	2005-06	Commissioner of Custom (Port), Kolkata
Customs Duty Act	Custom Duty	78.92	2003-04	CESTAT, Bangalore
Customs Duty Act	Custom Duty	28.70	2003-04	Commissioner of Custom
Customs Duty Act	Custom Duty	44.07	2002-03	Commissioner of Custom
Customs Duty Act	Custom Duty	205.00	2010-11	CESTAT, KOLKATA
Customs Duty Act	Custom Duty	15.87	2014-15	CESTAT, NEW DELHI
Customs Duty Act	Custom Duty	69.19	2014-15	CESTAT, NEW DELHI
Service Tax	Service Tax	73.68	2015-16	CESTAT, KOLKATA

viii) The Company has not taken any loans or borrowing from a financial institution and banks during the financial year under Audit. The company has defaulted in repayment of the following amount to Financial Institutions since financial year 2014-15. :

a) Term Loan	₹	2,984.60 Lakhs
b) Other Loans	₹	493.81 Lakhs
c) *Interest	₹	2,441.51 Lakhs

* ₹ 284.90 Lakhs provided in Statement of Accounts and ₹ 2,156.61 Lakhs not provided in the Statement of Accounts.

ix) No moneys has been raised by way of initial public offer or further public offer (including debt instruments) and no any term loans has been obtained during the year and as such clause (ix) of the order is not applicable to the Company.

x) Based on the audit procedures performed and the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi) In our opinion and according to the information and explanations given to us, 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, 2013.

xii) The Company is not a Nidhi Company and as such clause (xii) of the order is not applicable to the Company.

xiii) In our opinion, 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 in Note No. 47 to the Ind AS financial statements.

xiv) During the year under review, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

xv) The Company has not entered into any non-cash transactions with directors or persons connected with him.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **SURESH KUMAR MITTAL & CO.**
Chartered Accountants
Firm Registration No.: 500063N

Place: Kolkata
Date: The 30th May, 2018

(Rashi Goel)
PARTNER
Membership No. : 522561

"Annexure- B" referred to in paragraph 2 (f) to the Independent Auditor's Report of even date on the Financial Statements of Eastern Silk Industries Limited.

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 Eastern Silk Industries Limited ("the Company") as on 31st March, 2018 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 (the "Guidance Note") 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 Act.

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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 ICAI. 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 judgement, 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 my/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:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

b) 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

c) 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 31st March, 2018, 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 issued by the ICAI".

For **SURESH KUMAR MITTAL & CO.**
Chartered Accountants
Firm Registration No.: 500063N

Place: Kolkata
Date: The 30th May, 2018

(Rashi Goel)
PARTNER
Membership No. : 522561

BALANCE SHEET

AS AT 31ST MARCH, 2018

(₹ in Lakhs)

	Note No.	31st March, 2018 ₹	31st March, 2017 ₹	1st April, 2016 ₹
ASSETS				
I. Non-current Assets				
(i) Property, Plant & Equipment	1	**6,039.26**	**6,890.99**	7,686.07
(ii) Capital work-in-progress		**17.25**	**-**	129.56
(iii) Financial Assets				
(a) Investments	2	**2.07**	**1.81**	1.82
(b) Others	3	**-**	**1.42**	53.67
(iv) Deferred Tax Asset	4	**4,572.98**	**4,572.98**	4,572.98
(v) Other Non-Current Assets	5	**126.47**	**80.16**	80.14
II. Current Assets				
(i) Inventories	6	**6,270.51**	**6,230.57**	6,317.14
(ii) Financial Assets				
(a) Trade receivables	7	**2,520.27**	**4,598.03**	11,378.35
(b) Cash and cash equivalents	8	**322.84**	**606.07**	1,770.02
(c) Bank Balances other than (b) above	9	**469.51**	**1,012.34**	1,948.62
(iii) Current Tax Assets(net)	10	**48.98**	**61.58**	82.99
(iv) Other Current Assets	11	**733.96**	**564.95**	511.03
		21,124.10	**24,620.90**	34,532.39
EQUITY AND LIABILITIES				
I. Equity				
(i) Equity Share Capital	12	**1,579.05**	**1,579.05**	1,579.05
(ii) Other Equity	13	**(2,992.43)**	**(5,114.97)**	(11,366.31)
II. Liabilities				
Non-Current Liabilities				
(i) Financial Liabilities				
- Borrowings	14	**1,400.00**	**1,400.00**	1,400.00
(ii) Provisions	15	**33.60**	**39.11**	31.77
Current Liabilities				
(i) Financial Liabilities				
(a) Borrowings	16	**13,855.71**	**21,072.54**	38,487.77
(b) Trade payables	17	**641.95**	**562.44**	541.05
(c) Others	18	**4.76**	**4.76**	4.76
(ii) Other current liabilities	19	**6,356.48**	**4,869.45**	3,697.68
(iii) Provisions	20	**244.98**	**208.52**	156.62
		21,124.10	**24,620.90**	34,532.39
Significant Accounting Policy	B			

The Notes are an integral part of financial statements

As per our report attached

For **SURESH KUMAR MITTAL & CO.**
Firm Registration No : 500063N
Chartered Accountants

(Rashi Goel)
Partner
(Mem.No. 522561)

Kolkata
The 30th May,2018

S S Shah	**Sundeep Shah**	**H. S. Gopalka**	**Deepak Agarwal**	**U.S.Gutgutia**
Chairman & Managing Director DIN 00491097	Executive Director DIN 00484311	Director DIN 01099359	Secretary	Chief Financial Officer

STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Note No.	31st March, 2018 ₹	31st March, 2017 ₹
Revenue from operations	21	**5,149.32**	6,342.29
Other Income	22	**54.48**	41.68
Total Revenue		**5,203.80**	6,383.97
Cost of materials consumed	23	**703.56**	1,248.50
Purchase of Stock-in-Trade	24	**1,280.38**	1,604.47
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	**142.76**	63.68
Employee benefit expenses	26	**778.40**	800.82
Finance cost	27	**112.00**	120.35
Depreciation and Amortization expense	28	**876.05**	1,066.20
Other expenses	29	**5,117.17**	9,062.61
Total Expenses		**9,010.32**	13,966.63
Profit / (Loss) before exceptional items and tax		**(3,806.52)**	(7,582.66)
Exceptional Items	38	**5,910.03**	11,996.44
Profit / (Loss) before tax		**2,103.51**	4,413.78
Tax expense:			
Current tax		**-**	7.00
Deferred tax		**-**	-
Earlier Year Taxation		**0.03**	0.45
Profit / (Loss) for the year		**2,103.48**	4,406.33
Other Comprehensive Income			
Items that will not be reclassified to profit and loss			
- Remeasurement of Post Employment Benefit Obligation		**18.79**	(12.17)
- Changes in Fair Value of Equity Instrument		**0.27**	(0.01)
- Income Tax relating to above items		**-**	-
Total Comprehensive Income for the year		**2,122.54**	4,394.15
Earning per equity share:			
Basic & Diluted (in ₹)	46	**2.66**	5.58
Significant Accounting Policy	B		
The Notes are an integral part of financial statements			

As per our report attached

For **SURESH KUMAR MITTAL & CO.**
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(Rashi Goel)
Partner
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Secretary

U.S.Gutgutia
Chief Financial
Officer

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2018

	31st March, 2018 ₹	31st March, 2017 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) Before Tax	**2,103.51**	4,413.78
Add : Adjustments for :		
Depreciation	**876.05**	1,066.20
Interest	**-**	8.35
Provision for Doubtful Debts (Net)	**2,768.09**	6,323.54
Loss on Sale of Fixed Assets	**2.38**	0.10
Unrealised Foreign Exchange (Net)	**-**	111.41
Less : Adjustments for :		
Interest & Dividend Received	**27.77**	19.69
Unrealised Foreign Exchange(Net)	**16.72**	-
Profit on Sale of Fixed Assets	**-**	3.80
Sundry Balances Adjusted	**8.34**	16.76
Operating Profit Before Working Capital Changes	**5,697.20**	11,883.13
(Increase)/Decrease in Inventories	**(39.94)**	86.57
(Increase)/Decrease in Trade Receivables	**(673.61)**	345.37
(Increase)/Decrease in Other Non-Current Assets	**(46.31)**	(0.02)
` (Increase)/Decrease in Other Non Current Financial Assets	**1.42**	52.25
(Increase)/Decrease in Other Bank Balances	**542.83**	936.28
(Increase)/Decrease in Other Current Assets	**(169.01)**	(53.93)
Increase/(Decrease) in Trade Payables	**79.51**	21.39
Increase/(Decrease) in Other Current Liabilities	**1,495.38**	1,188.53
Increase/(Decrease) in Non Current Provisions	**(5.51)**	7.34
Increase/(Decrease) in Current Provisions	**55.26**	39.73
Cash Generated From Operations	**6,937.22**	14,506.64
Interest paid on Working Capital	**-**	8.35
Taxes paid	**(12.57)**	(13.96)
Net Cash Flow From Operating Activities	**6,949.79**	14,512.25
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Add : Inflows		
Sale of Fixed Assets	**3.88**	7.37
Interest Received	**27.71**	19.64
Dividend Received	**0.06**	0.05
Less : Outflows		
Purchase of Fixed Assets	**47.85**	145.24
Net Cash Used In Investing Activities	**(16.20)**	(118.18)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2018

	31st March, 2018 ₹	31st March, 2017 ₹
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Increase / (Decrease) in Current Borrowings	**(7,216.83)**	(15,558.04)
Net Cash Used In Financing Activities	**(7,216.83)**	(15,558.04)
Net Changes In Cash & Cash Equivalents (A+B+C)	**(283.23)**	(1,163.95)
* Cash & Cash Equivalents - Opening Balance	**606.07**	1,770.02
* Cash & Cash Equivalents - Closing Balance	**322.84**	606.07

* Represents Cash & Cash Equivalents as indicated in Note No.16

As per our report attached

For **SURESH KUMAR MITTAL & CO.**
Firm Registration No : 500063N
Chartered Accountants

(Rashi Goel)
Partner
(Mem.No. 522561)

Kolkata
The 30th May, 2018

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Managing Director
DIN 00491097

Sundeep Shah
Executive Director
DIN 00484311

H. S. Gopalka
Director
DIN 01099359

Deepak Agarwal
Secretary

U.S.Gutgutia
Chief Financial
Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31ST MARCH, 2018

a. Equity share capital

Particulars	(₹ in Lakhs)
Balance as at 1 April 2016	1,579.05
Changes in equity share capital during 2016-17	-
Balance as at 31 March 2017	1,579.05
Changes in equity share capital during 2017-18	-
Balance as at 31 March 2018	1,579.05

b. Other Equity **(₹ in Lakhs)**

	Reserves and surplus							
Particulars	**Capital reserve**	**Capital Redemption reserve**	**Securities Premium Account**	**Preference Share Redemption reserve**	**Retained earnings**	**Equity Instrument through Other Comprehen-sive Income**	**Other Compre-hensive Income**	**Total**
Balance as at 1 April 2016	25.58	1,400.00	11,428.75	1,400.00	(25,622.07)	1.43	-	(11,366.31)
Total Comprehensive Income for the year	-	-	-	-	4,406.33	(0.01)	(12.17)	4,394.15
Created/(Deducted) during the year	1,857.19							1,857.19
Balance as at 31 March 2017	**1,882.77**	**1,400.00**	**11,428.75**	**1,400.00**	**(21,215.74)**	**1.42**	**(12.17)**	**(5,114.97)**
Balance as at 1 April 2017	**1,882.77**	**1,400.00**	**11,428.75**	**1,400.00**	**(21,215.74)**	**1.42**	**(12.17)**	**(5,114.97)**
Total Comprehensive Income for the year	-	-	-	-	2,103.48	0.27	18.79	2,122.54
Balance as at 31 March 2018	**1,882.77**	**1,400.00**	**11,428.75**	**1,400.00**	**(19,112.26)**	**1.69**	**6.62**	**(2,992.43)**

As per our report attached

For **SURESH KUMAR MITTAL & CO.**
Firm Registration No : 500063N
Chartered Accountants

(Rashi Goel)
Partner
(Mem.No. 522561)

Kolkata
The 30th May, 2018

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Secretary

U.S.Gutgutia
Chief Financial
Officer

Notes to Ind AS financial statements for the year ended 31st March, 2018

A. COMPANY'S OVERVIEW

Eastern Silk Industries Limited (referred to as "the Company" hereinafter) was incorporated under the laws of the Republic of India with its registered office at 19, R.N Mukherjee Road, Kolkata 700001. The Equity Shares of the Company are listed on the National Stock Exchange (NSE). The Company is engaged in the manufacture of silk yarn, fabrics and made-ups, home furnishings, fashion fabrics, handloom fabrics, double width fabrics, scarves, laces and belts, and embroidered fabrics.

B. SIGNIFICANT ACCOUNTING POLICIES

i) **Basis of preparation and presentation of financial statements in compliance with Ind AS.:**

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable. For periods up to and including the year ended March 31st, 2017, the Company prepared its financial statements in accordance with the then applicable Accounting Standards in India ('previous GAAP'). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer policy (xix) below, for the explanations of transition to Ind AS including the details of first-time adoption exemptions availed by the Company.

The financial statements have been prepared on a historical cost basis, except for the following:

1) certain financial assets and liabilities that are measured at fair value;

2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;

3) defined benefit plans - plan assets measured at fair value;`

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act. All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

ii) **Functional and presentation Currency**

These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional currency. All financial information presented in Rupees has been rounded to the nearest lakhs with two decimals.

iii) **Use of Estimates :**

The preparation of financial statements requires estimates and assumptions to be made based on the current working that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of financial statements and the reported amount of revenues and expenses for the reporting period. Difference between the actual and the estimates, if any, are accounted for in the period in which such differences are known/materialized.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to Ind AS financial statements for the year ended 31st March, 2018

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

a) **Useful life of property, plant and equipment:** The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

b) **Deferred tax assets:** The carrying amount of deferred tax asset is reviewed at each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

c) **Employee Benefits:** The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

d) **Trade Receivables:** Furthermore, the management believe that the net carrying amount of trade receivables is recoverable based on their past experience in the market and their assessment of the credit worthiness of debtors as at Balance Sheet date. Such estimates are inherently imprecise and there may be additional information about one or more debtors that the management are not aware of, which could significantly affect their estimations.

e) **Provisions & Liabilities:** Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

f) **Contingencies:** In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

iv) **Property, plant and equipment:**

Property, plant and equipment are stated at its purchase price including direct expenses, finance cost till it is put to use net of recoverable taxes. If the Property, plant and equipment are revalued then they are stated at revalued amount. Accumulated depreciation, impairment loss, if any, is reduced from the Property, plant and equipment and shown under the net asset value on the reporting date. The cost including additions, improvements, renewals, revalued amount and accumulated depreciation of assets which are sold and/or discarded and/or impaired, are removed from the fixed assets and any profit or loss resulting there from is included in the Statement of Profit & Loss and the residual value of the revalued amount is withdrawn from such reserves created for the purpose through Other Comprehensive Income.

Capital Work in progress includes cost of property, plant and equipment under installation/under development as at the Balance Sheet date.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

v) **Leased Assets :**

Leased assets are stated at premium paid on such assets. Rentals, if any, are expensed with reference to the lease terms and other conditions. No amortization of the lease premium in respect of Land is done in cases where conditions are stipulated for conversion from leasehold to freehold.

Notes to Ind AS financial statements for the year ended 31st March, 2018

vi) **Depreciation methods, estimated useful lives and residual value :**

Depreciation is calculated on all the Property, plant & equipments based on the method prescribed under Schedule II of the Companies Act, 2013. Depreciation on the assets hitherto calculated on Written Down Value/Straight Line method is charged based on the remaining useful life of the assets as prescribed under the Act. Depreciation on assets added w.e.f. 1st April, 2014 is provided as per Straight Line Method on the basis of useful life of the assets as prescribed under the said Schedule and on pro rata basis. Depreciation on the assets disposed off/impaired during the year is provided on pro-rata basis.

Depreciation on the revalued assets (if any) is calculated at the rates prescribed under Schedule II of the Act and such depreciation is adjusted through Other Comprehensive Income & Revaluation Surplus.

The estimated useful life of assets are as follows:-

Particulars	Estimated life of assets
Building	60 years
Factory Building	30 years
Plant & Machinery	15 years
Motor Car	8 years
Two-wheelers	10 years
Computer Hardware	3 years
Computer Software	6 years
Furniture & Fittings	10 years
Office Equipment	5 years

vi) **Impairment of Assets :**

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Statement of Profit & Loss in the year in which an asset is identified as impaired. In case of impaired revalued assets, the impaired loss on the residual value is withdrawn from such reserves created for the purpose through Other Comprehensive Income. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

viii) **Foreign Currency Transactions & Translations :**

a) The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

b) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

c) Year end balance of assets and liabilities in foreign currencies are translated at the year-end rates and difference between year-end balance and such restated balance are dealt in under Exchange rate difference in the profit and loss statement.

d) The difference arising out of the actual settlement on realization / payment are dealt with in the Statement of Profit & Loss under Exchange Rate Difference arising on such transactions.

ix) **Financial instruments**

i) Financial Assets

A. Initial recognition and measurement: All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

Notes to Ind AS financial statements for the year ended 31st March, 2018

B. Subsequent measurement:

a) Financial assets carried at amortised cost (AC): A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI): A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL): A financial asset which is not classified in any of the above categories are measured at FVTPL.

C. Investments: Equity oriented investments are measured at fair value, with value changes recognised in 'Other Comprehensive Income'. Whereas investments other than equity are measured at cost.

ii) Financial Liabilities

A. Initial recognition and measurement: All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent measurement: Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

x) **Inventories:**

Items of inventories such as raw materials and Stock-in-Trade, Finished Goods are measured at lower of cost or net realizable value after providing for obsolescence if any. Work-in-progress is valued at estimated cost and stocks & spare parts, dyes & chemicals, packing materials etc. are valued at cost on weighted average basis.

Work-in-progress comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them in their present condition.

xi) **Revenue Recognition :**

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Export benefits entitlement to the Company such as Duty Drawback, DEPB, DFIA etc is recognized in the year of export on accrual basis wherever it is ascertainable with reasonable accuracy.

Revenue from operations includes sale of goods, services, export benefit entitlement and adjusted for discounts (net) if any.

Notes to Ind AS financial statements for the year ended 31st March, 2018

Interest income

Interest income from a financial asset is recognised using effective interest rate method.

Dividends

Revenue is recognised when the Company's right to receive the payment has been established.

Others

Earnest deposits from customers are recognized as Revenue on obligatory failures.

xii) **Employee Benefits :**

a) Short-term Employee Benefits

Short-term Employee Benefits (i.e. benefits payable within one year) are recognized in the period in which employee services are rendered.

b) Post employment Benefits

1) **Defined Contribution Plans**

Contributions towards provident funds are recognized as expense. Provident fund contributions in respect of certain employees are made to Trust administered by the Company, the interest rate payable to the members of the Trust is not lower than the rate of interest declared annually by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall if any, is made good by the Company. The remaining provident fund contributions are made to government administered provident fund towards which the Company has no further obligations beyond its monthly contributions.

Contribution to Central Government administered Employees' State Insurance Scheme for eligible employees are recognized as charge.

2) **Defined Benefit Plans**

Liability towards gratuity, covering eligible employees is provided and funded through LIC managed Group Gratuity Policy on the basis of year end actuarial valuation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

3) **Other Benefits**

Accrued liability towards Leave encashment benefits, covering eligible employees, evaluated on the basis of year-end actuarial valuation is recognized as a charge. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

xiii) **Borrowing Cost :**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Capitalization of borrowing costs ceases when the qualifying asset is ready for intended use .

xiv) **Tax Expense :**

Tax Expense for the period are recognised in profit or loss, except when they are relate to items that are recognised in other comprehensive income or directly in equity, in which case, the tax expense are also recognized in other comprehensive income or directly in equity respectively

- Current tax: Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Notes to Ind AS financial statements for the year ended 31st March, 2018

- Deferred tax: Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

xv) **Earning per Share :**

Basic earning per share is calculated by dividing the net Profit for the year attributable to equity shareholders (after deducting the dividend on redeemable preference share) by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is calculated by dividing the net profit attributable to equity shareholders (after deducting the dividend on redeemable preference share) by weighted average number of equity shares outstanding during the year after adjusting for the effects of dilutive options.

xvi) **Events occurring after Balance Sheet Date :**

Events occurring after the balance sheet date have been considered in the preparation of financial statements.

xvii) **Provisions & Contingent Liabilities :**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed by way of notes to the financial statements in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

xviii) **Statement of Cash Flows :**

The Company adopts the Indirect Method in preparation of Statement of Cash Flows. For the purpose of Statement of Cash Flows, Cash & Cash equivalents consists of Cash in Hand, Cash at Bank, Term Deposits & Cheques in Hand.

xix) **First Time Adoption to Ind AS :**

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended 31st March, 2018 for the company, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as at the transition date between the Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Notes to Ind AS financial statements for the year ended 31st March, 2018

A. Optional Exemptions availed

(a) Deemed Cost: The Company has considered the carrying value of property, plant and equipment's and Intangible assets as deemed cost as at the transition date.

(b) Designation of previously recognised financial instruments: Paragraph D19B of Ind AS 101 gives an option to an entity to designate investments in equity instruments at Fair Value through Other Comprehensive Income on the basis of the facts and circumstances at the date of transition to Ind AS. The company has opted to apply this exemption for its investment in equity Investments.

B. Applicable Mandatory Exceptions

Estimates: An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at 1st April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at Fair Value through Other Comprehensive Income.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

Note 1:- Property Plant & Equipment

(₹ in Lakhs)

Particulars	TANGIBLE ASSETS								
	Land Freehold*	Building	Plant & Machinery	Electric Installations	Office Equipment & Furniture	Vehicles	Total	Capital Work In Progress	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
GROSS BLOCK									
At 1st April 2016 (Deemed Cost)	**378.78**	**2,005.55**	**5,102.05**	**78.93**	**100.08**	**20.67**	**7,686.06**	**129.56**	**7,815.62**
Additions	**-**	**183.97**	**82.95**	**-**	**6.95**	**0.93**	**274.80**	**20.09**	**294.89**
Sales/Deductions	**-**	**-**	**13.78**	**-**	**5.08**		**18.86**	**149.65**	**168.51**
At 31st March 2017	**378.78**	**2,189.52**	**5,171.22**	**78.93**	**101.95**	**21.60**	**7,942.00**	**-**	**7,942.00**
Additions	**1.08**	**0.70**	**17.33**		**0.82**	**10.67**	**30.60**	**17.25**	**47.85**
Sales/Deductions	**-**	**-**	**5.05**	**-**	**-**	**4.60**	**9.65**	**-**	**9.65**
At 31st March 2018	**379.86**	**2,190.22**	**5,183.50**	**78.93**	**102.77**	**27.67**	**7,962.95**	**17.25**	**7,980.20**
Depreciation									
At 1st April 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charges for the year	**-**	**90.38**	**932.02**	**12.65**	**25.09**	**6.06**	**1,066.20**	**-**	**1,066.20**
Disposals	**-**	**-**	**10.37**	**-**	**4.82**	**-**	**15.19**	**-**	**15.19**
At 31st March 2017	**-**	**90.38**	**921.65**	**12.65**	**20.27**	**6.06**	**1,051.01**	**-**	**1,051.01**
Charges for the year	**-**	**87.89**	**755.53**	**9.90**	**18.23**	**4.50**	**876.05**	**-**	**876.05**
Disposals	**-**	**-**	**1.54**	**-**	**-**	**1.83**	**3.37**	**-**	**3.37**
At 31st March 2018	**-**	**178.27**	**1,675.64**	**22.55**	**38.50**	**8.73**	**1,923.69**	**-**	**1,923.69**
NET BLOCK									
At 1st April 2016	378.78	2,005.55	5,102.05	78.93	100.08	20.67	7,686.06	129.56	7,815.62
At 31st March 2017	**378.78**	**2,099.14**	**4,249.57**	**66.28**	**81.68**	**15.54**	**6,890.99**	**-**	**6,890.99**
At 31st March 2018	**379.86**	**2,011.95**	**3,507.86**	**56.38**	**64.27**	**18.94**	**6,039.26**	**17.25**	**6,056.51**

* During the year the lease hold land of Bommasandra has been converted to freehold land.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	31st March, 2018		31st March, 2017		1st April, 2016	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
Note 2:- Non-Current Investments						
Investments at Fair Value through OCI						
Investments in Equity Instruments						
Quoted						
Tata Consultancy Services Ltd.	64	**1.82**	64	**1.56**	64	1.57
Equity Shares of ₹ 1/- each fully paid up						
Unquoted						
India Exposition Mart Ltd.	2,570	**0.25**	2,570	**0.25**	2,570	0.25
Equity Shares of ₹ 10/- each fully paid up						
		2.07		**1.81**		1.82
Aggregate amount of quoted investments		**1.82**		**1.56**		1.57
Market value of quoted investments		**1.82**		**1.56**		1.57
Aggregate amount of unquoted investments		**0.25**		**0.25**		0.25
Note 3:-Other Non Current Financial Assets						
Deposits with banks						
-Held as margin/security with maturity period of more than 1 year from balance sheet date		**-**		**1.42**		53.67
		-		**1.42**		53.67
Note 4:-Deferred Tax (Liability) /Asset :- *						
Deferred Tax (Liability) / Asset :						
On Account of Unabsorbed Losses under I.T. Act 1961		**4,572.98**		**4,572.98**		4,572.98
Net Deferred Tax (Liability) / Asset		**4,572.98**		**4,572.98**		4,572.98
* Refer to Note : 41						
Note 5 :- Other Non-Current Assets						
Capital Advances		**41.30**		**-**		-
Advance other than Capital Advance						
Security Deposits		**80.19**		**75.33**		75.33
Other Deposits		**4.98**		**4.83**		4.81
		126.47		**80.16**		80.14

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	31st March, 2018 Amount	31st March, 2017 Amount	1st April, 2016 Amount
Note 6 :- Inventories			
Raw Materials and components	**782.91**	**787.26**	1,121.67
Work-in-progress	**1,318.47**	**1,374.42**	817.56
Finished goods	**3,984.43**	**3,851.56**	4,187.48
Stores and spares & Others	**184.70**	**217.33**	190.43
	6,270.51	**6,230.57**	6,317.14
Note 7:- Trade Receivables			
Unsecured and Considered Good			
Over Six Months	**1,646.38**	**4,218.48**	10,465.68
Others	**873.89**	**379.55**	912.67
Unsecured and Considered Doubtful (Over Six months)	**12,879.22**	**19,475.96**	16,265.52
	15,399.49	**24,073.99**	27,643.87
Less :Provision for Doubtful Debts (Refer Note Below)	**12,879.22**	**19,475.96**	16,265.52
	2,520.27	**4,598.03**	11,378.35
Provision for Doubtful Debts			
As per Last Balance Sheet	**19,475.96**	**16,265.52**	16,265.52
Add : Provided during the year	**2,768.09**	**6,323.54**	-
	22,244.05	**22,589.06**	16,265.52
Less : Bad Debt Written Off during the year	**9,364.83**	**3,113.10**	-
	12,879.22	**19,475.96**	16,265.52
Note 8:-Cash & Cash Equivalents			
Cash Balance			
Cash in hand	**3.16**	**1.54**	8.73
Balance with banks			
Current Account	**315.91**	**603.67**	368.43
Cheques in Hand	**2.91**	**-**	1,387.40
Foreign Currency Account	**0.86**	**0.86**	5.46
	322.84	**606.07**	1,770.02

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	31st March, 2018 Amount	31st March, 2017 Amount	1st April, 2016 Amount
Note 9:-Other Bank Balances			
Earmarked Balance (Refer Note no. 42)	**4.76**	**4.76**	4.76
Deposits with Banks			
-Held as margin/security with original maturity of more than 3 months having remaining maturity of less than 12 months from balance sheet date			
Term Deposit as Margin money	**68.24**	**63.45**	56.73
Term Deposit as No-lien Deposit	**3.92**	**2.14**	201.14
Term Deposit as No-lien Deposit (utilised for adjustment by Banks)	**392.59**	**941.99**	1,685.99
	469.51	**1,012.34**	1,948.62
Note 10:-Current Tax Assets (Net)			
Advance Tax & TDS	**64.39**	**76.99**	91.40
Less:			
Provision for Income Tax	**7.00**	**7.00**	-
Income Tax Payable	**1.07**	**1.07**	1.07
F.B.T. Payable	**7.34**	**7.34**	7.34
	48.98	**61.58**	82.99
Note 11:-Other Current Assets			
Advance other than Capital Advance			
Security Deposit	**12.47**	**-**	-
Others	**721.49**	**564.95**	511.03
	733.96	564.95	511.03

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	31st March, 2018		31st March, 2017		1st April, 2016	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Note 12 :-Equity Share Capital						
Authorised						
Equity Shares of ₹ 2/- each	15,00,00,000	3,000.00	15,00,00,000	3,000.00	15,00,00,000	3,000.00
8% Redeemable Cumulative Preference Shares of ₹ 100/- each	20,00,000	2,000.00	20,00,000	2,000.00	20,00,000	2,000.00
Issued						
Equity Shares of ₹ 2/- each	7,91,10,120	1,582.20	7,91,10,120	1,582.20	7,91,10,120	1,582.20
Subscribed & Paid Up						
Equity Shares of ₹ 2/- each	**7,89,52,620**	**1,579.05**	**7,89,52,620**	**1,579.05**	**7,89,52,620**	**1,579.05**

a) There is no change/movement in number of shares outstanding at the beginning and at the end of the reporting period.

b) The Company has two class of issued shares i.e. Equity Shares of ₹ 2/- each and Redeemable Cumulative Preference Shares of ₹ 100/- each.Every Equity Share is entitled to one vote and equal right for dividend after payment of preference dividend to preference share holders.The dividend proposed by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting,except in case of interim dividend.In the event of liquidation,the share holders are eligible to receive the remaining assets of the Company after payment of all preferential amounts in proportion to their shareholding.

c) The Company does not have any Holding Company

d) Details of shareholders holding more than 5% shares in the Company.

(₹ in Lakhs)

Equity Shares of ₹ 2/- each fully paid	31st March, 2018		31st March, 2017		1st April, 2016	
	No of shares	% of Holding	No of shares	% of Holding	No of shares	% of Holding
Shri Shyam Sunder Shah	71,39,205	9.04	71,39,205	9.04	71,39,205	9.04
Smt. G.D. Shah	53,24,170	6.74	53,24,170	6.74	53,24,170	6.74
Gemini Overseas Ltd.	76,69,580	9.71	76,69,580	9.71	76,69,580	9.71
Tarun Fabrics Ltd.	95,75,500	12.13	95,75,500	12.13	95,75,500	12.13

e) No Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date.

f) No shares have been allotted or has been bought back by the Company during the 5 years preceeding the date at which Balance Sheet is prepared.

g) No securities convertible into Equity/Preference shares issued by the Company during the year.

h) No calls are unpaid by any Director or Officer of the Company during the year.

i) During 1995-96 the company offered 1,18,13,725 Equity Shares of ₹ 2/- each to the existing Shareholders in the ratio of 1 share for every 2 shares held, at a premium of ₹ 6/- per share as per letter of offer dated December 21, 1995. Out of the above shares, allotment of 6,000 Equity Shares are kept in abeyance under Court Order.

j) The Promoter's shareholding remains encumbered in favour of Allahabad Bank, Leader Bank of consortium of Banks.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	31st March, 2018 Amount	31st March, 2017 Amount	1st April, 2016 Amount
Note 13:- Other Equity			
Capital Reserve			
Opening Balance	**1,882.77**	**25.58**	25.58
Add : Created during the year	**-**	**1,857.19**	-
Closing Balance	**1,882.77**	**1,882.77**	25.58
Capital Redemption Reserve			
Opening Balance	**1,400.00**	**1,400.00**	1,400.00
Closing Balance	**1,400.00**	**1,400.00**	1,400.00
Securities Premium Account			
Opening Balance	**11,428.75**	**11,428.75**	11,428.75
Closing Balance	**11,428.75**	**11,428.75**	11,428.75
Preference Share Redemption Reserve			
Opening Balance	**1,400.00**	**1,400.00**	1,400.00
Closing Balance	**1,400.00**	**1,400.00**	1,400.00
Retained Earning			
Opening Balance	**(21,215.74)**	**(25,622.07)**	(25,622.07)
Net Profit / (Loss) For the Year	**2,103.48**	**4,406.33**	-
Closing Balance	**(19,112.26)**	**(21,215.74)**	(25,622.07)
Equity Instrument through Other Comprehensive Income			
Opening Balance	**1.42**	**1.43**	-
Add/(Less) :			
Transitional Effect on Fair Value of Equity Instruments	**-**	**-**	1.43
Changes in Fair Value of Equity Instruments for the year	**0.27**	**(0.01)**	-
Closing Balance	**1.69**	**1.42**	1.43
Other Items of Comprehensive Income			
Opening Balance	**(12.17)**	**-**	-
Add/(Less) :			
Remeasurement of Post Employment Benefit Obligation for the year	**18.79**	**(12.17)**	-
Closing Balance	**6.62**	**(12.17)**	-
	(2,992.43)	**(5,114.97)**	(11,366.31)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	31st March, 2018 Amount	31st March, 2017 Nos.	1st April, 2016 Amount
Note 14 :- Non-Current Borrowings			
8% Redeemable Cumulative Preference Shares of ₹ 100/- each	**1,400.00**	**1,400.00**	1,400.00
	1,400.00	**1,400.00**	1,400.00

Note:
Preference Share

6,00,000 Redeemable Cumulative Preference Shares were allotted by the Company on 21.01.2004, 2,00,000 Redeemable Cumulative Preference Shares were allotted by Erstwhile Eastern Jingying Ltd. on 09.02.2004 & 6,00,000 Redeemable Cumulative Preference Shares were allotted by Erstwhile Sstella Silks Ltd. on 26.03.2005. All the Preference Shares are carrying dividend at the rate of 8%. The date of redemption of all the preference shares which were due for redemption on 25th March, 2010 and 1st April, 2010 have now been extended upto 1st April, 2020 with the consent of all the preference shareholders. Hence,the earliest date of redemption is 1st April, 2020. However, the redemption of the preference shares can only be made after the entire dues of Banks & Institutions are repaid.

(₹ in Lakhs)

	31st March, 2018 Amount	31st March, 2017 Amount	1st April, 2016 Amount
Note 15:- Non- Current Provisions			
Provisions for Employees Benefit			
Leave Encashment	**33.60**	**39.11**	31.77
	33.60	**39.11**	31.77
Note 16 :- Current Borrowings			
Secured			
Loan from Banks			
Term Loan	**2,984.60**	**2,984.60**	5,341.59
Working Capital Term Loan	**-**	**7,398.00**	19,513.24
Funded Interest Term Loan	**493.81**	**1,456.16**	3,699.20
Loans repayable on demand (Cash Credit/Packing Credit/Foreign Bills Payable/Letter of Credit)	**-**	**1,567.48**	4,129.34
Loans from others	**8,207.30**	**6,192.30**	4,330.40
Unsecured			
Loans From Promoters			
Smt Ginia Devi Shah	**367.00**	**367.00**	367.00
Shri Shyam Sunder Shah-Managing Director	**805.00**	**367.00**	367.00
Shri Sundeep Shah-Executive Director	**258.00**	**-**	-
Ethics Commercials Ltd	**350.00**	**350.00**	350.00
P.K.Textiles Ltd.	**390.00**	**390.00**	390.00
	13,855.71	**21,072.54**	38,487.77

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Nature of Security :-

Term Loan

i) Pari passu first charge over entire movable fixed assets excluding assets charged to other lenders.

ii) Pari passu second charge over the company's entire current assets excluding assets charged to other lenders.

iii) Equitable Mortgage of the Company's Property No. 84 in Sl. No. 39 measuring to an extent of 4 Acres 34 guntas situated at Kammasandra, Agrahara, Village - Kasaba Hobli, Anekal Taluk,Bangalore Dist together with all buildings & structures thereon and all plant & machinery attached to the earth;both present & future.

iv) Equitable mortgage of the company's property on Plot No: 209 in Bommasundra Industrial Area, Anekal Taluk,Hosur Road, Bangalore, admeasuring 10896 sq. mtrs together with all buildings & structures thereon.

v) Personal guarantee of Shri S.S.Shah and Sri Sundeep Shah.

Working Capital Term Loan (WCTL)

i) Secured against first pari-passu charge on all Assets,excluding assets exclusively charged to respective lenders.

ii) Equitable Mortgage of the Company's Property at Plot No.11A of Nanjangud Industrial area situated in Sl. No.184,185 and 169 of Kallahally Village, Chikkaiahna, Chatra, Hobli, Nanjangud Taluk, Mysore District containing by admeasurement 58686.00 sq. mtrs.

iii) Second charge on the Company's property at 411, Telugarahalli Road, Anekal, Bangalore-562106

iv) Second charge on the Company's property at Kammansandra Agrahara Kasaba Hobli,Anekal, Bangalore-562106.

v) Second Charge on the company's Plot No: 209 in Bommasundra Industrial Area, Anekal Taluk,Hosur Road, Bangalore, admeasuring 10896 sq.mtrs together with all buildings & structures thereon.

vi) Personal guarantee of Sri S.S.Shah and Sri Sundeep Shah.

Loans repayable on demand

i) Hypothecation of entire current assets including book debts of the company on first charge basis ranking pari passu with Bankers without any preference or priority of one over the other.

ii) Hypothecation of realizable non-current assets of the company on first charge basis ranking pari passu.

iii) Hypothecation of all tangible,moveable plant & machineries,equipment,etc.located at the Company's unit at Anekal Unit I & II on second charge basis ranking pari passu.

iv) Exclusive pari passu charge on specific plant and machinery installed at Anekal unit, Karnataka created out of sale proceeds of the Company's Noida unit.

v) Second Charge on the company's Plot No: 209 in Bommasundra Industrial Area, Anekal Taluk,Hosur Road, Bangalore, admeasuring 10896 sq.mtrs together with all buildings & structures thereon.

vi) Personal Guarantee of Shri S.S.Shah and Shri Sundeep Shah.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Loan from others

Secured on the Company's assets as mentioned under the security of settled Term Loan/ WCTL and by residual charge to the extent of satisfaction under OTS with Banks & Others.

Loan from Promoters

Promoters Contribution as mentioned below (free of interest) remain subordinate to the Bank & Other Secured Loans.

	(₹ in Lakhs)
Smt Ginia Devi Shah	367.00
Shri Shyam Sunder Shah-Managing Director	367.00
Ethics Commercials Ltd	350.00
P.K.Textiles Ltd.	390.00
	1,474.00

(₹ in Lakhs)

	31st March, 2018	**31st March, 2017**	1st April, 2016
Note 17 :- Trade Payables			
Micro, Small and Medium Enterprises	**1.01**	**3.07**	3.25
Others	**640.94**	**559.37**	537.80
	641.95	**562.44**	541.05

Note 18 :-Other Current Financial Liabilities			
Unclaimed Dividend	**4.76**	**4.76**	4.76
	4.76	**4.76**	4.76

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	31st March, 2018	31st March, 2017	1st April, 2016
Note 19 :-Other Current Liabilities			
Advance from customers	**1,673.53**	**1,557.97**	1,102.26
Statutory Dues	**10.93**	**9.95**	5.10
Dividend Payable on Preference Shares	**896.00**	**784.00**	672.00
Others	**3,776.02**	**2,517.53**	1,918.32
	6,356.48	**4,869.45**	3,697.68
Note 20 :- Current Provisions			
Provision for employee benefits			
Salary and Reimbursement	**162.74**	**159.43**	141.06
Contribution to P.F. & ESIC	**8.18**	**6.76**	6.62
Provision for Gratuity	**69.21**	**35.57**	3.04
Leave Encashment	**4.85**	**6.76**	5.90
	244.98	**208.52**	156.62
Note 21:- Revenue From Operations			
Sale of products	**4,803.63**	6,083.49	
Sale of Services	**184.75**	154.32	
Other Operating Revenue			
Drawback & Other incentives	**160.94**	104.48	
	5,149.32	6,342.29	
Note 22:- Other Income			
Interest Income			
On Bank Deposits	**5.73**	13.91	
On Other Deposits	**21.98**	5.73	
Dividend Income			
On Long Term Investment	**0.06**	0.05	
Other Non-Operating Income			
Exchange Rate Difference(net)	**16.72**	-	
Sundry Balances & Liabilities No Longer Required Written Back	**8.34**	16.76	
Profit on Sale of Fixed Assets	**-**	3.80	
Rent Received	**0.31**	1.31	
Other Miscellaneous Income	**1.34**	0.12	
	54.48	41.68	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	31st March, 2018	31st March, 2017
Note 23:- Cost of Material Consumed		
Opening Stock	**787.26**	1,121.67
Add: Purchases	**918.89**	1,198.71
Less : Transferred to Finished Goods	**219.68**	284.62
Less:Closing Stock	**782.91**	787.26
	703.56	1,248.50
Raw Material Consumption		
Yarn	**703.56**	1,248.50
	703.56	1,248.50

	31st March, 2018	31st March, 2017
Note 24:- Purchase of Stock in Trade		
Purchase of Finished Goods	**1,280.38**	1,604.47
	1,280.38	1,604.47

		31st March, 2018		31st March, 2017
Note 25:- Changes in Inventories of Finished Goods, WIP & Stock in Trade				
Opening Stock of Work In Progress	**1,374.42**		817.56	
Opening Stock of Finished Goods	**3,851.56**		4,187.48	
Add :Transferred From Raw Material	**219.68**	**5,445.66**	284.62	5,289.66
Less:Closing Stock of Work in Progress	**1318.47**		1,374.42	
Closing Stock of Finished Goods	**3984.43**	**5,302.90**	3,851.56	5,225.98
(Increase) / Decrease in Stock		**142.76**		63.68

	31st March, 2018	31st March, 2017
Note 26:- Employees Benefit Expenses		
Salaries and incentives	**631.30**	629.43
Contributions to Provident & Other Fund	**38.88**	102.68
Contribution to Gratuity Fund	**52.43**	20.37
Staff welfare expenses	**55.79**	48.34
	778.40	**800.82**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	31st March, 2018	31st March, 2017
Note 27:-Finance Cost		
Interest Expense		
To Bank On WCTL,FITL,Cash Credit & Packing Credit Limit & Others	**-**	8.35
Dividend		
On Redeemable Preference Shares	**112.00**	112.00
	112.00	120.35
Note 28:- Depreciation & Amortization Expense		
On Property, Plant & Equipment	**876.05**	1,066.20
	876.05	1,066.20
Note 29:- Other Expenses		
Manufacturing Expenses		
Conversion, Machining & Other Direct Expenses	**970.34**	919.37
Stores, Spares & Accessories Consumed	**128.07**	92.20
Dyes & Chemicals Consumed	**138.79**	124.36
Power & Fuel	**387.70**	344.05
	1,624.90	1,479.98
Administrative Expenses		
Legal, Professional & Syndication Charges	**31.43**	159.05
Rent	**32.28**	40.88
Rates & Taxes	**14.10**	15.69
Insurance	**24.45**	26.88
Travelling Expenses	**86.89**	92.27
Mailing & Communication Expenses	**13.89**	14.91
Bank Charges & Commission	**4.91**	15.42
Directors' Meeting Fee	**0.88**	0.74
Managerial Remuneration	**51.02**	51.02
Auditor's Remuneration for		
Statutory Audit Fee	**6.00**	6.90
Tax Audit Fee	**1.30**	1.44
For Other Services	**3.11**	4.30
Miscellaneous Expenses	**242.62**	305.13
Loss on sale of Fixed Assets	**2.38**	0.10
Exchange rate difference (net)	**-**	72.98
Repairs & Maintenance		
Building	**13.66**	21.30
Plant & Machinery	**14.65**	19.62
Others	**12.46**	24.56
Software Development Expenses	**10.21**	10.73
Provision for doubtful debts (Refer Note No. 40)	**2,768.09**	6,323.54
	3,334.33	7,207.46
Selling and Distribution Overhead		
Brokerage & Commission to Selling Agents	**11.86**	65.06
Sales Promotion	**43.14**	64.19
Freight, Packing, Forwarding, etc.	**102.94**	245.92
	157.94	375.17
	5,117.17	9,062.61

30 First Time Adoption of Ind AS

30.1 Transition to Ind AS

The Company has adopted The Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act' 2013 from 1st April 2017 and accordingly financial statements have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS, prescribed under Section 133 of the Companies Act 2013 read with the relevant rules issued thereunder. These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31st March 2018, the comparative information presented for the year ended 31st March 2017 and in the preparation of an opening Ind AS balance sheet as at 1st April 2016 (the transition date).

In preparing the opening Ind AS balance sheet as at 1st April 2016, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). The impact of transition has been made in the Reserves as at 1st April 2016 in accordance with the Ind AS 101 and the figures of the previous year ended 1st April 2016 and 31st Mar 2017 have been presented/restated after incorporating the applicable Ind AS adjustments.

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

30.2 Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows, from as reported in accordance with previous GAAP. The following tables represent the reconciliations from previous GAAP to Ind AS.

30.2.1 Reconciliations of Balance Sheet as per previous GAAP and Ind AS *

₹ in Lakhs

Particulars	Refer Note	As at 31st March 2017			As at 1st April 2016		
		Previous GAAP	Adjustment	Ind AS	Previous GAAP	Adjustment	Ind AS
Assets							
NON CURRENT ASSETS							
1 Property, Plant and Equipments		6,890.99	-	6,890.99	7,686.07	-	7,686.07
2 Capital Work in Progress		-	-	-	129.56	-	129.56
3 Financial Assets	(a)	1.81	1.42	3.23	54.06	1.43	55.49
4 Deferred Tax Asset		4,572.98	-	4,572.98	4,572.98	-	4,572.98
5 Other Non-Current Assets		80.16	-	80.16	80.14	-	80.14
Total Non-Current Assets		**11,545.94**	**1.42**	**11,547.35**	**12,522.81**	**1.43**	**12,524.24**
CURRENT ASSETS							
1 Inventories		6,230.57	-	6,230.57	6,317.14	-	6,317.14
2 Financial Assets							
(i) Trade receivables		4,598.03	-	4,598.03	11,378.35	-	11,378.35
(ii) Cash and cash equivalents		606.07	-	606.07	1,770.02	-	1,770.02
(iii) Bank Balances other than (ii) above		1,012.34	-	1,012.34	1,948.62	-	1,948.62
3 Current Tax Assets (net)		61.58	-	61.58	82.99	-	82.99
4 Other Current Assets		564.95	-	564.95	511.03	-	511.03
Total Current Assets		**13,073.54**	**-**	**13,073.55**	**22,008.15**	**-**	**22,008.15**
Total Assets		**24,619.48**	**1.42**	**24,620.90**	**34,530.96**	**1.43**	**34,532.39**

₹ in Lakhs

Particulars	Refer Note	As at 31st March 2017			As at 1st April 2016		
		Previous GAAP	Adjustment	Ind AS	Previous GAAP	Adjustment	Ind AS
EQUITY AND LIABILITIES							
Equity							
1 Equity Share Capital	(b)	2,979.05	(1,400.00)	1,579.05	2,979.05	(1,400.00)	1,579.05
2 Other Equity		(4,332.39)	(782.58)	(5,114.97)	(10,695.74)	(670.57)	(11,366.31)
Total Equity		**(1,353.34)**	**(2,182.58)**	**(3,535.92)**	**(7,716.69)**	**(2,070.57)**	**(9,787.24)**
NON-CURRENT LIABILITIES							
1 Financial liabilities							
Borrowings	(b)	-	1,400.00	1,400.00	-	1,400.00	1,400.00
2 Provisions		39.11	-	39.11	31.77	-	31.77
Total Non Current liabilities		**39.11**	**1,400.00**	**1,439.11**	**31.77**	**1,400.00**	**1,431.77**
CURRENT LIABILITIES							
1 Financial liabilities							
Borrowings		21,072.54	-	21,072.54	38,487.77	-	38,487.77
Trade and other payables		562.44	-	562.44	541.05	-	541.05
Other financial liabilities		4.76	-	4.76	4.76	-	4.76
2 Other current liabilities	(c)	4,085.45	784.00	4,869.45	3,025.68	672.00	3,697.68
3 Provisions		208.52	-	208.52	156.60	-	156.60
Total Current liabilities		**25,933.71**	**784.00**	**26,717.71**	**42,215.88**	**672.00**	**42,887.86**
Total Equity and liabilities		**24,619.48**	**1.42**	**24,620.90**	**34,530.96**	**1.43**	**34,532.39**

* For the purpose of above disclosure, figures for the previous GAAP have been reclassified to conform presentation requirements under Ind AS and the requirements laid down in Division II to the Schedule III of the Companies Act 2013.

30.2.2 Reconciliations of total comprehensive income for the year ended 31st March, 2017*

₹ in Lakhs

Particulars		For the year ended 31st March, 2017		
	Refer Note	Previous GAAP	Adjustment	Ind AS
I REVENUE				
Revenue from Operations		6,342.29	-	6,342.29
Other Income		41.68	-	41.68
Total Revenue		**6,383.97**	**-**	**6,383.97**
II EXPENSES				
Cost of Material Consumed		1,248.50	-	1,248.50
Purchases		1,604.47	-	1,604.47
Changes in Inventory of Finished Goods and Work in Progress		63.68	-	63.68
Employee Benefits Expense	(d)	812.99	(12.17)	800.82
Finance Costs	(c)	8.35	112.00	120.35
Depreciation & Amortization Expenses		1,066.20	-	1,066.20
Other Expenses		9,062.61	-	9,062.61
TOTAL EXPENSES		**13,866.80**	**99.83**	**13,966.63**
PROFIT BEFORE TAX & EXCEPTIONAL ITEM		(7,482.83)	(99.83)	(7,582.66)
III Exceptional Item		11,996.44	-	11,996.44
PROFIT BEFORE TAX		**4,513.61**	**(99.83)**	**4,413.78**
IV TAX EXPENSE				
Current Tax & EARLIER YEAR TAX		7.45	-	7.45
Deferred Tax		-	-	-
V **PROFIT AFTER TAX**		**4,506.16**	**(99.83)**	**4,406.33**
VI OTHER COMPREHENSIVE INCOME				
Items that will not be classified subsequently to profit & loss	(e)	-	(12.18)	(12.18)
Income tax on above		-	-	-
Items that will be classified subsequently to profit & loss		-	-	-
Income tax on above		-	-	-
VI TOTAL COMPREHENSIVE INCOME		**4,506.16**	**(99.83)**	**4,406.33**

* For the purpose of above disclosure, figures for the previous GAAP have been reclassified to conform presentation requirements under Ind AS and the requirements laid down in Division II to the Schedule II of the Companies Act 2013.

3.2.3 Reconciliation of Total Equity as at 31st March 2017 and 1st April 2016

₹ in Lakhs

Particulars	As at 31st March 2017	As at 1st April 2016
Other equity as per previous GAAP	**(4,332.39)**	(10,695.74)
Fair value of Investments	**1.42**	1.43
Tax Impact	**-**	-
Provision of Dividend on Preference Share (excluding Tax)	**(784.00)**	(672.00)
Other Equity as per Ind AS	**(5,114.97)**	(11,366.31)

The Equity Share Capital Component of Total Equity has no change from previous GAAP, hence not considered above.

Explanatory Notes to First Time Adoption are as follows:

(a) Equity Instrument at Fair Value

Equity oriented investments are measured at fair value, with value changes recognised in 'Other Comprehensive Income'.

(b) Preference shares considered as borrowings

Redeemable preference shares issued by the Company have been classified as borrowings on transition date as against part of Equity share capital under previous GAAP.

(c) Dividend on Preference Shares

Under previous GAAP, since 2010-11 onward, the Company is not providing Dividend on Preference Shares due to Loss incurred, however, the same has been disclosed under Contingent Liability. Under Ind AS, 8% Dividend on Preference Shares of Rs. 1,400.00 Lakhs i.e. Rs. 112.00 Lakhs (excldg Tax) per year are recognized as Finace Cost and outstanding under Other Current Liability instead of Contingent Liability in previous GAAP. And the liability towards such dividend from 2010-11 to transition date i.e. 01st April, 2016 amounting to Rs. 672.00 Lakks adjusted with retained earnings and disclosed under Other current Liability.

(d) Defined benefit liabilities:

Under IND AS, Remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined liability, are recognized in other comprehensive income instead of profit or loss in previous GAAP.

(e) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

31) Contingent Liabilities not provided for in respect of:

	2017-18 ₹ In Lakhs	2016-17 ₹ In Lakhs
(a) Guarantees given by the Bankers	**49.50**	49.50
(b) Excise, Sales tax, Custom Duty, ESIC & Other Claims	**812.45**	812.45

32) The Company had executed bonds worth ₹ 5,403.04 Lakhs in favour of President of India being the customs duty for import of capital goods under the EPCG License. Under the said license it is obligatory on the part of the Company to export products worth ₹ 43,224.32 Lakhs over a period of 8 years from the date of issue of the license i.e. between 20th December, 2002 to 19th February, 2019 for availing the concessional rate of customs duty on imports. The Company has completed the entire export obligation of ₹ 43,224.32 Lakhs up to the year ended 31st March, 2012. On completion of the export obligation bonds executed by the Company to the extent of ₹ 5,378.96 Lakhs (P.Y. ₹ 5,378.96 Lakhs) have been released and the balance bonds of ₹ 24.08 Lakhs (P.Y. ₹ 24.08 Lakhs) is under process of being released by the Commissioner of Customs.

33) Claims against the Company not acknowledged as debts:

i) Demand by the Department of Commercial Taxes, Government of Karnataka, levying a sum of ₹ 20.00 Lakhs, as Entry Tax on Import of Plant & Machinery. The Company has obtained a Stay Order from the Hon'ble High Court of Karnataka during 1996.

ii) Demand by the Commissioner of Customs, Bangalore for ₹ 109.77 Lakhs have been stayed by the Customs, Excise and Service Tax Act Appellate Tribunal, Chennai. The Company has deposited a sum of ₹ 38.00 Lakhs with the Customs Authorities under protest.

34) Lining Fabrics valued at ₹ 93.78 Lakhs were imported in 2002-03 for usage in manufacturing of products for export. Due to the non-acceptance by the Customs Department of the methodology adopted by the Company for the co-relation between the material used and the material imported, an amount of ₹ 154.50 Lakhs was paid in protest towards Customs Duty on the said imports and shown under Advances. Since the final liability amount is unascertained and

not acceptable by the Company in principle, no provision has been made in the accounts. The Adjudicating authority has passed an Order confirming the demand of the customs department. The Company's appeal before the CESTAT was heard and an Order has been passed setting aside the Order of the Adjudicating Authority. On remand of the Order, the Commissioner of Customs (Port) has once again confirmed the Order in original and the Company's second appeal before the CESTAT is being heard.

35) Export of goods made by the company from SEZ unit on specific order from the overseas customers have become subject of dispute in relation to its valuation. A show cause notice issued by DRI Kolkata was heard and adjudicated by the Customs Appellate and the matter was adjudicated imposing a fine and penalty amounting to ₹ 205.00 Lakhs. The order of the Adjudicating authority has been challenged by the company before the CESTAT and a pre-deposit of ₹ 5.00 Lakhs have been made and shown as an advance and no provision has been made against adjudicated liability of ₹ 205.00 Lakhs in the statement of accounts.

36) As per the Court order dated 7th February' 2005 of Hon'ble Kolkata High Court and 14th December' 2005 of Hon'ble Karnataka High Court, all the assets and liabilities of Erstwhile Eastern Jingying Ltd. and Sstella Silks Ltd. automatically stands transferred in the name of the Company. Based on the Order, the Company has taken necessary steps to have the assets recorded with the relevant authorities in its name.

37) a) During the year, the Company entered into a settlement arrangement of ₹ 3,550.00 Lakhs with Asset Reconstruction Company (ARC) who acquired the company's loan from Allahabad Bank against its net dues amounting to ₹ 9,460.03 Lakhs. The amount of interest waiver and the remission of Liability towards bank outstanding have been taken to "Exceptional Items".

b) Out of the 11 (Eleven) Consortium members, the Company have already settled with 4 (four) banks/financial Institutions on One Time Settlement (OTS) basis and entered into a settlement arrangement through ARC's for 6 (Six) banks/financial Institutions and efforts are going on and the Company is hopeful to arrive at the settlement arrangement soon with the remaining financial institution.

In view of the above no provision in respect of interest payable, amounting to ₹ 2,156.61 Lakhs, to the the remaining financial institution for the period April '2014 to March '2018 has been made in the Statement of Accounts, as the management is hopeful of substantial relief on settlements with the same.

c) Allahabad Bank (Lead Banker) took the symbolic possession of the Company Assets on 3rd November, 2015, whereas, assets physically remained with the Company and the Company continued its operations. During the F.Y 2016-17, Allahabad Bank has obtained the order for taking the physical possession of the property of the Company at Bangalore and Mysore from the Hon'ble Court of Chief Judicial Magistrate at Bangalore and at Mysore respectively. The order of the Hon'ble Court of Chief Judicial Magistrate at Bangalore and at Mysore was challenged by the Company before the Hon'ble High Court of Karnataka, Bengaluru and deposits of ₹ 700.00 Lakhs has been made by the Company to the Allahabad Bank in terms of the interim order passed by the Hon'ble High Court of Karnataka, Bengaluru till May, 2017 and the said deposits ₹ 700.00 Lakhs was allocated by the Allahabad Bank to the respective Consortium members pending settlement. The Company duly adjusted these deposits with the respective banks/financial institutions against their outstanding dues in terms of the settlement arrangement arrived with them except with the leftover Exim Bank. The deposit attributable to the Exim Bank has been shown by the Company under Bank Balances (Refer Note No. 9) pending adjustment pertaining to settlement with them.

d) 'No Lien Term Deposit' with the consortium bankers for ₹ 2,400.00 Lakhs towards 5% deposit of the amount outstanding against the offer of one time settlement were made, of which ₹ 392.59 Lakhs have been appropriated by few banks towards recovery of their overdue interest. The same has not been recognized by the company and no adjustment has been made and the principal amount of deposit is continued to be shown as 'No Lien Term Deposit' without accounting for interest accruals. In view of the arbitrary and unilateral decision of the Banks, no provision for interest accrued has been made in the Statement of Accounts.

38) Exceptional item represents :-

Interest waiver and the remission of Liability towards Loans payable to the Allahabad Bank amounting to ₹ 5,910.03 Lakhs (P.Y. ₹ 11,996.44 Lakhs) on settlement arrangement entered with Asset Reconstruction Company.

39) As per provisions of the SICA Act 1985, the Company was a BIFR referred company. However Ministry of Finance vide a notification dated 25th November 2016, has repealed the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) with effect from 1st December, 2016, which resulted in the dissolution of BIFR. Again it was at the option of the Company to pursue the matter pending before the National Company Law Tribunal (NCLT) within 120 days from the dissolution of the BIFR. Management after deliberate discussions had come to the conclusion that it will not pursue the matter before the NCLT, taking into account the fact that out of the 11 (Eleven) Consortium members, we have already settled with 4 (four) banks/financial Institutions on One Time Settlement (OTS) basis and entered into a settlement arrangement through ARC's for 6 (Six) banks/financial Institutions and hopeful to arrive at the settlement arrangement soon with the remaining financial institution.

40) (a) An amount of ₹ 2,768.09 Lakhs has been provided during the year as bad & doubtful debts in addition to ₹ 19,475.96 Lakhs provided in the earlier years. After writing off irrecoverable bad debts during the year amounting to ₹ 9,364.83 Lakhs, the aggregate provision as at 31st March 2018 stands at ₹ 12,879.22 Lakhs which is considered adequate by the management for covering any shortfall in realization.

(b) The money suites filed before the Hon'ble Kolkata High Court are actively pursued to recover the amount from the overseas buyers towards sale consideration of the goods exported amounting to ₹ 22,506.43 Lakhs.

41) In terms of Ind AS-12, further Deferred Tax Assets (DTA) of ₹ 3,425.81 Lakhs (P.Y. ₹ 7,155.73 Lakhs) is required to be recognized during the year. The Company has so far recognized DTA aggregating ₹ 4,572.98 Lakhs. Earlier recognitions were made based on future profitability and projections. The Company is of the opinion that net DTA of ₹ 4,572.98 Lakhs as recognized in the books is sufficient for future income and as such, the current year's DTA has not been recognized.

₹ In Lakhs

Particulars	**Amount**	**Deferred Tax Asset @ 30.09% 2016-17**	**Amount**	**Deferred Tax Asset @ 25.75% 2017-18**
Deferred Tax Liability				
Difference Between w.d.v. of P.P.E. as per I.Tax Act and Companies Act	731.91	226.16	444.05	114.34
Deferred Tax Asset				
Provision as per Sec 43B to be allowed as per payment basis	865.39	267.41	392.56	101.08
Provision for Bad and Doubtful Debts	19,475.96	6,018.07	12,879.22	3,316.40
Unabsorbed Losses	18,347.53	5,669.39	18,235.52	4,695.65
Net Deferred Tax Asset		11,728.71		7,998.79
Net Deferred Tax Asset Already Recognised		4,572.98		4,572.98
Net Deferred Tax Asset to be recognized this year		7,155.73		3,425.81

42) At the instance of Allahabad Bank, HDFC Bank Ltd. closed all the bank accounts of the Company during the F.Y. 2016-17 which included closure of the Dividend Account for the year 2009 and 2010 also. The Company is pursuing the matter with The Reserve Bank of India & HDFC Bank Ltd to reinstate the Dividend Accounts in order to facilitate the Company to deposit the Unclaimed Dividend amount for the year 2009 and 2010 with Investor Education and Protection Fund to comply with the required provision of the Companies Act, 2013. The balances in the said Dividend Accounts are still shown under Bank Balances (Others) reported under Note No.9.

43) A reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities is illustrated below as per IND AS 7 amendment.

(₹ in Lakhs)

Particulars	Opening Balance	(Payment)/ Receipts	Non-Operating Cash Changes	Closing
Working Capital Term Loan	7,398	-	-7,398	-
Funded Interest Term Loan	1,456.16	-	-962.35	493.81
Loan Repayable from Demand	1,567.48	-	-1,567.48	-
Loan from Others	6,192.30	2,015	-	8,207.30
Loan from Promoter	1,474	438	-	1,912

44) Reconciliation of Fair Value of Investments using different Level of inputs through OCI is illustrated below:-

Level 1:

Particulars	**Amount (₹ in Lakhs)**
Cost of Quoted Investment as on 31st March 2016	0.39
FVTOCI of increase in value of listed shares as on 01.04.2016	1.43
Value as on 1st April 2016 (Tansition period for Ind AS)	**1.82**
FVTOCI of increase in value of listed shares as on 31.03.2017	0.01
Value of Investment as on 31.03.2017	**1.81**
FVTOCI of increase in value of listed shares as on 31.03.2018	0.26
Value of Investment as on 31.03.2018	**2.07**

Level 2:

Particulars	**Amount (₹ in Lakhs)**
Actuarial Valuation of Gratuity Scheme as at 31st March 2017 under Ind AS 19 Recognized as stated below:-	
Total Employer expense recognized in Income Statement	20.37
Total Employer expense recognized in Other Comprehensive Income	**12.17**
Actuarial Valuation of Gratuity Scheme as at 31st March 2018 under Ind AS 19 Recognized as stated below:-	
Total Employer expense recognized in Income Statement	52.43
Total Employer expense recognized in Other Comprehensive Income	**(18.79)**

45) The dues to Micro, Small and Medium Enterprises as much to companies knowledge amounts to ₹ 1.01 Lakhs (since paid) which are outstanding for more than 45 days as at 31st March 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information provided by the supplier.

46) As the Company's business activities falls within a single primary business segment viz. Silk, Textile yarn, Fabrics and Made-ups, no further reporting is necessary as per IND AS - 108 on Operating Segment.

47) Related Party Disclosure as per IND AS - 24

List of Related Parties	**Name of the Person**
Key Management Personnel and relative of such personnel :-	Shri S S Shah (Managing Director) Shri Sundeep Shah (Chairman & Executive Director) Miss Megha Shah (Executive Women Director) Smt. Ginia Devi Shah (Wife of Mr. S.S.Shah)

Transaction during the year :-

Remuneration Paid	:	₹ **51.02 Lakhs** (P.Y. ₹ 51.02 Lakhs)
Loan Taken (Unsecured)	:	₹ **1,436.00 Lakhs** (P.Y. Nil)
Balance outstanding as on 31.03.2018	:	
Unsecured Borrowings (interest-free)	:	₹ **1,174.00 Lakhs** (P.Y. ₹ 734.00 Lakhs)

48) Earnings Per Share (EPS)

(₹ in Lakhs)

	2017-18	**2016-17**
Total Comprehensive Income	**2,122.53**	4,394.14
Weighted average number of Equity Shares of ₹ 2/- each	**7,89,52,620**	7,89,52,620
Earning Per Share (Basic & Diluted) (in ₹)	**2.69**	5.57

49) Disclosures as required by indian accounting standard (IND AS) 19 EMPLOYEE BENEFITS

Defined contribution plans

Amount of ₹ 8.18 lakhs (previous year ₹ 6.76 lakhs) is recognised as an expense and included in Employee benefits expense as under Contribution to P.F. & ESIC

Defined Benefit Plan

The Employees' gratuity fund Scheme managed by The Life Insurance Corporation of India (LICI) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation for leave encashment is recognized in the same manner as gratuity.

₹ in Lakhs

Particulars	Gratuity		Leave encashment	
	2017-18 (Funded)	2016-17 (Funded)	**2017-18 (Unfunded)**	2016-17 (Unfunded)
Change in present value of defined benefit obligation during the year				
Present Value of defined benefit obligation at the beginning of the year	**267.64**	226.34	**45.87**	37.67
Current service cost	**23.10**	20.13	**2.80**	8.82
Interest cost	**19.67**	17.79	**3.37**	2.96
Past service cost	**26.72**	-	**-**	-
Curtailment Cost/(Credit)	**-**	-	**-**	-
Settlement Cost/(Credit)	**-**	-	**-**	-
Benefits paid directly by employer	**-**	-	**-**	-
Benefits paid	**(8.97)**	(9.27)	**(7.59)**	(6.82)
Actuarial changes arising from changes in demographic assumptions	-	-	**-**	-
Actuarial changes arising from changes in financial assumptions	**(9.02)**	11.50	**(1.45)**	-
Actuarial changes arising from changes in experience adjustments	**(9.31)**	1.14	**(4.54)**	3.24
Present Value of defined benefit obligation at the end of the year	**309.83**	**267.64**	**38.45**	**45.87**
Change in fair value of plan assets during the year				
Fair value of plan assets at the beginning of the year	**232.07**	223.30	**-**	-
Interest Income	**17.06**	17.55	**-**	-
Contributions paid by the employer	**-**	-	**-**	-
Benefits paid from the fund	**(8.97)**	(9.27)	**-**	-
Assets transferred out/ divestments	**-**	-	**-**	-
Return on plan assets excluding interest income	**0.46**	0.48	-	-
Fair value of plan assets at the end of the year	**240.62**	**232.07**	**-**	**-**
Net asset/ (liability) recognised in the balance sheet				
Present Value of defined benefit obligation - Current	**81.46**	63.33	**4.85**	6.76
Present Value of defined benefit obligation - Non Current	**228.37**	204.31	**33.60**	39.11
Present Value of defined benefit obligation at the end of the year	**309.83**	267.64	**38.45**	45.87
Fair value of plan assets at the end of the year	**240.62**	232.07	**-**	-
Amount recognised in the balance sheet	**(69.21)**	**(35.57)**	**(38.45)**	**(45.87)**
Expenses recognised in the statement of profit and loss				
Current service cost	**23.10**	20.13	**2.80**	8.82
Interest cost on benefit obligation (Net)	**2.61**	0.24	**3.37**	2.96
Past service cost	**26.72**	-	**-**	-
Actuarial changes arising from changes in demographic assumptions	**-**	-		
Actuarial changes arising from changes in financial assumptions	**-**	-	**(1.45)**	-
Actuarial changes arising from changes in experience adjustments	**-**	-	**(4.54)**	3.24
Return on plan assets excluding interest income	**-**	-	**-**	-
Total expenses included in employee benefits expense	**52.43**	**20.37**	**(5.99)**	**3.24**
Expenses recognised in the other comprehensive income				
Actuarial changes arising from changes in demographic assumptions	**-**	-	**-**	-
Actuarial changes arising from changes in financial assumptions	**(9.02)**	11.50	**-**	-
Actuarial changes arising from changes in experience adjustments	**(9.31)**	1.14	**-**	-
Return on plan assets excluding interest income	**0.46**	0.48	**-**	-
Recognised in other comprehensive income	**(18.79)**	**12.17**	**-**	**-**

Actuarial assumptions

Particulars	Gratuity		Leave encashment	
	2017-18 (Funded)	2016-17 (Funded)	**2017-18 (Unfunded)**	2016-17 (Unfunded)
Financial Assumptions				
Discount Rate (% p.a.)	**7.70**	7.35	**7.70**	7.35
Rate of Incraese in Salary (% p.a.)	**5.00**	5.00	**5.00**	5.00
Demographic Assumptions				
Mortality Rate (% of IALM 06-08)	**100.00**	100.00	**100.00**	100.00
Normal Retiremet Age	**58 Yrs.**	58 Yrs.	**58 Yrs.**	58 Yrs.
Attrition Rate, based on age (% p.a.)- For all Ages	**2.00**	2.00	**2.00**	2.00

Expected contribution to the defined benefit plan for the next annual reporting period

(i) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2018. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

(iii) The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

50) No depreciation has been provided on the assets located at the Falta & Nanjangud units. In the year 2012-2013, assets located at the said units were impaired and both the units are inoperative since then.

51) Earning In Foreign Currency

Particulars	**2017-18 Amount (₹ in Lakhs)**	2016-17 Amount (₹ in Lakhs)
Export of goods calculated on F.O.B. (accrual basis)	**694.88**	2,040.62

52) Expenditure in foreign currency

Particulars	**2017-18 Amount (₹ in Lakhs)**	2016-17 Amount (₹ in Lakhs)
1 Overseas Travelling	**20.57**	29.74
2 Commission to Agents	**10.56**	92.71
3 Others	**59.38**	103.59

53) Value of imports calculated on CIF basis:-

Particulars	**2017-18 Amount (₹ in Lakhs)**	2016-17 Amount (₹ in Lakhs)
Yarn	**257.82**	193.60
Fabrics	**27.49**	0.54

54) Previous year figures have been re-arranged and / or regrouped wherever necessary.

As per our report attached

As per our report attached

For **SURESH KUMAR MITTAL & CO.**
Firm Registration No : 500063N
Chartered Accountants

(Rashi Goel)
Partner
(Mem.No. 522561)

Kolkata
The 30th May,2018

S S Shah
Chairman &
Managing Director
DIN 00491097

Sundeep Shah
Executive Director
DIN 00484311

H. S. Gopalka
Director
DIN 01099359

Deepak Agarwal
Secretary

U.S.Gutgutia
Chief Financial
Officer

Form No. MGT-11

EASTERN SILK INDUSTRIES LTD.

CIN: L17226WB1946PLC013554

Registered Office: 19 R N Mukherjee Road, Kolkata 700 001

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and rules 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s) : …….....

Registered Address : …….....

Email Id…….....…….. Folio No./Client Id: …….....……. DP.ID. …….....

I/We, being the member(s) holding …….....…... Shares of the above named Company, hereby appoint

1. Name …….. ……
   Address ……
   Email ID …… ……..
   Signature… …….....

   , or failing him

2. Name …….. ……
   Address ……
   Email ID …… ……..
   Signature… …….....

   , or failing him

3. Name …….. ……
   Address ……
   Email ID …… ……..
   Signature… …….....

Proxy to attend and vote for me/us and on my/our behalf at the 72nd Annual General Meeting of the Company, to be held on the 25th July, 2018 at 11.00 A.M. at "Kala Kunj"48, Shakespeare Sarani, Kolkata 700 017 and at any adjournment thereof in respect of such resolutions as are indicated below:

	Resolutions	For	Against
1.	Consider and adopt Audited Financial Statements, along with Report of Directors and Auditors		
2.	Re-appointment of Mr. Sundeep Shah (DIN. 00484311) as the Whole Time Director		
3.	Re-appointment of Ms. Megha Shah (DIN. 07172597) as the Executive Woman Director		
4.	Re-appointment of Mr. G.D. Harnathka (DIN. 01360829) as the Independent Director		
5.	Borrow in excess of the paid-up capital and free reserves pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013		
6.	To create such mortgages/charges/hypothecation and/or other encumbrances pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013		
7.	Sale, transfer or disposing off an undertaking under Section 180(1)(a) of the Companies Act, 2013		

Signed this …… day of …….. 2018

Affix Re. 1 Revenue Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note: This form duly filled up, stamped and signed by the appointer or his attorney duly authorized in writing or if the appointer is a Body Corporate, under the seal or signed by an attorney duly authorized by it shall be deposited at the Registered Office of the Company along with the power of Attorney, if any under which the Proxy Form is signed, not less than 48 hours before the time for holding the meeting.

The Route Map to the AGM Venue

Distance from Howrah Railway Station: 6.3 Km

Venue:Kala Kunj, 48, Shakespeare Sarani Kolkata – 700 017

Distance from Kolkata Airport: 20.9 Km

If undelivered please return to :

ABS CONSULTANT PVT. LTD.
Room No.- 99, Stephen House, 6th Floor
4, B.B.D. Bag (East)
Kolkata - 700 001

Dorothy