

Regd. Office :
19, R. N. Mukherjee Road
Kolkata - 700 001 (India)
Phone : 033 4064 5731



Eastern Silk Industries Ltd.

CIN : L17226WB1946PLC013554

E-mail : sales@easternsilk.com / cs@easternsilk.com

Website : www.easternsilk.com

ESIL/2023-24/350

4th September 2023

National Stock Exchange of India Limited
"Exchange Plaza" Floor 5
Plot No. C/1, Block G, Bandra Kurla
Complex, Bandra (E), Mumbai 400 051
NSE Symbol: EASTSILK

BSE Limited
Floor 25, P. J. Towers,
Dalal Street,
Mumbai 400 001
BSE Scrip Code: 590022

Dear Sir / Madam,

Sub: Intimation regarding 77th Annual General Meeting of the Company (Under CIRP)

This is to inform you that the 77th Annual General Meeting (AGM) of the Company will be held on Friday, 29th September, 2023 at 03.30 P.M. through Video Conferencing (VC) Other Audio-Visual Means (OAVM"), in accordance with the relevant circulars issued by the ministry of Corporate Affairs and the Securities and Exchange Board of India. The details such as manner of (i) registering / updating email addresses, (ii) casting vote through remote e-voting and (ii) attending the AGM through VC/OAVM has been set out in the Notice of the AGM.

In compliance with the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and aforesaid Circulars, the Company has engaged the services of "**National Securities Depository Limited (NSDL)**" as the authorised agency for conducting of the AGM through VC/OAVM facility and for providing electronic voting ("e-voting") facility to its members.

The Members of the Company, holding shares either in physical form or dematerialised form, as on the Cut-off date i.e. Friday, 22nd September 2023 may cast their vote by Remote e-voting during the meeting.

Commencement of Remote e-voting: From 09.00 A.M. on Tuesday 26th September, 2023

End of Remote e-voting: Up to 05.00 P.M. on Thursday 28th September, 2023.

You are requested to acknowledge and update the same in your records.

Thanking You,

For **Eastern Silk Industries Limited (Under CIRP)**

RAHUL
JAISWAL
Digitally signed by
RAHUL JAISWAL
Date: 2023.09.04
17:57:12 +05'30'

Rahul Jaiswal
Company Secretary

ANNUAL REPORT
2022-2023



EASTERN SILK INDUSTRIES LTD.
CIN: L17226WB1946PLC013554

**RESOLUTION PROFESSIONAL****Anil Kohli**

Resolution Professional- Eastern Silk Industries Limited
IBBI Regn No. IBBI/PA-001/IP-P00112/2017-
18/10219 (Appointed vide Hon'ble NCLT, Kolkata
order dated June,10,2022).

BOARD OF DIRECTORS**(Power under suspension during CIRP)**

Sundeep Shah, *Chairman & Managing Director*

Megha Shah, *Executive Director*

G.D. Harnathka, *Non-Executive Independent Director*

Madhu Kant Sharma, *Non-Executive Independent Director*

Pankaj Kumar Deorah, *Non-Executive Independent Director*

Abhishek Haralalka, *Non-Executive Independent Director*

CHIEF FINANCIAL OFFICER

Prateek Chhawchharia

COMPANY SECRETARY & COMPLIANCE OFFICER

Rahul Jaiswal

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

STATUTORY AUDITORS

Suresh Kumar Mittal & Co.

Chartered Accountants

House No.60, 1st Floor

Pocket H-3, Sector-18

Rohini, Delhi-110 085

COST AUDITOR

N.RADHAKRISHNAN & CO.

11A, Dover Lane, Flat B1/34,

Kolkata-700029

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 : absconsultant99@gmail.com

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Note:

The Hon'ble National Company Law Board ("NCLT"), Kolkata Bench, vide order dated June 10, 2022 has admitted the reference for initiation of Corporate Insolvency Resolution Process ("CIRP") under Insolvency and Bankruptcy Code 2016 ("IBC"). The Powers of the Board of Directors stands suspended since then. Further the Hon'ble NCLT, Kolkata Bench, vide order dated July 29, 2022 has appointed Mr. Anil Kohli as the Resolution Professional ("RP") to carry the day-to-day operations of the Company.

**NOTICE TO THE MEMBERS**

Eastern Silk Industries Limited is under Corporate Insolvency Resolution Process (CIRP) of the Insolvency and Bankruptcy Code 2016 (IBC) in terms of Order passed by the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench with effect from 10th June 2022. Mr. Anil Agarwal, originally appointed as Interim Resolution Professional by NCLT vide its Order dated 10th June 2022. Further, the members of the Committee of Creditors ("CoC") in its first meeting held on 08.07.2022 has approved the appointment of Mr. Anil Kohli as Resolution Professional in place of erstwhile Mr. Anil Agarwal Interim Resolution Professional of Eastern Silk Industries Limited. The appointment of Mr. Anil Kohli was confirmed as Resolution Professional vide order of Hon'ble NCLT passed on July 29, 2022. The affairs, business and assets are being managed by the Resolution Professional.

In view of same, the Annual General Meeting is being convened by the Resolution Professional.

Under Section 17 of the IBC 2016 the powers of the Board are suspended and the same are vested in the Resolution Professional, Mr. Anil Kohli.

The appointment/re-appointments of the Directors are recommended only for the sole purpose of complying with the applicable provision(s) of the Companies Act, 2013 (as amended) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, pursuant to Section 17 of the IBC, the powers the Board of Directors shall stand suspended during the continuance of the CIRP.

The Seventy Seventh Annual General Meeting of M/s. Eastern Silk Industries Limited (CIN:L17226WB1946PLC013554) will be held on Friday, the 29th September, 2023 at 03:30 P.M. through Video Conferencing (VC)/ Other Audio Visual Means("OAVM"), to transact the following business:

ORDINARY BUSINESS

1.To receive, consider and adopt the Statement of Profit & Loss for the year ended 31st March, 2023 and the Balance Sheet as at that date together with the report of the Directors and Auditors thereon and in this regard, pass the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT the audited financial statement of the Company for the financial year ended 31st March, 2023 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2.To appoint Mr. Sundeep Shah, who retires by rotation and being eligible, offers himself for re-appointment as a Director and in this regard, pass the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sundeep Shah (DIN. 00484311), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3.To appoint Ms. Megha Shah, who retires by rotation and being eligible, offers herself for re-appointment as a Director and in this regard, pass the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms. Megha Shah (DIN, 07172597), who retires by rotation at this meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.

Registered Office:
19, R. N. Mukherjee Road
Kolkata – 700 001
Dated: 2nd September 2023

By Order of the Board
Sd/-
Rahul Jaiswal
Company Secretary
Mr. Anil Kohli
(Taken on Record)

Resolution Professional – Eastern Silk Industries Limited
Regn No. IBBI/IPA-001/IP-P00112/2017-18/10219

CIN: L17226WB1946PLC013554
Email: investors@easternsilk.com
Registered Office:
19, R. N. Mukherjee Road
Kolkata – 700 001
CIN: L17226WB1946PLC013554
Email: investors@easternsilk.com

**NOTES:**

1. The relevant details with respect to Item No. 2 and 3 pursuant to Regulation 36 (3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulation") and Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed.
2. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs, Government of India ("MCA") issued General Circular Nos. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021, No. 2/2022 dated May 5, 2022 and No. 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars') and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023; SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022; SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020. ("SEBI Circulars") has allowed to conduct AGMs through Video Conferencing / Other Audio-Visual Means ("VC /OAVM") facility on or before September 30, 2023. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.

Hence, Members can attend and participate in the AGM through VC/ OAVM only, the detailed procedure for participating in the meeting through VC/OAVM is annexed herewith and available at the Company's Website www.easternsilk.com

In compliance with these Circulars, provisions of the Act and Listing Regulations, the 77th AGM of the Company is being conducted through VC / OAVM facility, without the physical presence of Members at a common venue. The deemed venue for the 77th AGM shall be the Registered Office of the Company.

3. As the AGM shall be conducted through VC/OAVM, there is no requirement of appointment of proxies, pursuant to the Circulars. Accordingly, the facility for appointment of proxy by the members is not available for this AGM and hence the proxy form is not annexed to this Notice. Also, the Attendance Slip including Route Map is not annexed to this Notice.
4. In case of Joint-holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
5. Authorised representatives of the corporate members intending to participate in the AGM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy (in PDF/JPG format) of the relevant Board Resolution/Authority Letter, etc. authorising them to attend the AGM, by email to investors@easternsilk.com.
6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure below in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
9. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.easternsilk.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
10. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 20/2020 dated



May 5, 2020, No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021, No. 2/2022 dated May 5, 2022 and No. 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars') and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023; SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022; SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020.

11. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form are therefore requested to submit PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Company's RTA i.e. ABS Consultants Private Limited.
12. SEBI has also made amendment to Regulation 40 of SEBI LODR Regulations with respect to mandatory dematerialization for transfer of securities. Pursuant to the aforesaid amendment to SEBI LODR Regulations, Listed Companies and their Registrars and Transfer Agents ("RTAs") are advised to ensure that shares which are lodged for transfer are mandatory in dematerialized form with effect from April 1, 2019. Therefore, shareholders are requested to get their physical shareholding dematerialized for any further transfers.
13. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file their nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in electronic/demat form, the nomination form may be filed with the respective Depository Participant.
14. All documents referred to in the Notice and the Explanatory Statement/Annexure shall be made available for inspection by the Members of the Company, without payment of fees upto the date of AGM. Members desirous of inspecting the same may send their requests not later than Tuesday, September 26, 2023 at 11:00 A.M. at investors@easternsilk.com from their registered e-mail addresses mentioning their names and folio numbers/demat account numbers. In accordance with the MCA Circulars, the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013 and Relevant documents referred to in this Notice of AGM and explanatory statement will be available for inspection on the date of AGM in electronic mode and shall remain open and be accessible to any Member.
15. Members of the Company holding shares either in physical form or in Dematerialised forms as on Friday, August 25, 2023 will receive Annual Report and AGM Notice through electronic mode.

Process for dispatch of Annual Report and registration of email id for obtaining copy of Annual Report

16. In compliance with the aforementioned Circulars, Notice of the AGM along with the Annual Report for the financial year 2022-23 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depository Participants (DPs).

In case any member is desirous of obtaining physical copy of the Annual Report for the financial year 2022-23 and Notice of the 77th AGM of the Company, he/she may send a request to the Company by writing at investors@easternsilk.com or ABS Consultants Private Limited (ABS), Company's Registrar and Transfer Agents at absconsultant99@gmail.com, mentioning their DP ID and Client ID/folio no.

Members may note that the Notice and the Annual Report for the financial year 2022-23 will also be available on the Company's website at www.easternsilk.com, websites of the Stock Exchanges on which the equity shares of the Company are listed i.e. BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com), and on the website of National Securities Depository Limited (NSDL) at www.evoting.nsdl.com.

17. Process for registration of email addresses for obtaining Notice of the AGM along with the Annual Report for the financial year 2022-23:
 1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) by email to absconsultant99@gmail.com or investors@easternsilk.com
 2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) to absconsultant99@gmail.com or investors@easternsilk.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
 3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.



4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility. Shareholders holding shares in physical mode can also register/update their email address by sending a duly signed request letter including their name and folio no. to ABS Consultants Private Limited at 99, Stephen House 6th Floor, 4, B. B. D BAG (East) Kolkata – 700 001, Shareholders holding shares in dematerialised form are requested to register/update their email address with their respective DPs.
18. Shareholders holding shares in physical mode can also register/update their email address by sending a duly signed request letter including their name and folio no. to ABS Consultants Private Limited at 99, Stephen House 6th Floor, 4, B. B. D BAG (East) Kolkata – 700 001, Shareholders holding shares in dematerialised form are requested to register/update their email address with their respective DPs.
19. Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company at investors@easternsilk.com.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Tuesday, 26th of September, 2023 at 09:00 A.M. and ends on Thursday, 28th of September, 2023 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday 22nd of September, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday 22nd of September, 2023.

Only those Members who are present in the Meeting through VC or OAVM facility and have not cast their votes on resolutions through remote e-Voting and are otherwise not barred from doing so, shall be allowed to vote through e-Voting system during the AGM. However, Members who would have cast their votes by remote e-Voting may attend the Meeting, but shall neither be allowed to change it subsequently nor cast votes again during the Meeting and accordingly, their presence shall also be counted for the purpose of quorum under Section 103 of the Act. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on cut-off date Friday, 22nd September, 2023 are entitled to vote on the Resolutions set forth in the Notice. The voting rights of the Members shall be in proportion to their share(s) of the paid-up equity share capital of the Company as on the cut-off date.

The Company has appointed CS Garima Gupta (ACS No: 23738 CoP : 9308) Practicing Company Secretaries as the Scrutinizer to scrutinize the e- voting at the meeting and remote e-voting process in a fair and transparent manner.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any. Thereafter, the Results of e-Voting shall be declared forthwith by the Chairman or a person authorised by him, in writing, in this regard. The Results along with the report of the Scrutinizer shall be placed on the website of the Company (www.easternsilk.com) immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited, where the shares of the Company are listed and also to BSE Limited.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:





Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div> </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration



	<p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use 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 to 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, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
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 etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
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.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.



6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

8. 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 garimagupta.acs@gmail.com with a copy marked to evoting@nsdl.co.in.
9. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. 22nd September 2023, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. 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” or “Physical User Reset Password” option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. 22nd September 2023 may follow steps mentioned in the Notice of the AGM under Step 1: “Access to NSDL e-Voting system”(Above).
10. 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.
11. 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 1020 990 and 1800 22 44 30 or send a request to to Mr. Amit Vishal, Senior Manager and /or Ms. Pallavi Mhatre, Manager at evoting@nsdl.co.in

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.



3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at (investors@easternsilk.com) latest by Tuesday 26th September 2023.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (investors@easternsilk.com) Tuesday 26th September 2023.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
9. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
10. Members who need assistance before or during the AGM, can contact Mr. Amit Vishal, Senior Manager, NSDL and / or Ms. Pallavi Mhatre, Manager, NSDL at evoting@nsdl.co.in or call 1800 1020 990 / 1800 22 44 30.



Annexure to Notice dated 2nd September 2023

Details of the Director seeking appointment / re-appointment in the 77th Annual General Meeting to be held on Friday, September 29th, 2023 pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with applicable Secretarial Standard:

Particulars	Mr. Sundeep Shah	Ms. Megha Shah
Category of Director / Designation / Position in the Company	Chairman & Managing Director / Executive.	Wholetime Director / Executive.
Din	00484311	07172597
Date of Birth/Age	September 14, 1962/61 years	December 2, 1986 /36 years
Date of Appointment on the Board	01.09.2006	01.04.2015
Qualification	B.Com.	B.Com.
Experience	Wide experience in textile field and handling overseas customers	Designing of fabrics & Textile goods
Directorship held in other Public Companies	None	None
Memberships / Chairmanships of Committees of Other Public Companies	None	None
Shareholding of Non-Executive Directors	None	None
Relationship with any Director(s) of the Company	Father of Megha Shah	Daughter of Sundeep Shah (MD)
Number of shares held in Eastern Silk Industries Limited	16,64,000	33,750
No. of Board Meetings attended / entitled to attend during the year	During FY 2022-23: 1 out of 1 meeting	During FY 2022-23: 1 out of 1 meeting
Percentage of shareholding in Eastern Silk Industries Limited	Representing 2.11% of the paid-up share capital of the Company.	Representing 0.04% of the paid-up share capital of the Company.
Other Activities	Associated with charitable trusts and educational institutions.	–



DIRECTORS' REPORT

The members

**Eastern Silk Industries Limited (herein after referred as "the Company")
(Company Under Corporate Insolvency Resolution Process)**

The Resolution Professional/Suspended Board of Directors present the Seventy Seventh Annual Report and the Financial Statements of the Company for the year ended 31st March, 2023.

INITIATION OF CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP):

The Hon'ble Adjudicating Authority, i.e., National Company Law Tribunal, Kolkata Bench, has admitted the Company Petition i.e. C.P. No. (IB) No.588/KB/2020 on 10.06.2022, filed by the Financial Creditor, Export-import Bank Of India initiating Corporate Insolvency Resolution Process ("CIRP") under Insolvency & Bankruptcy Code, 2016 (hereinafter referred to as "Code") in the matter of M/s. Eastern Silk Industries Ltd. ("Corporate Debtor"). The Adjudicating Authority appointed- Mr. Anil Agarwal as Interim Resolution Professional (IRP) vide its said order dated 10.06.2022.

The Committee of Creditors in its first meeting of Committee of Creditors ("CoC") held on 08.07.2022 approved the appointment of undersigned as Resolution Professional ("RP"). Thereupon an application was filed by the CoC, before Hon'ble NCLT, for the appointment of undersigned as Resolution Professional in the captioned matter. Subsequently, the Hon'ble NCLT allowed the application and appointed the undersigned as Resolution Professional in this matter vide its Order dated 29.07.2022 (copy of the same was received on 04.08.2022).

The Resolution Professional pursuant to the approval of Resolution No. 2 i.e. Resolution plan submitted by Ajay Bikram Singh through Baumann Dekor Pvt. Ltd. in the last COC Meeting, filed an application seeking exclusion of the period of CIRP from 07.12.2022 till 30.01.2023 i.e. 54 days, before Hon'ble NCLT on 07.03.2023. The RP thereafter filed an application before the Hon'ble NCLT on 09.03.2023 seeking approval of the Resolution plan submitted by Ajay Bikram Singh through Baumann Dekor Pvt. Ltd under Section 31(1). The said application is pending before Hon'ble NCLT.

The Company is under the Corporate Insolvency Resolution Process

FINANCIAL RESULTS

Particulars	₹. in Lacs)	
	2023	2022
Profit/(Loss) before depreciation/Exceptional Items and taxation	(1,147.37)	(284.50)
Less/Add: Depreciation	296.05	402.00
Profit/(Loss) for the year before taxation	(1,443.42)	(686.50)
Add/ (Less): Provision for Current/Earlier Year Taxation	0.01	0.00
Profit/(Loss) for the year	(1,443.43)	(686.50)
Add: Balance b/f of Retained Earnings of Previous Years	(20,551.81)	(19,865.31)
Balance to be Carried Forward to the Next Year	(21,995.24)	(20,551.81)

PERFORMANCE REVIEW

Highlights of performance during the financial year 2022-23 are:

- Total Revenue from Operation of the Company is ₹. 3,801.29 Lacs as against ₹. 7,314.03 Lacs in the previous year.
- Operating Profit / ((Loss) is ₹. (1,147.37) Lacs as against ₹. (284.50) Lacs in the previous year.
- Profit/Loss before taxation is ₹. (1,443.42) Lacs for the year as against the profit of ₹. (686.50) Lacs in the previous year.
- Profit/Loss after Tax is ₹. (1,443.43) Lacs as against the Loss of ₹. (686.50) 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 and initiation of CIRP from 10th June 2022 which effected the marketability of the Company. As the global textile market is interconnected, this outbreak has a global impact on business.

A detailed review of the operations of the Company for the Financial Year ended 31st March, 2023 is given in the Management Discussion and Analysis Report, which forms a part of this report.

STATUS OF CORPORATE INSOLVENCY RESOLUTION PROCESS UNDER INSOLVENCY AND BANKRUPTCY CODE 2016 (IBC) AFTER INITIATION

The Corporate Insolvency Resolution Process ("CIRP") against Eastern Silk Industries Limited ("Company/ Corporate Debtor") was initiated the Hon'ble National Company Law Tribunal, Principal Bench at Kolkata ("Adjudicating Authority") under Section 7 of the IB Code vide its order dated 10th June 2022. The Adjudicating Authority vide the order of the same date appointed Mr. CA Anil Agarwal IP Registration No. IBBI/IPA-001/IPP00270/2017-2018/10514 as the Resolution Professional ("IRP") to conduct the CIRP of the Corporate Debtor. Later, in the first CoC Meeting of the Corporate Debtor held on 8th July 2022, Mr. Anil Kohli was appointed as the Resolution Professional ("RP") to run the CIRP of the Corporate Debtor.



Resolution Professional had issued invitation for Expression of Interest (hereinafter referred as "EOI") in FORM G on August 24, 2022 in compliance with Regulation 36A of CIRP Regulations, 2016 in the newspaper in English and one in Hindi language and other in Kannada language for the submission of a resolution plan in accordance with the provision of the code.

As per the published FORM G, the last date for submission of EOI was stipulated as September 9, 2022, and last date stipulated for submission of resolution plan was October 31, 2022.

The Resolution Professional received three Resolution plans which were opened in presence of the COC Members in its 6th COC Meeting.

The RP with the approval of committee of creditors of the Company has filed an application before the Hon'ble NCLT, Kolkata seeking an extension of the period of Corporate Insolvency Resolution Process (CIRP) of the Company by Ninety (90) days in terms of section 12(2) of the insolvency and Bankruptcy code 2016. The Hon'ble NCLT Kolkata had granted an extension of the CIRP Period of the Company by further period of Ninety (90) days with effect from December 7, 2022 vide its order dated January 30, 2023.

One of the Promoters of the Company Mr. Sundeep Shah had filed the application under section 12A of the IB Code 2016 which was place before the COC members in the 10th meeting held on February 13, 2023. The said in-principal letter was put to vote before the COC members which could not attain the requisite votes and was Rejected by the members of COC.

All 3 (three) resolution plans were put to vote before the COC members for their consideration and approval out of which the Resolution plan submitted by Baumann Dekor through Mr. Ajay Bikram Singh was approved by the Committee of Creditors (COC) in its 11th (COC) meeting held on March 03, 2023 with 88.30% of voting shares.

Subsequently, on March 09, 2023 the Application for Approval of Resolution Plan under section 30(6) and section 31(1) of the Insolvency and Bankruptcy Code, 2016 read with regulation 39 of IBBI (Insolvency Resolution Process for Corporate Person) Regulation, 2016 was filed by the Resolution Professional with Honorable National Company Law Tribunal (NCLT) Kolkata for its approval which is still pending.

In terms of Section 17 of the Code, on commencement of the Corporate Insolvency Resolution Process (CIRP), the powers of the Board of Directors of ESIL stands suspended and the same are being exercised by Mr. Anil Kohli, Resolution Professional. The management of the affairs of ESIL has been vested with Mr. Anil Kohli.

DIVIDEND

As the Company has incurred losses during the period under review, the Board of Directors does not recommend any dividend on Equity Shares for the financial year ended on 31st March 2023. The Board of Directors does not also declare dividend on Redeemable Cumulative Preference Shares for the financial year ended on 31st March 2023.

TRANSFER TO RESERVES

During the year under review, the Company has made no transfer to reserves.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No Material Changes has been occurred which affects the financial position of the Company which have occurred between the F.Y.2022-23 and the date of this report:

CHANGES IN NATURE OF BUSINESS, IF ANY

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. There has been no change in the nature of business of the company during the year under review and the Company continues to carry on its existing business.

CHANGES IN CAPTIAL STRUCTURE

There was no change in the authorised share capital and paid-up share capital of the Company during the year under review.

During the year under review, the Company has not issued shares with differential voting rights nor granted any stock options or sweat equity and none of the Directors of the Company hold instruments convertible into equity shares of the Company.

PUBLIC DEPOSIT SCHEME

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

SUBSIDIARIES, JOINT VENTURES & ASSOCIATES COMPANIES

The Company does not have any associate and joint venture, neither any subsidiary company have been liquidated or sold, during the year under review.

**BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In view of the order of the Hon'ble National Company Law Tribunal, dated June, 10 2022, the powers of the Board of Directors of the Company stands suspended and such powers shall be vested with the Resolution Professional.

During the year under review there is no change in the Directors and Key Managerial Personnel of the company. The details of the Directors and Key Managerial as on March 31, 2023 are given below:-

DIRECTORS

Mr. Sundeep Shah (DIN.00484311), Chairman Cum Managing Director,
Ms. Megha Shah (DIN: 07172597), Executive Director,
Mr. Madhu Kant Sharma (DIN: 01836989), Non-Executive Independent Director,
Mr. Pankaj Kumar Deorah (DIN: 03426417), Non-Executive Independent Director and
Mr. G.D. Harnathka (DIN: 01360829), Non-Executive Independent Director.
Mr. Abhishek Haralalka (DIN: 08836412) Non-Executive Independent Director.

KEY MANAGERIAL PERSONNEL

There is no change in the Key Managerial Personnel of the Company during the year under review.

Following are the Key Managerial Personnel of the Company:

Mr. Sundeep Shah – Managing Director
Mr. Prateek Chhawchharia – Chief Financial Officer (CFO)
Mr. Rahul Jaiswal – Company Secretary

DIRECTORS' RESPONSIBILITY STATEMENT

Since your Company is under the CIRP, the powers of the Board of Directors are suspended, and such powers are vested with the Resolution Professional, pursuant to Section 17 of the IBC Code.

In light of the aforesaid and pursuant to the requirements of Section 134(3)(c) and 134(5) of the Act with respect to Directors' Responsibility Statement, it is hereby confirmed by the Chief Financial Officer and the Resolution Professional that:

- i) in the preparation of the annual accounts for the year ended March 31, 2023, 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) appropriate Accounting Policies have been selected and applied consistently. 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 as on 31st March, 2023 and of the Profit and Loss Account for the Financial Year ended 31st March, 2023.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and preventing & detecting fraud and other irregularities.
- iv) The Annual Accounts have been prepared on a going concern basis.
- v) The Internal Financial Controls were in place and that there are adequate and were operating effectively.
- vi) Proper systems are in place to ensure compliance of all laws applicable to the Company and that such systems are adequate and operating effectively.

NUMBER OF MEETINGS OF THE BOARD

During the period under review but prior to the commencement of the CIRP, the Board of Directors met one times. The details regarding the attendance and the date of Board Meetings are provided in the Corporate Governance Report. After the Commencement of CIRP, the role and responsibilities of the Board of Directors are being fulfilled by the Resolution Professional in accordance with sections 17 and 23 of IBC 2016 and powers of the Board of Directors are suspended. Hence, no meetings of the Directors were held after the Commencement of CIRP i.e. June 10, 2022.

DETAILS OF COMMITTEES OF THE BOARD**i) AUDIT COMMITTEE**

During the period under review but prior to the commencement of the CIRP, the Audit Committee met one times. The details regarding the composition, attendance and the date of Audit Committee are provided in the Corporate Governance Report. After the Commencement of CIRP the role and responsibilities of the Board of Directors are being fulfilled by the Resolution Professional in accordance with sections 17 and 23 of IBC Code and powers of the Board of Directors are suspended. Hence, no meetings of the Audit Committee were held after the Commencement of CIRP i.e. June 10, 2022.

**ii) STAKEHOLDERS RELATIONSHIP/GRIEVANCE COMMITTEE**

During the period under review but prior to the commencement of the CIRP, the Stakeholders Relationship/Grievance Committee not met any meeting during the year. The details regarding the composition, attendance and the date of Stakeholders Relationship/Grievance Committee are provided in the Corporate Governance Report. After the Commencement of CIRP the role and responsibilities of the Board of Directors are being fulfilled by the Resolution Professional in accordance with sections 17 and 23 of IBC Code and powers of the Board of Directors are suspended. Hence, no meetings of the Stakeholders Relationship/Grievance Committee were held after the Commencement of CIRP i.e. June 10, 2022.

iii) NOMINATION & REMUNERATION COMMITTEE

During the period under review but prior to the commencement of the CIRP, the Nomination & Remuneration Committee not met any meeting during the year. The details regarding the composition, attendance and the date of Nomination and Remuneration Committee are provided in the Corporate Governance Report. After the Commencement of CIRP the role and responsibilities of the Board of Directors are being fulfilled by the Resolution Professional in accordance with sections 17 and 23 of IBC Code and powers of the Board of Directors are suspended. Hence, no meetings of the Nomination & Remuneration Committee were held after the Commencement of CIRP i.e. June 10, 2022.

iv) SHARE TRANSFER COMMITTEE

During the period under review but prior to the commencement of the CIRP, the Share Transfer Committee not met any meeting during the year. The details regarding the composition, attendance and the date of Share Transfer Committee are provided in the Corporate Governance Report. After the Commencement of CIRP the role and responsibilities of the Board of Directors are being fulfilled by the Resolution Professional in accordance with sections 17 and 23 of IBC Code and powers of the Board of Directors are suspended. Hence, no meetings of the Share Transfer Committee were held after the Commencement of CIRP i.e. June 10, 2022.

PERFORMANCE EVALUATION OF BOARD

As specified the Company has been admitted under CIRP under Section 7 of the Code w.e.f 10th June 2022. Thereafter, in accordance with Section 17 of the Code, the powers of the Board stood suspended and be exercised by the Interim Resolution Professional until replaced by Resolution Professional. Accordingly, due to the suspension of the powers of the board, no Board evaluation has been carried out during the year under review.

DECLARATION BY INDEPENDENT DIRECTORS

Declarations pursuant to the Sections 164(2) and 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015 and that they have registered their names in the Independent Directors' Databank, as well as affirmation of compliance with the Code of Conduct, by all the Independent Directors of the Company have been made. In the opinion of the Board, the Independent Directors hold highest standard of integrity and possess the requisite qualifications, experience, expertise, and proficiency.

NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed nomination and remuneration Policy for selection and appointment of Directors, Key Managerial Personnel and their remuneration as well as policy on the appointment and remuneration of other employees. The Remuneration Policy is stated in the Corporate Governance Report that forms part of this Annual Report.

HUMAN RESOURCES

The Company has a workforce of 289 employees with a mix of people from different social, economic, and geographic backgrounds. The Company has maintained healthy, cordial, and harmonious industrial relations at all levels through proactive ER, development initiatives, gender diversity and community development.

Performance of the Company is anchored on its capabilities and productivity, customer-centric culture through a strong service orientation; happiness through purposeful behavior by high-quality talent; value-oriented through a deep commitment to the values of the Company.

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. However the Company hopes to turn around its performance once the new Resolution Applicant is on board the Company and the adequate funding to run the plant is introduced.

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. The manufacturing units of the Company are environment regulations complaint.

**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**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report and Marked as “**Annexure II**”.

Further, the disclosure pursuant to Section 197(14) of the Companies Act, 2013 in respect of remuneration or commission received from any holding or subsidiary company of the company by any Managing Director or Whole Time Director who is also in receipt of commission from that company is not available with the company.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 or any statutory modification or amendment in these Rules, a statement showing the name of top ten employees in terms of Remuneration drawn forms part of the Report and annexed to this report and marked as “**Annexure II**”. Further, there was no employee in the Company who drawn the remuneration in excess of the limits set out in the said Rules. Therefore, the disclosure for the same is not required.

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 Requirements) Regulations, 2015 with the Stock Exchange form part of the Annual Report as “**Annexure III**”.

CODE OF CONDUCT

As per the Listing Regulations, 2015, the Board of the Company has laid down Code of Conduct for all the Board members of the Company and Senior Management Personnel as well and the same has been posted on Website of the Company which can be access by the following link www.easternsilk.com.

The certificate pertaining to the compliance to the Code of Conduct is also annexed to the report and marked as “**Annexure- IV**”

PARTICULARS OF LOANS, GURANTEES, INVESTMENTS AND SECURITIES MADE

The particulars of loans, guarantees given, security provided and investments made during the year as per Section 186 of the Companies Act, 2013, if any, form part of the notes and schedules of the Financial Statements provided in this Annual Report.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Related Party Policy is also uploaded on the website of the Company & can be accessed on www.easternsilk.com.

Since all related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and there was no material related party transactions entered into by the Company during the financial year, accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not required.

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

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. Madhu Kant Sharma and Mr. G.D. Harnathka are the members of the CSRC. Since the Company had incurred cash losses in the immediately preceding financial year, 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, than board will be frame and 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.

No Meeting of Corporate Social Responsibility Committee was held during the year.

NOTES TO ACCOUNTS

They are self-explanatory and do not require any explanations.



RISK MANAGEMENT

The Company has been addressing various risks impacting the Company and the policy of the Company. During the year, your Directors and RP 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 programs involve risk identification, assessment and risk mitigation planning for strategic, operational, and financial compliance related risks across various levels of the organization.

The Board is successfully, identifying the elements of risks involved along with its severity and their impact on the existence of the Company.

Furthermore, In terms of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 the Company is not required to form Risk Management Committee.

INTERNAL FINANCIAL CONTROLS

The Company has established Internal Financial Control System for ensuring the orderly and efficient conduct of the business including adherence to Company's Policies, the safeguarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable Financial Statements.

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.

AUDITORS

M/s B.K. Shroff & CO, Chartered Accountants, Kolkata (Firm Regn. No. 302166E) was appointed as the Statutory Auditors of the Company, for a period of 5 years, commencing from the conclusion of 76th AGM till the conclusion of the 81st AGM to be held in the year 2027.

Audit Observations and Suspended Board response for the Standalone Financial Statements for the Financial Year ended on 31.03.2023

Statutory Auditors have expressed qualified opinions. The details of the audit qualification and the response of the Suspended Board are furnished below:-

Sr. No	Qualified Opinion	Reply of Management
1. (a)	<i>Material Uncertainty Related to Going Concern, Basis for Qualified Opinion and the Emphasis of Matter paragraphs. On 10th June, 2022, the National Company Law Tribunal (NCLT), Kolkata Bench, directed to Initiate Corporate Insolvency Resolution Process (CIRP) against the Company by admitting the application under section 7 of Insolvency and Bankruptcy Act, 2016 filed by Export-import Bank of India one of the Financial Creditors as stated in Note 37 (a) to the Ind AS financial statements. Further, Resolution Plan submitted by one of the Prospective Resolution Applicant was also approved by the Committee of Creditors (COC) members in their meeting held on 3rd March 2023 and the application for approval of said Resolution Plan was filed with Hon'ble National Company Law Tribunal on 9th March 2023 and the same is pending for approval as stated in Note 37 (e) to the Ind AS financial statements.</i>	<i>The Board of Directors (Power under Suspension) have vast experience to run the industry. The Company have come to this position due to Covid 19 outbreak which was declared a global pandemic by world health Organization & affect world economy as well as Indian economy. To boost up the business company required financial assistance for upgrading the plant and machinery and working capital, for funding requirement we approach the bankers to sale non-core asset of the Company but bankers have not issued the noc for the same which are pledge to bank.</i>
1. (b)	<i>Note No. 52 to the Ind AS financial statements also indicate that the Net</i>	<i>The Company considering the continuing substantial losses incurred by the Company, its net worth has been</i>



	worth of the Company has been fully eroded	eroded. However, having regard to better operational performance expected in future and ongoing CIRP, the financial statements of the Company have been prepared on the basis of going concern and no adjustments are made to the carrying value of assets and liabilities.
1. (c)	The above conditions indicate the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going Concern. However, the financial statements of the company have been prepared on a going concern basis for the reason stated in Note No. 37 (f) to the Ind AS Financial Statements, in view of ongoing CIRP, the outcome of which cannot be presently ascertained	The Company's ability to continue as a going concern is dependent upon many factors including continued support from the Company Officials/Management, employees, operational creditors, customers and submission of viable resolution plan by the prospective Investor. Under the CIRP, the resolution plan has been approved by the COC and thereafter was filed with Hon'ble NCLT for seeking their approval. Whereupon, in accordance with the CoC & NCLT approved plan, the Company will be handed over to the successful resolution applicant upon full implementation of approved Plan. In view of the opinion of the management, CoC approved resolution Plan, the revival of the Company is possible in the foreseeable future. Accordingly, the financial statements of the company have been prepared on going concern basis as plant is working and the decision of Hon'ble NCLT on approval of Resolution Plan is pending.
2.	Note No. 35 (a) to the Ind AS financial statements which states that the company has not provided interest to lenders amounting to Rs. 4,852.38 Lakhs for the period upto 31 st March'2023 as per the management estimates	The Company has been categorised as Non-Performing Asset and stopped debiting interest on their outstanding debts by the existing lender banks/financial institution as per the Prudential Norms on Income Recognition issued by the Reserve Bank of India. Accordingly, the Company has not recognised interest expense on such borrowings amounting to Rs. 4,852.38 Lakhs till 31 st March, 2023 as per the management estimates.
3.	Note No. 35(b) to the Ind AS financial statements which states that the company has not provided interest on borrowings from ARC's amounting to Rs. 3,183.69 lakhs for the period up to 31 st March 2023.	In terms of the Settlement Arrangement arrived with the ARC's, the Company failed to meet certain scheduled payment of Instalments within the stipulated time. However, the management were continuously discussing the present position of the Company with the ARC's for waiver of interest before initiation of CIRP process against the Company (Refer Note 37). Consequently, provision for interest amounting to Rs.3,183.69 lakhs for the period up to 31 st March 2023 has not been made in the books of accounts as per the management estimates.
4.	Note No. 41 to the Ind AS financial statements which states that total deferred tax assets (DTA) for the period up	In terms of Ind AS-12, further Deferred Tax Assets (DTA) of Rs. 3,010.99 Lakhs (P.Y. Rs. 4,289.23 Lakhs) is required to



<p><i>to 31st March, 2023 is Rs. 7,583.97 Lakhs out of which Rs.4,572.98 lakhs have been recognized in these accounts and balance Rs. 3,010.99 Lakhs has not been recognised in these accounts. As there are existence of indicators of material uncertainty about company's ability to continue as going concern as stated above in "Material Uncertainty Related to Going Concern" paragraph, in our opinion, the earlier recognized DTA of Rs. 4,572.98 lakhs required to derecognized by the Company.</i></p>	<p><i>be recognized during the year. The Company has so far recognized DTA aggregating Rs. 4,572.98 Lakhs. Earlier recognitions were made based on future profitability and projections. The management is of the opinion that net DTA of Rs. 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.</i></p>
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COST AUDITORS

The Board of Directors of the Company, pursuant to Section 148(3) of the Companies Act, 2013, read with Rule 14 of Companies (Audit and Auditor Rules), 2014, has appointed M/s. N. Radhakrishnan & Co., Cost Accountant for conducting the audit of cost records of the Products 'Silk fabrics', 'Cotton Fabrics', 'Linen Fabrics' and 'Polyester Fabrics' maintained by the Company for the Financial Year 2022-23.

The Company maintained the cost records as specified by the Central Government under Sub-section (1) of Section 148 of the Companies Act, 2013.

The cost audit report of M/s N. Radhakrishnan & Co., Cost Accountant, for the financial year 2022-23 does not contains any adverse qualification or remarks.

SECRETARIAL AUDITOR

The Board has appointed Ms. Garima Gupta, Practicing Company Secretary, to conduct Secretarial Audit for the Financial Year 2022-23. The Secretarial Audit Report for the financial year ended March 31,2023 is annexed herewith marked as "**Annexure V**" 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 issued by the Institute of Company Secretaries of India.

WEB LINK OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act, the draft Annual Return of the Company for the Financial Year 31st March, 2023 is uploaded on the website of the Company and can be accessed at www.easternsilk.com. The final Annual Return shall be uploaded in the same web link after the said Return is filed with the Registrar of Companies.

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 www.easternsilk.com.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

The application filed by the Exim Bank of India Limited against the company under Sec. 7 of The Insolvency Bankruptcy Code 2016, has been approved by the Honorable National Company Law Tribunal, Kolkata Bench ('NCLT') dated June, 10, 2022. The Committee of Creditors meeting was conducted and a Resolution Professional was appointed.

Consequent to an order of the Honorable National Company Law Tribunal, Hyderabad Bench ('NCLT') dated June, 10, 2022, the Company is currently under Corporate Insolvency Resolution Process ('CIRP') as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) and as per Section 17 of the Code, the powers of the Board of Directors of Eastern Silk Industries Limited (Corporate Debtor) stands suspended and such powers shall be vested with Mr. Anil Kohli, Resolution Professional.

To the best of our knowledge, there seems to have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

LISTING OF SHARES

The Equity Shares of your Company are listed on National Stock Exchange of India Limited (NSE). The Listing fee for the financial year 2022-23 was duly paid.



DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards discrimination and harassments including sexual harassment and always strives to create and provide a healthy environment in the workplace(s). It has in place a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaint on sexual harassment was received during the Financial Year 2022-2023. The details are as under:

The details of the sexual harassment cases received, disposed of and pending are given below:-

Number of Sexual Harassment Cases pending in the beginning of the Financial Year i.e.01.04.2022	Number of Sexual Harassment cases received during the Financial year 2022-23	Number of Sexual Harassment cases disposed off during the Financial year 2022-23	Number of Sexual Harassment cases pending at the end of Financial year 2022-23
NIL	NIL	NIL	NIL

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 ESOP 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. None of the directors of the Company have resigned.

ACKNOWLEDGEMENT

The Resolution Professional / Directors would like to express their sincere appreciation for the assistance and cooperation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. The Resolution Professional/Directors also wish to place on record their deep sense of appreciation for the dedication of the employees at all levels, which has been require for the Company's success. The Directors/Resolution Professional of the Company look forward to their continued support in future.

Note: The Company is undergoing CIRP and the powers of Board are suspended. Hence this report has been initialed by RP in order to meet the compliance.

Registered Office:
19 R N Mukherjee Road
Kolkata 700 001
Dated: 29th August 2023

By Order of the Suspended Board

Sd/-
SUNDEEP SHAH
Din: 00484311
Chairman & Managing Director
(Power under Suspension during CIRP)

Sd/-
MEGHA SHAH
Din:07172597
Wholetime Director
(Power under Suspension during CIRP)

Sd/-
ANIL KOHLI
(Resolution Professional of Eastern Silk Industries Limited)
Taken on record

Place: New Delhi
Dated: 29th August 2023



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

1. Electricity			Current Year	Previous Year
(a)	Purchased	Units	21,11,832.00	22,40,203.00
	Total Amount	₹	1,98,51,226.00	2,00,29,481.00
	Rate/Unit	₹	9.40	8.94
(b)	Own Generation through Diesel Generator	Units	27,384.00	70,812.00
	Total Amount	₹	9,37,619.00	19,61,236.00
	Cost/Unit	₹	34.24	27.70
2. (a)	Briquettes			
	Quantity	Kgs	6,73,695.00	15,21,545.00
	Total Amount	₹	57,49,153	91,72,368
	Cost/Unit	₹	8.53	6.03
(b)	Fire Wood			
	Quantity	Kgs.	8,68,480.00	31,110.00
	Total Amount	₹	26,18,205.00	1,18,218.00
	Cost/Unit	₹	3.01	3.80

(B) Consumption per unit of products:

Fabrics	Mtrs	5,42,032.50	5,41,210.41
Electricity	₹	36.62	37.10
Briquettes	₹	10.61	16.95
Fire Wood	₹	4.83	0.22
Diesel	₹	1.73	3.62



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 | <table border="0"> <tr> <td>Capital</td> <td>. Nil</td> </tr> <tr> <td>Recurring</td> <td>. Nil</td> </tr> <tr> <td>R&D Expenditure as a percentage of turnover</td> <td>-</td> </tr> </table> | Capital | . Nil | Recurring | . Nil | R&D Expenditure as a percentage of turnover | - |
| 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 software's 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. | <p>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.</p> <p>Travelling expenses in respect of such activities are also expensive. Travelling by the sales personnel also brings in order for the Company's products.</p> |
| (b) i) Overseas Travelling
ii) Commission to Agents
iii) Consultation Fees
iv) Others | <p>The information on foreign exchange earnings and outgo is contained in the Note No. 56 & 57 of Notes on Financial Statements.</p> |

19 R N Mukherjee Road
Kolkata 700 001
Dated: 29th August 2023

By Order of the Suspended Board
Sd/-
SUNDEEP SHAH
Din:00484311
Chairman & Managing Director
(Power under Suspension during CIRP)
Sd/-
MEGHA SHAH
Din:07172597
Wholtime Director
(Power under Suspension during CIRP)

Place: New Delhi
Dated: 29th August 2023

Sd/-
ANIL KOHLI
(Resolution Professional of Eastern Silk Industries Limited)
Taken on record



DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Rule	Particulars			
i.	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	a.	Mr. Sundeep Shah, Chairman & Managing Director	1.1:1(Please refer Note 1)
		b.	Ms. Megha Shah, Wholetime Director	0.41:1(Please refer Note 1)
ii.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.		Mr. Sundeep Shah, Chairman & Managing Director	(Please refer Note 1)
			Mr. Prateek Chhawchharia , Chief Financial Officer	14.88%
			Mr. Rahul Jaiswal, Company Secretary	(Please refer Note 2)
iii.	The percentage increase in the median remuneration of employees in the financial year.			10.15%
iv	The number of permanent employees on the rolls of the Company.			289
v.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration			Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year was 12%. There has been a increase in the remuneration of the chief financial officer due to revision in their remuneration structure made effect from 1 st November 2022.
vi.	It is hereby affirmed that the remuneration is as per the Remuneration policy of the Company.			

Note:

**1. No remuneration was paid to Managing Director and Wholetime Director Executive Directors during the CIRP period initiated by the order of NCLT dated 10th June, 2022 onwards hence, ratio and percentage increase are not comparable for the financial year 2022-23.

2. The appointment of Mr. Rahul Jaiswal Company Secretary at the current designation as stated above with effect from 16th November 2021 during the financial year 2021-22 and hence, percentage increase is not comparable for the financial year 2022-23.

3. For calculation of median remuneration of employees for the current and previous year, the remuneration of employees who were on the payroll as on 31st March of each year respectively, have only been considered.



DISCLOSURE PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULES 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, A STATEMENT SHOWING THE NAME OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN

SL. No.	Employee Name	Designation	Nature of Duties	Qualification	Joining date	Age (In Years)	Experience (Yrs)	Gross Salary (In Rs.)	Previous Employment Designation
1	Vishalakshi S	Weaving Manager	Weaving Designer	Diploma textile	01/04/2013	40	10	1221324	N.A.
2	Prateek Chhawchharia	Chief Financial Officer	(Managing Financial, Commercial, Administration, Legal Activities)	Graduate, CA Inter	01/11/2016	34	7	965000	Primarc Projects Private Limited
3	Srinivasan H	Velvet Manager	Velvet Designer	Diploma designing and weaving	23/04/2007	43	16	924000	N.A.
4	Manu Rustagi	Sale Manager	Sales and marketing management	Graduate, Diploma export management	01/09/2008	43	15	906648	N.A.
5	Abhinay Todi	Sale Manager	Sales and marketing management	Graduate	01/04/2012	42	11	900000	N.A.
6	Rahul Jaiswal	Company Secretary	Secretarial Compliance, Lodrs, Companies Act 2013	Company Secretary, Graduate	16/11/2022	37	8	875060	B. Chhawchharia & Co, Chartered Accountant
7	Dilip Shah	Vice President	Finance & Accounts, Sales And Marketing Management	Chartered Accountant, Graduate	01/06/2003	49	20	840000	N.A.
8	Kodandarama A	Planning Manager	Planning Of Production	MBA, Post Graduate	01/01/2005	45	18	840000	N.A.
9	Ravindra Kumar	Purchase Manager	Purchase And Marketing Management	Under Graduate	01/10/2015	38	7	810120	N.A.
10	Mallikarjun Nidagundi	Weaving Master	Managing and controlling the entire production of fabrics	Diploma textile and technology	01/06/2022	48	1	800000	Sankhla Industries Limited

**REPORT ON CORPORATE GOVERNANCE**

In accordance with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange, a Report containing the details of Corporate Governance of Eastern Silk Industries Limited for the year 2022-23 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 and the principles of integrity, transparency, accountability and commitment to values. The framework is driven by the objective of enhancing long term stakeholder value without compromising on ethical standards and corporate social responsibilities. The Company believes in transparency, empowerment, accountability and integrity in its operations having duly delegated authority to the various functional heads who are responsible for attaining the corporate plans with the ultimate purpose of enhancement of “stakeholder value”.

II. CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP)

The Corporate Insolvency Resolution Process (“CIRP”) against Eastern Silk Industries Limited (“**Company/ Corporate Debtor**”) was initiated the Hon’ble National Company Law Tribunal, Principal Bench at Kolkata (“**Adjudicating Authority**”) under Section 7 of the IB Code vide its order dated 10th June 2022. The Adjudicating Authority vide the order of the same date appointed Mr. CA Anil Agarwal IP Registration No. IBBI/IPA-001/IPP00270/2017-2018/10514 as the Resolution Professional (“**IRP**”) to conduct the CIRP of the Corporate Debtor. Later, in the first CoC Meeting of the Corporate Debtor held on 8th July 2022, Mr. Anil Kohli was appointed as the Resolution Professional (“**RP**”) to run the CIRP of the Corporate Debtor.

Resolution Professional had issued invitation for Expression of Interest (hereinafter referred as “EOI”) in FORM G on August 24, 2022 in compliance with Regulation 36A of CIRP Regulations, 2016 in the newspaper in English and one in Hindi language and other in Kannada language for the submission of a resolution plan in accordance with the provision of the code.

As per the published FORM G, the last date for submission of EOI was stipulated as September 9, 2022, and last date stipulated for submission of resolution plan was October 31, 2022.

The Resolution Professional received three Resolution plans which were opened in presence of the COC Members in its 6th COC Meeting.

The RP with the approval of committee of creditors of the Company has filed an application before the Hon’ble NCLT, Kolkata seeking an extension of the period of Corporate Insolvency Resolution Process (CIRP) of the Company by Ninety (90) days in terms of section 12(2) of the insolvency and Bankruptcy code 2016. The Hon’ble NCLT Kolkata had granted an extension of the CIRP Period of the Company by further period of Ninety (90) days with effect from December 7, 2022 vide its order dated January 30, 2023.

One of the Promoters of the Company Mr. Sundeep Shah had filed the application under section 12A of the IB Code 2016 which was place before the COC members in the 10th meeting held on February 13, 2023. The said in-principal letter was put to vote before the COC members which could not attain the requisite votes and was Rejected by the members of COC.

All 3 (three) resolution plans were put to vote before the COC members for their consideration and approval out of which the Resolution plan submitted by Baumann Dekor through Mr. Ajay Bikram Singh was approved by the Committee of Creditors (COC) in its 11th (COC) meeting held on March 03, 2023 with 88.30% of voting shares.

Subsequently, on March 09, 2023 the Application for Approval of Resolution Plan under section 30(6) and section 31(1) of the Insolvency and Bankruptcy Code, 2016 read with regulation 39 of IBBI (Insolvency Resolution Process for Corporate Person) Regulation, 2016 was filed by the Resolution Professional with Honorable National Company Law Tribunal (NCLT) Kolkata for its approval which is still pending.

In terms of Section 17 of the Code, on commencement of the Corporate Insolvency Resolution Process (CIRP), the powers of the Board of Directors of Eastern Silk Industries Limited (ESIL) stands suspended and the same are being exercised by Mr. Anil Kohli, Resolution Professional. The management of the affairs of ESIL has been vested with Mr. Anil Kohli and as per Securities and Exchange Board of India Notification dated 31 May, 2018 on SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, The provisions as specified in regulations 17, 18, 19, 20 and 21 shall not be applicable during the insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 (IBC).

In terms of Section 17 of the Code, on commencement of the Corporate Insolvency Resolution Process (CIRP), the powers of the Board of Directors of ESIL stands suspended and the same are being exercised by Mr. Anil Kohli, Resolution Professional. The management of the affairs of ESIL has been vested with Mr. Anil Kohli.

EASTERN SILK INDUSTRIES LTD.



As per Securities and Exchange Board of India Notification dated 31 May, 2018 on SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, The provisions as specified in regulations 17 shall not be applicable during the insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 (IBC).

SIZE AND COMPOSITION OF THE BOARD

The Suspended Board comprises of six directors including two executive and four Non-Executive Independent directors as on 31st March, 2023. The composition of the Board of Directors and also the number of the Board of Directors or Board Committees of which they are Member / Chairperson are as under:

Name of the Director	Category	No. of other Directorship	No. of Membership of other Board Committee	No. of other Board Committee for which Chairperson
Mr. Sundeep Shah	Chairman & Managing Director	2	–	–
Ms. Megha Shah	Executive Director	–	–	–
Mr. G.D. Harnathka	Non-Executive, Independent Director	–	–	–
Mr. Madhu Kant Sharma	Non-Executive, Independent Director	1	–	–
Mr. Pankaj Kumar Deorah	Non-Executive, Independent Director	1	–	–
Mr. Abhishek Haralalka	Non-Executive, Independent Director	–	–	–

The Company through periodical presentation to Board of Directors and various committee of Directors and individually provides an opportunity to independent directors to facilitate their active participation and familiarise the Company's business

Attendance of Directors at the meetings of Board and at last Annual General Meeting

During the year under review, One Board Meetings were held on 30th May, 2022. After the Commencement of CIRP the role and responsibilities of the Board of Directors are being fulfilled by the Resolution Professional in accordance with sections 17 and 23 of IB Code and powers of the Board of Directors are suspended. Hence, no meetings of the Directors were held after the Commencement of CIRP i.e. June 10, 2022. The attendance of the Directors for the Board Meeting and the last Annual General Meeting (AGM) was as follows:

Name of the Director	Date of Board Meeting	Meeting Attended	Whether attended the last AGM
Mr. Sundeep Shah	30/05/2022	1 out of 1	Yes
Ms. Megha Shah	30/05/2022	1 out of 1	Yes
Mr. G.D. Harnathka	30/05/2022	1 out of 1	No
Mr. Madhu Kant Sharma	30/05/2022	1 out of 1	Yes
Mr. Pankaj Kumar Deorah	30/05/2022	1 out of 1	No
Mr. Abhishek Haralalka	30/05/2022	1 out of 1	Yes

Number of other Directorships and Chairmanship/Membership of Committees and Name of the listed entities & Category of directorship of each Director in various Companies are as hereunder:

The number of Directorships and Committee memberships including name of listed entities and category of Directorship in other Companies as on March 31, 2023 are given hereunder:

Name of the Director	Directorship in other Companies		Committee Memberships held in other Companies (Note 2)	
	No. of Directorship (Note 1)	Name of Listed entities & Category of Directorship	Member	Chairman
Mr. Sundeep Shah	0	None	0	None
Ms. Megha Shah	0	None	0	None
Mr. G.D. Harnathka	0	None	0	None
Mr. Madhu Kant Sharma	0	None	0	None
Mr. Pankaj Kumar Deorah	0	None	0	None
Mr. Abhishek Haralalka	0	None	0	None



Note 1: Number of Directorships in other Companies excludes Directorships in Private Limited Companies, Foreign Companies and Companies incorporated under Section 25/8 of the Companies Act, 1956/2013.

Note 2: Board Committee Chairmanships/Memberships in other Companies includes only Chairmanships/ Memberships of Audit Committees and Stakeholders Relationship Committees.

Note 3: Board Committee Memberships in other Companies includes Chairmanships in Committees of other Companies.

Disclosure of relationships between directors inter-se:

Mr. Sundeep Shah, Chairman & Managing Director is related to Ms. Megha Shah, Wholetime Director as per Section 2(77) of the Companies Act, 2013. Ms. Megha Shah is the daughter of Mr. Sundeep Shah. No other Directors are related to each other in terms of the definition of “relative” given under the Act.

Number of Shares and Convertible instruments held by Non-executive directors:

Name of the Director	No. of Shares and Convertible instruments held
Mr. G.D. Harnathka	Nil
Mr. Madhu Kant Sharma	Nil
Mr. Pankaj Kumar Deorah	Nil
Mr. Pankaj Kumar Deorah	Nil

Web link where details of familiarization programmes imparted to Independent Directors is disclosed.

The details of familiarization programmes imparted to Independent Directors are duly disclosed on the website of the Company.

The web link of the same is as follows: <http://www.easternsilk.com/InvestorRelations/FamiliarizationProgramme>

List of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business.

The relevant skill/expertise/competencies of the Board of Directors of the Company in the context of its multifaceted activities like manufacture of silk yarn, fabrics and made ups, home furnishings, fashion fabrics, double width fabric, scarves, laces, melts and embroidered fabrics. Shall be finance, industry experience, law, risk management and corporate governance and these are available with the Board.

The Board of Directors of the Company possesses the requisite skill/expertise/competencies in the context of its business to function effectively. The core skill/expertise/ competencies that are available with respective directors are as under:

Names of Directors who have such skills/ expertise/ competence	Core skills/expertise/ competencies identified by the Board of Directors as required in the context of its business
Mr. Sundeep Shah	Corporate Governance, Entrepreneur & Leadership
Mr. Ghanshyam Das Harnathka	Corporate Governance, Account & Industry Experience
Mr. Madhu Kant Sharma	Corporate Governance, Finance, Account, Taxation & Law
Mr. Pankaj Kumar Deorah	Corporate Governance, Risk Management & Leadership
Ms. Megha Shah	Corporate Governance, Entrepreneur, Blending & Designing
Mr. Abhishek Haralalka	Corporate Governance, Export and Import of Textile and Allied Products

The Company has in place a system of preparation of the legal compliance report on quarterly basis of all applicable laws to the Company, and a system to ratify any instance of non-compliance. The Board also reviews the compliance reports periodically. The terms and conditions of appointment of independent director is also available on the Company’s website: <http://www.easternsilk.com>

Independent Directors

Independent Directors play a significant role in the governance processes of the Board by enriching the Board’s decision making and preventing possible conflicts of interest that may emerge in such decision making.

The Company has appointed Independent Directors as per the requirements of the Companies Act, 2013 (“Act”) and Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, (hereinafter referred to as “SEBI Listing Regulations”). The Nomination and Remuneration committee identifies candidates based on certain laid-down criteria and considers the need for diversity of the Board, and makes recommendations to the Board accordingly.

**Confirmation with respect to the Independent Directors**

None of the existing Independent Directors serves as Independent Director in more than seven listed companies in line with the requirements of SEBI Listing Regulations. The said Independent Directors have also confirmed that they meet the criteria of independence as laid down in the Act and SEBI Listing Regulations, as amended and they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. In the opinion of the Board, the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and are independent of management.

In compliance with rule 6(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors have also registered themselves on the Independent director's data bank maintained by the Indian Institute of Corporate Affairs.

Meeting of Independent Directors and Attendance Record:

Independent Directors are required to meet at least once in a year to deal with matters listed out in Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV to the Companies Act, 2013 which inter-alia includes, review of the performance of non-independent directors, Chairman and the Board as a whole and assess the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary to perform the duties by the Board of Directors. After the Commencement of Corporate Insolvency Resolution Process (CIRP), the Independent Directors had no Meeting during the period.

Further after the Commencement of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by Resolution Professional in accordance with sections 17 and 23 of Insolvency and Bankruptcy Code 2016 and powers of the Board of Directors stand suspended.

Reasons for the Resignation of Independent Director

During the Financial Year 2022-23 there were no resignation from the Independent Directors of the company.

Code of Conduct for Board Members and Senior Management

The Board of Vedant Fashions Limited had laid down a Code of Conduct for all the Board members and Senior Management of the Company. The Code of Conduct is posted on the website of the Company (weblink <http://www.easternsilk.com/InvestorRelations/CodeOfConduct>).

All Board members and Senior Management have affirmed compliance with the Code of Conduct and the Managing Director of the Company has confirmed the same. The same is annexed to the Report.

The Directors of the Company have expertise and skills in diverse fields and are well versed to guide the team in the core areas as mentioned above and lead the Company in the coming years.

III. AUDIT COMMITTEE**(a) Brief description of the Audit Committee.**

As per Securities and Exchange Board of India Notification dated 31 May, 2018 on SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, The provisions as specified in regulation 18 shall not be applicable during the insolvency resolution process period in respect of a listed entity which is undergoing corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 (IBC) so as per the circular the composition of the Audit committee is in accordance with the requirements of the Regulation under Securities and Exchange Board of India (Listing Obligation and Disclosure Regulations) 2015 and also Section 177 of the Companies Act, 2013 and Rule 6 and 7 of Companies (Meetings of Board and its Powers) Rules, 2014 shall be fulfilled by Resolution Professional and powers of the Board of Directors stand suspended.

As per the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, dated 31st May, 2019 the role and responsibilities of Audit Committee after the Commencement of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by Resolution Professional in accordance with sections 17 and 23 of Insolvency and Bankruptcy Code 2016.

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 Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchange and other relevant statutory / regulatory provisions.

(b) Responsibilities of Audit Committee

The Audit Committee is, inter alia, entrusted with the following responsibilities by the Board of Directors of the Company:

- (i) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (ii) Reviewing with the management quarterly, half yearly, nine months and annual financial statements i.e. Standalone, before submission to the Board for approval;



- (iii) Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
- (iv) Reviewing with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval;
- (v) Recommending the appointment, remuneration, terms of appointment and scope of Statutory Auditors of the Company and approval for payment towards any other service;
- (vi) Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- (vii) Reviewing the adequacy of internal audit function and discussing with the internal auditors on the significant findings and further course adopted;

(c) Composition, Name of Members , Chairperson, Meeting and Attendance

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.

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

During the financial year ended 31st March 2023, One Audit Committee meetings were held on 30th May 2022 respectively which were attended by all the members of the Committee. After the Commencement of Corporate Insolvency Resolution Process (CIRP) on 10th June 2022, the Audit Committee had no Meeting during the period. 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	Date of Meeting held on
Mr. Abhishek Harlalka	Chairman	Non-Executive Independent Director	1	30/05/2022
Mr. Sundeep Shah	Member	Executive Promoter Director	1	30/05/2022
Mr. Madhu Kant Sharma	Member	Non-Executive Independent Director	1	30/05/2022

Internal Auditors

During the FY 2022-23, the Company had appointed Mr. Dilip Raj Kumar Shah as the Internal Auditors of the Company.

IV. NOMINATION & REMUNERATION COMMITTEE

(a) Brief description and terms of reference of Nomination & Remuneration Committee.

The Board of Directors has constituted a Nomination and Remuneration Committee of Directors. The role of the committee is to perform all such matters as prescribed under the Companies Act, 2013 and Schedule II - Part D about Role of Nomination and Remuneration Committee of Directors under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 19 Regulations, 2015, as may be amended / modified from time to time which inter-alia includes recommendation to Board of Directors remuneration policy for the Company, formulation of criteria for performance evaluation of Directors, Chairman, Board and Committee of Directors, appointment of Director, appointment and remuneration of Managing Director and Key Managerial Personnel. The Committee will also deal with matters as may be assigned from time to time by the Board of Directors.

The Committee comprises of one Non-Executive Independent Director as Chairman, one Non-Executive Independent Director and one Non-Executive-Independent Director as member The Company Secretary acts as the Secretary of the Committee.

(b) Composition, Name of Members, Chairperson, Meeting and Attendance

The Members of the Nomination & Remuneration Committee are Mr. Abhishek Haralalka (Chairman) Mr. Madhu Kant Sharma and Mr. Pankaj Kumar Deorah being the members of the Committee.

The role and responsibilities of the Committees after the Commencement of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by Resolution Professional and powers of the Board of Directors stand suspended.

During the review in the financial year 2022-23 had no meeting conducted.

Name of the Director	Position	Category	No. of Meeting Attended
Mr. Madhu Kant Sharma	Member	Non-Executive Independent Director	-
Mr. Abhishek Haralalka	Chairman	Non-Executive Independent Director	-
Mr. Pankaj Kumar Deorah	Member	Non-Executive Independent Director	-



(c) Performance evaluation criteria by Independent Directors

The Companies Act, 2013 and Listing Regulations, 2015 has enabled an evaluation mechanism to appraise the performance of the Independent Directors. In terms of that, the Nomination & Remuneration Committee of the Company has laid down the criteria for the evaluation of the Independent Directors of the Company. The performance of Independent Directors shall be done by the entire Board of Directors (excluding the Director being evaluated) and on the basis of evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

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 COMMITTEE OF DIRECTORS

(a) Brief description and terms of reference of Stakeholder Relationship Committee.

The role and responsibilities of the Committees after the Commencement of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by Resolution Professional in accordance with sections 17 and 23 of Insolvency and Bankruptcy Code 2016 and powers of the Board of Directors and their Committees stand suspended.

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.

(b) Composition, Name of Members , Chairperson, Meeting and Attendance

The Committee comprises of two non-executive independent directors namely Mr. Abhishek Haralalka (Chairman), Mr. Madhu Kant Sharma, and one Executive Director namely Mr. Sundeep Shah.

The Secretary of the Company Mr. Rahul Jaiswal is appointed as Company Secretary and Compliance officer of the Company with effect from 16th November, 2021.

No meeting of Stakeholder Relationship Committee was held during the year under review. As specified above that w.e.f 10th June 2022 the Company has been admitted to CIRP under Section 7 of the IB Code. Thereafter, in accordance with Section 17 of the Code, the powers of the Board stood suspended and be exercised by the Interim Resolution Professional until replaced by Resolution Professional.

Name of the Director	Position	Category	No. of Meeting Attended
Mr. Madhu Kant Sharma	Member	Non-Executive Independent Director	-
Mr. Abhishek Haralalka	Chairman	Non -Executive Independent Director	-
Mr. Sundeep Shah	Member	Executive Promoter Director	-



Status of Investor complaints received by the Company during the year under review is as follows:

Number of complaints received and resolved during the year:

Number of complaints pending at the beginning of the financial year 2022-23	Nil
Number of complaints received during the year 2022-23	3
Number of complaints redressed during the year 2022-23	3
Number of complaints pending at the end of the financial year 2022-23	Nil
Number of complaints not solved to the satisfaction of shareholders	Nil

VI. SHARE TRANSFER COMMITTEE OF DIRECTORS

(a) Brief description Terms of reference of Share Transfer Committee

The role and responsibilities of the Committees after the Commencement of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by Resolution Professional in accordance with sections 17 and 23 of Insolvency and Bankruptcy Code 2016 and powers of the Board of Directors and their Committees stand suspended.

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 the Share Transfer Committee/Board for its review. As on 31st March, 2023 no shares were pending for transfer. As per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from 1st April, 2019 except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. The Board of Directors has appointed the Company Secretary as Compliance Officer of the Company to monitor the share transfer process.

(b) Composition, Name of Members , Chairperson, Meeting and Attendance

The members of the Committee are Mr. Sundeep Shah, Ms. Megha Shah and Mr. Rahul Jaiswal. Mr. Sundeep Shah acts as the Chairman of the Committee.

No meeting of Share Transfer Committee was held during the year under review. As specified above that w.e.f 10th June 2022 the Company has been admitted to CIRP under Section 7 of the IB Code. Thereafter, in accordance with Section 17 of the Code, the powers of the Board stood suspended and be exercised by the Interim Resolution Professional until replaced by Resolution Professional.

Name of the Director	Position	Category	No. of Meeting Attended
Mr. Sundeep Shah	Chairman	Executive Director	-
Ms. Megha Shah	Member	Executive Director	-
Mr. Rahul Jaiswal	Member	Compliance Officer	-

VII. Details of remuneration for the year ended March 31, 2023

i) Executive Directors

Name of Director	Salary (In Rupees)	Other benefits (In Rupees)	Company's contribution to P.F (In Rupees)	Advance taken (In Rupees)	Performance linked incentive/ Annual Pay	Total Remuneration (excluding Advance) (In Rupees)
Mr. Sundeep Shah	2,50,000	13,000	30,000	-	-	2,93,000
Ms. Megha Shah	95,000	5,000	11,400	68,200	-	1,11,400
Total	3,45,000	18,000	41,400	68,200	-	4,04,400

Payment of remuneration to the Executive/Whole Time Directors of the Company is governed by the terms and conditions of their appointment as recommended by the Nomination and Remuneration Committee and approved by the Board at their respective meetings subject to the approval of the Shareholders.

No remuneration paid to Executive Directors of the Company during the CIRP period initiated by the order of NCLT dated 10th June 2022 onwards.



ii) Non-Executive Directors

Sitting fees for attending Board/Committee meetings are paid to the Non-Executive Directors. The Company pays the following sitting fees to its Directors for every Board meeting attended by them and Committee meetings:

Meeting	Amount of Sitting Fees(Rs).
Board Meeting	5000
Audit Committee Meeting	1000
Nomination and Remuneration Committee Meeting	1000
Stakeholders Relationship Committee Meeting	1000

During the period under review there is no Pecuniary Relationship or Transactions of the Non- Executive Directors with the company.

The criteria for making payments to non-executive Directors is available on the Company's website (weblink: <http://www.easternsilk.com/InvestorRelations/CriteriaPayments>)

During the financial year 2022-2023, no stock options were granted to any of the directors of the Company. The Company does not pay any performance incentives or severance fees.

But no sitting Fees paid to Non- Executive Directors of the Company during the CIRP period initiated by the order of NCLT dated 10th June 2022 onwards.

The details of notice period for the Directors are mentioned herein below:

Name of the Director	Notice period
Mr. Sundeep Shah	6 Months
Ms. Megha Shah	6 Months
Mr. G. D. Harnathka	-
Mr. Madhu Kant Sharma	-
Mr. Pankaj Kumar Deorah	-
Mr. Abhishek Haralalka	-

VIII. GENERAL BODY MEETING

i) General Meetings:

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

Date	Time	Venue	Particulars of special resolution passed
28 th September 2020	11:00 A.M.	Held through Video conferencing /other Audio-visual means	1. For the Re-appointment of Mr. Madhu Kant Sharma as Independent Director
8 th September 2021	11:00 A.M.	Held through Video conferencing /other Audio-visual means	1. For the re-appointment of Mr. Sundeep Shah as Managing Director 2. For the re-appointment of Ms. Megha Shah as Whole Time Director
15 th July 2022	11:00 A.M.	Held through Video conferencing /other Audio-visual means	No Special Resolution Passed

ii) Resolutions Passed through Postal Ballot

There were no resolutions passed in the financial year 2022-23 by postal ballot.

iii) Procedure for postal ballot:

Serial No.	Procedure
1.	After obtaining consent to act as Scrutinizer the Board of Directors appoints Scrutinizer to conduct Postal Ballot process in true, fair and transparent manner.
2.	Cut Off date is fixed for identifying shareholders entitled to receive notice of the postal ballot.
3.	Postal Ballot Notice along with explanatory statement and Postal Ballot form with instructions are dispatched to shareholders. As per requirements of Listing Agreement, e-voting facility was also provided to Shareholders of the Company
4.	Company advertises dispatch of postal ballot in one English Newspaper and one Vernacular language.
5.	The postal ballot form duly completed and signed should be sent to the Scrutinizer appointed by the Company at the registered office of the Company on or before the close of the Business hours on specified date.



6.	After due scrutiny of all the Postal Ballot forms received & considering the voting through electronic mode upto the close of working hours scrutinizer submitted his report to the company on the specified date
7.	Result of the postal ballot is declared at the registered office of the company and the same is notified to stock exchanges as well as published on the website of the company.

IX. MEANS OF COMMUNICATION

i) Quarterly results/Annual results/Notices/Other important announcements:

The financial results of the Company are published in Financial Express (English) and Arthik Lipi (Regional) newspapers in India. These results are also posted in the Company's website <https://www.easternsilk.com/>. As per SEBI requirements, quarterly and annual results of the Company are intimated to the Stock Exchanges as per the prescribed timelines after the same is approved by the Board. Further, the quarter-end shareholding pattern, quarterly Corporate Governance Report, and other Corporate Disclosures are also intimated to the Stock Exchanges within the prescribed time limit. The Company is filing the above necessary announcements to stock exchanges through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre.

ii) Annual Report:

Annual Report containing, inter alia, Audited Annual Accounts, Board's Report, Auditors' Report, and other important information is circulated to members and others entitled thereto through permitted mode(s).

iii) Media Releases:

Official news releases are given directly to the press and to National Stock Exchange of India Limited and BSE Limited. The media releases are uploaded on the website of the Company: <https://www.easternsilk.com/>.

iv) SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralized web based complaints redress system.

v) Website:

The Company's website is <https://www.easternsilk.com/>. Quarterly and annual results as well as shareholding pattern, Corporate Governance, and other necessary statutory disclosures are posted on the website.

X. GENERAL SHAREHOLDERS INFORMATION

i) Seventy Seventh Annual General Meeting

Venue : At the Registered Office of the Company,
through Video Conferencing (VC)/ Other Audio Visual Means ("OAVM")
Date : 29th September, 2023
Time : 03:30 P.M.

ii) Financial Year: 1st April 2022 to 31st March 2023

Adoption of un-audited quarterly results and Annual Results	Adoption on
Unaudited 1 st quarter results	Within 45 days of the end of the quarter, except the 4 th quarter (60 days)
Unaudited 2 nd quarter results	
Unaudited 3 rd quarter results	
Audited 4 th quarterly results and annual results	

iii) Dividend Payment Date: The Company has not declared any dividend during the financial year under review.

iv) Book Closure: The date of book closure is from 23rd September 2023 to 29th September 2023 (both days inclusive).

v) Listing on Stock Exchange:

NAME OF EXCHANGE AND ADDRESS	SECURITIES	DEMAT ISIN NO	STOCK CODE
National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai-400051	Equity	NSDL and CDSL INE962C01027	EASTSILK

vi) Listing Fess: The equity shares of your company are listed on National Stock Exchange (NSE) only. The listing fee for the financial year 2022-23 has been paid to NSE only.



vii) Stock Market Data

The Company's high and low prices recorded on National Stock Exchange of India Limited (NSE) and BSE Limited during the financial year 2022-23 are given below:

Stock market price data and Performance in comparison to Nifty 50 for the year 2022-23 (NSE)

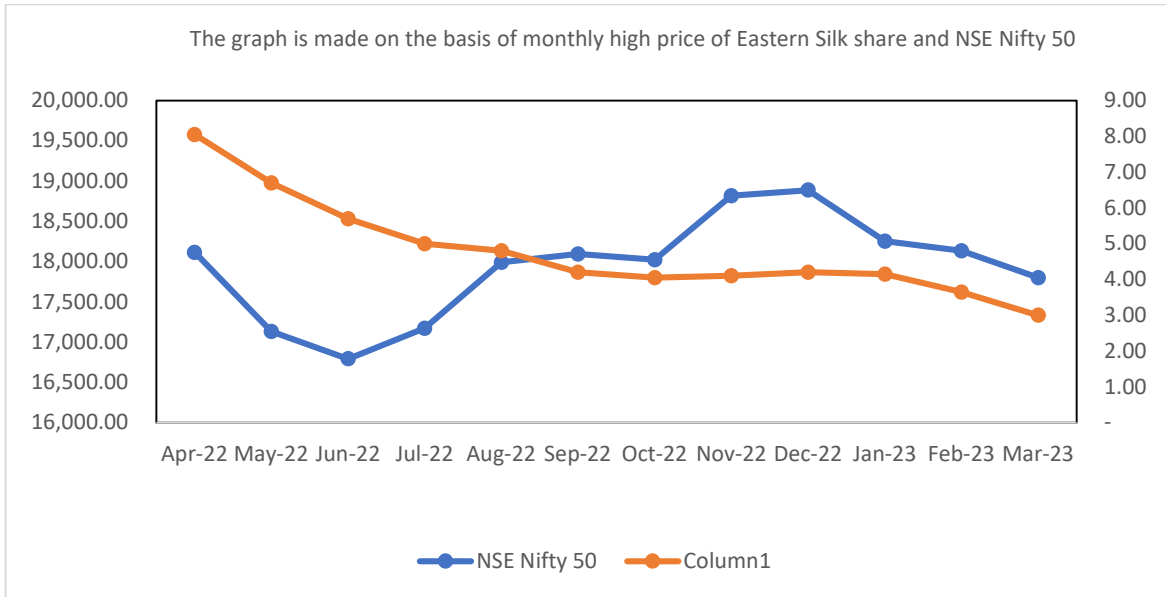
MONTH	HIGH (Rs.)	LOW (Rs.)	QUANTITY TRADED (NO. OF SHARES)	NIFTY 50	
				HIGH	LOW
APRIL 2022	8.05	6.15	2050654	18114.65	16824.70
MAY 2022	6.70	5.05	1604622	17132.85	15735.75
JUNE 2022	5.70	3.90	910717	16793.85	15183.40
JULY 2022	5.00	3.80	507089	17172.80	15511.05
AUGUST 2022	4.80	3.65	880955	17992.20	17154.80
SEPTEMBER 2022	4.20	3.60	903737	18096.15	16747.70
OCTOBER 2022	4.05	3.55	443122	18022.80	16855.55
NOVEMBER 2022	4.10	3.40	772987	18816.05	17959.20
DECEMBER 2022	4.20	3.50	764208	18887.60	17774.25
JANUARY 2023	4.15	3.40	673498	18251.95	17405.55
FEBRUARY 2023	3.65	2.75	426929	18134.75	17255.20
MARCH 2023	3.00	1.95	738535	17799.95	16828.35

Stock market price data and Performance in comparison to BSE Sensex for the year 2022-23 (BSE)

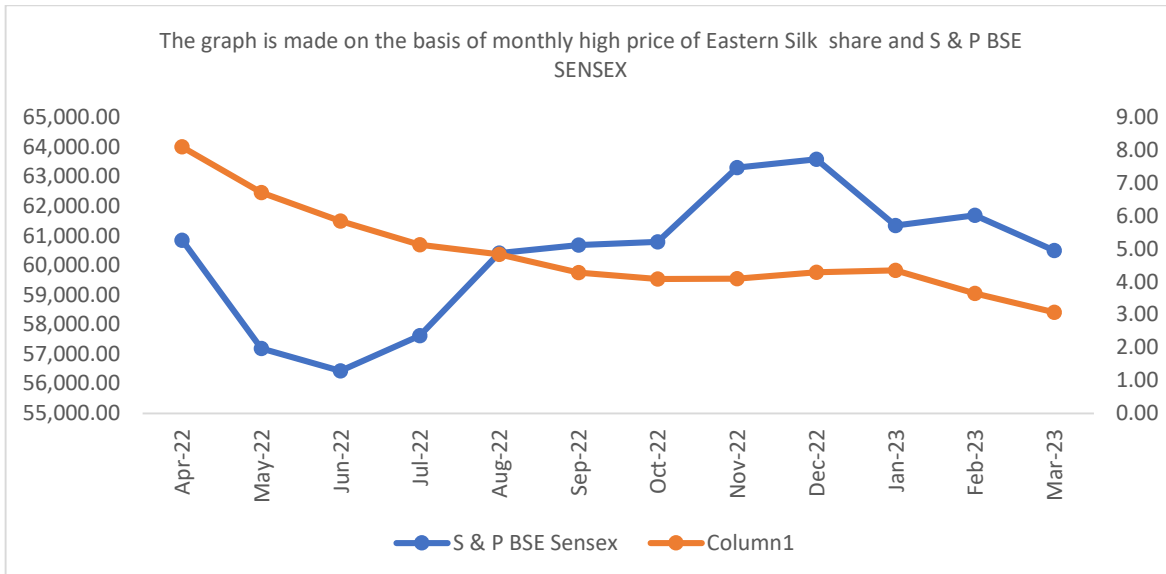
MONTH	HIGH (Rs.)	LOW (Rs.)	QUANTITY TRADED (NO. OF SHARES)	BSE Sensex	
				HIGH	LOW
APRIL 2022	8.10	6.13	524288	60845.10	56009.07
MAY 2022	6.71	5.02	383103	57184.21	52632.48
JUNE 2022	5.84	3.93	421054	56432.65	50921.22
JULY 2022	5.12	3.73	199026	57619.27	52094.25
AUGUST 2022	4.83	3.55	620110	60411.20	57367.47
SEPTEMBER 2022	4.28	3.54	643359	60767.12	56147.23
OCTOBER 2022	4.08	3.53	266464	60786.70	56683.40
NOVEMBER 2022	4.09	3.40	300479	63303.01	60425.47
DECEMBER 2022	4.29	3.42	459910	63583.07	59754.10
JANUARY 2023	4.34	3.37	242951	61343.96	58699.20
FEBRUARY 2023	3.64	2.75	182939	61682.25	58795.97
MARCH 2023	3.07	1.87	342395	60498.48	57084.91



viii) Stock Performance chart in comparison to broad- based indices (NSE) :-



Stock Performance chart in comparison to broad- based indices (BSE) :-



ix) Details relating to Suspension of Securities and reasons thereof

During the year under review no such case reported for the suspension of securities.

x) Registrar and Share Transfer Agents:

The Company’s has appointed ABS Consultant Pvt. Ltd., Room No. 99, Stephen House, 6th Floor, 4 BBD Bag (East), Kolkata – 700 001 as Registrar and Share Transfer Agents for effecting transfer/transmission of shares etc. in physical and demat form.

xi) Share Transfer System:

Share Transfers are registered and returned within a period of fifteen (15) days from the date of receipt, if the documents are clear in all respects. The authority for transfer of shares has been delegated to the Managing Director for transfer of shares up to a fixed number beyond which the matters are placed before the shareholders Committee, which meets as and when required. As reported by Company's RTA all valid requests for transfer during the year under review were transferred within stipulated time limit.



xii) Distribution of shareholding as on 31st March 2023:

No. of Shares	Number of Share Holders	% To Total Holders	No. of Shares held	% To total Holding
Upto 500	19,750	73.25	31,57,132	4.00
501 - 1000	3,240	12.13	28,21,513	3.57
1001 – 2000	1,736	6.50	27,47,976	3.48
2001 – 3000	689	2.58	18,03,018	2.28
3001 - 4000	309	1.16	11,05,071	1.40
4001 – 5000	317	1.19	15,11,610	1.91
5001 – 10000	457	1.71	34,36,652	4.35
10001 & above	397	1.49	6,23,69,648	79.00
TOTAL	26,715	100.00	7,89,52,620	100.00

Categories of Equity Shareholding as on 31st March, 2023

Category	No. Shares	% age of Holding
Promoters including NRI Promoters	4,04,88,351	51.28
Financial Institutions, Banks, Mutual Fund Etc.	15,13,000	1.92
Non Resident Indians / OCBs / FIIs	10,66,638	1.35
Private Corporate Bodies	35,73,237	4.53
Public Corporate Bodies	39,19,807	4.96
Indian Public	2,76,03,119	34.96
Trust	5	0.00
IEPF Account	7,88,463	1.00
TOTAL	7,89,52,620	100.00

xiii) Dematerialization of Shares and Liquidity

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 INE962C01027.

As on 31.03.2023 the dematerialised shares were 7,78,19,861 which represents 98.37% of the total subscribed capital. The equity shares of the Company are regularly traded on the National Stock Exchange.

xiv) Outstanding GDRs / ADRs / Warrants or any other Convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs, ADRs, Warrants or any other convertible instruments.

xv) Disclosure Of Commodity Price Risk Or Foreign Exchange Risk And Hedging Activities

The Company has no material commodity price risks and accordingly has not entered into Commodity hedging.

xvi) Plant Location

Unit 1	:	411, Telugarahalli Road Anekal, Bangalore – 562 106
Unit 2	:	#39, Kammansandra Agrahara Kasaba Hobli Anekal, Bangalore – 560 106
Unit 3	:	11A, 2nd Cross Industrial Area Nanjangud, Karnataka – 571 301 (Not in operation)



Unit 4 : Falta Special Economic Zone
24 Parganas (South), West Bengal (**Not in operation**)

xvii) Address for Correspondence

Eastern Silk Industries Limited (CIN: L17226WB1946PLC013554) 19, R. N. Mukherjee Road Kolkata – 700 001
Phone: 033 4064 5731 Fax: 2248 – 2486 Email: investors@easternsilk.com Website: www.easternsilk.com

xviii) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.

Not Applicable

XI. OTHER DISCLOSURE

i. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large.

The Company has the Related Party Transactions Policy of the Company as approved by the Board. The Policy Related Party Transactions has been uploaded on the website of the Company and can be accessed on <http://www.easternsilk.com>. There is no materially significant related party transactions during the period under review which may have potential conflict with the interests of the listed entity at large.

ii. Details of non-compliance by the Company, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.

During the last three financial years, the Company has duly complied with all the various applicable requirements and regulations of the erstwhile Listing Agreement entered with the Stock Exchange and the Listing Regulations. No penalty has been imposed or strictures have been issued by SEBI or any other Stock Exchange or any statutory authority, on matters related to Capital Market, in the last three (3) years.

iii. Details of establishment of vigil mechanism / whistle blower policy and affirmation that no personnel has been denied access to the audit committee.

The Company has established and adopted a Vigil Mechanism/Whistle-Blower Policy which is uploaded on the website and can be access through the link: <http://www.easternsilk.com>. Further, the company has affirmed that no personnel has been dined access to the Interim Resolution Professional/ Resolution Professional. (as specified above that w.e.f 10th June 2022 in accordance with Section 17 of the Code, the powers of the Board stood suspended and be exercised by the Interim Resolution Professional until replaced by Resolution Professional.)

iv. Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements.

(a) Compliance with mandatory requirements.

The Company has duly complied with all the applicable mandatory requirements as stipulated in the Listing Regulations, Companies Act, 2013, and other applicable laws in force.

(b) Adoption of non-mandatory/discretionary requirements..

The status of adoption of the non-mandatory requirements as specified in sub-regulation 1 of Regulation 27 of the Listing Regulations are as follows:

(i) Reporting of Internal Auditor: The Internal Auditors of the Company have direct access to the Audit Committee.

As Specified above that the Company has been admitted to CIRP under Section 7 of the Code w.e.f. 10th June 2022. Thereafter, in accordance with Section 17 of the Code, the powers of the Board stood suspended and be exercised by the Interim Resolution Professional until replaced by Resolution Professional. Securities and Exchange Board of India Notification dated 31 May, 2018 on SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, The provisions as specified in regulations 17, 18,19, 20 and 21 shall not be applicable during the insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 (IBC).



v. Web link where policy for determining ‘material’ subsidiaries is disclosed.

Pursuant to Regulation 16(1)(c) and 24 of the Listing Regulations, the Company had no material subsidiary as on March 31, 2023. The Company has formulated a policy for determining “material subsidiary”. The policy is disclosed on the website of the Company via the link: <http://www.easternsilk.com>

vi. Web link where policy on dealing with related party transactions is disclosed.

The Company has a Policy on Related Party Transactions and Materiality of Related Party Transactions, as amended from time to time in-line with various amendments in Regulation 23 of the Listing Regulations. The same is disclosed on the website of the Company via the link: <http://www.easternsilk.com>.

vii. Disclosure of commodity price risk or foreign exchange risk and hedging activities.

The Company has no material commodity price risks and accordingly has not entered into Commodity hedging.

viii. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

The Company has not raised funds through preferential allotment or qualified institutional placement as specified under Regulation 32(7A).

ix. Certificate from a company secretary in practice that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

The Company has obtained a certificate from Garima Gupta, Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as a Director of the Company by the Board/ Ministry of Corporate Affairs or any such statutory authority. The same is annexed to this report.

x. Acceptance of recommendations of the Committees of the Board.

There were no such instances during the financial year 2022-23, wherein the Board had not accepted recommendations made by any Committees of the Board.

xi. Fees paid to the Statutory Auditor for the FY 2022-2023.

The tenure of M/s Suresh Kumar Mittal & Co, Chartered Accountants, as Statutory Auditors of the Company, expired at the conclusion of 76th Annual General Meeting (AGM) of the Company held on 15th September, 2022. The Limited Review Report on the Financial results of the Quarter ended June 30, 2022 was issued by M/s B.K. Shroff & Co, Chartered Accountants (FRN: 302166E). M/s B.K. Shroff & Co, Chartered Accountants were appointed as the Statutory Auditors of the Company at the 76th AGM held on 15th July 2022. They have issued the limited review reports of the subsequent three quarters of FY 2022-23 and the Audited/Review Report on the Financial Statement/Results for the quarter and year ended 31st March, 2023.

Particulars	Amount (Rs.in Lakh)
Services as statutory auditors (including quarterly audits)	5.20
Services for other matters	0.80
Total	6.00

There is no subsidiary company/ network firm/ network entity.

xii. Disclosures Under Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013

The Company has zero tolerance towards discrimination and harassments including sexual harassment and always strives to create and provide a healthy environment in the workplace(s). It has in place a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaint on sexual harassment was received during the Financial Year 2022-2023. The details are as under:

The details of the sexual harassment cases received, disposed of and pending are given below:-

Number of Sexual Harassment cases pending in the beginning of the Financial Year i.e.01.04.2022	Number of Sexual Harassment cases received during the Financial year 2022-23	Number of Sexual Harassment cases disposed off during the Financial year 2022-23	Number of Sexual Harassment cases pending at the end of Financial year 2022-23
NIL	NIL	NIL	NIL



xiii. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':

SI.No	Name of Party	Amount of Loan	Rate of Interest	Purpose
Not Applicable				

xiv. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

Not Applicable.

XII. Non- Compliance of any requirements of Corporate Governance Report of Sub-paras (I) to (X) above with reasons thereof shall be disclosed.

There is no such non-compliance during the year 2022-23 of any requirements of Corporate Governance Report of Sub-paras (I) to (X) mentioned as above.

XIII. The disclosure of the Compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

The Company is in compliance with the above requirements, as applicable, with regard to corporate governance.

As Specified above that the Company has been admitted to CIRP under Section 7 of the Code w.e.f. 10th June 2022. Thereafter, in accordance with Section 17 of the Code, the powers of the Board stood suspended and be exercised by the Interim Resolution Professional until replaced by Resolution Professional. Securities and Exchange Board of India Notification dated 31 May, 2018 on SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, The provisions as specified in regulations 17, 18,19, 20 and 21 shall not be applicable during the insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 (IBC).

XIV. Insider Trading

The Company has in place various Codes/Policies pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. The same are disclosed on the website of the Company via the link <http://www.easternsilk.com>

XV. MD and CFO Certification

The MD, Chief Financial Officer (CFO) have issued certificate and taken on record by the Resolution Professional pursuant to the provisions of Regulation17(8) of the Listing Regulations certifying that the "Financial Statements" do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report "Annexure VI."

XVI. Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the Directors Report.

As required by Part E of Schedule V of the Listing Regulations, a certificate from Garima Gupta, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance, is attached to this report forming part of the Annual Report "Annexure VII."

XVII. Disclosures with respect to demat suspense account/ unclaimed suspense account.

The Company do not have any unclaimed suspense account.

XVIII. CODE OF PROFESSIONAL CONDUCT

The Company has always encouraged and supported ethical business practices in personal and corporate behavior by its directors and employees. The Company has framed a Code of Conduct for the members of the Board of Directors and Senior Management Personnel of the Company. All members of the Board of Directors and Senior Management personnel affirm on annual basis the compliance of the code of conduct. In addition to that a Code of Conduct for dealing in equity shares and other listed securities of the Company is also in place. The Code of Conduct is available on the website of the Company <http://www.easternsilk.com>

**CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT
Schedule V (D) of Regulation 34(3) of SEBI (LODR) Regulations, 2015**

As required under Regulation 34(3) read with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, I hereby declare that all the Board Members and Senior Management Personnel of the Company have complied with the Code of Conduct of the Company for the Financial Year ended March 31, 2023.

For Eastern Silk Industries Limited (Under CIRP)

**Sd/-
Sundeep Shah
Managing Director
(Power Under Suspension)**

Place: Kolkata
Date: 30th May 2023

**For Eastern Silk Industries Limited (Under CIRP)
(Taken on Record)**

**Sd/-
Anil Kohli
Resolution Professional in the matter of Eastern Silk Industries Ltd
Reg. No.: IBBI/IPA-001/IP-P00112/2017-2018/10219**

Place: New Delhi
Date: 30th May 2023



Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023
[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, as amended]

To,
 The Members
 Eastern Silk Industries Limited (Company Under CIRP)
 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, (CIN: L17226WB1946PLC013554)** (hereinafter called 'the Company') for the financial year ended 31st March, 2023, ('the year'/audit period'/period under review').

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the company's 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 provided either as hard copies or scanned copies by email or through permitted access to the Company's in-house portal 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 31st March, 2023 ('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 hereunder:

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 31st March, 2023 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, 2015, as amended;
- c. 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;
- d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended;
- e. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- f. The Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; **(Not applicable to the Company during the Audit Period)**;
- g. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period)**;
- h. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**;
- i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**;
- j. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period)**; and
- k. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 **(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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the applicable provisions of the Companies Act, and their Rules, Regulations, Guidelines, Standards, to the extent applicable, as mentioned above subject to the following observations:

1. The Company is under Corporate Insolvency Resolution Process (“CIRP”) under Insolvency and Bankruptcy Code. On a petition filed by Exim Bank of India against the Company, which was admitted vide an Order dated September 10th June 2022 of the Hon’ble National Company Law Tribunal (“NCLT”), Kolkata, under the provisions of the Insolvency and Bankruptcy Code, 2016 (“the Code”).

The Hon’ble NCLT vide its order dated 10th June 2022 allowed initiation of CIRP of the Company and Mr. Anil Agarwal, IP Registration No. IBBI/IPA-001/IPP00270/2017-2018/10514 was appointed as the Interim Resolution Professional (“IRP”) for the Company. Further, the members of the Committee of Creditors (“CoC”) in its first meeting held on 08.07.2022 has approved the appointment of Mr. Anil Kohli as Resolution Professional in place of erstwhile IRP. The appointment of Mr. Anil Kohli IP Registration No. IBBI/IPA-001/IP-P00112/2017-18/10219 was confirmed as Resolution Professional vide order of Hon’ble NCLT passed on July 29, 2022.

As per Section 17 of the Code, from the date of appointment of the IRP/RP the management of affairs and powers of the board of directors of the Company were suspended and stood vested with IRP/RP of the Company.

Further state here that as provided under sub-regulation 2A and 2B in Regulation 15 of securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the provisions as specified in Regulation 17, 18, 19, 20 and 21 of the SEBI (LODR) Regulations, shall not be applicable during the insolvency resolution process period in respect of a listed entity which is under going corporate insolvency resolution process under the insolvency code.

Further all the Roc form filing of the Company has been done through Form GNL – 2 as per the MCA circular no. 08/2020 dated 06.02.2020 as informed by the management of 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. There is no 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 till 10th June 2022 after that the application bearing C.P (IB) No. 588/KB/2020 filed by Export-Import Bank of India, the Financial Creditor, under section 7 of the Code for initiating CIRP against Eastern Silk Industries Limited (the Corporate Debtor), is admitted by Hon’ble NCLT vide order dated 10.06.2022. Upon initiation of CIRP against corporate debtor, its management shall be vested with the interim resolution professional/resolution professional, in terms of section 17 of the IBC, 2016. Accordingly, the powers of the board of directors of the Corporate Debtor are under suspension from the CIRP initiation order dated 10.06.2022 passed by Hon’ble NCLT.

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 till 10th June 2022 after that the application bearing C.P (IB) No. 588/KB/2020 filed by Export-Import Bank of India, the Financial Creditor, under section 7 of the Code for initiating CIRP against Eastern Silk Industries Limited (the Corporate Debtor), is admitted by Hon’ble NCLT



vide order dated 10.06.2022. Upon initiation of CIRP against corporate debtor, its management shall be vest with the interim resolution professional/resolution professional, in terms of section 17 of the IBC, 2016. Accordingly, the powers of the board of directors of the Corporate Debtor are under suspension from the CIRP initiation order dated 10.06.2022 passed by Hon'ble NCLT.

I further report that 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. At the instance of Indian Bank (erstwhile 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 was 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 Company has received the Manager's Cheque for the balances held in the said account for the year 2009 and 2010 are still shown under Bank Balances (Others) reported under Note No.8. The Company has been pursuing the matter with the Ministry of Corporate Affairs for depositing the said Manager's Cheque to the Investor Education and Protection Fund.

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.

***This report is to be read with our letter of even date which is annexed as "Annexure – A" and forms an integral part of this report.**

Place: Kolkata
Date: 30th May 2023

Sd/-
Garima Gupta
Practicing Company Secretary
Mem. No. A23738 C. P. No. 9308
UDIN:A023738E000423051
Peer Review No:3519/2023

**“Annexure A”**

To,
The Members
Eastern Silk Industries Limited (Company Under CIRP)
19 R.N Mukherjee Road
Kolkata – 700 001

I further report that:

In my 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. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I 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. I believe that the process and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of Accounts of the company.
4. Where ever required, I 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. My 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. Goods & Service Tax Act (GST)
- V. Factories Act, 1948
- VI. Industrial Dispute Act, 1947
- VII. Industrial Relation Act
- VIII. Foreign Exchange Management Act, 1999
- IX. The Customs Act, 1962
- X. The Central Excise Act, 1944
- XI. Shops & Establishment Act, 1963
- XII. Minimum Wages Act, 1948
- XIII. Payment of Gratuity Act, 1972
- XIV. Payment of Bonus Act, 1965
- XV. Payment of Wages Act, 1936
- XVI. Compulsory Notification of Vacancies Act, 1959

Place: Kolkata
Date: 30th May 2023

Sd/-
Garima Gupta
Practicing Company Secretary
Mem. No. A23738 C. P. No. 9308
UDIN:A023738E000423051
Peer Review No:3519/2023

**CEO / CFO CERTIFICATION**

Pursuant to Regulation 17(8) read with Schedule II Part B of the SEBI (LODR) Regulations 2015, We the undersigned, in our respective capacities as Mr. Sundeep Shah Managing Director (Powers under suspension under CIRP) and Mr. Prateek Chhawchharia 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, 2023 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, 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:
 - 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 (Under CIRP)

Date: 30th May 2023
Place: Kolkata

SD/-
Sundeep Shah
Managing Director (Power under Suspension)

SD/-
Prateek Chhawchharia
Chief Financial Officer

**Annexure VII****CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015****To
The Members**

Eastern Silk Industries Limited (Under CIRP)

I have examined the compliance of the conditions of Corporate Governance by Eastern Silk Industries Limited (“the Company”) for the year ended 31st March, 2023, as stipulated in Regulation 17-27, Clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“Listing Regulations”).

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the Compliance with the conditions of the Corporate Governance as stipulated. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me as, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable.

Pursuant to commencement of the CIRP process of the Company, the Hon'ble National Company Law Tribunal, Kolkata bench, vide its order dated 10th June 2022 had ordered the commencement of the corporate insolvency resolution process (“CIRP”) in respect of the company under the provisions of the Insolvency and Bankruptcy Code, 2016. Thereafter, in accordance with Section 17 of the Code, the powers of the Board stood suspended and are exercised by interim resolution professional / resolution professional as the case may be for the management of the affairs of the Company. Further, in terms of SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, a company undergoing CIRP process is not required to comply with relevant Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dealing with the requirements of, amongst others, composition of board of directors including that of independent director, constitution, meetings and terms of reference of the audit committee, constitution, meetings and terms of reference of the nomination and remuneration committee, constitution, meetings and terms of reference of the stakeholders' relationship committee.

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

Place: Kolkata
Date: 30th May 2023

SD/-
Garima Gupta
Practicing Company Secretary
Mem. No. A23738 C. P. No. 9308
UDIN:A023738E000422818
Peer Review No:3519/2023

**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 Company is principally engaged in the business of manufacturing of textile and allied products currently from developing yarn to producing premium fashionable fabrics and related products. The factory operations in the year under review had been severely impacted due to the initiation of Corporate Insolvency Resolution Process (CIRP) against the Company.

The overall performance of the Company for the year under review has significantly gone down wherein "Revenue from Operations" of the Company registered decrease in the sales, compared to 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 and impacted due to the initiation of Corporate Insolvency Resolution Process (CIRP). 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 recognized 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 Hon'ble Adjudicating Authority, i.e., National Company Law Tribunal, Kolkata Bench, has admitted the Company Petition i.e. C.P. No. (IB) No.588/KB/2020 on 10.06.2022, filed by the Financial Creditor, Export-import Bank Of India initiating Corporate Insolvency Resolution Process ("CIRP") under Insolvency & Bankruptcy Code, 2016 (hereinafter referred to as "Code") in the matter of M/s. Eastern Silk Industries Ltd. ("Corporate Debtor"). The Adjudicating Authority appointed- Mr. Anil Agarwal as Interim Resolution Professional (IRP) vide its said order dated 10.06.2022.

The Committee of Creditors in its first meeting of Committee of Creditors ("CoC") held on 08.07.2022 approved the appointment of undersigned as Resolution Professional ("RP"). Thereupon an application was filed by the CoC, before Hon'ble NCLT, for the appointment of undersigned as Resolution Professional in the captioned matter. Subsequently, the Hon'ble NCLT allowed the application and appointed the undersigned as Resolution Professional in this matter vide its Order dated 29.07.2022 (copy of the same was received on 04.08.2022).

The Resolution Professional pursuant to the approval of Resolution No. 2 i.e. Resolution plan submitted by Ajay Bikram Singh through Baumann Dekor Pvt. Ltd. in the last COC Meeting, filed an application seeking exclusion of the period of CIRP from 07.12.2022 till 30.01.2023 i.e. 54 days, before Hon'ble NCLT on 07.03.2023. The RP thereafter filed an application before the Hon'ble NCLT on 09.03.2023 seeking approval of the Resolution plan submitted by Ajay Bikram Singh through Baumann Dekor Pvt. Ltd under Section 31(1). The said application is pending before Hon'ble NCLT.

The Company is under the Corporate Insolvency Resolution Process .. Internal control systems are regarded as being adequate and are continuously reviewed for further improvement. Our team is committed to the Board's dictates on standards of conduct as well as good governance and exercise of due diligence including compliance with all relevant regulations and laws. We record our appreciation of all our sincere employees, gratefulness to our Shareholders, lenders and banks and other stakeholders, concerned Government and other authorities and our channel partners for their continued support and to customers for their reposing faith and confidence in us.

Company Outlook:

The Company hopes to turn around its performance on approval of the Resolution Plan by Hon'ble NCLT.

3. RISK MANAGEMENT

Risk Management are is presented in the Director's Report of the Company which forms an integral part of this 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. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

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. In the year under review, the Company had a strength of 289 permanent employees.

7. INTERNALLY CONTROL SYSTEM AND THEIR ADEQUACY .

The Company has established Internal Financial Control System for ensuring the orderly and efficient conduct of the business including adherence to Company's Policies, the safeguarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable Financial Statements.

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

8(ii) FINANCIAL STATEMENT

In accordance with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, the Company is required to provide details of significant changes (a change of 25% or more as compared to the previous financial year) in key financial ratios, along with detailed explanations thereof. The key financial ratios are given below:

Key financial ratios	2022-23	2021-22	Difference (%)
Debtors' turnover	1.96	3.03	(35.17%)
Inventory turnover	0.78	1.22	(35.95%)
Interest coverage ratio	Not Applicable, since the Company has no Borrowings in pervious year involving interest coverage.		
Current ratio (in times)	0.36	0.42	(13.78%)
Debt equity ratio (in times)	10.15	10.33	(1.70%)
Operating Profit Margin (in %)	(35.03)	(7.83)	(347.38%)
Net profit margin (in %)	(37.97)	(9.39)	(304.56%)
Return on net worth (in %)**	Refer Note 1**		

Note 1**Since Net worth is negative and denominator is negative, the Return on net worth shown as Nil (-).

The reason of the Operating Profit, Net Profit Margin and Return on net worth is more than 25% or more as compared to the previous financial year due to decrease in the sales, non-supportive markets, varied changes in the customer preferences and initiation of CIRP by NCLT wide order dated 10th June 2022 which effected the marketability of the Company. As the global textile market is interconnected, this outbreak has a global impact on the business.

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.



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Eastern Silk Industries Limited having CIN L17226WB1946PLC013554 and having registered office at 19, R.N. Mukherjee Road, Kolkata – 700 019 (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2023 from the period 01/04/2022 to 10/06/2022 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl. No	Name of Director	DIN	Date of appointment in Company
1	Sundeep Shah	00484311	25-10-2002
2	G.D. Harnathka	01360829	24-07-2000
3	Madhu Kant Sharma	01836989	30-03-2019
4	Pankaj Kumar Deorah	03426417	30-05-2019
5	Megha Shah	07172597	01-04-2015
6	Abhishek Haralalka	08836412	29-08-2020

Further the Corporate Insolvency Resolution Process (“CIRP”) was initiated, on a petition filed by Export-import Bank of India, against Eastern Silk Industries Limited (“Company/Corporate Debtor”), which was admitted vide an Order dated June 10, 2022 (“Insolvency Commencement Date”) of the Hon’ble National Company Law Tribunal (“NCLT”), Kolkata Bench, under the provisions of section 7 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder (“the Code”). The Hon’ble NCLT vide its order no. CP (IB) No 588/KB/2020 dated June 10, 2022 allowed initiation of CIRP of the Company and Mr. Anil Agarwal, IP Registration No. IBBI/IPA-001/IPP00270/2017-2018/10514 was appointed as an Interim Resolution Professional (“IRP”) for the Company.

The members of the Committee of Creditors (“CoC”) in its first meeting held on 08.07.2022 has approved the appointment of Mr. Anil Kohli as Resolution Professional in place of erstwhile IRP. The appointment of Mr. Anil Kohli was confirmed as Resolution Professional vide order of Hon’ble NCLT passed on July 29, 2022 the National Company Law Tribunal (NCLT) vide order dated 10th June 2022 has initiated Corporate Insolvency Resolution Process under Insolvency and Bankruptcy Code on 2016 of the Company. Further the above mentioned NCLT’s Order and pursuant to section 17 of IBC, the power of Board of Directors of the Company stood suspended and such powers were vested with interim resolution/ Resolution Professional.

Place: Kolkata
Date: 30th May 2023

SD/-
Garima Gupta
Practicing Company Secretary
Mem. No. A23738 C. P. No. 9308
UDIN:A023738E000422510
Peer Review No:3519/2023



INDEPENDENT AUDITOR'S REPORT

To
The Members of
Eastern Silk Industries Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying Ind AS financial statements of Eastern Silk Industries Limited ("the Company"), which comprise the balance sheet as at 31st March 2023, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

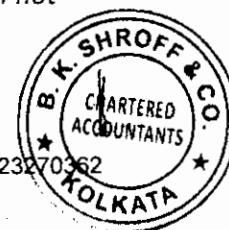
In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in the "Material Uncertainty Related to Going Concern, Basis for Qualified Opinion and the Emphasis of Matter paragraphs"* the aforesaid Ind AS financial 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 March 31, 2023 and loss, changes in equity and its cash flows for the year ended on that date.

Material Uncertainty Related to Going Concern

On 10th June, 2022, the National Company Law Tribunal (NCLT), Kolkata Bench, directed to initiate Corporate Insolvency Resolution Process (CIRP) against the Company by admitting the application under section 7 of Insolvency and Bankruptcy Act, 2016 filed by Export-import Bank of India one of the Financial Creditors as stated in Note 37 (a) to the Ind AS financial statements. Further, Resolution Plan submitted by one of the Prospective Resolution Applicant was also approved by the Committee of Creditors (COC) members in their meeting held on 03rd March 2023 and the application for approval of said Resolution Plan was filed with Hon'ble National Company Law Tribunal on 09th March 2023 and the same is pending for approval as stated in Note 37 (e) to the Ind AS financial statements.

Note No. 52 to the Ind AS financial statements also indicate that the Net worth of the Company has been fully eroded.

The above conditions indicate the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. However, the financial statements of the company have been prepared on a going concern basis for the reason stated in Note No. 37 (f) to the Ind AS Financial Statements, in view of ongoing CIRP, the outcome of which can not be presently ascertained.



Basis for Qualified Opinion

We draw attention to

- a) Note No. 35 (a) to the Ind AS financial statements which states that the company has not provided interest to lenders amounting to Rs. 4,852.38 Lakhs for the period upto March'2023 as per the management estimates.
- b) Note No. 35(b) to the Ind AS financial statements which states that the company has not provided interest on borrowings from ARC's amounting to Rs. 3,183.69 lakhs for the period up to 31st March 2023.
- c) Note No. 41 to the Ind AS financial statements which states that total deferred tax assets (DTA) for the period up to 31st March, 2023 is Rs.7,583.97Lakhs out of which Rs.4,572.98 lakhs have been recognized in these accounts and balance Rs.3,010.99Lakhs has not been recognised in these accounts. As there are existence of indicators of material uncertainty about company's ability to continue as going concern as stated above in "Material Uncertainty Related to Going Concern" paragraph, in our opinion, the earlier recognized DTA of Rs. 4,572.98 lakhs required to derecognized by the Company.

The total impact of qualifications (a) to (c) resulted in understatement of loss for the year ended and overstatements of Net Worth by Rs.12,609.05 Lakhs, understatement of Total Borrowings by Rs.8036.07 Lakhs, overstatement of Deferred Tax Assets by Rs.4,572.98 Lakhs as at 31st March, 2023.

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

Emphasis of Matter

We draw attention to

- a) Note No. 37 (a) to the Ind AS Financial Statements which states that Pursuant to the application under section 7 of Insolvency and Bankruptcy Act, 2016 filed by Export-import Bank of India one of the Financial Creditors, being CP (IB) No 588/KB/2020, the National Company Law Tribunal (NCLT), Kolkata Bench, admitted the application vide order dated 10.06.2022 and directed to Initiate Corporate Insolvency Resolution Process (CIRP)



against the Company. CA Anil Agarwal, (IBBI/IPA-001/IP-P00270/2017-18/10514) has been initially appointed as the Interim Resolution Professional (IRP). Upon commencement of CIRP, the powers of the Board of Directors of the Company stand suspended and management of the Company vest in the IRP/Resolution Professional (RP). Further as per order no. CP (IB) No 588/KB/2020 and IA (I.B.C)/713(KB) 2022 dated 29.07.2022 Mr. Anil Kohli has been appointed as Resolution Professional.

- b) Note No. 37 (e) to the Ind AS Financial Statements which states that in the 11th COC Meeting held on 03rd March 2023 in which Resolution Plan was approved by the COC members through E-voting on 06th March 2023 and the application for Resolution Plan approval was filed with Hon'ble National Company Law Tribunal on 9th March 2023 and is pending for approval. The final impact of the said Resolution Plan to be account for by the Company as and when the plan is approved by Hon'ble NCLT.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There are no key audit matters to communicate *other than the matters those are described under the Material Uncertainty Related to Going Concern, Basis for Qualified Opinion and Emphasis of Matter paragraphs.*

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

The Company's Board of Directors (now suspended) under the direction of the Resolution Professional (RP) is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

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

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

Those Board of Directors (now suspended)/Managements are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from



error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, *except for the effect of the matters described under the Material Uncertainty Related to Going Concern, Basis for Qualified Opinion and Emphasis of Matter paragraphs*, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, *except for the effect of the matters described under the Material Uncertainty Related to Going Concern, Basis for Qualified Opinion and Emphasis of Matter paragraphs*, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules thereunder.
- e) *The matters described under the Material Uncertainty Related to Going Concern, Basis for Qualified Opinion and Emphasis of Matter paragraphs, may have an adverse effect on the functioning of the company.*
- f) No written representation received from the directors as on 31st March, 2023 and taken on record by the Board of Directors (now suspended)/Managements stating that none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act, as Corporate Insolvency Resolution Process (CIRP) is ongoing against the company and power of the Board are suspended under CIRP.
- g) *The qualification relating to maintenance of accounts & other matters connected therewith are as stated in the basis for qualified opinion paragraph above.*
- h) 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



- i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements - Refer Note No. 29 to 33, 37, 39(b), 50 & 51 to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been 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.

- iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us



to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

- v. In our opinion and based on the information and explanation provided to us, no dividend has been declared or paid during the year by the company.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For B. K. SHROFF & CO.
Chartered Accountants
Firm Registration No.: 302166E

L. K. Shroff



Place: Kolkata
Date: 30th May, 2023
UDIN : **23060742BGPTHR2516**

(L. K. Shroff)
Partner
Membership No.: 060742

Annexure "A" referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditor's Report of even date on the Ind AS Financial Statements

(i) (a) (A)	The company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipments.
(i) (a) (B)	The company does not have any intangible assets and hence provisions of clause (i) (a) (B) are not applicable to the company.
(i) (b)	<i>As stated in Note No. 37 (h) to the financial statement, physical verification of Property, Plant & Equipment has been carried out during the course of CIRP. However, report on such verification has not been provided to us and hence we are unable to comment on clause (i) (b) of the order regarding frequency and discrepancy in the physical verification of Property, Plant and Equipment with books of account and its impacts on the financial statements.</i>
(i) (c)	The title deeds of immovable properties disclosed in the financial statements are held in the name of the company.
(i) (d)	During the year, the company has not revalued its property, plant and equipments (including right to use assets) or intangible assets or both and hence provisions of clause (i) (d) are not applicable to the company.
(i) (e)	According to the information and explanation given to us and the records maintained by the company no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
(ii) (a)	<i>As stated in Note No. 37 (h) to the financial statement, physical verification of Inventories has been carried out during the course of CIRP. However, report on such verification has not been provided to us and hence we are unable to comment on clause (ii) (a) of the order regarding frequency and discrepancy in the physical verification of Inventories with books of account and its impacts on the financial statements.</i>
(ii) (b)	In our opinion and according to the information and explanation given to us and records maintained by the company, during the financial year, the company has not been sanctioned working capital limit in excess of Rs. 5.00 crores in aggregate, from banks or financial institutions on the basis of security of current assets. Therefore, in our opinion and according to the information and explanation given to us and records maintained by the company, no question to furnish quarterly returns or statements by the company with banks or financial institutions arises during the year and hence provisions of clause (ii)(b) of the order are not applicable to the company.
(iii)	According to the information and explanation provided to us, during the year, the company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans secured or unsecured to companies, firms, limited liability partnerships or other parties and hence provisions of clause (iii) 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 by the company.																																																							
(v)	According to the information and explanation given to us, the company has not accepted any deposit or amounts which are deemed to be deposits from the public. Therefore, the provisions of clause (v) of the order are not applicable to the company.																																																							
(vi)	We have broadly reviewed the books of account maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such accounts and records.																																																							
(vii) (a)	The company is generally regular in depositing with the appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect thereof were outstanding as at 31st March, 2023 for a period of more than six months from the date they became payable.																																																							
(vii) (b)	<p>According to the records of the company, dues referred to in sub clause (a) which have not been deposited on account of any dispute are as under:-</p> <table border="1"> <thead> <tr> <th>Name of the Statute</th> <th>Name of the Dues</th> <th>Amount (Rs. in lakhs)</th> <th>Period to which the amount relates</th> <th>Forum where dispute is pending</th> </tr> </thead> <tbody> <tr> <td>Central Excise Act</td> <td>Excise Duty and Penalty</td> <td>26.72</td> <td>2002-03</td> <td>Deputy Commissioner, Central Excise</td> </tr> <tr> <td>Employees State Insurance Act</td> <td>Employees State Insurance</td> <td>6.03</td> <td>1995-96 & 2002-03</td> <td>Asst. Director, ESIC</td> </tr> <tr> <td>Custom Duty Act</td> <td>Custom Duty</td> <td>109.77</td> <td>2001-02</td> <td>Hon'ble High Court of Karnatka</td> </tr> <tr> <td>Customs Duty Act</td> <td>Custom Duty</td> <td>154.50</td> <td>2005-06</td> <td>Commissioner of Custom (Port), Kolkata</td> </tr> <tr> <td>Customs Duty Act</td> <td>Custom Duty</td> <td>28.70</td> <td>2003-04</td> <td>Commissioner of Custom</td> </tr> <tr> <td>Customs Duty Act</td> <td>Custom Duty</td> <td>44.07</td> <td>2002-03</td> <td>Commissioner of Custom</td> </tr> <tr> <td>Customs Duty Act</td> <td>Custom Duty</td> <td>205.00</td> <td>2010-11</td> <td>CESTAT, KOLKATA</td> </tr> <tr> <td>Customs Duty Act</td> <td>Custom Duty</td> <td>15.87</td> <td>2014-15</td> <td>CESTAT, NEW DELHI</td> </tr> <tr> <td>Customs Duty Act</td> <td>Custom Duty</td> <td>69.19</td> <td>2014-15</td> <td>CESTAT, NEW DELHI</td> </tr> <tr> <td>Service Tax</td> <td>Service Tax</td> <td>73.68</td> <td>2015-16</td> <td>CESTAT, KOLKATA</td> </tr> </tbody> </table> <p>Attention is drawn to note no. 37(g), since Corporate Insolvency Resolution Process (CIRP) initiated against the company, the suits or continuation of suits against company are prohibited.</p>	Name of the Statute	Name of the Dues	Amount (Rs. 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	Custom Duty Act	Custom Duty	109.77	2001-02	Hon'ble High Court of Karnatka	Customs Duty Act	Custom Duty	154.50	2005-06	Commissioner of Custom (Port), Kolkata	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
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(viii)	According to the information and explanations provided to us, there were no transactions which were not recorded in the books of account and have been surrendered or disclosed as income, during the year, in the tax assessments under the Income Tax Act, 1961.																																																							



(ix) (a) In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of following loans or other borrowings or in the payment of interest thereon to any lender :

Nature of the Borrowings	Name of the Lender	Amount not paid on due date (Rs. In Lakhs)	Whether principal or interest*	Due Since	Remarks, if any.
OTS	Edelweiss Asset Reconstruction Company Ltd.	479.00	Principal	01.07.2018 onwards	
		206.67	Interest*		
OTS	Edelweiss Asset Reconstruction Company Ltd.	2,745.00	Principal	31.05.2018 onwards	
		1,010.54	Interest*		
OTS	Omkara Assets Reconstruction Private Limited	3,130.00	Principal	31.05.2020 onwards	
		975.34	Interest*		
OTS	Kalptaru Fincap Ltd.	60.00	Principal	30.04.2022 onwards	
		14.28	Interest*		
OTS	ASREC (India) Limited	785.00	Principal	31.01.2018 onwards	
		1,219.25	Interest*		
Term Loan/FITL	Export Import Bank of India	3,478.41	Principal	20.08.2014 onwards	
		5,137.28	Interest #		

Includes Interest provided as well as Interest not provided in the Books of Accounts.

*Represents Interest not provided in the Books.

(ix) (b) **According to the records of the company and information or explanation given to us, Export Import Bank of India vide email dated 1st February 2022 informed the Company regarding the inclusion of name of the company and its promoters/directors in RBI's/CIRLC's list of wilful defaulters. (Refer Note no.38)**

(ix) (c) According to the records of the company and information and explanation given to us, no term loans have been received by the company during the year and hence provisions of clause (ix)-c of the order are not applicable to the company.

(ix) (d) According to the records of the company and information and explanation given to us, funds raised on short term basis have not been utilized for long term purposes.

(ix) (e) According to the records of the company and information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint venture.

(ix) (f) According to the records of the company and information and explanation given to us the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.



(x) (a)	In our opinion, moneys raised by way of initial public offer or further public offer (including debt instruments) have been applied for the purposes for which they were obtained.
(x) (b)	According to the records of the company and information and explanation given to us, during the year the company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures.
(xi) (a)	According to 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) (b)	No report under subsection (12) of Section 143 of the Companies Act in form ADT-4 as prescribed Under Rule 13 of the Companies (Audit & Auditing) Rules 2014 has been filed with the Central Government during the year & upto the date of audit.
(xi) (c)	According to the records of the company and information and explanation given to us, no whistle blower complaints have been received by the company during the year.
(xii)	According to the records of the company and information and explanation given to us, the company is not a Nidhi Company hence provisions of clause (xii) of the order are not applicable to the company.
(xiii)	In our opinion all transactions with the related parties are in compliance with section 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.
(xiv) (a)	According to the information and explanations given to us, in our opinion the company has an internal audit system commensurate with the size and nature of its business.
(xiv) (b)	We have considered the reports of internal auditors for the period under audit provided to us by the company.
(xv)	According to the records of the company and information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
(xvi) (a)	In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
(xvi) (b)	In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
(xvii)	The company has incurred cash losses amounting to Rs. 1,147.38 Lakhs in the financial year under audit and has also incurred cash loss of Rs. 284.50 Lakhs in the immediately preceding financial year.



(xviii)	During the year there has been no resignation of the statutory auditors of the company and hence provisions of clause (xviii) of the order are not applicable to the company.
(xix)	<i>As the Company is undergoing CIRP & on the basis of effects of the matter described in the "Material Uncertainty Related to Going Concern" paragraph in our Independent Auditors' Report, financial ratios, overdues financial assets, material uncertainty exists on the date of audit report that the company is capable of meeting its liabilities existing at the date of balance sheet.</i>
(xx)	According to the information and explanations given to us, during the year, provisions of Section 135 of the Companies Act, 2013 not applicable to the company. Hence, reporting under clause 3(xx) the Order is not applicable for the year.
(xxi)	The Company does not have any subsidiary, associate or joint venture and there is no requirement to prepare consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

For B. K. SHROFF & CO.
Chartered Accountants
Firm Registration No.: 302166E

L. K. Shroff



(L. K. Shroff)
Partner
Membership No.: 060742

Place: Kolkata
Date: 30th May, 2023

UDIN : 23060742BGPTHR2516

Annexure B referred to in Paragraph (II)(f) under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of Eastern Silk Industries Limited on the standalone Ind AS Financial Statements for the year ended 31st March 2023.

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 of March 31, 2023 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.

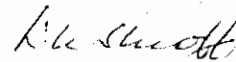
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, 2023, 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 B. K. SHROFF & CO.
Chartered Accountants
Firm Registration No.: 302166E



(L. K. Shroff)
Partner
Membership No.: 060742



Place: Kolkata
Date: 30th May, 2023

UDIN : 23060742BGPTHR2516

EASTERN SILK INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in lakhs)

	<u>Note No.</u>	<u>31st March, 2023</u>	<u>31st March, 2022</u>
ASSETS			
I. Non-current assets			
(i) Property, Plant & Equipment	1	3,806.88	4,087.28
(ii) Right of Use Assets	1	236.63	239.12
(iii) Financial Assets			
Investments	2	4.36	5.04
(iv) Deferred Tax Asset	3	4,572.98	4,572.98
(v) Other Non-Current Assets	4	105.25	105.57
II. Current assets			
(i) Inventories	5	2,899.69	3,577.96
(ii) Financial Assets			
(a) Trade receivables	6	1,519.35	2,356.77
(b) Cash and cash equivalents	7	320.41	371.34
(c) Bank Balances other than (b) above	8	1,080.06	491.52
(iii) Current Tax Assets(net)	9	35.69	41.87
(iv) Other Current Assets	10	632.03	609.24
		<u>15,213.33</u>	<u>16,458.69</u>
EQUITY AND LIABILITIES			
I. Equity			
(i) Equity Share Capital	11	1,579.05	1,579.05
(ii) Other Equity	12	(5,900.46)	(4,465.96)
II. Liabilities			
Non-Current Liabilities			
(i) Financial Liabilities			
Borrowings	13	1,400.00	1,400.00
(ii) Provisions	14	24.48	16.07
Current Liabilities			
(i) Financial Liabilities			
(a) Borrowings	15	13,176.41	13,566.41
(b) Trade payables			
Total outstanding dues of MSME	16	27.41	-
Total outstanding dues of other than MSME	16	147.28	445.18
(c) Others	17	4.76	4.76
(ii) Other current liabilities	18	4,525.68	3,734.99
(iii) Provisions	19	228.72	178.19
		<u>15,213.33</u>	<u>16,458.69</u>

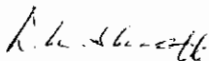
Significant Accounting Policy

The Notes are an integral part of financial statements

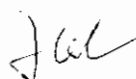
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As per our report attached
For **B. K. SHROFF & CO**
Firm Registration No : 302166E
Chartered Accountants

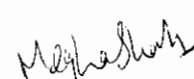
For and on behalf of the Board
(Company under CIRP)



(L. K. Shroff)
Partner
(Mem.No. 060742)



Sundeep Shah
DIN 00484311
Chairman & Managing Director
(Power under suspension)




Megha Shah
DIN 07172597
Wholtime Director
(Power under suspension)




Rahul Jaiswal
Company Secretary


Prateek Chhawchharia
Chief Financial Officer


Anil Kohli
(Taken on record)

Place : Kolkata
Date : The 30th May, 2023

Resolution Professional of Eastern Silk Industries Ltd
Reg. No. IBB/IPA-001/IP-P00112/2017-18/10219

EASTERN SILK INDUSTRIES LIMITED

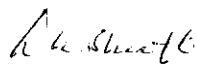
STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH, 2023

(₹ in lakhs)

	<u>Note No.</u>	<u>31st March, 2023</u>	<u>31st March, 2022</u>
Revenue from operations	20	3,801.29	7,314.03
Other Income	21	145.16	144.29
Total Income		3,946.45	7,458.32
Cost of materials consumed	22	1,353.45	2,627.78
Purchase of Stock-in-Trade	23	277.90	733.47
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	906.24	1,307.63
Employee benefit expenses	25	453.07	468.26
Finance cost	26	112.00	112.00
Depreciation and Amortization expense	27	296.05	402.00
Other expenses	28	1,991.16	2,493.68
Total Expenses		5,389.87	8,144.82
Profit / (Loss) before exceptional items and tax		(1,443.42)	(686.50)
Exceptional Items		-	-
Profit / (Loss) before tax		(1,443.42)	(686.50)
Tax expense:			
Current tax		-	-
Deferred tax		-	-
Earlier Year Taxation		0.01	-
Profit / (Loss) for the year		(1,443.43)	(686.50)
Other Comprehensive Income			
Items that will not be reclassified to profit and loss			
- Remeasurement of Post Employment Benefit Obligation		(9.61)	(26.11)
- Changes in Fair Value of Equity Instrument		0.68	(0.72)
- Income Tax relating to above items		-	-
Total Comprehensive Income for the period		(1,434.50)	(659.67)
Earning per equity share:			
Basic & Diluted (in ₹)	48	(1.83)	(0.87)
Significant Accounting Policy	B		
The Notes are an integral part of financial statements.			

As per our report attached
For **B. K. SHROFF & CO**
Firm Registration No : 302166E
Chartered Accountants

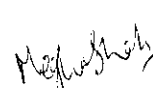
For and on behalf of the Board
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(L. K. Shroff)
Partner
(Mem.No. 060742)



Sundeep Shah
DIN 00484311
Chairman & Managing Director
(Power under suspension)

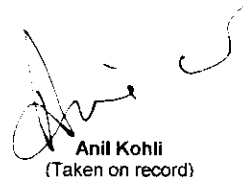


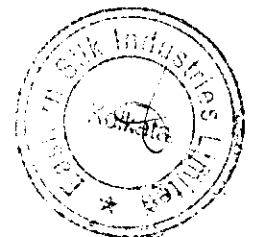
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Company Secretary


Prateek Chawdharia
Chief Financial Officer


Anil Kohli
(Taken on record)



Place : Kolkata
Date : The 30th May, 2023

Resolution Professional of Eastern Silk Industries Ltd
Reg. No. IBBI/IPA-001/IP-P00112/2017-18/10219

Eastern Silk Industries Limited

Statement of Changes in Equity for the period ended 31st March, 2023

a. Equity share capital

Particulars	(₹ in Lakhs)
Balance as at 1 April 2021	1,579.05
Changes in equity share capital during 2021-22	-
Balance as at 31 March 2022	1,579.05
Changes in equity share capital during 2022-23	-
Balance as at 31 March 2023	1,579.05

b. Other equity

(₹ in Lakhs)

Particulars	Reserves and surplus							Total
	Capital reserve	Capital Redemption reserve	Securities Premium Account	Preference Share Redemption reserve	Retained earnings	Equity Instrument through Other Comprehensive Income	Other Comprehensive Income	
Balance as at 1 April 2021	1,882.77	1,400.00	11,428.75	1,400.00	(19,865.31)	3.94	(56.44)	(3,806.29)
Total Comprehensive Income for the year	-	-	-	-	-686.50	0.72	26.11	(659.67)
Balance as at 31 March 2022	1,882.77	1,400.00	11,428.75	1,400.00	(20,551.81)	4.66	(30.33)	(4,465.96)
Balance as at 1 April 2022	1,882.77	1,400.00	11,428.75	1,400.00	(20,551.81)	4.66	(30.33)	(4,465.96)
Total Comprehensive Income for the year	-	-	-	-	(1,443.43)	(0.68)	9.61	(1,434.50)
Balance as at 31 March 2023	1,882.77	1,400.00	11,428.75	1,400.00	(21,995.24)	3.98	(20.72)	(5,900.46)

As per our report attached
For **B. K. SHROFF & CO.**
Firm Registration No : 302166E
Chartered Accountants

For and on behalf of the Board
(Company under CIRP)

L. K. Shroff
(L. K. Shroff)
Partner
(Mem.No. 060742)

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ANIL KOHLI
(Taken on record)

Resolution Professional of Eastern Silk Industries Ltd
Reg. No. IBBI/IPA-001/IP-P00112/2017-18/10219



Place : Kolkata
Date : The 30th May, 2023

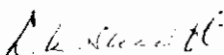
EASTERN SILK INDUSTRIES LTD.

Cash Flow Statement for the Year Ended 31st March, 2023

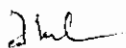
	31st March, 2023	(₹ in lakhs) 31st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) Before Tax	(1,443.42)	(686.50)
Add : Adjustments for :		
Depreciation	296.05	402.00
Provision for Doubtful Debts (net)	127.41	-
Loss on Sale of Fixed Assets (net)	3.49	27.55
Less : Adjustments for :		
Interest & Dividend Received	11.33	8.34
Sundry Balances Adjusted	0.34	35.15
Operating Profit Before Working Capital Changes	(1,028.14)	(300.44)
(Increase)/Decrease in Inventories	678.27	477.61
(Increase)/Decrease in Trade Receivables	710.00	121.56
(Increase)/Decrease in Other Non-Current Assets	0.32	(25.44)
(Increase)/Decrease in Other Bank Balances	(588.54)	(9.18)
(Increase)/Decrease in Other Current Assets	(22.80)	29.11
Increase/(Decrease) in Trade Payables	(270.49)	(266.98)
Increase/(Decrease) in Other Current Liabilities	791.05	154.81
Increase/(Decrease) in Non Current Provisions	8.41	(21.19)
Increase/(Decrease) in Current Provisions	60.14	(30.12)
Cash Generated From Operations	338.22	129.74
Taxes paid (net of Refund)	(6.17)	10.86
Net Cash Flow From Operating Activities	344.39	118.88
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Add : Inflows		
Sale of Fixed Assets	10.96	28.04
Interest Received	11.27	8.29
Dividend Received	0.06	0.05
Less : Outflows		
Purchase of Fixed Assets	27.61	166.82
Net Cash Used In Investing Activities	(5.32)	(130.44)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Increase / (Decrease) in Current Borrowings	(390.00)	17.00
Net Cash Used In Financing Activities	(390.00)	17.00
Net Changes In Cash & Cash Equivalents (A+B+C)	(50.93)	5.44
* Cash & Cash Equivalents - Opening Balance	371.34	365.90
* Cash & Cash Equivalents - Closing Balance	320.41	371.34
* Represents Cash & Cash Equivalents as indicated in Note No.7		

As per our report attached
For **B. K. SHROFF & CO.**
Firm Registration No : 302166E
Chartered Accountants

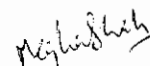
For and on behalf of the Board
(Company under CIRP)



(L. K. Shroff)
Partner
(Mem.No. 060742)



Sundeep Shah
DIN 00484311
Chairman & Managing Director
(Power under suspension)

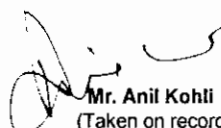


Megha Shah
DIN 07172597
Wholtime Director
(Power under suspension)



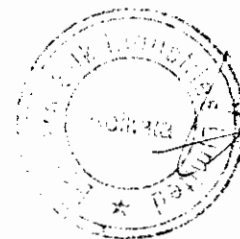

Rahul Jaiswal
Company Secretary


Prateek Chhachhar
Chief Financial Officer


Mr. Anil Kohli
(Taken on record)

Resolution Professional of Eastern Silk Industries Ltd
Reg. No. IBBI/PA-001/IP-P00112/2017-18/10219

Place : Kolkata
Date : The 30th May, 2023



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.

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.

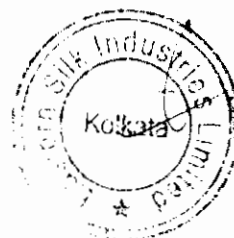
In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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.

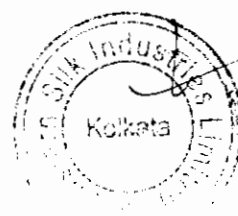
iii) **Use of Estimates :**

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.

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 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 crystallising 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.

v) **Leased Assets :**

On account of adoption of Ind AS 116, the company as a lessee has reclassified the leasehold land as Right of Use Assets "ROU Asset". The Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when any indicators exist.

However, earlier to adoption of Ind AS 116, 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.

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. 01st 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.

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:**

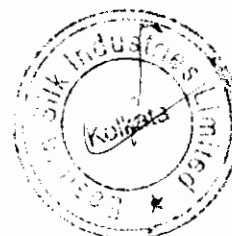
Items of inventories such as raw materials and Stock-in-Trade, Finished Goods are measured at lower of cost or net realizable value after providing for obsolescence if any. Work-in-progress is valued at estimated cost and stocks & spare parts, dyes & chemicals, packing materials etc. are valued at cost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

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.

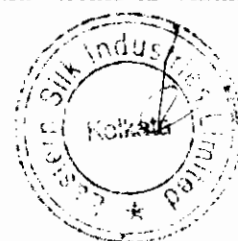
2) Defined Benefit Plans

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 relating to items that are recognised in other comprehensive income or directly in equity, in which case, the tax expenses 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.

- **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.

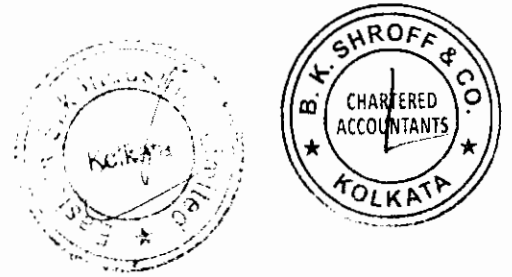
Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value 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 on Hand, Cash at Bank, Term Deposits & Cheques in Hand.



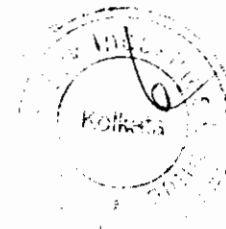
Notes on Financial Statements for the year ended 31st March 2023

(₹ in lakhs)

Note 1:-

	Property, Plant & Equipment - Tangible Assets							Right of Use Assets - Leasehold Land	Total
	Land Freehold *	Building	Plant & Machinery	Electric Installations	Office Equipment & Furniture	Vehicles	Total		
GROSS BLOCK									
At 31st March 2021	379.86	2,192.66	5,208.42	153.93	82.70	18.64	8,036.21	246.59	8,282.80
Transfer **							-	-	-
Additions			165.16		1.66		166.82	-	166.82
Sales/Deductions			96.94	2.20	1.74	0.93	101.81	-	101.81
At 31st March 2022	379.86	2,192.66	5,276.64	151.74	82.62	17.71	8,101.24	246.59	8,347.82
Transfer **							-	-	-
Additions			25.24		2.37		27.61	-	27.61
Sales/Deductions			45.52			1.39	46.91	-	46.91
At 31st March 2023	379.86	2,192.66	5,256.36	151.74	84.99	16.32	8,081.93	246.59	8,328.51
Depreciation									
At 31st March 2021	-	414.29	3,143.32	42.99	50.17	9.89	3,660.66	4.98	3,665.64
Charges for the year	-	70.77	313.22	9.31	4.79	1.43	399.51	2.49	402.00
Disposals	-		44.98	-	0.80	0.43	46.21	-	46.21
At 31st March 2022	-	485.06	3,411.55	52.30	54.16	10.89	4,013.96	7.47	4,021.43
Charges for the year	-	67.17	211.10	8.88	5.04	1.37	293.56	2.49	296.05
Disposals	-		31.59			0.88	32.46		32.46
At 31st March 2023	-	552.23	3,591.06	61.18	59.20	11.38	4,275.06	9.96	4,285.02
NET BLOCK									
At 31st March 2022	379.86	1,707.60	1,865.09	99.44	28.46	6.82	4,087.28	239.12	4,326.39
At 31st March 2023	379.86	1,640.43	1,665.29	90.56	25.79	4.94	3,806.88	236.63	4,043.49

* During the FY 2017-18 the lease hold land of Bommasandra has been converted to freehold land.



Notes on Financial Statements for the year ended 31st March 2023

(₹ in lakhs)

	31st March, 2023		31st March, 2022	
	Nos.	Amount	Nos.	Amount
Note 2:- Non-Current Investments				
<u>Investments at Fair Value through OCI</u>				
<u>Investments in Equity Instruments</u>				
Quoted				
Tata Consultancy Services Ltd. Equity Shares of ₹ 1/- (P.Y. ₹ 1/-)each fully paid up	128	4.11	128	4.79
Unquoted				
India Exposition Mart Ltd. Equity Shares of ₹5 (P.Y. ₹ 10/-) each fully paid up	5,140	0.25	5,140	0.25
		<u>4.36</u>		<u>5.04</u>
Aggregate amount of quoted investments		4.11		4.79
Market value of quoted investments		4.11		4.79
Aggregate amount of unquoted investments		0.25		0.25
Note 3:-Deferred Tax (Liability) /Asset :- *				
Deferred Tax (Liability) / Asset :				
On Account of Unabsorbed Losses under I.T. Act 1961		4,572.98		4,572.98
Net Deferred Tax (Liability) / Asset		<u>4,572.98</u>		<u>4,572.98</u>
* Refer to Note : 41				
Note 4 :- Other Non-Current Assets				
Advance other than Capital Advance				
Security Deposits		102.20		102.52
Others		3.05		3.05
		<u>105.25</u>		<u>105.57</u>
Note 5 :- Inventories				
Raw Materials and components		779.53		1,014.48
Work-in-progress		181.08		258.87
Finished goods		1,838.09		2,147.46
Stores and spares & Others		100.99		157.15
		<u>2,899.69</u>		<u>3,577.96</u>
Note 6:- Trade Receivables				
Unsecured and Considered good		1,519.35		2,356.77
Having significant increase in Credit Risk		6,105.02		5,977.61
		7,624.37		8,334.38
Less :Allowance for Credit Losses		6,105.02		5,977.61
		<u>1,519.35</u>		<u>2,356.77</u>



Notes on Financial Statements for the year ended 31st March 2023

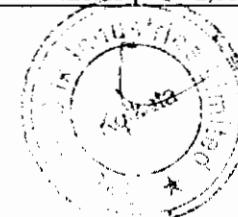
	(₹ in lakhs)	
	31st March, 2023	31st March, 2022
	Amount	Amount
Note 6:- Trade Receivables contd ..		
Allowance for Credit Losses		
As per Last Balance Sheet	5,977.61	5,977.61
Add : Provided during the year	127.41	-
	6,105.02	5,977.61
Less : Bad Debt Written Off during the year	-	-
	6,105.02	5,977.61

Trade Receivables Ageing Schedule as at 31st March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good		22.20	505.29	991.86	-	-	1,519.35
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	127.41	127.41
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	5,977.61	5,977.61
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	-	22.20	505.29	991.86	-	6,105.02	7,624.37
Less: Allowance for doubtful trade receivables	-	-	-	-	-	6,105.02	6,105.02
Total Trade Receivables	-	22.20	505.29	991.86	-	-	1,519.35

Trade Receivables Ageing Schedule as at 31st March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,612.92	481.60	6.71	128.26	1.63	125.65	2,356.77
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	5,977.61	5,977.61
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	1,612.92	481.60	6.71	128.26	1.63	6,103.26	8,334.38
Less: Allowance for doubtful trade receivables	-	-	-	-	-	5,977.61	5,977.61
Total Trade Receivables	1,612.92	481.60	6.71	128.26	1.63	125.65	2,356.77



Notes on Financial Statements for the year ended 31st March 2023

	<u>31st March, 2023</u>	<u>(₹ in lakhs)</u> <u>31st March, 2022</u>
Note 7:-Cash & Cash Equivalents		
Cash Balance		
Cash on hand	0.53	0.41
Balance with banks		
Current Account	319.22	370.27
Foreign Currency Account	0.66	0.66
	320.41	371.34

Note 8:-Other Bank Balances

Earmarked Balance (Refer Note no. 42)	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	93.64	89.21
Term Deposit as No-lien Deposit	589.07	4.96
Term Deposit as No-lien Deposit (utilised for adjustment by Banks)	392.59	392.59
	1,080.06	491.52

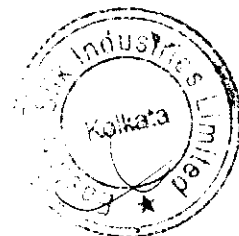
Note 9:-Current Tax Assets (Net)

Advance Tax & TDS	51.10	57.28
Less:		
Provision for Income Tax	7.00	7.00
Income Tax Payable	7.34	7.34
F.B.T. Payable	1.07	1.07
	35.69	41.87

Note 10:-Other Current Assets

Advance other than Capital Advance

Others	605.11	593.47
Gratuity Fund	26.92	15.77
	632.03	609.24



Notes on Financial Statements for the year ended 31st March 2023

(₹ in lakhs)

Note 11 :-Equity Share Capital

	31st March, 2023		31st March, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Authorised				
Equity Shares of ₹ 2/- each	15,00,00,000	3,000.00	15,00,00,000	3,000.00
8 % Redeemable Cumulative Preference	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
Subscribed & Paid Up				
Equity Shares of ₹ 2/- each	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.

	31st March 2023		31st March 2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shyam Sunder Shah	71,39,205	9.04	71,39,205	9.04
Ginia Devi Shah	53,24,170	6.74	53,24,170	6.74
Gemini Overseas Ltd.	76,69,580	9.71	76,69,580	9.71
Tarun Fabrics Ltd.	95,75,500	12.13	95,75,500	12.13

Disclosure of shareholding of promoters as at March 31, 2023 & March 31, 2022 is as follows:

Name of Promoter(s)	No. of Shares		Percentage		Change during the year
	31st March 2023	31st March 2022	31st March 2023	31st March 2022	
	Megha Shah	33,750	33,750	0.04	
Varun Shah	1,20,000	1,20,000	0.15	0.15	-
Neha Shah	1,68,750	1,68,750	0.21	0.21	-
Pramod Kumar Shah	2,65,000	2,65,000	0.34	0.34	-
Preeti Shah	5,01,240	5,01,240	0.63	0.63	-
Kavita Shah	6,62,750	6,62,750	0.84	0.84	-
Vijoy Trading Company	13,96,750	13,96,750	1.77	1.77	-
Sundeep Shah	16,64,000	16,64,000	2.11	2.11	-
Ginia Devi Shah	53,24,170	53,24,170	6.74	6.74	-
Shyam Sunder Shah	71,39,205	71,39,205	9.04	9.04	-
P K Textiles Limited	15,27,380	15,27,380	1.93	1.93	-
Lucky Gold Star Company Limited	17,51,580	17,51,580	2.22	2.22	-
Ethics Commercial Limited	26,88,696	26,88,696	3.41	3.41	-
Gemini Overseas Limited	76,69,580	76,69,580	9.71	9.71	-
Tarun Fabrics Limited	95,75,500	95,75,500	12.13	12.13	-
	4,04,88,351	4,04,88,351	51.28	51.28	

- 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 preceding 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 Indian Bank (erstwhile Allahabad Bank), Leader Bank of consortium of Banks.



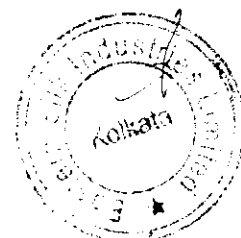
Notes on Financial Statements for the year ended 31st March 2023

	(₹ in lakhs)	
	31st March, 2023	31st March, 2022
Note 12 :- Other Equity		
Capital Reserve*		
Opening Balance	1,882.77	1,882.77
Closing Balance	1,882.77	1,882.77
Capital reserve is an account on the balance sheet to prepare the company for any unforeseen events like inflation, instability, need to expand the business, or to get into a new and urgent project.		
Capital Redemption Reserve*		
Opening Balance	1,400.00	1,400.00
Closing Balance	1,400.00	1,400.00
Where a company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to the capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet.		
Securities Premium Account*		
Opening Balance	11,428.75	11,428.75
Closing Balance	11,428.75	11,428.75
Share Premium is the difference between the issue price and the par value of the stock and is also known as securities premium. The shares are said to be issued at a premium when the issue price of the share is greater than its face value or par value. This premium is then credited to the share premium account of the company.		
Preference Share Redemption Reserve		
Opening Balance	1,400.00	1,400.00
Closing Balance	1,400.00	1,400.00
When the company proposes to redeem the preference shares out of the profits, it transfers an amount equal to the nominal value of the redeemable preference shares to the Capital Redemption Reserve A/c out of the profits of the company.		
Retained Earning		
Opening Balance	(20,551.81)	(19,865.31)
Net Profit / (Loss) For the Year	(1,443.43)	(686.50)
Closing Balance	(21,995.24)	(20,551.81)
Retained earnings (RE) is the amount of net income left over for the business after it has paid out dividends to its shareholders. A business generates earnings that can be positive (profits) or negative (losses).		
Equity Instrument through Other Comprehensive Income		
Opening Balance	4.66	3.94
Add/(Less) :		
Changes in Fair Value of Equity Instruments for the year	(0.68)	0.72
Closing Balance	3.98	4.66
Other comprehensive income is those revenues, expenses, gains, and losses under both Generally Accepted Accounting Principles and Indian Accounting Standards that are excluded from net income on the income statement. This means that they are instead listed after net income on the income statement.		
Other Items of Comprehensive Income		
Opening Balance	(30.33)	(56.44)
Add/(Less) :		
Remeasurement of Post Employment Benefit Obligation for the year	9.61	26.11
Closing Balance	(20.72)	(30.33)
	(5,900.46)	(4,465.96)
Note 13 :- Non-Current Borrowings		
8 % Redeemable Cumulative Preference Shares of ₹ 100/- each	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 Stella 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 were extended upto 1st April, 2020 with the consent of all the preference shareholders. However redemption of the preference shares can only be made after the entire dues of Banks & Institutions are repaid. Accordingly the redemption of preference shares have been further extended till 31st March, 2025 with the consent of the preference shareholders.



Notes on Financial Statements for the year ended 31st March 2023

	(₹ In lakhs)	
	<u>31st March, 2023</u>	<u>31st March, 2022</u>
Note 14:-Non- Current Provisions		
Provisions for Employees Benefit		
Leave Encashment	24.48	16.07
	<u>24.48</u>	<u>16.07</u>
Note 15 :- Current Borrowings		
Secured		
Loan from Banks		
Term Loan	2,984.60	2,984.60
Funded Interest Term Loan	493.81	493.81
Loans from others	7,199.00	7,589.00
Unsecured		
Loans From Directors	329.00	329.00
Loans From Promoters	2,170.00	2,170.00
	<u>13,176.41</u>	<u>13,566.41</u>

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 Bommasandra 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.

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 Bommasandra Industrial Area, Anekal Taluk, Hosur Road, Bangalore, admeasuring 10896 sq.mtrs together with all buildings & structures thereon.
- vi) Secured against first pari-passu charge on all Assets, excluding assets exclusively charged to respective lenders.
- vii) 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
- xi) Second charge on the Company's property at 411, Telugarahalli Road, Anekal, Bangalore-562106.
- x) Second charge on the Company's property at Kammasandra Agrahara Kasaba Hobli, Anekal, Bangalore-562106.
- xi) Personal Guarantee of Shri Sundeep Shah.

Loan from others

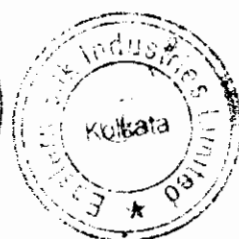
Secured on the Company's assets as mentioned under the security of settled Term Loan/ WCTL and by residual charge to the extent of satisfaction under OTS with Banks & Others.

Loan from Directors

Loan from Directors (free of Interest) repayable on demand.

Loan from Promoters

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



Notes on Financial Statements for the year ended 31st March 2023

	31st March, 2023	(₹ in lakhs) 31st March, 2022
Note 16 :- Trade Payables		
Total outstanding dues of Micro and Small Enterprises	27.41	-
Total outstanding dues of other than Micro and Small Enterprises	147.28	445.18
	<u>174.69</u>	<u>445.18</u>

Trade Payables Ageing Schedule as at 31st March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	27.41	-	-	-	27.41
Others	-	107.67	39.60	0.01	-	147.28
Disputed dues-MSME	-	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-	-
Total	-	135.08	39.60	0.01	-	174.69

Trade Payables Ageing Schedule as at 31st March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More	
MSME	-	-	-	-	-	-
Others	219.71	225.10	0.01	-	0.36	445.18
Disputed	-	-	-	-	-	-
Disputed	-	-	-	-	-	-
Total	219.71	225.10	0.01	-	0.36	445.18

The information regarding Micro, Small and Medium Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, to the extent such parties have been identified on the basis of information available with the Company, is given below:

Particulars	31st March, 2023	(₹ in lakhs) 31st March, 2022
	Principal amount due outstanding as at end of year	27.41
Interest due on above and unpaid as at end of year*	-	-
Interest paid to the supplier	-	-
Payments made to the supplier beyond the appointed day during the period	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid as at end of period	-	-

* Not ascertain due to undergoing CIRP (Refer Note 37)

Note 17 :-Other Current Financial Liabilities

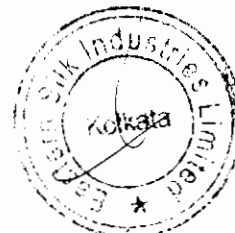
Unclaimed Dividend	4.76	4.76
	<u>4.76</u>	<u>4.76</u>

Note 18 :-Other Current Liabilities

Advance from customers	289.67	73.28
Advance from others	581.52	-
Statutory Dues	7.65	7.32
Dividend Payable on Preference Shares	1,456.00	1,344.00
Others	2,190.84	2,310.39
	<u>4,525.68</u>	<u>3,734.99</u>

Note 19 :- Current Provisions

Provision for employee benefits		
Salary and Reimbursement	220.56	168.90
Contribution to P.F. & ESIC	5.32	5.53
Leave Encashment	2.84	3.76
	<u>228.72</u>	<u>178.19</u>



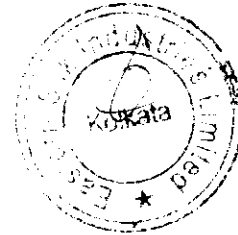
Notes on Financial Statements for the year ended 31st March 2023

(₹ in lakhs)

	<u>31st March, 2023</u>	<u>31st March, 2022</u>
Note 20:-Revenue From Operations		
Sale of products	3,735.68	7,001.98
Sale of Service	62.94	128.01
Other Operating Revenue		
Drawback & Other incentives	2.67	184.04
	<u>3,801.29</u>	<u>7,314.03</u>

Note 21:- Other Income

Interest Income		
On Bank Deposits	9.09	4.57
On Other Deposits	2.18	3.72
Dividend Income		
On Long Term Investment	0.06	0.05
Other Non-Operating Income		
Exchange Rate Difference(net)	23.02	27.74
Sundry Balances & Liabilities No Longer Required		
Written Back	0.34	35.15
Rent Received	106.12	70.16
Profit on sale of Fixed Assets	-	1.56
Other Miscellaneous Income	4.35	1.34
	<u>145.16</u>	<u>144.29</u>



Notes on Financial Statements for the year ended 31st March 2023

(₹ in lakhs)

	<u>31st March, 2023</u>	<u>31st March, 2022</u>
Note 22:- Cost of Material Consumed		
Opening Stock	1,014.48	1,201.16
Add: Purchases	1,637.58	3,507.97
Less : Transferred to Finished Goods	519.08	1,066.87
Less: Closing Stock	779.53	1,014.48
	<u>1,353.45</u>	<u>2,627.78</u>
Raw Material Consumption		
Yarn	1,353.45	2,627.78
	<u>1,353.45</u>	<u>2,627.78</u>

Note 23:-Purchase of Stock in Trade

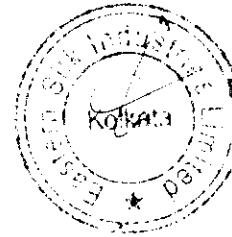
Purchase of Finished Goods	277.90	733.47
	<u>277.90</u>	<u>733.47</u>

Note 24:-Changes in Inventories of Finished Goods,WIP & Stock in Trade

Opening Stock of Work In Progress	258.87	841.92		
Opening Stock of Finished Goods	2,147.46	1,805.17		
Add :Transferred From Raw Material	519.08	2,925.41	1,066.87	3,713.96
Less: Closing Stock of Work in Progress	181.08	258.87		
Closing Stock of Finished Goods	1838.09	2,019.17	2,147.46	2,406.33
(Increase) / Decrease in Stock		<u>906.24</u>		<u>1,307.63</u>

Note 25:-Employees Benefit Expenses

Salaries and Incentives	402.23	396.38
Contributions to Provident & Other Fund	19.89	20.99
Contribution to Gratuity Fund	13.46	22.17
Staff welfare expenses	17.49	28.72
	<u>453.07</u>	<u>468.26</u>



Notes on Financial Statements for the year ended 31st March 2023

(₹ in lakhs)

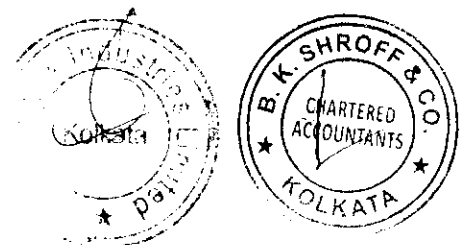
	<u>31st March, 2023</u>	<u>31st March, 2022</u>
Note 26:-Finance Cost		
Dividend		
On Redeemable Preference Shares	112.00	112.00
	<u>112.00</u>	<u>112.00</u>
Note 27:- Depreciation & Amortization Expense		
On Property, Plant & Equipment	293.56	399.51
On ROU Assets	2.49	2.49
	<u>296.05</u>	<u>402.00</u>
Note 28:- Other Expenses		
Manufacturing Expenses		
Wages	904.53	943.87
Conversion, Machining & Other Direct Expenses	80.51	150.00
Stores, Spares & Accessories Consumed	88.72	131.31
Dyes & Chemicals Consumed	133.22	167.61
Power & Fuel	291.56	312.81
	<u>1,498.54</u>	<u>1,705.60</u>
Administrative Expenses		
Legal, Professional & Syndication Charges	72.50	18.48
Rent	17.33	38.40
Rates & Taxes	21.44	9.51
Insurance	5.53	10.42
Travelling Expenses	30.58	43.81
Mailing & Communication Expenses	4.50	4.31
Bank Charges & Commission	2.84	5.49
Directors' Meeting Fee	-	1.27
Managerial Remuneration	4.04	24.26
Auditor's Remuneration for		
Statutory Audit Fee	4.00	4.00
Tax Audit Fee	0.85	-
For Other Services	1.20	1.20
Miscellaneous Expenses	99.42	182.17
Loss on sale of Fixed Assets (Net)	3.49	29.11
Software Development Expenses	19.72	7.87
Repairs & Maintenance		
Building	2.61	4.14
Plant & Machinery	28.04	48.08
Others	7.89	12.48
Irrecoverable Balances written off	-	68.96
Provision for Bad & doubtful debts	127.41	-
Remeasurement of ARCs' Liability	-	67.00
	<u>453.39</u>	<u>580.96</u>
Selling and Distribution Overhead		
Brokerage & Commission to Selling Agents	-	145.14
Sales Promotion	1.64	0.70
Freight, Packing, Forwarding, etc.	37.59	61.28
	<u>39.23</u>	<u>207.12</u>
	<u>1,991.16</u>	<u>2,493.68</u>



29) Contingent Liabilities not provided for in respect of:

		2022-23 ₹ In Lakhs	2021-22 ₹ In Lakhs
(a)	Guarantees given by the Bankers	49.50	49.50
(b)	Excise, Sales tax, Custom Duty, ESIC & Other Claims	778.53	778.53

- 30) 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. Further, during the year the Company had executed bonds worth ₹ 14.54 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 ₹ 87.22 Lakhs over a period of 8 years.
- 31) Claims against the Company not acknowledged as debts:
- 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.
 - 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.
- 32) 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 correlation 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. In the opinion of the management, no liability is likely to occur in this regard.
- 33) 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.
- 34) 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 Stella 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.

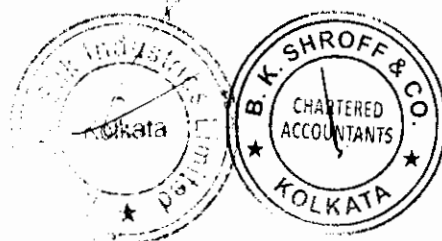


35)

- a) The Company has been categorised as Non Performing Asset and stopped debiting interest on their outstanding debts by the existing lender banks/financial institution as per the Prudential Norms on Income Recognition issued by the Reserve Bank of India. Accordingly, the Company has not recognised interest expense on such borrowings amounting to ₹. 4,852.38 Lakhs till 31st March, 2023 as per the management estimates.
- b) In terms of the Settlement Arrangement arrived with the ARC's, the Company failed to meet certain scheduled payment of Installments within the stipulated time. However, the management were continuously discussing the present position of the Company with the ARC's for waiver of interest before initiation of CIRP process against the Company (Refer Note 37). Consequently, provision for interest amounting to ₹. 3,183.69 lakhs for the period up to 31st March 2023 has not been made in the books of accounts
- c) Indian Bank (erstwhile 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, Indian Bank (erstwhile 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 Indian Bank (erstwhile 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 Indian Bank (erstwhile 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. 8) pending adjustment pertaining to settlement with them.

Further the Company's petition before the Hon'ble High Court of Karnataka, Bengaluru was disposed off with the remedy of filing an application under Section 17 of the SARFAESI Act, 2002. Accordingly, the Company filed the application under Section 17 of the SARFAESI Act, 2002 before the Hon'ble Debt Recovery Tribunal at Bengaluru.

- 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.
- 36) During the year, the Company incurred remeasurement loss of ₹. Nil (P.Y. ₹. 67.00 Lakhs) included under Note No. 28 "Other Expenses" for incremental liability provided towards amount payable on account of new settlement arrangement entered with one of the Asset Reconstruction Company who acquired the Company borrowing.
- 37) (a) Proceedings of Corporate Insolvency Resolution Process ("CIRP") under Insolvency and Bankruptcy Code 2016 (IBC) was initiated by the National Company Law Tribunal Kolkata Bench ("NCLT") on 10th June 2022 and pursuant to Section 17 of the IBC the power of the Board of Directors of the company stood suspended and such powers are vested with the Interim Resolution Professional ("IRP") CA Anil Agarwal, (IBBI/IPA-001/IP-P00270/2017-18/10514) to carry out the CIRP of the Corporate Debtor. Further as per order no. CP (IB) No 588/KB/2020 and IA (I.B.C)/713(KB) 2022 dated 29th July 2022. Thereupon, Mr. Anil Kohli has been appointed as Resolution Professional in place of erstwhile IRP by CoC in its 1st CoC meeting which was approved by Hon'ble NCLT vide its order dated 29.07.2023 to carry out the CIRP of the Corporate Debtor in accordance with the provisions of the IBC Code. Accordingly, the powers of the board of directors vested with the Resolution Professional in accordance with the provisions of the Code.
- (b) The Committee of Creditors (COC) have been constituted on 7th July,2022. The meeting of Committee of Creditors was held on 8th July 2022, 27th July 2022, 17th August 2022, 14th September 2022, 20th October 2022, 3rd November 2022, 1st December 2022, 3rd January 2023, 30th January 2023, 13th February 2023, 3rd March 2023, 25th April 2023 and 11th May 2023 respectively for giving the update to COC regarding the CIRP proceedings along with taking up the other matters in terms of the applicable provisions of the code.



- (c) The members of the COC in its 3rd COC Meeting convened on 17.08.2022 approved a resolution for Publication of FORM G thereby inviting Expressions of Interest (EOI) from Prospective Resolution Applicants (PRAs). The said FORM G was published on 24.08.2022.
- (d) On the basis of the claims received, collated and verified as on 13th March 2023, the list of creditors is enumerated as under:-
- i) The admitted claims of Secured Financial Creditors as on 13th March 2023 is ₹. 8,93,90,99,403/- (including Interest).
 - ii) The admitted claims of Unsecured Financial Creditors as on 13th March 2023 is ₹. 40,68,13,000/-.
 - iii) The admitted claims of Operational Creditors (Government and Non- Government) as on 13th March 2023 is ₹. 48,11,77,895/-
- (e) In the 11th COC Meeting held on 3rd March 2023 in which the Resolution Plan submitted by Mr. Ajay Bikram Singh through Baumann Dekor Private Limited was approved by the CoC members through E-voting on 6th March 2023 and the application for Resolution Plan approval was filed with Hon'ble National Company Law Tribunal on 9th March 2023 and is pending for approval.

However, as per the terms of the said Resolution Plan, till 31st March, 2023, the respective Resolution Applicant has deposited a total amount of ₹.5,81,51,600/- as EMD & Performance Security with the Company (disclosed as "Advance from others" under Note. No.18 – "Other Current Liabilities") and such amount has been deposited by the company with State Bank of India included in "Term Deposit as No-Lien Deposit" under Note No. 8 – "Other Bank Balances". The overall & final impact of this Resolution Plan on financial position of the Company to be ascertained after approval of the said plan by the Hon'ble NCLT.

(f) The Company's ability to continue as a going concern is dependent upon many factors including continued support from the Company Officials/Management, employees, operational creditors, customers and submission of viable resolution plan by the prospective Investor. Under the CIRP, the resolution plan has been approved by the COC and thereafter was filed with Hon'ble NCLT for seeking their approval. Whereupon, in accordance with the CoC & NCLT approved plan, the Company will be handed over to the successful resolution applicant upon full implementation of approved Plan. In view of the opinion of the management, the CoC approved resolution plan, the revival of the Company is possible in the foreseeable future. Accordingly, the financial statements of the company have been prepared on going concern basis as plant is working and the decision of Hon'ble NCLT on approval of Resolution Plan is pending.

(g) There shall be moratorium under section 14 of the Insolvency and Bankruptcy Code, 2016 till the completion of the CIRP or until the Adjudicating Authority approves the resolution plan under sub section (1) of section 31 of the IBC or pass an order for liquidation of Corporate Debtors under section 33 of the IBC, as the case may be. The Company had received regulatory Enquiries /Notices/ Summons /Show-Cause/Demand/ Orders from various government authorities such as Goods and Services Tax, Income Tax, ESIC and EPF etc. In view of Company's admission under CIRP all existing civil legal proceedings will be kept in abeyance as moratorium u/s 14 of the Insolvency and Bankruptcy Code, 2016 till the conclusion of CIRP. Therefore, no impact has been considered in these statements as of now.

(h) During the course of CIRP, physical verification of major Property, Plant & Equipment & Inventories have been carried by the professional appointed through IRP/RP after approval of COC for ascertaining the valuation of Property, Plant & Equipment & Inventories.

38) Export Import Bank of India vide email dated 1st February 2022 informed the Company regarding the inclusion of name of the company and its promoters/directors in RBI's/CIRLC's list of wilful defaulters. Further, the company in disagreement with their assessment. The Board of the Company has decided to file case against the lender in the Calcutta High Court.

39) (a) The company has created provision for bad and doubtful debts amounting to ₹ 127.41 lakhs during the year and total provision for bad and doubtful debts stands as on 31.03.2023 ₹ 6,105.22 lakhs (₹ 5977.61 lakhs as on 31.03.2022) against total debtors outstanding amounting to ₹ 7,624.36 lakhs as on 31.03.2023 (₹ 8334.38 lakhs as on 31.03.2022). In the opinion of the management the provision is adequate and no further provision is required to be made in the books of accounts.

(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.



40. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS

Defined contribution plans

Amount of ₹ 72.42 lakhs (previous year ₹ 79.10 lakhs) is recognised as an expense and included in Employee benefits expense as under 'Contribution to P.F. & ESIC' and in Manufacturing Expenses included under 'Wages'.

Defined Benefit Plan

The Employees' gratuity fund Scheme managed by The Life Insurance Corporation of India (LIC) 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.

Particulars	₹ in Lakhs			
	Gratuity		Leave encashment	
	2022-23 (Funded)	2021-22 (Funded)	2022-23 (Unfunded)	2021-22 (Unfunded)
Change in present value of defined benefit obligation during the year				
Present Value of defined benefit obligation at the beginning of the year	244.36	246.40	19.83	28.05
Current service cost	15.16	18.09	2.51	1.82
Interest cost	17.06	17.00	1.42	1.94
Past service cost	-	-	-	-
Curtailment Cost/(Credit)	-	-	-	-
Settlement Cost/(Credit)	-	-	-	-
Benefits paid directly by employer	-	-	-	-
Benefits paid	(21.27)	(13.30)	(0.86)	(9.80)
Actuarial changes arising from changes in demographic assumptions	-	-	-	-
Actuarial changes arising from changes in financial assumptions	(5.52)	(9.94)	(0.72)	(0.74)
Actuarial changes arising from changes in experience adjustments	(4.12)	(13.98)	5.15	(1.43)
Present Value of defined benefit obligation at the end of the year	245.68	244.36	27.32	19.83
Change in fair value of plan assets during the year				
Fair value of plan assets at the beginning of the year	260.13	187.25	-	-
Interest income	18.76	12.92	-	-
Contributions paid by the employer	15.00	70.98	0.86	9.80
Benefits paid from the fund	(21.27)	(13.30)	(0.86)	(9.80)
Assets transferred out/ divestments	-	-	-	-
Return on plan assets excluding interest income	(0.02)	2.28	-	-
Fair value of plan assets at the end of the year	272.60	260.13	-	-
Net asset/ (liability) recognised in the balance sheet				
Present Value of defined benefit obligation - Current	9.65	45.25	2.84	3.76
Present Value of defined benefit obligation - Non Current	236.02	199.11	24.48	16.07
Present Value of defined benefit obligation at the end of the year	245.68	244.36	27.32	19.83
Fair value of plan assets at the end of the year	272.60	260.13	-	-
Amount recognised in the balance sheet	26.92	15.77	(27.32)	(19.83)
Expenses recognised in the statement of profit and loss				
Current service cost	15.16	18.09	2.51	1.82
Interest cost on benefit obligation (Net)	(1.70)	4.08	1.42	1.94
Past service cost	-	-	-	-
Actuarial changes arising from changes in demographic assumptions	-	-	-	-
Actuarial changes arising from changes in financial assumptions	-	-	(0.72)	(0.74)
Actuarial changes arising from changes in experience adjustments	-	-	5.15	(1.43)
Return on plan assets excluding interest income	-	2.28	-	-
Total expenses included in employee benefits expense	13.46	22.17	8.36	1.59
Expenses recognised in the other comprehensive income				
Actuarial changes arising from changes in demographic assumptions	0.00	-	-	-
Actuarial changes arising from changes in financial assumptions	(5.52)	(9.94)	-	-
Actuarial changes arising from changes in experience adjustments	(4.12)	(13.98)	-	-
Return on plan assets excluding interest income	(0.02)	2.28	-	-
Recognised in other comprehensive income	(9.61)	(26.11)	-	-

Actuarial assumptions

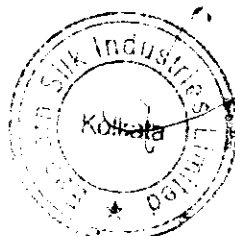
Particulars	Gratuity		Leave encashment	
	2022-23 (Funded)	2021-22 (Funded)	2022-23 (Unfunded)	2021-22 (Unfunded)
Financial Assumptions				
Discount Rate (% p.a.)	7.56	7.30	7.56	7.30
Rate of Increase in Salary (% p.a.)	5.00	5.00	5.00	5.00
Demographic Assumptions				
Mortality Rate (% of IALM 2012-14)	100.00	100.00	100.00	100.00
Normal Retirement 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

(i) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2023. 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.



- 41) In terms of Ind AS-12, further Deferred Tax Assets (DTA) of ₹ 3,010.99 Lakhs (P.Y. ₹ 4,289.23 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.

Particulars	₹ In Lakhs			
	Amount	Deferred Tax @ 26.00%	Amount	Deferred Tax @ 26.00%
	2022-23		2021-22	
Deferred Tax Liability				
Difference Between W.D.V. of P.P.E. as per I. Tax Act and Companies Act	719.72	187.13	593.37	154.28
Deferred Tax Asset				
Provision as per Sec 43B to be allowed as per payment basis	342.04	88.93	350.91	91.24
Provision for Bad and Doubtful Debts	6,105.02	1,587.31	5,977.61	1,554.18
Unabsorbed Losses	23,441.76	6,094.86	28,350.26	7,371.07
Net Deferred Tax Asset		7,583.97		8,862.21
Net Deferred Tax Asset Already Recognized		4,572.98		4,572.98
Net Deferred Tax Asset to be recognized this year		3,010.99		4,289.23

- 42) At the instance of Indian Bank (erstwhile 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 was 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 Company has received the Manager's Cheque for the balances held in the said account for the year 2009 and 2010 are still shown under Bank Balances (Others) reported under Note No.8. The Company has been pursuing the matter with the Ministry of Corporate Affairs for depositing the said Manager's Cheque to the Investor Education and Protection Fund.

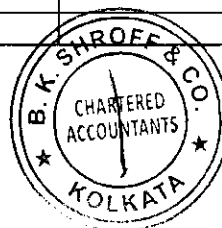
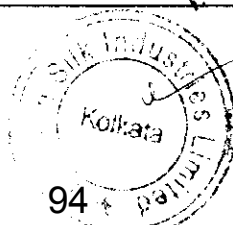
- 43) A reconciliation between the opening and closing balances in the balance sheet for liabilities and assets arising from financing activities is illustrated below as per IND AS 7 amendments.

Particulars	(₹ in lakhs)		
	Opening Balance as on 01.04.2022	Net (Payments) /Receipts during the year	Closing Balance as on 31.03.2023
Term Loan	2,984.60	-	2,984.60
Funded Interest Term Loan	493.81	-	493.81
Loan from Others	7,589.00	390.00	7,199.00
Loan from Directors	329.00	-	329.00
Loan from Promoter	2,170.00	-	2,170.00

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

Level 1:

Particulars	Amount(₹ in lakhs)
Value of Investment as on 31.03.2021	4.32
FVTOCI of increase in value of listed shares as on 31.03.2022	0.72
Value of Investment as on 31.03.2022	5.04
FVTOCI of decrease in value of listed shares as on 31.03.2023	(0.68)
Value of Investment as on 31.03.2023	4.36



Level 2:

Particulars	Amount(₹ in lakhs)
Actuarial Valuation of Gratuity Scheme as at 31st March 2022 under Ind AS 19 Recognized as stated below:-	
Total Employer expense recognized in Income Statement	22.17
Total Employer expense recognized in Other Comprehensive Income	(26.11)
Actuarial Valuation of Gratuity Scheme as at 31st March 2023 under Ind AS 19 Recognized as stated below:-	
Total Employer expense recognized in Income Statement	13.46
Total Employer expense recognized in Other Comprehensive Income	(9.61)

- 45) The dues to Micro, Small and Medium Enterprises as much to company's knowledge amounts to are ₹.27.41 Lakhs for Trade Payables & ₹.18.32 for Others Payable on the basis of confirmation & declaration received from the parties for micro small and medium enterprises which are outstanding for more than 45 days as at 31st March 2023. 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 PartiesName of the Person

Key Management Personnel

(Suspended under CIRP)

and relative of such personnel :-

Shri Sundeep Shah (Chairman & Managing Director)

Miss Megha Shah (Executive Women Director)

Late Shyam Sunder Shah (Father of CMD Sundeep Shah)

Late Ginia Devi Shah (Mother of CMD Sundeep Shah)

Transaction during the year :-

Remuneration Paid

: ₹ 4.04 Lakhs (P.Y. ₹ 24.26- Lakhs)

Balance outstanding as on 31.03.2023

Unsecured Borrowings

(interest-free)

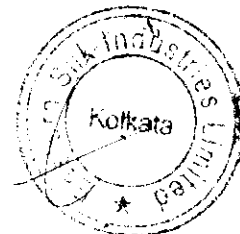
: ₹ 1,759.00 Lakhs (P.Y. ₹ 1,759.00 Lakhs)

48) Earnings Per Share (EPS)

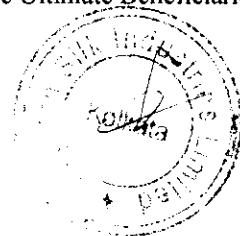
(₹ in Lakhs)

	2022-23	2021-22
Profit/(Loss) for the year	(1,443.43)	(686.50)
Weighted average number of Equity Shares of Rs. 2/- each	7,89,52,620	7,89,52,620
Earning Per Share (Basic & Diluted)(in Rs.)	(1.83)	(0.87)

- 49) 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.
- 50) An operational creditor filed a case with the Hon'ble Karnataka High Court against the Company. The creditor has managed to obtain adverse judgement against the company in O.S.No.8821/2013 read with Order dated 16.10.2017 in Misc.No.651/2013 pending in the file of the execution petition No.1234/2018. On receipt of order of the Hon'ble Court, the Company has obtained a stay in the matter via DD payment of ₹. 25,00,000/-. The company is contesting the matter in Karnataka High Court.



- 51) A legal case filed by the local person who has lodged the claim during the Financial Year against the Company wherein he is claiming that Survey No. 410/2 and 410/3 part of the plot of Unit I to be his property and he is the legal owner of the said part. In response to the claim filed, the Board of the Company has decided to file case against claim for land encroachment.
- 52) Considering the continuing substantial losses incurred by the Company, its net worth has been eroded. However, having regard to better operational performance expected in future and ongoing CIRP, the financial statements of the Company have been prepared on the basis of going concern and no adjustments are made to the carrying value of assets and liabilities.
- 53) Additional Disclosures:
- i) Title deeds of all Immovable properties are held in the name of the Company.
 - ii) The company does not have any investment property.
 - iii) During the year the company has not revalued its property, plant and Equipment (including Right-of-Use Assets).
 - iv) The company does not have any intangible assets.
 - v) During the year the company has not granted any Loan or advance in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person that are:
 - a. repayable on demand : or
 - b. without specifying any terms or period of repayment,
 - vi) The company does not have Intangible assets under development
 - vii) No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
 - viii) The company has borrowings from banks or financial institution on the basis of security of current assets. However, no any quarterly returns or statement of current assets filed by the company with banks or financial institutions.
 - ix) The company has not entered into any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
 - x) No charges or satisfaction yet to be registered with ROC beyond the statutory period.
 - xi) The company has no any number of layers prescribed under clause (87) of section 2 of the act read with companies (Restriction on number of layers) rule 2017.
 - xii) During the year, the company has not entered in any Scheme of Arrangements which requires approval by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
 - xiii) Utilisation of Borrowed funds and share premium:-
 - A) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;



B) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

xiv) Corporate Social Responsibility (CSR): NA

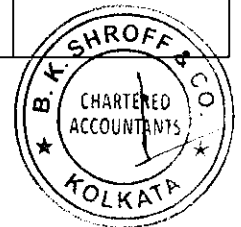
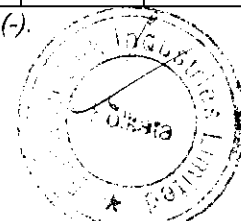
xv) The company has not traded or invested in Crypto Currency or Virtual currency during the year.

xvi) The company does not have any transaction, not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961.

54) The Key Ratios are as Under :-

S.No.	Particulars	Numerator	Denominator	Current Year	Previous Year	% Variance	Reason for Variance
1	Current Ratio (in times)	Total Current Assets	Total Current Liabilities	0.36	0.42	-13.78%	Decrease in turnover and other market factors.
2	Debt Equity Ratio (in times)	Total Debts	Total Equity	10.15	10.33	-1.70%	
3	Debt Service Coverage Ratio (in times) (Refer Note Below)	Earning for Debt Service = Net Profit after taxes + Depreciation + Interest	Debt service = Interest + Principal repayments	-	-	-	
4	Return on Equity Ratio (in %) (Refer Note Below)	Profit after tax	Average total equity	-	-	-	
5	Inventory Turnover Ratio (in times)	Cost of goods sold or sales	Average Inventory	0.78	1.22	-35.95%	
6	Trade Receivable Turnover Ratio (in times)	Revenue from operations	Average Trade Receivables	1.96	3.03	-35.17%	
7	Trade Payable Turnover Ratio (in times)	Cost of Goods and other expenses	Average Trade Payables	5.96	6.46	-7.74%	
8	Net Capital Turnover Ratio (in times) (Refer Note Below)	Revenue from operations	Working capital	-	-	-	
9	Net Profit Ratio (in %)	Profit for the year	Revenue from operations	(37.97)	(9.39)	304.56%	
10	Return on Capital Employed (in %) (Refer Note Below)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	-	-	-	
11	Return on Investment (in %)	Income generated from investments	Time weighted average investments	1.28	1.07	19.48%	

Note : Wherever denominator is negative, the respective ratio shown as Nil (-).



55) Earning In Foreign Currency

Particulars	2022-23 Amount (₹ in Lakhs)	2021-22 Amount (₹ in Lakhs)
Export of goods calculated on F.O.B. (accrual basis)	243.79	1,205.89

56) Expenditure in foreign currency

Sl No.	Particulars	2022-23 Amount (₹ in Lakhs)	2021-22 Amount (₹ in Lakhs)
1	Overseas Travelling	19.00	11.18
2	Commission to Agents	136.87	214.28
3	Others	0.92	9.57

57) Value of imports calculated on CIF basis:-

Particulars	2022-23 Amount (₹ in Lakhs)	2021-22 Amount (₹ in Lakhs)
Yarn	-	85.65
Fabrics	-	980.93
Capital Goods(Plant & Machinery)	-	114.04

58) Miscellaneous Expenses shown under "Other Expenses" (Refer Note No.28) do not include any item of expenditure which exceeds 1% of revenue from operations.

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

As per our report attached
For **B. K. SHROFF & CO.**
Firm Registration No : 302166E
Chartered Accountants

L. K. Shroff

(L. K. Shroff)
Partner
(Mem.No. 060742)

For and on behalf of the Board
(Company under CIRP)

Jee
Sundeep Shah
Chairman & Managing Director
(Power under suspension)

Megha Shah
Megha Shah
Wholetime Director
(Power under suspension)

Rahul Jaiswal
Rahul Jaiswal
Company Secretary

Prateek Chharia
Prateek Chharia
Chief Financial Officer



Anil Kohli
Anil Kohli
(Taken on record)

Place: Kolkata
Date: The 30th May 2023

Resolution Professional of Eastern Silk Industries Ltd.
Reg. No. IBBI/PA-001/IP-P00112/2017-18/10219



Eastern Silk Industries Limited

Registered Office

19 R.N Mukherjee Road, Kolkata 700 001

CIN: L17226WB1946PLC013554

Phone: 033 4064 5731 **Fax:** 033 2248 2486

Website: www.easternsilk.com