



Date: September 03, 2025

National stock exchange of India Ltd  
“Exchange Plaza”  
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.: SUBMISSION OF ANNUAL REPORT OF THE COMPANY FOR THE FINANCIAL YEAR 2023-24 ALONG WITH THE NOTICE OF 78TH ANNUAL GENERAL MEETING (“AGM”)**

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, please find enclosed herewith the Annual Report for the Financial Year 2023-24 along with the Notice of the 78th Annual General Meeting (“AGM”) of the Company scheduled to be held on Thursday, 25th September, 2025 at 11.00 A.M. (IST) through Video Conferencing (VC)/Other Audio-Visual Means (OAVM).

The said Notice along with the Annual Report for the financial year 2023-24 are being sent electronically to the members whose e-mail addresses are registered with the Registrar and Share Transfer Agent (“RTA”) of the Company i.e., ABS Consultant Private Limited, the Company and the Depositories viz. the National Securities Depository Limited and Central Depository Services (India) Limited.

The Notice convening the AGM along with the Annual Report has also been uploaded on the Company’s website at [www.easternsilk.com](http://www.easternsilk.com) and the website of National Securities Depository Limited at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

This is for your information and records.

Thanking you.

Yours faithfully,

**For Eastern Silk Industries Limited**

RAMESH  
CHANDRAGIRI  
REDDAPPA

Digitally signed by RAMESH  
CHANDRAGIRI REDDAPPA  
Date: 2025.09.03 19:50:02  
+05'30'

**Ramesh Chandragiri Reddappa**  
**Whole Time Director**  
**DIN: 10535137**

# **ANNUAL REPORT 2023-2024**



**EASTERN SILK INDUSTRIES LTD.**  
**CIN: L17226WB1946PLC013554**



<p><b>MONITORING PROFESSIONAL (RESOLUTION PROFESSIONAL TILL CIRP PROCESS)</b>  <b>Mr. Anil Kohli</b>  Monitoring 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).</p> <p><b>BOARD OF DIRECTORS</b>  (Pursuant to the NCLT order dated January 31, 2024, the Monitoring Committee in its meeting approved the re-Constitution of the new Board of Directors)</p> <p>Mr. Ajay Bikram Singh, Chairman, Non-Independent Director</p> <p>Mr. Sunil Kumar, Executive Director</p> <p>Mr. Ramesh Chandragiri Reddappa, Executive Director</p> <p>Mr. Deepak Kumar Gupta, Non-Executive Independent Director</p> <p>Mr. Praveen Kumar Agarwal, Non-Executive Independent Director,</p> <p>Ms. Jyothi Thomas, Non-Executive Independent Director</p> <p><b>CHIEF FINANCIAL OFFICER</b>  Mr. Prateek Chhawchharia up to 27.11.2024</p> <p>Mr. Sunil Kumar w.e.f. 14.02.2025</p> <p><b>COMPANY SECRETARY &amp; COMPLIANCE OFFICER</b>  Rahul Jaiswal resigned from the position of Company Secretary and Compliance officer w.e.f close of business hours of 31st March. 2024 and Mr. Ravi Kumar appointed as Company Secretary and Compliance Officer W.e.f. 29th June, 2024.</p> <p><b>FACTORIES</b></p> <p><b>Unit 1</b>  411, Telugarahalli Road, Anekal, Bangalore – 562 106(The operation is yet to start)</p> <p><b>Unit 2</b>  Kammansandra Agrahara Kasaba Hobli, Anekal, Bangalore – 562 106</p> <p><b>Unit 3</b>  11A, 2nd Cross Industrial Area, Nanjangud, Karnataka – 571 301(The Operation is yet to start)</p> <p><b>Unit 4 (Warehouse)</b>  Falta Special Economic Zone, 24 Parganas (South), West Bengal- 743503</p>	<p><b>STATUTORY AUDITORS</b>  B.K. Shroff &amp; Co.  Chartered Accountants  23-A, Netaji Subhas Road  3rd Floor, Room No. 15,  Kolkata-700001</p> <p><b>COSTAUDITOR</b>  N.RADHAKRISHNAN&amp;CO.11A,DoverLane,FlatB1/34, Kolkata-700029</p> <p><b>BANKERS</b>  State Bank of India</p> <p><b>REGISTRARS &amp; SHARE TRANSFER AGENTS</b>  ABS Consultant Pvt. Ltd.RoomNo.-99,Stephen House,6thFloor 4, B.B.D. Bag (East). Kolkata - 700 001Phone:2243 0153,22201043e-mail:absconsultant99@gmail.com</p>
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#### **Notes:**

***The Financial Creditor's petition to initiate the Corporate Insolvency Resolution Process ("CIRP") was admitted by the National Company Law Tribunal ("NCLT"), Kolkata Bench, on 10th June 2022 ("Insolvency Commencement Date"). Mr. Anil Agarwal was appointed as the Interim Resolution Professional ("IRP") to manage the affairs of the Company.***

***Further, in its first meeting held on 8th July 2022, the members of the Committee of Creditors ("CoC") approved the appointment of Mr. Anil Kohli as the Resolution Professional in place of the erstwhile Interim Resolution Professional, Mr. Anil Agarwal, of Eastern Silk Industries Limited.***

***The appointment of Mr. Anil Kohli was confirmed as the Resolution Professional vide order of the Hon'ble NCLT dated 29th July 2022. The Resolution Professional thereafter managed the affairs, business, and assets of the Company.***

***The Resolution Professional invited expressions of interest and submission of a resolution plan in accordance with the provisions of the Code. Out of the various resolution plans submitted by the Resolution Applicants, the CoC approved the resolution plan submitted by Bauman Dekor Private Limited.***

***The Resolution Professional submitted the CoC-approved plan to the NCLT for its approval, and the NCLT, Kolkata Bench, approved the resolution plan submitted by Bauman Dekor Private Limited on 31st January 2024 ("IBC/NCLT Order").***

***Pursuant to the NCLT Order, a new Board was constituted ("Reconstituted Board" or "Board"), and a new management was put in place.***



**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 78<sup>th</sup> Annual General Meeting of the member of Eastern Silk Industries Limited will be held on Thursday, 25<sup>th</sup> day of September, 2025, at 11.00 A.M. through video conferencing ("VC")/ other Audio Visual means ("OAVM") to transact the following business:

**ORDINARY BUSINESS**

**ITEM NO 1.** To receive, consider and adopt audited financial statements for the financial year ended 31<sup>st</sup> March, 2024 and together with the report of the Board of Directors and Auditors thereon and in this regard, pass the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2024 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

**SPECIAL BUSINESS**

**ITEM NO 2. TO APPROVE THE APPOINTMENT OF MR. DEEPAK KUMAR GUPTA (DIN: 08578380), AS AN INDEPENDENT DIRECTOR**

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Deepak Kumar Gupta(DIN: 08578380), who was appointed as an Additional Director (Non-executive Independent) of the Company with effect from 3<sup>rd</sup> January , 2025 by Monitoring Committee of the company in its meeting held on 3<sup>rd</sup> January, 2025 in terms of approved resolution plan approved by the Hon'ble National Company Law Tribunal, Kolkata vide its order dated 31<sup>st</sup> January, 2024, who meets the criteria for independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations, and who has submitted a declaration to that effect and is eligible for appointment as director, in respect of whom the Company has received a notice in writing from a member under the provisions of Section 160 of the Act, proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years from 3<sup>rd</sup> January, 2025.

**RESOLVED FURTHER THAT** the appointment of Mr. Deepak Kumar Gupta (DIN: 08578380), who was appointed as an Additional Director (Non-executive Independent) of the Company with effect from 11<sup>th</sup> March, 2024 by Monitoring Committee of the company in its meeting held on 4<sup>th</sup> March, 2024, in terms of approved resolution plan approved by the Hon'ble National Company Law Tribunal, Kolkata vide its order dated 31<sup>st</sup> January, 2024, who held office up to the due date of 78<sup>th</sup> Annual General Meeting i.e. 31<sup>st</sup> December, 2024, who met the criteria for independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the Listing



Regulations, and who has submitted a declaration to that effect, be and is hereby ratified by the members of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as they may, in their absolute discretion deem necessary, proper or expedient and to execute all such documents, instruments and writings as may be required and delegate all or any of their powers herein conferred to any Committee of Director(s) to give effect to the above resolution.”

**ITEM NO 3. TO APPROVE THE APPOINTMENT OF MR. PRAVEEN KUMAR AGARWAL (DIN:06992675), AS AN INDEPENDENT DIRECTOR**

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Praveen Kumar Agarwal (DIN: 06992675), who was appointed as an Additional Director (Non-executive Independent) of the Company with effect from 3<sup>rd</sup> January, 2025 by Monitoring Committee of the company in its meeting held on 3<sup>rd</sup> January, 2025 in terms of approved resolution plan approved by the Hon’ble National Company Law Tribunal, Kolkata vide its order dated 31<sup>st</sup> January, 2024, who meets the criteria for independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations, and who has submitted a declaration to that effect and is eligible for appointment as director, in respect of whom the Company has received a notice in writing from a member under the provisions of Section 160 of the Act, proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years from 3<sup>rd</sup> January, 2025.

**RESOLVED FURTHER THAT** the appointment of Mr. Praveen Kumar Agarwal (DIN: 06992675), who was appointed as an Additional Director (Non-executive Independent) of the Company with effect from 11<sup>th</sup> March, 2024 by Monitoring Committee of the company in its meeting held on 4<sup>th</sup> March, 2024, in terms of approved resolution plan approved by the Hon’ble National Company Law Tribunal, Kolkata vide its order dated 31<sup>st</sup> January, 2024, who held office up to the due date of 78<sup>th</sup> Annual General Meeting i.e. 31<sup>st</sup> December, 2024, who met the criteria for independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations, and who has submitted a declaration to that effect, be and is hereby ratified by the members of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as they may, in their absolute discretion deem necessary, proper or expedient and to execute all such documents, instruments and writings as may be required and delegate all or any of their powers herein conferred to any Committee of Director(s) to give effect to the above resolution.”

**ITEM NO 4. TO APPROVE THE APPOINTMENT OF MS. JYOTHI THOMAS (DIN:03502492), AS AN INDEPENDENT DIRECTOR**

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Jyothi Thomas (DIN: 03502492), who was appointed as an Additional Director (Non-executive Independent) of the Company with effect from 3<sup>rd</sup> January, 2025 by Monitoring Committee of the company in its meeting held on 3<sup>rd</sup> January, 2025 in terms of approved resolution plan approved by the Hon’ble National Company Law Tribunal, Kolkata vide its order dated 31<sup>st</sup> January, 2024, who meets the criteria for independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations, and who has submitted a declaration to that effect and is eligible for appointment as director, in respect of whom the Company has received a notice in writing from a member under the provisions of Section 160 of the Act, proposing her candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years from 3<sup>rd</sup> January, 2025.

**RESOLVED FURTHER THAT** the appointment of Ms. Jyothi Thomas (DIN: 03502492), who was appointed as an Additional Director (Non-executive Independent) of the Company with effect from 11<sup>th</sup> March, 2024 by Monitoring Committee of the company in its meeting held on 4<sup>th</sup> March, 2024, in terms of approved resolution plan approved by the Hon’ble National Company Law Tribunal, Kolkata vide its order dated 31<sup>st</sup> January 31, 2024, who held office up to the due date of 78<sup>th</sup> Annual General Meeting i.e. 31<sup>st</sup> December, 2024, who met the criteria for independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations, and who has submitted a declaration to that effect, be and is hereby ratified by the members of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as they may, in their absolute discretion deem necessary, proper or expedient and to execute all such documents, instruments and writings as may be required and delegate all or any of their powers herein conferred to any Committee of Director(s) to give effect to the above resolution.”

**ITEM NO 5. TO APPROVE THE APPOINTMENT OF MR. AJAY BIKRAM SINGH (DIN:03096101) AS A DIRECTOR**

To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time



being in force), Mr. Ajay Bikram Singh (DIN:03096101) who was appointed as an Additional Director (Non-executive –Non Independent director ) of the Company with effect from 3<sup>rd</sup> January, 2025 by Monitoring Committee of the company in its meeting held on 3<sup>rd</sup> January, 2025 in terms of approved resolution plan approved by the Hon'ble National Company Law Tribunal, Kolkata vide its order dated 31<sup>st</sup> January, 2024, is eligible for appointment as director, and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 160 of the Act, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the company, liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as they may, in their absolute discretion deem necessary, proper or expedient and to execute all such documents, instruments and writings as may be required and delegate all or any of their powers herein conferred to any Committee of Director(s) to give effect to the above resolution."

**ITEM NO. 6: TO APPROVE THE APPOINTMENT OF MR. SUNIL KUMAR DIRECTOR OF THE COMPANY AND WHOLE-TIME DIRECTOR (DIN: 09424480) OF THE COMPANY**

To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Sunil Kumar (DIN: 09424480) who was appointed as an Additional Director (Executive –Non Independent director ) of the Company with effect from 3<sup>rd</sup> January, 2025 by Monitoring Committee of the company in its meeting held on 3<sup>rd</sup> January, 2025 in terms of approved resolution plan approved by the Hon'ble National Company Law Tribunal, Kolkata vide its order dated 31<sup>st</sup> January, 2024, is eligible for appointment as director, and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the company, liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 196,197 and 198 read with Schedule V and all other applicable provisions of the Act and the Rules made thereunder and the applicable provisions of the Listing Regulations (including any statutory modification(s) or re- enactment thereof for the time being in force), the provisions of the Articles of Association of the Company, Mr. Sunil Kumar (DIN: 09424480) who was appointed as Whole-time Director (Executive – Non Independent director ) of the Company with effect from 3<sup>rd</sup> January, 2025 by Monitoring Committee of the company in its meeting held on 3<sup>rd</sup> January, 2025 in terms of approved resolution plan approved by the Hon'ble National Company Law Tribunal, Kolkata vide its order dated 31<sup>st</sup> January, 2024, be and is hereby appointed as a Whole-time Director of the Company for a period of 3 years w.e.f. 3<sup>rd</sup> January, 2025, to hold office from 3<sup>rd</sup> January, 2025 to 2<sup>nd</sup> March , 2028, liable to retire by rotation, without any remuneration.



**RESOLVED FURTHER THAT** the appointment of Mr. Sunil Kumar (DIN: 09424480), who was appointed as Whole-time Director (Executive- Non Independent) of the Company with effect from 11<sup>th</sup> March, 2024 by Monitoring Committee of the company in its meeting held on 4<sup>th</sup> March, 2024, in terms of approved resolution plan approved by the Hon'ble National Company Law Tribunal, Kolkata vide its order dated 31<sup>st</sup> January, 2024, who held office up to the due date of 78<sup>th</sup> Annual General Meeting i.e. 31<sup>st</sup> December, 2024, be and is hereby ratified by the members of the Company.

**RESOLVED FURTHER THAT** the Board or any duly constituted Committee of the Board, be and is hereby authorised to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the foregoing resolution."

**ITEM NO. 7: TO APPROVE THE APPOINTMENT OF MR. RAMESH CHANDRAGIRI REDDAPPA (DIN:10535137)AS DIRECTOR AND WHOLE-TIME DIRECTOR OF THE COMPANY**

To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Ramesh Chandragiri Reddappa (DIN: 10535137) who was appointed as an Additional Director (Executive –Non Independent director ) of the Company with effect from 3<sup>rd</sup> January, 2025 by Monitoring Committee of the Company in its meeting held on 3<sup>rd</sup> January, 2025 in terms of approved resolution plan approved by the Hon'ble National Company Law Tribunal, Kolkata vide its order dated 31<sup>st</sup> January, 2024, is eligible for appointment as director, and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the company, liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 196,197 and 198 read with Schedule V and all other applicable provisions of the Act and the Rules made thereunder and the applicable provisions of the Listing Regulations (including any statutory modification(s) or re- enactment thereof for the time being in force), the provisions of the Articles of Association of the Company, Mr. Ramesh Chandragiri Reddappa (DIN: 10535137), who was appointed as Whole-time Director (Executive –Non Independent director ) of the Company with effect from 3<sup>rd</sup> January, 2025 by Monitoring Committee of the company in its meeting held on 3<sup>rd</sup> January, 2025 in terms of approved resolution plan approved by the Hon'ble National Company Law Tribunal, Kolkata vide its order dated 31<sup>st</sup> January, 2024, be and is hereby appointed as a Whole-time Director of the Company for a period of 3 years w.e.f. 3<sup>rd</sup> January, 2025, to hold office from 3<sup>rd</sup> January, 2025 to 2<sup>nd</sup> March, 2028, liable to retire by rotation, without any remuneration.

**RESOLVED FURTHER THAT** the appointment of Mr. Ramesh Chandragiri Reddappa (DIN: 10535137), who was appointed as Whole-time Director (Executive- Non Independent) of the Company with effect from 11<sup>th</sup> March, 2024 by Monitoring Committee of the Company in its meeting held on 4<sup>th</sup> March, 2024, in terms of approved resolution plan approved by the Hon'ble National Company Law Tribunal, Kolkata vide its order dated 31<sup>st</sup> January, 2024, who held office up to the



due date of 78<sup>th</sup> Annual General Meeting i.e. 31<sup>st</sup> December, 2024, be and is hereby ratified by the members of the Company.

**RESOLVED FURTHER THAT** the Board or any duly constituted Committee of the Board, be and is hereby authorised to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the foregoing resolution.”

**ITEM NO. 8 RATIFICATION OF REMUNERATION TO COST AUDITORS FOR FINANCIAL YEAR ENDED 31ST MARCH, 2024:**

To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s. N. Radhakrishnan & Co, Cost Accountant, Cost Accountants, appointed by the Board of Directors on the recommendation of the Audit Committee, as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ended 31<sup>st</sup> March, 2024, amounting to ₹ 25,000/-plus applicable taxes and reimbursement of out-of-pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified.”

**RESOLVED FURTHER THAT** the Board or any duly constituted Committee of the Board, be and is hereby authorised to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the foregoing resolution.”

Registered Office: 19, R. N. Mukherjee Road Kolkata – 700 001 Date: 30.08.2025 Place: New Delhi	By order of the Board Sd/- Ravi Kumar Company Secretary & Compliance Officer
CIN: L17226WB1946PLC013554 Email: investors@easternsilk.com Registered Office: 19, R. N. Mukherjee Road Email: investors@easternsilk.com	



**STATEMENT IN PURSUANCE OF SECTION 102(1) OF THE COMPANIES ACT, 2013**

Statement with respect to items under Special Business covered in the Notice of Annual General Meeting are given below

**ITEM NO.2, 3, 4, 5, 6 AND 7**

Eastern Silk Industries Limited ("Company") was undergoing Corporate Insolvency Resolution Process ("CIRP") and subsequently the resolution plan ("Resolution Plan") submitted by the Mr. Ajay Bikram Singh along with Baumann Dekor Private Limited ("Successful Resolution Applicant") was approved by the National Company Law Tribunal, Kolkata Bench and Vide Order dated 31<sup>st</sup> January, 2024. As per the terms of the approved Resolution Plan, a monitoring committee ("Monitoring Committee") has been constituted, to oversee the implementation of the resolution plan. Monitoring committee, In term of approved resolution plan, in its meeting held on 4<sup>th</sup> March, 2024 had approved the appointment of Mr. Deepak Kumar Gupta, Mr. Praveen Kumar Agarwal and Ms. Jyothi Thomas, as Additional Directors (Non-executive Independent Directors), Mr. Ajay Bikram Singh, as Additional Director (Non-Executive Non-Independent Director and Mr. Sunil Kumar and Mr. Ramesh Chandragiri Reddappa as Additional Directors and Whole-time Directors (Executive Director-Non Independent Directors) w.e.f. 11<sup>th</sup> March, 2024 to hold the office up to the date of 78<sup>th</sup> Annual General Meeting or due date i.e. 31<sup>st</sup> December, 2024 (after extension of 3 months), whichever is earlier. However, due to some unavoidable reasons, i.e. pendency of in principal approval for the listing of equity shares of the Company, with National Stock Exchange of India Limited, the Company could not convene 78<sup>th</sup> Annual General Meeting up to the due date as aforesaid. Consequently, all the Directors appointed as aforesaid by the Monitoring Committee, got vacated.

Thereafter, Monitoring Committee in its meeting held on 3<sup>rd</sup> January, 2025, approved the appointment of Mr. Deepak Kumar Gupta, Mr. Praveen Kumar Agarwal and Ms. Jyothi Thomas, as Additional Directors (Non-executive Independent Directors), Mr. Ajay Bikram Singh, as Additional Director (Non-Executive Non-Independent Director and Mr. Sunil Kumar and Mr. Ramesh Chandragiri Reddappa as Additional Directors and Whole-time Directors (Executive Director-Non Independent Directors) w.e.f. 3<sup>rd</sup> January, 2025.

The Company has received declaration from Mr. Deepak Kumar Gupta, Praveen Kumar Agarwal, and Ms. Jyothi Thomas confirming that they meets the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 („Listing Regulations"). In terms of Regulation 25(8) of the Listing Regulations, Mr. Deepak Kumar Gupta, Praveen Kumar Agarwal, and Ms. Jyothi Thomas, have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

In the opinion of the Board, Mr. Deepak Kumar Gupta, Praveen Kumar Agarwal, and Ms. Jyothi Thomas, fulfils the conditions specified in the Act and the Listing Regulations for appointment as an Independent Director and that they are independent of the Management.

In terms of the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 25(2) (A) of the Listing Regulations, the appointment of Mr. Deepak Kumar Gupta,



Praveen Kumar Agarwal, and Ms. Jyothi Thomas, as Independent Directors for a period of 5 years w.e.f. 3<sup>rd</sup> January, 2025 and ratification of their term as Independent Directors for the period 11<sup>th</sup> March, 2024 to 31<sup>st</sup> December, 2024, requires the approval of the members by way of Special Resolutions.

Further, in terms of the provisions of Sections 149 and 152 of the Act and Regulation 17 of the Listing Regulations, the appointment of Mr. Ajay Bikram Singh, Mr. Sunil Kumar and Mr. Ramesh Chandragiri Reddappa, as Directors requires the approval of the members of the Company by way of an Ordinary Resolutions. Further, in terms of the provisions of Section 197 read with Schedule V of the Act, the appointment of , Mr. Sunil Kumar and Mr. Ramesh Chandragiri Reddappa, as Whole time Directors for a period of 3 years w.e.f. 3<sup>rd</sup> January, 2025 and ratification of their appointment as Whole time Directors for the period 11<sup>th</sup> March, 2024 to 31<sup>st</sup> December, 2024, requires the approval of the members by way of Ordinary Resolutions.

Given their background, experience and expertise, the Board is of the opinion that continued association of Mr. Deepak Kumar Gupta, Praveen Kumar Agarwal, and Ms. Jyothi Thomas, as independent directors, Mr. Ajay Bikram Singh, as Non-Executive Director and Mr. Sunil Kumar and Mr. Ramesh Chandragiri Reddappa, as Whole time Directors would be of immense benefit to the Company and it is, therefore, desirable to appoint them.

The information as required under the Regulation 36 of Listing Regulations and Secretarial Standard (SS 2) on General Meetings, of Mr. Deepak Kumar Gupta, Praveen Kumar Agarwal, Ms. Jyothi Thomas, Mr. Ajay Bikram Singh, Mr. Sunil Kumar and Mr. Ramesh Chandragiri Reddappa is provided in Annexure "A" to the Notice.

Mr. Deepak Kumar Gupta, Praveen Kumar Agarwal, Ms. Jyothi Thomas, Mr. Ajay Bikram Singh, Mr. Sunil Kumar and Mr. Ramesh Chandragiri Reddappa and their relative, in the resolution with regard to his/her appointment, are interested.

The Board recommends the Special resolution, as set out at item No. 2, 3, 4 and Ordinary Resolutions 5, 6 and 7 of accompanying Notice, for approval by the Members

#### **ITEM NO. 8**

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 and subsequently Hon'ble NCLT, Kolkata Bench vide order dated 31<sup>st</sup> January, 2024 had approved the Resolution Plan submitted by the Successful Resolution Applicant and prior to the approval company was managed by the Resolution Professional under the supervision of the Committee of Creditor.





In the financial year 2023-24, due to Corporate Insolvency Resolution Process, the Company had not approved the appointment of the Cost auditor of the Company for the Financial Year 2023-24.

In view of the above, the members of the board in their meeting held on 16<sup>th</sup> May, 2024, upon the recommendation of the audit committee, approved the re-appointment of M/s. N. Radhakrishnan & Co., as Cost auditors for the Financial Year 2023-24, subject to ratification by the shareholders remuneration to be payable to him as Cost auditor of the company to conduct the audit of the cost records of the for Financial Year 2023-24.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, Members of the Company are required to ratify the remuneration of the Cost Auditors.

Accordingly, approval of the Members is being sought for ratification of remuneration of M/s. N. Radhakrishnan & Co. for the cost audit conducted for the year ended 31<sup>st</sup> March, 2024.

NONE of the Directors, Key Managerial Personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the Ordinary resolution, as set out at 8 of accompanying Notice, for approval by the Members.



## Annexure-A

**Disclosure relating to Directors pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standards on General Meetings:**

<b>Name of the Director</b>	Mr. Deepak Kumar Gupta	Mr. Praveen Kumar Agarwal
<b>DIN</b>	08578380	06992675
<b>Date of Birth &amp; Age</b>	26 <sup>th</sup> April 1962, 63 Years	19 <sup>th</sup> October, 1954, 70 Years
<b>Brief resume and nature of their expertise in specific functional areas Qualification and Experience.</b>	Mr. Deepak Gupta is a Chartered Accountant and having an experience of over 40 years in financial management.	Mr. Praveen Kumar Agarwal is an Architect having a wide experience in project management of over 40 years.
<b>Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid.</b>	As mentioned in the Explanatory Statement.	As mentioned in the Explanatory Statement.
<b>The remuneration last drawn by such person</b>	NIL	NIL
<b>Date of first appointment on the Board</b>	11 <sup>th</sup> March, 2024	11 <sup>th</sup> March, 2024
<b>Shareholding in the Company as on 31.03.2024</b>	NIL	NIL
<b>Disclosure of Relationship between Directors inter-se</b>	NONE	NONE
<b>No. of Meetings of Board attended during the F.Y 2023-24</b>	1	1
<b>Names of the listed Companies in which person holds Directorship</b>	NONE, Except Eastern Silk Industries Limited	NONE, Except Eastern Silk Industries Limited
<b>Other directorship</b>	Sanwariya Packaging Private Limited  Ayavazhi Technologies Private Limited  LSC Marketing India Private Limited	NONE



<b>Names of listed Companies in which person ceased to be a Director in past three years</b>	N.A	N.A
Skills and capabilities required for the role of Independent Director and the manner in which the proposed person meets such requirements	The Board noted that Mr. Deepak Kumar Gupta skills, background and experience are aligned to the role and capabilities identified by the NRC and that he is eligible for appointment as an Independent Director.	The Board noted that Mr. Praveen Kumar Agarwal" skills, background and experience are aligned to the role and capabilities identified by the NRC and that he is eligible for appointment as an Independent Director.

**Disclosure relating to Directors pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standards on General Meetings:**

<b>Name of the Director</b>	Ms. Jyothi Thomas	Mr. Ajay Bikram Singh
<b>DIN</b>	03502492	03096101
<b>Date of Birth &amp; Age</b>	21 <sup>st</sup> April, 1966, 59 Years	04 <sup>th</sup> November, 1966
<b>Brief resume and nature of their expertise in specific functional areas Qualification and Experience.</b>	Mrs. Jyothi Thomas is an architect having a wide experience in project management of over 35 years.	Mr. Ajay Bikram Singh is an Architect, MBA & professional lawyer with over 30 years of experience.
<b>Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid.</b>	As mentioned in the Explanatory Statement.	As mentioned in the Explanatory Statement.
<b>The remuneration last drawn by such person</b>	NIL	NIL
<b>Date of first appointment on the Board</b>	11 <sup>th</sup> March, 2024	11 <sup>th</sup> March, 2024
<b>Shareholding in the Company as on 31.03.2024</b>	NIL	NIL
<b>Disclosure of Relationship between Directors inter-se</b>	NONE	NONE
<b>No. of Meetings of Board attended during the F.Y 2023-24</b>	1	1
<b>Names of the listed Companies in which person holds</b>	NONE, Except Eastern Silk	NONE, Except Eastern Silk



<b>Directorship</b>	Industries Limited	Industries Limited
<b>Other directorship</b>	NONE	Baumann Dekor Private Limited  Dorato Infrastructure Private Limited  VFM Infraventures Private Limited  Consilio Resources Private Limited.
<b>Names of listed Companies in which person ceased to be a Director in past three years</b>	N.A	N.A
Skills and capabilities required for the role of Independent Director and the manner in which the proposed person meets such requirements	The Board noted that Ms. Jyothi Thomas skills, background and experience are aligned to the role and capabilities identified by the NRC and that he is eligible for appointment as an Independent Director.	N.A

**Disclosure relating to Directors pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standards on General Meetings:**

<b>Name of the Director</b>	Mr. Sunil Kumar	Mr. Ramesh Chandragiri Reddappa
<b>DIN</b>	09424480	10535137
<b>Date of Birth &amp; Age</b>	25 <sup>th</sup> November, 1991, 33 Years	15 <sup>th</sup> May, 1975, 50 Years
<b>Brief resume and nature of their expertise in specific functional areas Qualification and Experience.</b>	Mr. Sunil Kumar is a business professional with MBA qualification. He has 12 years of experience in managing the business.	Mr. Ramesh is a textile professional with over 30 years of experience.
<b>Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid.</b>	As mentioned in the Explanatory Statement.	As mentioned in the Explanatory Statement.
<b>The remuneration last drawn by such person</b>	NIL	NIL
<b>Date of first appointment on the Board</b>	11 <sup>th</sup> March, 2024	11 <sup>th</sup> March, 2024



<b>Shareholding in the Company as on 31.03.2024</b>	NIL	NIL
<b>Disclosure of Relationship between Directors inter-se</b>	NONE	NONE
<b>No. of Meetings of Board attended during the F.Y 2023-24</b>	1	1
<b>Names of the listed Companies in which person holds Directorship</b>	NONE, Except Eastern Silk Industries Limited	NONE, Except Eastern Silk Industries Limited
<b>Other directorship</b>	Baumann Dekor Private Limited  Dorato Infrastructure Private Limited  VFM Infraventures Private Limited  Consilio Resources Private Limited.	NONE
<b>Names of listed Companies in which person ceased to be a Director in past three years</b>	N.A	N.A
<b>Skills and capabilities required for the role of Independent Director and the manner in which the proposed person meets such requirements</b>	N.A	N.A

**NOTES:**

1. The Explanatory Statement pursuant to the provisions of section 102 of The Companies Act, 2013 ("the Act"), in respect of the businesses under Item Nos. 2 to 8 of the Notice is annexed hereto. The Board of Directors ("the Board") have considered and decided to include Item Nos. 2 to 8 given above in the 78<sup>th</sup> Annual General Meeting ("AGM"), as they are unavoidable in nature. Further, the relevant details with respect to Item Nos. 2, to 7 pursuant to regulation 36(3) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India ("the ICSI"), in respect of Directors seeking appointment/re-appointment at this AGM are also annexed.
2. The Ministry of Corporate Affairs ("MCA") vide its circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, May 5, 2022, December 28, 2022, September 25, 2023, and September 19, 2024 ("MCA Circulars for General Meetings") and The Securities and Exchange Board of India ("SEBI") vide its circulars dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023, October 7, 2023, and October 3, 2024 ("SEBI Circulars for General Meetings") (MCA Circulars for General Meetings and SEBI Circulars for General Meeting are collectively referred to as "the MCA and SEBI Circulars"), permitted the holding of the general meetings through VC / OAVM, without the physical presence of the members at a common venue till September 30, 2025. In compliance with the provisions of the Act, the Listing Regulations, the MCA and SEBI Circulars, the AGM of the Company is being held through VC / OAVM.
3. **As the AGM is being held pursuant to MCA Circulars for General Meetings through VC / OAVM, the facility to appoint proxy will not be available for the AGM and hence the Proxy Form and the Attendance Slip are not annexed to this Notice. However, a Body Corporate is entitled to appoint authorised representative to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting.**

Further, pursuant to sections 112 and 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC / OAVM and cast their vote through e-voting. As the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

4. Members holding shares in physical mode are requested to intimate ABS Consultant Private Limited, the Registrar and Transfer Agent of the Company („the RTA”) at STEPHEN HOUSE” Room No. 99, 6th Floor, 4B.B.D Bag (East), Kolkata-700001, changes, if any, in their names, registered address along with pin code number, e-mail address, telephone / mobile number, Permanent Account Number („PAN”), mandates, nominations, power of attorneys, bank details such as name of the bank and branch details, bank account number, 9 digit MICR code, 11 digit IFSC, etc. and relevant evidences. Members holding shares in electronic mode shall update such details with their respective DP.

As per the provisions of section 72 of the Act, the facility of making nomination is available for the members in respect of the shares held by them. Members who have not yet registered



their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to the DP in case the shares are held by them in demat mode and to the Company / RTA, in case the shares are held in physical mode.

5. In compliance with the MCA and SEBI Circulars, Notice of the AGM of the Company, *inter- alia*, indicating the process and manner of e-voting and the Annual Report 2023-2024 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company / RTA / DP. The Notice can also be accessed from the websites of the Company, i.e. <https://easternsilk.com/>, as well as from the website of the Stock Exchange where the Company is listed, i.e., NSE Limited at [www.nseindia.com](http://www.nseindia.com). The AGM Notice is also available on the website of National Securities Depository Limited („NSDL”) (agency for providing the remote e-voting facility and e-voting during the AGM) i.e., [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The Company shall send a letter providing the web-link, including the exact path, where complete details of the Annual Report are available to those members who have not registered their email IDs. The Company shall send the hard copy of the Annual Report to those members who request the same.

The Register of members and share transfer books of the Company will remain closed from September 19, 2025 to September 25, 2025 (both days inclusive) for the purpose of AGM.

6. In order to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical mode are requested to demat their holdings at the earliest.

**7. Mandatory furnishing of KYC details and nominations by holders of physical securities:**

SEBI, vide its circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021, has prescribed certain mandatory provisions with regard to “Common and Simplified Norms for processing investor request by RTAs and norms for furnishing PAN, KYC details and Nomination”, where the shares are held in physical mode. Said SEBI circular prescribes following norms:

- i. Common and simplified norms for processing any service request from the holder, pertaining to the captioned items, by the RTAs.
- ii. Electronic interface for processing investor’s queries, complaints and service requests.
- iii. Mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities.
- iv. Freezing of folios without valid PAN, KYC details and Nomination and
- v. Compulsory linking of PAN and Aadhaar by all holders of physical securities.

Members of the Company holding shares in physical mode shall provide the following documents / details to the RTA of the Company:

- i. PAN.
- ii. Nomination (for all eligible folios) in Form No. SH-13 or submit declaration to “Opt-Out” in Form No. ISR-3.



- Note:** Any cancellation or change in nomination shall be provided in Form No. SH-14.
- iii. Contact details including postal address with pin code, mobile number, e-mail address.
  - iv. Bank account details including bank name and branch, bank account number and IFSC.
  - v. Specimen signature.

Please provide the above documents / details to the RTA of the Company along with other basic details like name of the member, folio number, certificate number and distinctive numbers.

As per the said SEBI circular, the Company has uploaded the following documents (along with the SEBI circular) on the website of the Company:

- i. Form No. ISR-1-request for registering PAN, KYC details or changes / updation thereof.
- ii. Form No. ISR-2-confirmation of signature of securities holder by the Banker.
- iii. Form No. ISR-3-declaration form for opting-out of nomination by holders of physical securities in listed companies.
- iv. Form No. SH-13-nomination form.
- v. Form No. SH-14-cancellation or variation of nomination.

Further, the contact details of the Company and the RTA are also available on the website of the Company.

SEBI has issued a circular No. SEBI/HO/MIRSD/PoD-1/ CIR/2023/37 dated March 16, 2023 (subsumed as part of the SEBI Master Circular No. SEBI/HO/MIRSD/POD1/P/ CIR/2024/37 dated May 7, 2024) on „Common and simplified norms for processing investor’s service request by RTAs and norms for furnishing PAN, KYC details and Nomination which is applicable from April 1, 2023. The norms / procedural requirements for processing service requests of investors are provided in the said SEBI Circular.

The link to view the said SEBI circular dated November 3, 2021 along with the various forms and March 16, 2023 is available on the Company website at: [www.easternsilk.com](http://www.easternsilk.com)

SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE\_IAD-1/P/ CIR/2023/131 dated July 31, 2023 and SEBI/HO/OIAE/ OIAE\_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE\_IAD1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal (“ODR Portal”) for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA / Company directly and through existing SCORES platform, the members can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>).

8. **Thursday, September 18, 2025** has been fixed as “Cut-off Date” for determining Members entitled to facility of voting by remote e-voting and for e-voting at said AGM following Regulation 44 of the Listing Regulations.





9. Equity Shares of the Company are available for dematerialization both with NSDL and Central Depository Services (India) Limited („CDSL“).
10. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
11. In terms of circulars issued by the SEBI, it is now mandatory to furnish a copy of Permanent Account Number Card (PAN Card) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the 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 the RTA of the Company.
12. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically. The e-mail address can be registered with the DP in case the shares are held in electronic mode and with the RTA in case the shares are held in physical mode.
13. Members desiring any relevant information on the Audited Financial Statements or any matter to be placed at the AGM are requested to write to the Company at least 7 (seven) days in advance of the date of AGM through e-mail on [investors@easternsilk.com](mailto:investors@easternsilk.com). The same will be replied by the Company suitably.
14. The Register of Directors" and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred to in this Notice will be available for inspection in electronic mode.
15. The copies of the documents will also be available for electronic inspection during normal business hours on working days from the date of circulation of the Notice up to the date of AGM. For any communication, members may also send requests to the Company's investor e-mail id [investors@easternsilk.com](mailto:investors@easternsilk.com).
16. Members are requested to quote Folio No. or Client ID and DP ID Nos. in all communications with the Company.
- 17. E-voting (voting through electronic means):**
  - i. The businesses as set out in the Notice may be transacted through electronic voting system. In compliance with the provisions of section 108 of the Act read with The Companies (Management and Administration) Rules, 2014, standards 7 and 8 of the Secretarial Standard on General Meetings, regulation 44 of the Listing Regulations and pursuant to the MCA Circulars for General Meetings and the SEBI Circulars for General Meetings, the Company is pleased to offer the facility of voting through electronic means, to all its members to enable them to cast their votes electronically. The Company has



made necessary arrangements with NSDL to facilitate the members to cast their votes from a place other than venue of the AGM ("remote e-voting"). The facility for voting shall be made available during the AGM through electronic voting and the members participating in the AGM who have not cast their votes by remote e-voting shall be able to exercise their right during the AGM. The facility of casting votes by a member using remote e-voting as well as venue e-voting system on the date of the AGM will be provided by NSDL.

As the Company is providing the facility of remote e-voting to the members, there shall be no voting by show of hands at the AGM in terms of provisions of section 107 of the Act.

- ii. Pursuant to MCA and SEBI Circulars, physical attendance of the members at the AGM venue is not required and AGM can be held through VC / OAVM. The members can join the AGM through VC / OAVM mode 15 (fifteen) minutes before the scheduled time of the AGM and within 15 (fifteen) minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available to atleast 1,000 (one thousand) members on first come first served basis. This will be in addition to large members (members 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 AGM without restriction on account of first come first served basis.
- iii. 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 Act.
- iv. A person whose name is recorded in the Register of Members / List of Beneficial Owners maintained by the Depositories as on Thursday, September 18, 2025, being the cut-off date shall be entitled to avail the facility of remote e-voting or e-voting during the AGM. Persons who are not members as on the cut-off date, but have received this Notice, should treat receipt of this Notice for information purpose only.

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

The members whose names appear in the Register of Members / List of Beneficial Owners as on Thursday, September 18, 2025, are entitled to vote on the resolutions set forth in the Notice. Eligible members who have acquired shares after sending the Notice electronically and holding shares as on the cut-off date may approach the Company for seeking assistance for issuance of the User Id and Password for exercising their right to vote by electronic means.

Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast the vote again.



18. The Company has appointed Mr. Sumit Grover , Proprietor of M/S. Sumit Grover & Associates, Practicing Company Secretaries (Peer Review Certificate No. 6340/2024), to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.

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

The remote e-voting period begins on Monday, September 22, 2025, at 09:00 A.M. (IST) and ends on Wednesday, September 24, 2025, at 05:00 P.M. (IST). 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. Thursday, September 18, 2025, 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 Thursday, September 18, 2025.

**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
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>For OTP based login you can click on <a href="https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp">https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp</a>. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz.</li> </ol>



<https://eservices.nsdl.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.

3. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select “**Register Online for IDeAS Portal**” or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
4. 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. 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.
5. Shareholders/Members can also download NSDL Mobile App “**NSDL Speede**” facility by scanning the QR code mentioned below for seamless voting experience.

**NSDL Mobile App is available on**



App Store



Google Play





Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers" website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	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.

**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 <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800-21-09911

**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](http://www.evoting.nsdl.com).
- b) **Physical User Reset Password?”** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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.com](mailto:evoting@nsdl.com) 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 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**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cssumitgrover@gmail.com](mailto:cssumitgrover@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 or send a request to Mr. Pritam Dutta, Assistant Manager at [pritamd@nsdl.com](mailto:pritamd@nsdl.com) / [evoting@nsdl.com](mailto:evoting@nsdl.com)
4. A member can opt for only one mode of voting i.e. either through remote e-voting or during the AGM. If a member cast votes by both modes, then voting done through remote e-voting shall prevail.
5. The Company has appointed Mr. Sumit Grover , Proprietor of M/S. Sumit Grover & Associates, Practicing Company Secretaries (Membership No. FCS 11050 COP No.21767 to act as the Scrutinizer for conducting the e-voting and remote e-voting process in a fair and transparent manner.
6. The Scrutinizer will collate the votes cast at the AGM and votes downloaded from the e-voting system and make, within two working days from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
7. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the resolutions at the AGM shall be announced by the Chairman or any other person authorised by him immediately after the results are declared.
8. The results declared along with the Scrutinizer's Report, will be posted on the website of the Company <https://easternsilk.com> and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and will be displayed on the Notice Board of the Company at its registered office immediately after the declaration of the results by the Chairman or any other person authorised by him and communicated to the Stock Exchange.
9. Subject to receipt of requisite number of votes, the Resolution(s) set out in the Notice shall be deemed to be passed on the date of the AGM.



**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

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 Aadhar Card) by email to [investors@easternsilk.com](mailto: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 Aadhar Card) to [investors@easternsilk.com](mailto: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.com](mailto:evoting@nsdl.com) 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.

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

1. The procedure for e-Voting on the day of the 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 attending the AGM through VC/OAVM & e-voting during AGM are as under:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.



4. Member will be provided with a facility to attend the 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” placed under “Join meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join 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.
5. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
6. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
7. 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.
8. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 (seven) days prior to the meeting**, mentioning their name, demat account number/folio number, email id, and mobile number at [investors@easternsilk.com](mailto:investors@easternsilk.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 (seven) days prior to the meeting**, mentioning their name, demat account number/folio number, email id, mobile number at [investors@easternsilk.com](mailto:investors@easternsilk.com). These queries will be replied to by the company suitably by email.
9. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
10. Only those shareholders, who are 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 available during the AGM.
11. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.



## Contact Details:

<b>Company</b>	Mr. Ravi Kumar Eastern Silk Industries Limited Registered Office: 19 R N Mukherjee Rd, Kolkata, West Bengal, India, 700001 CIN: L17226WB1946PLC013554 E-mail: <a href="mailto:cs@easternsilk.com">cs@easternsilk.com</a>
<b>Registrar and Transfer Agent</b>	ABS Consultant Private Limited, the Registrar and Transfer Agent of the Company („the RTA“) at STEPHEN HOUSE” Room No. 99, 6th Floor, 4B.B.D Bag (East), Kolkata-700001 Contact Person: Mr. Rajiv Goel E-mail: <a href="mailto:absconsultant99@gmail.com">absconsultant99@gmail.com</a>
<b>e-Voting Agency</b>	National Securities Depository Limited E-mail: <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> Phone: 022 - 4886 7000 and 022 - 2499 7000
<b>Scrutinizer</b>	Mr. Sumit Grover Practicing Company Secretary E-mail: <a href="mailto:csumitgrover@gmail.com">csumitgrover@gmail.com</a>



## **DIRECTORS' REPORT**

To

The Members

Eastern Silk Industries Limited (hereinafter referred as "the Company").

The Newly Constituted Board of Directors present the Seventy Eighth Annual Report and the Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2024.

### **INITIATION OF CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP) AND APPROVAL OF THE RESOLUTION PLAN:**

The Hon'ble Adjudicating Authority, i.e., National Company Law Tribunal, Kolkata Bench, 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. The Adjudicating Authority appointed Mr. Anil Agarwal as Interim Resolution Professional (IRP) vide its said order dated 10.06.2022.

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

The CIRP is being carried out by the Resolution Professional as per the provisions of the Code and during CIRP, the resolution plan, as submitted by Mr. Ajay Bikram Singh through Baumann Dekor Private Limited (SRA-Successful Resolution Applicant), in terms of the applicable provisions of the Code, was approved by the CoC in its 11<sup>th</sup> Meeting held on March 03, 2023.

After approval of the resolution plan from the CoC, the Resolution Professional filed the CoC approved Resolution Plan with Hon'ble National Company Law Tribunal, Kolkata Bench on 09.03.2023 and the same was approved by the Hon'ble National Company Law Tribunal, Kolkata Bench vide its order dated 31.01.2024.

Pursuant to the approval of the plan and for the purpose of its implementation, a monitoring committee was constituted in terms of the approved Resolution Plan, and post constitution, the monitoring committee, in terms of the approved Resolution Plan, reconstituted the Board of the Company, thereby appointing a new Board of Directors of the Company along with the removal/vacation of the existing Board of Directors.



In accordance with the provisions of the Code and the NCLT order, the approved resolution plan is binding on the Company and its employees, members, creditors, guarantors and other stakeholders involved.

Members may kindly note that the Directors of the Reconstituted Board ("Directors") were not in office for the majority of the period to which this report primarily pertains. During the CIRP Process (i.e. between 10<sup>th</sup> June 2022 to 31<sup>st</sup> January 2024), the RP was entrusted with the management of the affairs of the Company. Prior to the Insolvency Commencement Date, the erstwhile Board of Directors had the oversight on the management of the affairs of the Company. The Reconstituted Board is submitting this report in compliance with the provisions of the Companies Act, 2013, the rules and regulations framed there under ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("Listing Regulations"). The Reconstituted Board is not to be considered responsible to discharge fiduciary duties with respect to the oversight on financial and operational health of the Company and performance of the management for the period prior to the Reconstruction of the Board.

Pursuant to the NCLT Order, a New Board was first constituted on March 11, 2024 ("Reconstituted Board" or "Board") and a new management was put in place. Details about the change in management is provided in the relevant section of this report.

***Members are requested to read this report in light of the fact as stated above.***

***During the period through 1<sup>st</sup> April 2023 to 10<sup>h</sup> March 2024:***

- (a) the management of the affairs of the company vested with the Resolution Professional.*
- (b) the powers of the then Board of Directors of the Company stood suspended and were exercised by the Resolution Professional.*
- (c) the Resolution Professional was responsible for complying with the requirements under any law for the time being in force.*

***During the period through 11<sup>th</sup> March 2024 to 31<sup>st</sup> March 2024 and thereafter:***

*New Board was reconstituted on 11th March 2024 with the following new directors, namely, Mr. Ajay Bikram Singh, Mr. Sunil Kumar, Mr. Ramesh Chandragiri Reddappa, Mr. Deepak Kumar Gupta, Mr. Praveen Kumar Agarwal and Mrs. Jyothi Thomas*

It is pertinent to mention here that as at the end of the period under review i.e. March 31, 2024, the Resolution Plan, as approved by the Hon'ble NCLT, Kolkata Bench vide its order dated 31.01.2024, was under implementation in supervision of the Monitoring Committee.



## 1. FINANCIAL RESULTS/HIGHLIGHTS

Highlights of Financial Results for the year are as under:

(in Lacs)		
Particulars	Financial year ended March 31, 2024	Financial Year ended March 31, 2023
<b>Total Income</b>	<b>2,033.58</b>	<b>3,946.45</b>
Profit/(Loss) before depreciation/Exceptional Items and taxation	(889.87)	(1,147.37)
Less/Add: Depreciation	296.55	296.05
<b>Profit/(Loss) for the year before taxation</b>	<b>(1,186.42)</b>	<b>(1,443.42)</b>
Add/ (Less): Provision for Current/Earlier Year Taxation	44.00	0.01
<b>Profit/(Loss) for the year</b>	<b>(1,230.42)</b>	<b>(1,443.43)</b>
Add: Balance b/f Of Retained Earnings of Previous Years	(21,995.24)	(20,551.81)
<b>Balance to be Carried Forward to the Next Year</b>	<b>(23,225.67)</b>	<b>(21,995.24)</b>

## 2. PERFORMANCE REVIEW

Highlights of performance during the financial year 2023-24 are:

Total Revenue from Operation of the Company is ₹. 1,891.98 Lacs as against ₹. 3,801.29 Lacs in the previous year.

Operating Profit / (Loss) is ₹ (1,186.42) Lacs as against ₹ (1,443.42) Lacs in the previous year.

Profit/(Loss) before taxation is ₹(1,186.42) Lacs for the year as against the profit/ (Loss) of ₹ (1,443.42) Lacs in the previous year.

Profit/(Loss) after Tax is ₹ (1,230.42) Lacs as against the Profit/ (Loss) of ₹ (1,443.43) Lacs in the previous year.

Performance of the Company during the year under review showed decrease in the sales due to the non-supportive market conditions and changing customer preferences and initiation of CIRP which affected the marketability of Company's products.

A detailed review of the operations of the Company for the Financial Year ended 31<sup>st</sup> March, 2024 is given in the Management Discussion and Analysis Report, which forms a part of this report.

**3. STATUS OF CORPORATE INSOLVENCY RESOLUTION PROCESS UNDER the IBC CODE** The Corporate Insolvency Resolution Process ("CIRP") against Eastern Silk Industries Limited ("Company/ Corporate Debtor") was initiated by the Hon'ble National Company Law Tribunal, Principal Bench at Kolkata ("Adjudicating Authority") under Section 7 of the IBC Code vide its order dated 10<sup>th</sup> June 2022. The Adjudicating Authority vide order of the same date appointed Mr. CA Anil Agarwal IP Registration No. IBB/I/PA-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 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 Kannda 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 held on November 03, 2022.

The RP with the approval of committee of creditors of the Company 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 a further period of Ninety (90) days with effect from December 7, 2022 vide its order dated January 30, 2023.

All 3 (three) Resolution Plans were put to vote before the CoC members for their consideration, out of which the Resolution Plan submitted by Baumann Dekor Private Limited through Mr. Ajay Bikram Singh was approved by the CoC in its 11<sup>th</sup> 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 Code read with regulation 39 of IBBI (Insolvency Resolution Process for Corporate Person) Regulation, 2016 was filed by the Resolution Professional with Hon'able National Company Law Tribunal (NCLT) Kolkata for its approval.

The NCLT, Kolkata Bench approved the Resolution Plan submitted by Baumann Dekor Private Limited through Mr. Ajay Bikram Singh on 31<sup>st</sup> January, 2024 ("IBC/NCLT Order"). Pursuant to the Resolution Plan, as approved by the Hon'ble NCLT vide its order dated 31<sup>st</sup> January 2024, the Monitoring Committee was constituted for the proper implementation of the Approved Resolution Plan of M/s Baumann Dekor Private Limited.

In terms of the approved Resolution Plan, a new Board was constituted in the current financial year i.e. on 11<sup>th</sup> March, 2024 ("Reconstituted Board" or "Board") and a new management was put in place who, till the implementation of the Resolution Plan, will function under the supervision of the Monitoring Committee.

Furthermore, it is pertinent to mention here that in accordance with the provisions of the Code and the NCLT order, the approved resolution plan is binding on the Company and its employees, members, creditors, guarantors and other stakeholders involved.

#### **4. 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 31<sup>st</sup> March 2024.

#### **5. TRANSFER TO RESERVES**

During the year under review, the Company has transferred an amount equivalent to Rs. ₹ 11,793.06 lacs in capital reserve Account. Except the said amount no other amount has been transferred to reserves.

#### **6. DETAILS OF MATERIAL CHANGES FROM THE END OF THE FINANCIAL YEAR TILL THE DATE OF THIS REPORT**

As specified herein above in the report the Hon'ble National Company Law Tribunal (NCLT), vide its order dated 31<sup>st</sup> January, 2024 approved the Resolution Plan duly submitted by M/s Baumann Dekor Private Limited through Mr. Ajay Bikram Singh and in terms of the approved Resolution Plan, a monitoring committee was constituted to monitor and oversee the implementation of the approved Resolution Plan.

The Resolution Plan shall be implemented within a time period of 18 months from the date of its approval, i.e., up to 31<sup>st</sup> July, 2025.

Furthermore, in terms of the approved Resolution Plan, following events/material changes have occurred from the closure of the Financial Year March 31, 2024 till the date of this report-

1. Entire paid-up equity share capital of the Company as stood on March 31, 2024 was extinguished without any act and further deeds.





2. Following the extinguishment of the 100% paid-up equity share capital of the Company, new 50,00,000 equity shares of Rs. 2/- each were issued to the new Successful Resolution Applicant and persons nominated by the Successful Resolution Applicant.
3. Following the allotment of new equity share capital to the Successful Resolution Applicant, the new Promoter, for the purpose of complying with the applicable requirement of Listing Regulations, diluted 5% of its shareholding, through an Offer For Sale (OFS) to the public shareholders.
4. After closure of the Financial Year 2023-24 and up to the date of this report, in terms of the Approved Resolution Plan, the Successful Resolution Applicant has made the complete payment, as stipulated in the Plan, to all the stakeholders i.e. Financial Creditors, Operational Creditors and/or Government authorities/department(s).
5. In terms of the approved Resolution Plan, the successful Resolution Applicant has passed/shall pass the necessary adjustment entries in the books of accounts of the company, pertaining to the writing off the pre-CIRP liabilities/debt of the Corporate Debtor.
6. In addition to above, the Successful Resolution Applicant also passed the necessary entries, post the closure of the financial year till the date of this report, in its books of accounts for giving effect of the Resolution Plan to various assets and liabilities of the company.

#### **7. CHANGES IN NATURE OF BUSINESS, IF ANY**

The Company is engaged in the manufacture of silk 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.

#### **8. CHANGES IN CAPITAL 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. However, subsequent to Financial Year ended March 31, 2024 to the date of this report:

- i. the existing paid-up equity share capital of the Company as stood on March 31, 2024 was extinguished without any act and further deeds.
- ii. Following the extinguishment of the 100% paid-up equity share capital of the Company, new 50,00,000 equity shares of Rs. 2/- each were issued to the new Successful Resolution Applicant and persons nominated by Successful Resolution Applicant.
- iii. Post the allotment of 100% equity share Capital to the new promoter i.e. the Successful Resolution Applicant, the new Promoter, for the purpose of complying with the applicable requirement of the Listing Regulations diluted 5% of its shareholding, through an Offer For Sale (OFS), to the public shareholders.

#### **9. PUBLIC DEPOSIT SCHEME**

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

#### **10. SUBSIDIARIES, JOINT VENTURES & ASSOCIATES COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS**

The Company neither has any associate and joint venture, nor any subsidiary company (ie) have been liquidated or sold during the year under review. Accordingly, in terms of section 129(3) of the Companies Act, 2013, the Company is not required to prepare the consolidated financial statements for the year ended 31<sup>st</sup> March, 2024.

**11. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

As specified hereinabove that the Company was under Corporate Insolvency Resolution Process (CIRP) from June 10, 2022 up to January 31, 2024 and in terms of Section 17 of the Insolvency and Bankruptcy Code, 2016, on commencement of the Corporate Insolvency Resolution Process (CIRP), the powers of the erstwhile Board of Directors of the Company were suspended and the same are being exercised by Mr. Anil Kohli, Resolution Professional. The management of the affairs of the Company has been vested with the Interim Resolution Professional/Resolution Professional, as the case may be, from the initiation of the CIRP, i.e., June 10, 2022 up to January 31, 2024, i.e., the date of approval of Resolution Plan by the Hon'ble NCLT, Kolkata Bench.

Furthermore, after approval of the Resolution Plan by the Hon'ble NCLT, Kolkata Bench, the monitoring committee was constituted in terms of the approved Resolution Plan and the Monitoring Committee, in its meeting held on March 4, 2024, further approved the reconstitution of a new Board of Directors, effective from March 11, 2024, thereby appointing new board, as nominated by the successful Resolution Applicant along with vacation/removal of the erstwhile Board of Directors of the Company.

Accordingly, as on 31<sup>st</sup> March 2024, the board of directors consists of 6 (Six) members, of which 3 (three) were Independent Directors. The Board also comprises of one woman Independent Director.

**Details of Changes in Directors and Key Managerial Personnel during the year are given below:**

**Induction to the Board**

Pursuant to the NCLT order dated January 31, 2024, approving the resolution plan, the Monitoring Committee, in its meeting held on March 4, 2024, appointed the following individuals as Members of the Board, as additional Director(s), effective from March 11, 2024:

- Mr. Ajay Bikram Singh (DIN: 03096101), Chairman -Non-Executive Director
- Ms. Jyothi Thomas (DIN: 03502492), Non-Executive Independent Director
- Mr. Praveen Kumar Agarwal (DIN: 06992675), Non-Executive Independent Director
- Mr. Deepak Kumar Gupta (DIN: 08578380), Non-Executive Independent Director
- Mr. Sunil Kumar (DIN: 09424480), Executive Director (Whole Time Director)
- Mr. Ramesh Chandragiri Reddappa (DIN: 10535137), Executive Director (Whole Time Director)

**Cessation of Directorship**

In line with the reconstitution of the Board, pursuant to the NCLT order dated January 31, 2024, approving the resolution plan, the Monitoring Committee, in its meeting held on March 4, 2024, also resolved that the following erstwhile directors ceased to hold their positions, effective from March 11, 2024:

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



## **Key Managerial Personnel**

- Mr. Sundeep Shah ceased to be the Managing Director of the company, effective from March 11, 2024.
- Mr. Rahul Jaiswal, Company Secretary & Compliance Officer, resigned, effective from March 31, 2024.

## **Information/Details of Changes in Directors and Key Managerial Personnel post the Closure of the Financial year 2023-24 and up to the date of this Report are given below:**

In terms of the Approved Resolution Plan, the entire existing equity share capital of the Company was required to be extinguished along with allotment of 100% new equity shares to the Successful Resolution Applicant (SRA). Keeping in view of the restructuring of the share capital, the Board of Directors had applied for the extension of the Annual General Meeting of the Company for a period of 3 months to the Registrar of Companies, Kolkata, which was duly allowed by the Registrar of the Companies, Kolkata. We would also like to bring to the notice of the prestigious shareholders that the Company, in terms of the applicable provisions of the Listing Regulations read with the Resolution Plan duly approved the Hon'ble NCLT, Kolkata Bench vide its order dated 31.01.2024, the Company on October 16, 2024 has applied to the National Stock Exchange of India for an in-principal approval for the allotment of 100% equity shares to the New SRA and the persons nominated by the SRA.

It is also pertinent to mention here that the appointments of the new Board of Director(s) by the Monitoring Committee were as Additional director(s) and in terms of Section 161 of the Act, the tenure of the Additional Director appointed was up to the date of Annual General Meeting or up to the date when the Annual General Meeting of the Company was required to be held. As specified above, the Registrar of Companies, Kolkata has extended the date up to December 31, 2024 for holding the Annual General Meeting for the Financial Year 2023-24.

As specified above that the company had filed an application on October 16, 2024 for the in-principal approval for allotment of equity shares to the new SRA but was unable to get the in-principal approval from National Stock Exchange (NSE) until December 31, 2024. Due to such non availability of the in-principal approval for the allotment of equity shares to the new SRA and persons nominated by the SRA, the Company was unable to restructure its share capital up to December 31, 2024 which resulted into non-holding of the Annual General Meeting of the Company for the Financial Year 2023-24 by December 31, 2024.

Accordingly, due to above stated unavoidable circumstances, non-holding of Annual General Meeting by 31.12.2024, for the Financial Year 2023-24, the office of all the Directors of the Company, appointed on 11.03.2024 as above got vacated in terms of the provisions of Section 161 of the Act. Such a vacation of all members of Board due to applicable provisions of the law, the monitoring Committee in their meeting held on January 03, 2025 again reappointed the same persons to the Board of Directors of the Company.

## **Cessation of Directorship post the closure of Financial Year 2023-24 and till the date of this Report**

As briefed hereinabove, non-holding of Annual General Meeting for the Financial Year 2023-24 by December 31, 2024 leads to vacation of office of Board of the Company appointed by the Monitoring Committee w.e.f., March 11, 2024. The details of the Directors whose office were vacated w.e.f. January 01, 2025, due to non-holding of Annual General Meeting by December 31, 2024 are provided herein under:-

DIN Number	Name of Director	Designation	Category	Date of Appointment	Date of Cessation/Vacation of Office	Reason for Vacation of Office
03096101	Mr. Ajay Bikram Singh	Additional Director	Chairman - Non-Executive Director	March 11, 2024	January 01, 2025	Due to Non-Holding of Annual General Meeting by December 31, 2024



03502492	Ms. Jyothi Thomas	Additional Director	Non-Executive Independent Director	March 2024	11,	January 01, 2025	Due to Non-Holding of Annual General Meeting by December 31, 2024
06992675	Mr. Praveen Kumar Agarwal	Additional Director	Non-Executive Independent Director	March 2024	11,	January 01, 2025	Due to Non-Holding of Annual General Meeting by December 31, 2024
08578380	Mr. Deepak Kumar Gupta	Additional Director	Non-Executive Independent Director	March 2024	11,	January 01, 2025	Due to Non-Holding of Annual General Meeting by December 31, 2024
09424480	Mr. Sunil Kumar	Additional Director (Executive Director)	Executive Director (Whole Time Director)	March 2024	11,	January 01, 2025	Due to Non-Holding of Annual General Meeting by December 31, 2024
10535137	Mr. Ramesh Chandragiri Reddappa	Additional Director (Executive Director)	Executive Director (Whole Time Director)	March 2024	11,	January 01, 2025	Due to Non-Holding of Annual General Meeting by December 31, 2024

## Re-Induction to the Board post the closure of Financial Year 2023-24 and till the date this Report

As briefed hereinabove, non-holding of Annual General Meeting for the Financial Year 2023-24 by December 31, 2024 leads to vacation of office of Board of the Company appointed by the Monitoring Committee w.e.f., March 11, 2024. Due to such vacation of the Board w.e.f. January 01, 2025, the monitoring committee again in their meeting had reconstituted the board w.e.f. January 03, 2025. The details of the Directors reappointed by the monitoring committee w.e.f. January 03, 2025, are provided herein under: -

DIN Number	Name of Director	Designation	Category	Date of Appointment	Date Cessation/Vacation of Office	Reason for Vacation of Office
03096101	Mr. Ajay Bikram Singh	Additional Director	Chairman - Non-Executive Director	January 03, 2025	Not Applicable	Not Applicable
03502492	Ms. Jyothi Thomas	Additional Director	Non-Executive Independent Director	January 03, 2025	Not Applicable	Not Applicable
06992675	Mr. Praveen	Additional	Non-	January 03,	Not Applicable	Not



	Kumar Agarwal	Director	Executive Independent Director	2025		Applicable
08578380	Mr. Deepak Kumar Gupta	Additional Director	Non-Executive Independent Director	January 03, 2025	Not Applicable	Not Applicable
09424480	Mr. Sunil Kumar	Additional Director (Executive Director)	Executive Director (Whole Time Director)	January 03, 2025	Not Applicable	Not Applicable
10535137	Mr. Ramesh Chandragiri Reddappa	Additional Director (Executive Director)	Executive Director (Whole Time Director)	January 03, 2025	Not Applicable	Not Applicable

**Details of the Key Managerial Personnel appointed and/or Ceased post the closure of the Financial Year and up to the date of this report**

- Mr. Sunil Kumar (DIN:- 09424480) ceased to be the Whole Director of the company, effective from January 1, 2025.
- Mr. Sunil Kumar (DIN:- 09424480) was re-appointed as Whole Director of the company, effective from January 3, 2025.
- Mr. Ramesh Chandragiri Reddappa (DIN:- 10535137) ceased to be the Whole Director of the company, effective from January 1, 2025.
- Mr. Ramesh Chandragiri Reddappa (DIN:- 10535137) was re-appointed as Whole Director of the company, effective from January 3, 2025.
- Mr. Ravi Kumar, was appointed as Company Secretary & Compliance Officer, effective from June 29, 2024.
- Mr. Prateek Chhawchharia, ceased to be Chief Financial Officer of the Company effective from November 27, 2024.
- Mr. Sunil Kumar, appointed as Chief Financial Officer of the Company effective from February 14, 2025.

Furthermore, the Board of Directors in terms of the Nomination and Remuneration Policy of the Company along with the recommendation of the Nomination and Remuneration Committee of the Company proposed the appointment/regularization of the Additional Directors of the Company duly appointed by the Monitoring Committee on January 03, 2025 along with the appointment of Mr. Sunil Kumar and Mr. Ramesh Chandragiri Reddappa as Whole Time Director of the Company for a period of three years.

The Board is of the opinion that the proposed appointee Director(s,) including Independent Directors, hold the requisite qualifications and experience.

Details regarding the appointment of director as the provisions of Act and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India and approved by the Central Government read with Regulation 36(3) of the Listing Regulations are provided as part of notice to the AGM.

## 12. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 of the Act, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirm that:



i) in the preparation of the annual accounts for the year ended March 31, 2024, 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, 2024 and of the Profit and Loss Account for the Financial Year ended 31st March, 2024.

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.

### **13. NUMBER OF MEETINGS OF THE BOARD**

After the Commencement of CIRP ,i.e., w.e.f. June 10, 2022, in terms of the Section 17 of the Insolvency and Bankruptcy Code, 2016, the powers of the Board were suspended up to the approval of the Resolution Plan by the Hon'ble NCLT, Kolkata Bench vide its order Dated January 31, 2024.

During the CIRP ,i.e., up to January 31, 2024, 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 were suspended. Hence, no meetings of the Directors were held after the Commencement of CIRP ,i.e., June 10, 2022 and up to the continuation of CIRP till January 31, 2024.

As briefed above that post the approval of the Resolution Plan by the Hon'ble NCLT, Kolkata Bench vide its order dated January 31, 2024, the monitoring committee was constituted. Monitoring Committee in its meeting held on March 04, 2024, re-constituted the Board of the Company thereby appointing new board of directors as nominated by the Successful Resolution applicant along with the cessation/vacation of the erstwhile directors of the company.

Post the reconstitution of the committee on March 11, 2024; during the financial year, the newly constituted Board of Directors have met one time. However, no meeting of previous board of directors held during the year. The details regarding the attendance and the date of Board Meetings are provided in the Corporate Governance Report forming part of this Report.

### **14. DETAILS OF COMMITTEES OF THE BOARD**

#### **AUDIT COMMITTEE**

Pursuant to the Insolvency Commencement Order dated June 10, 2022 and in consonance with the stipulation contained in Section 17 of the IBC, 2016, the powers of the Board of Directors of the Company stand suspended and the same are vested in and exercised by Resolution Professional.

Subsequently, Baumann Dekor Private Limited filed Resolution Plan which was approved by Hon'ble NCLT vide its order dated January 31, 2024.

in term of Approved Resolution Plan, the Monitoring Committee, in its meeting held on March 4, 2024, reconstituted the new board in place of previous Board of the Company with effect from March 11, 2024, and the Audit Committee of the Board was re-constituted by the newly appointed board during their meeting held on March 30, 2024. However, no Audit Committee meetings were held during the year ended March 31, 2024. As a result, no details for Audit Committee meetings during the review period have been provided.



The composition of the Audit Committee along with the other details are provided in the Corporate Governance Report forming part of this Report.

#### **STAKEHOLDERS RELATIONSHIP/GRIEVANCE COMMITTEE**

Pursuant to the Insolvency Commencement Order dated June 10, 2022 and in consonance with the stipulation contained in Section 17 of the IBC, 2016, the powers of the Board of Directors of the Company stood suspended and the same were vested in and exercised by Resolution Professional.

Subsequently, Baumann Dekor Private Limited filed Resolution Plan which was approved by Hon'ble NCLT vide order dated January 31, 2024.

In term of Approve Resolution Plan, the Monitoring Committee, in its meeting held on March 4, 2024, constituted the new Board in place of the previous Board of the Company with effect from March 11, 2024, and the Stakeholders Relationship Committee of the Board was re-constituted by the newly appointed Board during their meeting held on March 30, 2024. However, no Stakeholder Relationship Committee meetings were held during the year ended March 31, 2024. As a result, no details for Stakeholder Relationship Committee meetings during the review period have been provided.

The composition of the Stakeholders Relationship Committee along with the other details are provided in the Corporate Governance Report forming part of this Report.

#### **NOMINATION & REMUNERATION COMMITTEE**

Pursuant to the Insolvency Commencement Order dated June 10, 2022 and in consonance with the stipulation contained in Section 17 of the IBC, 2016, the powers of the Board of Directors of the Company stood suspended and the same were vested in and exercised by Resolution Professional.

Subsequently, Baumann Dekor Private Limited filed Resolution Plan which was approved by Hon'ble NCLT vide order dated January 31, 2024.

In term of Approve Resolution Plan, the Monitoring Committee, in its meeting held on March 4, 2024, reconstituted the new Board in place of previous Board of the company with effect from March 11, 2024, and the Nomination and Remuneration Committee of the Board was re-constituted by the newly appointed Board during their meeting held on March 30, 2024. However, no Nomination and Remuneration Committee meetings were held during the year ended March 31, 2024. As a result, no details for Nomination and Remuneration Committee meetings during the review period have been provided.

The composition of the Nomination and Remuneration Committee along with other details are provided in the Corporate Governance Report forming part of this Report.

#### **SHARE TRANSFER COMMITTEE**

Pursuant to the Insolvency Commencement Order dated June 10, 2022 and in consonance with the stipulation contained in Section 17 of the IBC, 2016, the powers of the Board of Directors of the Company stood suspended and the same were vested in and exercised by Resolution Professional.

Subsequently, Baumann Dekor Private Limited filed Resolution Plan which was approved by Hon'ble NCLT vide order dated January 31, 2024.

Pursuant to the NCLT order dated January 31, 2024, approving the resolution plan, the Monitoring Committee, in its meeting held on March 4, 2024, approved the reconstitution of the new Board of Directors, effective March 11, 2024. As a result, the existing Board was dissolved, leading to the dissolution of the Share Transfer Committee of Board as well.



**15. PERFORMANCE EVALUATION OF BOARD**

After the Commencement of CIRP, i.e., w.e.f. June 10, 2022, in terms of the Section 17 of the Insolvency and Bankruptcy Code, 2016, the powers of the Board were suspended up to the approval of the Resolution Plan by the Hon'ble NCLT, Kolkata Bench vide its order Dated January 31, 2024.

During the CIRP, i.e., up to January 31, 2024, 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 and up to the continuation of CIRP till January 31, 2024.

As briefed above that post the approval of the Resolution Plan by the Hon'ble NCLT, Kolkata Bench vide its order dated January 31, 2024, the monitoring committee were constituted. Monitoring Committee in its meeting held on March 04, 2024 re-constituted the Board of the Company thereby appointing new board of directors as nominated by the Successful Resolution applicant along with the cessation/vacation of the erstwhile Directors of the Company.

As the newly board was constituted only on March 11, 2024, accordingly, no formal Board evaluation has been carried out during the year under review.

**16. DECLARATION BY INDEPENDENT DIRECTORS**

The company was in receipt of Declarations, from the newly constituted board (constituted w.e.f. March 11, 2024), pursuant to the Sections 164(2) and 149(6) of the Companies Act, 2013 and Regulations 16 and 25(8) of SEBI (LODR) Regulations, 2015 that they have registered their names in the Independent Directors' Databank. In the opinion of the Board, the Independent Directors hold highest standard of integrity and possess the requisite qualifications, experience, expertise, and proficiency.

**17. 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. The policy is also available on the website of the Company at [www.easternsilk.com](http://www.easternsilk.com).

**18. 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 Act read with Companies (Accounts) Rules, 2014 are set out in "Annexure I", which forms part of the report.

**19. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act 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".

In terms of the provisions of Section 197(12) of the Act 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 has drawn the remuneration in excess of the limits set out in the said Rules. Therefore, the disclosure for the same is not required.

**20. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS**

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 Listing Regulations forms an integral part of this Report. The requisite certificate from the Secretarial 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 per Schedule V of Listing Regulations with the Stock Exchange form part of the Annual Report as "**Annexure III**".

## **21. 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](http://www.easternsilk.com).

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

## **22. 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.

## **23. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

After the Commencement of CIRP ,i.e., w.e.f. June 10, 2022, in terms of the Section 17 of the Insolvency and Bankruptcy Code, 2016, the powers of the Board were suspended up to the approval of the Resolution Plan by the Hon'ble NCLT, Kolkata Bench vide its order Dated January 31, 2024.

During the CIRP ,i.e., up to January 31, 2024, 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 and up to the continuation of CIRP till January 31, 2024.

As briefed above that post the approval of the Resolution Plan by the Hon'ble NCLT, Kolkata Bench vide its order dated January 31, 2024, the monitoring committee was constituted. Monitoring Committee in its meeting held on March 04, 2024 re-constituted the Board of the Company thereby appointing new board of directors as nominated by the Successful Resolution applicant along with the cessation/vacation of the erstwhile directors of the company w.e.f. March 11, 2024.

Furthermore, all the related party transactions were entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Act and Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Parties are provided in the Company's financial statements in accordance with the Accounting Standards.

The Policy on Related Party Transactions as approved by the Board is available on Company's website and can be accessed at [www.easternsilk.com](http://www.easternsilk.com).

## **24. CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to the Insolvency Commencement Order dated June 10, 2022 and in consonance with the stipulation contained in Section 17 of the IBC, 2016, the powers of the Board of Directors of the Company stood suspended and



the same were vested in and exercised by Resolution Professional.

Subsequently, Baumann Dekor Private Limited filed Resolution Plan which was approved by Hon'ble NCLT vide order dated January 31, 2024.

Pursuant to the NCLT order dated January 31, 2024, approving the resolution plan, the Monitoring Committee, in its meeting on March 4, 2024, approved the reconstitution of the new Board of Directors, effective March 11, 2024. As a result, the existing board was dissolved, leading to the dissolution of the Corporate Social Responsibility Committee of Board as well. The provisions of Section 135 of the Act are not applicable to the Company.

## **25. NOTES TO ACCOUNTS**

They are self-explanatory and do not require any explanations

## **26. 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 identifying the elements of risks involved along with its severity and their impact on the existence of the Company.

Furthermore, in terms of the Listing Regulations, the Company is not required to form Risk Management Committee.

## **27. 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.

## **28. STATUTORY 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 76<sup>th</sup> AGM till the conclusion of the 81<sup>st</sup> AGM to be held in the year 2027.

### **Audit Observations and response for the same for the Financial Year ended on 31.03.2024**

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



Sr. No	Qualified Opinion	Reply of Management
1	<p>a.) Note No. 6 to the Ind AS financial results which states that in compliance with the approved Resolution Plan and order from the Hon'ble National Company law Tribunal, the accounting adjustments have been carried out related to extinguishment of liabilities / claims and write off impaired and/or doubtful assets during the Financial Year ending 31.03.2024.</p> <p>The net impact of the same Rs. 11,793.06 lakhs has been transferred to the Capital Reserve Account as per the approved Resolution plan. The cancellation of existing share capital and infusion of new capital is in progress and its effect will be taken in accounts on finalization.</p> <p>The above adjustments are subject to reversal in the event of non-compliance with the terms of Resolution plan.</p>	<p>a.) The adjustments have been carried out in the financial statements as per the amount allocated as per the resolution plan approved by the Hon'ble National Company Law Tribunal (NCLT) order dated 31.01.2024.</p> <p>Further, clause 145 of the Hon'ble NCLT order states that "Thus, on the date of approval of the resolution plan by the Adjudicating Authority, all such claims, that are not a part of the resolution plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the resolution plan.</p> <p>Further, as mentioned in the Approved Resolution Plan, the existing share capital of INR 15,79,05,000/- (Indian Rupees Fifteen Crores Seventy-Nine Lakhs Five Thousand Only) will be written off and a fresh equity infusion by the Resolution Applicant will be made as per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (LODR Regulations) in the upcoming financial year as the same is under process.</p> <p>Hence, all the adjustments comply with the approved resolution plan.</p> <p>Further, The SRA, Baumann Dekor Private Limited, has paid the following amount till now:</p> <p>i.) The Performance guarantee amount of INR 5,81,51,600.00 on approval of the plan by COC.</p> <p>ii.) INR 12,22,22,200/- prepaid on 5th Apr'24 (due for payment on 30th April 2024) towards payment of 1st tranche as per proposed distribution to financial creditors, government dues, CIRP cost and operational creditors as per approved resolution plan.</p> <p>There is no default in any payment from the SRA and prepayment of the first tranche and infusion of required working capital shows the intent to run the entity as a going concern</p>
2	<p>b.) Note No. 10 to the Ind AS financial results which states that 'No Lien Term Deposit' with the Consortium bankers for Rs. 2,400.00 Lakhs towards 5% deposit of the amount outstanding against the offer of one-time settlement were made, of which Rs. 392.59 Lakhs have been appropriated by few</p>	<p>b.) The new management of the company is in the process of getting the original Deposit documents from the respective Bank / Institutions / Ex-promoters.</p> <p>Management is of the view that the deposit against</p>



	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. Also, no confirmation has been received from the said banks.	<p>OTS was made before CIRP process, and if the same was against the Interest settlement, it would have been adjusted in the previous year's financials.</p> <p>Confirmation of the deposit is under process and accordingly, the deposit amount has been carried forward from the last financial year ending 31.03.2023 and the same will be adjusted in the subsequent financials.</p> <p>However, in the opinion of Management, this should not affect the company's ability to continue as going concern.</p>
3	C.) Note No. 11 to the Ind AS financial results which states that Confirmation of bank balances of all bank accounts at Kolkata as on 31.03.2024 is under process of acquiring and reconciling.	<p>c.)The accounts are dormant and the cumulative balance of all the Bank accounts in Kolkata is 5.78 Lakh as on 31.03.2023. Activation of these bank accounts and confirmation of bank balances of all bank accounts at Kolkata as on 31.03.2024 is under process of acquiring and reconciling during the implementation process.</p> <p>However, in the opinion of Management, this should not affect the company's ability to continue as going Concern</p>

## 29. COST AUDITORS

During the FY 2023-24, due to Corporate Insolvency Resolution Process, the Company has not approved the re-appointment of the 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 2023-24.

However, Post Reconstitution of the New Board of Directors of the company, in their meeting held on 16<sup>th</sup> May 2024 pursuant to Section 148(3) of the Companies Act, 2013, read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, has re-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 2023-24.

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 2023-24 does not contain any adverse qualification or remarks.

## 30. SECRETARIAL AUDITOR

During the FY 2023-24, due to Corporate Insolvency Resolution Process, the Company has not approved the appointment of the Secretarial auditor of the company for the Financial Year 2023-24.

However, post re-constitution the New Board of Directors of the company, in their meeting held on 16<sup>th</sup> May 2024, pursuant to the provisions of Section 204 of the Act read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has appointed M/s H Nitin & Associates, Practicing Company Secretary as Secretarial Auditor, to conduct Secretarial Audit for the Financial Year 2023- 24.

The Secretarial Audit Report for the financial year ended March 31, 2024 is annexed herewith marked as "Annexure-V"



to this Report. The observations of the Secretarial Auditors are self-explanatory in nature.

### 31. COMPLIANCE OF SECRETARIAL STANDARDS

Yours Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### 32. 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 31<sup>st</sup> March, 2024 is uploaded on the website of the Company and can be accessed at [www.easternsilk.com](http://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.

### 33. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company in pursuance to the provisions of section 177(9) & (10) of the Act 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](http://www.easternsilk.com).

### 34. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

Corporate Insolvency Resolution Process (CIRP) has been initiated under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code") vide order dated 10th June, 2022 passed by Hon'ble National Company Law Tribunal (NCLT), Kolkata.

Resolution Plan submitted by Baumann Dekor Private Limited was approved by CoC, and the same was filed with NCLT, Kolkata which approved the same on 31<sup>st</sup> January, 2024.

No other Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

### 35. 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 2023-2024. 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.01.04.2023	Number of Sexual Harassment cases received during the Financial year 2023-24	Number of Sexual Harassment cases disposed off during the Financial year 2023-24	Number of Sexual Harassment cases pending at the end of Financial year 2023-24
NIL	NIL	NIL	NIL

**36. CONFIRMATION FOR THE COMPLIANCE WITH THE MATERNITY BENEFIT ACT, 1961.**

The Company hereby confirm and declare the due compliance of the Maternity Benefit Act, 1961.

**37. 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:

Details relating to deposits covered under Chapter V of the Act.

Issue of equity shares with differential rights as to dividend, voting or otherwise.

Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

**38. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT**

The Business Responsibility & Sustainability Report is not mandatorily applicable to the company and has not been prepared.

**39. DETAILS IN RESPECT OF FRAUD REPORTED BY THE AUDITORS UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013 OTHER THAN THOSE REPORTABLE TO CENTRAL GOVERNMENT**

There was no instance of fraud during the year 2023-2024, which required the statutory auditors to report under Section 143(12) of the Companies Act, 2013 and the rules made thereunder. Further, the internal auditor and secretarial auditor have not reported any fraud in their report.

**40. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR**

The details about the Corporate Insolvency Resolution Process along with the present status of the same has been duly briefed in the various section(s) of this Report.

**41. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:**

Corporate Insolvency Resolution Process (CIRP) has been initiated under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code") vide order dated 10th June, 2022 passed by Hon'ble National Company Law Tribunal (NCLT), Kolkata.

Resolution Plan submitted by Baumann Dekor Private Limited was approved by CoC, and the same was filed with NCLT, Kolkata which approved the same on 31<sup>st</sup> January, 2024.

Apart from the above, the Company did not enter into any transaction for One Time Settlement of loan/borrowings from Bank.

**42. FAMILIARIZATION PROGRAM FOR THE INDEPENDENT DIRECTORS**

In compliance with the requirements of Listing Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarization programme are explained in the Corporate Governance Report and also available on the Company's website at [www.easternsilk.com](http://www.easternsilk.com).



**43. ACKNOWLEDGEMENT**

The newly constituted Board of 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/Monitoring 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 required for the Company's success. The Directors, Resolution Professional/ Monitoring professional, of the Company look forward to their continued support in future.

For & On behalf of the Board	
<b>Sd/- Sunil Kumar Whole-time Director DIN: 09424480</b>	<b>Sd/- Ramesh Chandragiri Reddappa Whole –time Director DIN: 10535137</b>

Date: 30.08.2025  
Place: Bengaluru



## “Annexure I”

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

### A. CONSERVATION OF ENERGY

(i) Steps taken or impact on conservation of energy:

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

			<b>Current Year</b>	<b>Previous Year</b>
1.	Electricity			
(a)	Purchased	Units	1997357.76	21,11,832.00
	Total Amount	`	18,937,914.00	1,98,51,226.00
	Rate/Unit	`	<b>9.40</b>	9.40
(b)	Own Generation through Diesel Generator	Units	2800	27,384.00
	Total Amount	`	246092	9,37,619.00
	Cost/Unit	`	<b>87.89</b>	34.24
2.	(a) Briquettes			
	Quantity	Kgs	209313	6,73,695.00
	Total Amount	`	1883819	57,49,153
	Cost/Unit	`	9/KG	8.53
(b)	Fire Wood			
	Quantity	Kgs.	1159828	8,68,480.00
	Total Amount	`	5567175	26,18,205.00
	Cost/Unit	`	4.80	3.01

#### (B) Consumption per unit of products:

Fabrics	Mtrs	393404.90	5,41,210.41
Electricity	`	48.14	37.10



Briquettes	✓	4.78	16.95
Fire Wood	✓	14.15	0.22
Diesel	✓	0.63	3.62

- (ii) Steps taken for utilizing alternate source of energy: Nil  
 (iii) The capital investment on energy conservation equipment: Nil

## (B) Technology Absorption

- Efforts in brief, made towards technology Absorption  
 Latest software's are used for better design development.
- Benefits derived as a result of the above  
 Improved products.
- Details of imported technology  
 Not Applicable.
- Expenditure on R & D  

Capital	Nil
Recurring	Nil
R&D Expenditure as a percentage of turnover	-

## (C) Foreign exchange earnings & outgo

(In Lakhs)

Particulars	2023-24	2022-23
Foreign exchange earnings	24.72	243.79
Foreign exchange outgo	1.81	156.79



## “ANNEXURE II”

**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**

Sr. no.	Particulars	
i.	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director,	The Directors of the Company were not paid any remuneration during the Financial year ended on March 31, 2024. Hence, no applicable
ii.	The percentage increase in, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	<div>a. CFO- 30% increase</div> <div>b. Company secretary-42% increase</div>
iii.	The percentage increase in the median remuneration of employees in the financial year.	<b>12%</b>
iv.	The number of permanent employees on the rolls of the Company.	<b>271</b>
v.	Average percentile increases 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	The Directors of the Company were not paid any remuneration during the Financial year ended on March 31, 2024. Hence, no applicable
vi.	It is hereby affirmed that the remuneration is as per the Remuneration policy of the Company.	

**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 Earning (In Rs.)	Previous Employment Designation
1	VISHALAKSHI S	MANAGER	DESIGN STUDIO	DIPLOMA IN TEXTILE	01/04/2013	41 years	11 years	<b>13,89,261</b>	Designer
2	PRATEEK CHHAWCHHARIA	Chief Financial Officer	FINANCE ACCOUNTS &	Degree	01/11/2016	35 years	7 years	<b>12,44,938</b>	Personal file not available to retrieve Previous Employment Designation
3	H SRINIVASAN	DESIGNER	DESIGN STUDIO	Diploma Textile	23/04/2007	42 years	17 years	<b>10,51,050</b>	Personal file not available to retrieve Previous Employment Designation



4	KODANDARAMA A	MANAGER	PLANNING	MBA	01/01/2005	46 years	19 years	<b>9,55,500</b>	Started the carrier in Eastern Silk Industries Ltd.
5	DILIP SHAH	VICE PRESIDENT	VICE PRESIDENT	Not available	01/06/2003	50 years	21 years	<b>9,55,500</b>	Started the carrier in Eastern Silk Industries Ltd.
6	MANU RUSTAGI	Merchandiser	Merchandiser	Degree	1/9/2008	45 years	16 years	<b>8,82,295</b>	Personal file not available to retrieve Previous Employment Designation
7	MAHESH K	DESIGNER	DESIGN STUDIO	Degree	11/08/2010	41 years	14 years	<b>8,24,154</b>	Personal file not available to retrieve Previous Employment Designation
8	RAVINDRA KUMAR	MERCHANDISER	MERCHANDISER	Diploma	01/10/2015	39 years	8 years	<b>8,13,236</b>	Personal file not available to retrieve Previous Employment Designation
9	MALLAPPA DESAI	MANAGER	UTILITY	Degree	02/11/2003	53 years	20 years	<b>8,66,775</b>	Started the carrier in Eastern Silk Industries Ltd.
10	JAGADEESH	MANAGER	PREPARATORY	Degree	01/06/2022	48 years	2 years	<b>7,23,450</b>	Supervisor

**“Annexure III”****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 2023-24 is given below.

**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”.

**CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP)**

The Hon'ble Adjudicating Authority, i.e., National Company Law Tribunal, Kolkata Bench, 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. The Adjudicating Authority appointed Mr. Anil Agarwal as Interim Resolution Professional (IRP) vide its said order dated 10.06.2022.

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

The CIRP is being carried out by the Resolution Professional as per the provisions of the Code and during CIRP, the resolution plan, as submitted by Mr. Ajay Bikram Singh through Baumann Dekor Private Limited (SRA-Successful Resolution Applicant), in terms of the applicable provisions of the Code, was approved by the CoC in its 11<sup>th</sup> Meeting held on March 03, 2023.

After approval of the resolution plan from the CoC, the Resolution Professional filed the CoC approved Resolution Plan with Hon'ble National Company Law Tribunal, Kolkata Bench on 09.03.2023 and the same was approved by the Hon'ble National Company Law Tribunal, Kolkata Bench vide its order dated 31.01.2024.

Pursuant to the approval of the plan and for the purpose of its implementation, a monitoring committee was constituted in terms of the approved Resolution Plan, and post constitution, the monitoring committee, in terms of the approved Resolution Plan, reconstituted the Board of the Company, thereby appointing a new Board of Directors of the Company along with the removal/vacation of the existing Board of Directors.

In accordance with the provisions of the IBC Insolvency and Bankruptcy Code, 2016 (IBC) and the NCLT order, the approved resolution plan is binding on the Company and its employees, members, creditors, guarantors and other stakeholders involved.

*Members are requested to read this report in light of the fact that the Reconstituted Board and the new management is currently implementing the resolution plan.*

*During the period 1<sup>st</sup> April 2023 to 10<sup>th</sup> March 2024:*

*(a) The management of the affairs of the company shall vest in the Resolution Professional.*



- (b) The powers of the Board of Directors company shall stand suspended and be exercised by the Resolution Professional.  
(c) Be responsible for complying with the requirements under any law for the time being in force.

During the period 11<sup>th</sup> March 2024 to 31<sup>st</sup> March 2024:

New Board reconstituted on 11<sup>th</sup> March 2024 with the following new directors Mr. Ajay Bikram Singh, Mr. Sunil Kumar, Mr. Ramesh Chandragiri Reddappa, Mr. Deepak Kumar Gupta, Mr. Praveen Kumar Agarwal and Mrs. Jyothi Thomas.

## **SIZE AND COMPOSITION OF THE BOARD**

As per the NCLT order dated 10th June 2022, the powers of the board was suspended and was appointed Mr. Anil Agarwal as the Interim Resolution Professional ("IRP") to manage the affairs of the Company. Subsequently, Mr. Anil Kohli was confirmed as the Resolution Professional ("RP") by the committee of creditors ("CoC") at their meeting held on 8th July, 2022.

During the period under review, resolution plan was approved by Hon'ble NCLT, Kolkata vide order dated January 31, 2024

In term of approved resolution plan by Hon'ble NCLT, Kolkata vide order dated January 31, 2024 a new Board was constituted by the Monitoring Committee in the current financial year i.e. on 11<sup>th</sup> March, 2024 ("Reconstituted Board" or "Board") in place of the previous Board of Directors.

The names and categories of the Directors on the Board and also the number of Directorship and committee memberships held by them in other Companies as on 31<sup>st</sup> March, 2024, are given below.

Name of the Director	Category	No. of other Directorship	No. of Membership of other Board or Committee	No. of chairperson in other Board or Committee
Mr. Ajay Bikram Singh	Chairman & Non-Executive- Non-independent	4	–	–
Mr. Sunil Kumar	Executive Director	4	–	–
Mr. Ramesh Chandragiri Reddappa	Executive Director	–	–	–
Mr. Deepak Kumar Gupta	Non-Executive, Independent Director	3	–	–
Mr. Praveen Kumar Agarwal	Non-Executive, Independent Director	0	–	–
Ms. Jyothi Thomas	Non-Executive, Independent Director	0	–	–
*Mr. Sundeep Shah	Chairman & Managing Director	1	-	-





*Ms. Megha Shah	Executive Director	–	-	-
*Mr. Madhu Kant Sharma	Non-Executive, Independent Director	–		-
*Mr. Pankaj Kumar Deorah	Non-Executive, Independent Director	1	-	-
*Mr Abhishek Haralalka	Non-Executive, Independent Director	1	-	-

**Note 1:** Number of Directorships in other Companies excludes Directorships in 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 Chairpersons/ Memberships of Audit Committees and Stakeholders Relationship Committees.

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

**\*Note 4:** As briefed above that Post the approval of the Resolution Plan by the Hon'ble NCLT, Kolkata Bench vide its order dated January 31, 2024, the monitoring committee was constituted. Monitoring Committee in its meeting held on March 04, 2024 re-constituted the Board of the Company w.e.f March 11, 2024, thereby appointing new board of directors as nominated by the Successful Resolution applicant along with the cessation/vacation of the erstwhile directors of the company.

The details of the Directors ceased/removed from the directorship of the company, along with their date of cessation and reason for Cessation/Removal, are given herein below:-

DIN	Name of Director	Category	Date of Cessation/Removal	Reason of Cessation/Removal
00484311	Mr. Sundeep Shah	Chairman Cum Managing Director	11.03.2024	Ceased/Removed in terms of the approved Resolution Plan
07172597	Ms. Megha Shah	Executive Director	11.03.2024	Ceased/Removed in terms of the approved Resolution Plan
01836989	Mr. Madhu Kant Sharma	Non-Executive Independent Director	11.03.2024	Ceased/Removed in terms of the approved Resolution Plan
03426417	Mr. Pankaj Kumar Deorah	Non-Executive Independent Director	11.03.2024	Ceased/Removed in terms of the



				approved Resolution Plan
08836412	Mr. Abhishek Haralalka	Non-Executive Independent Director	11.03.2024	Ceased/Removed in terms of the approved Resolution Plan
01360829	Mr. Ghanshyam das Hamathka	Non-Executive Independent Director	21.09.2023	Ceased to be director due to completion of tenure for which he was appointed

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

#### **Details of the Board Meeting held along with Attendance of Directors at the meetings of Board and at last Annual General Meeting**

After the Commencement of CIRP i.e. w.e.f. June 10, 2022, in terms of the Section 17 of the Insolvency and Bankruptcy Code, 2016, the powers of the Board are suspended upto the approval of the Resolution Plan by the Hon'ble NCLT, Kolkata Bench vide its order Dated January 31, 2024.

During the CIRP i.e. upto January 31, 2024 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 and upto the continuation of CIRP till January 31, 2024.

As briefed above that Post the approval of the Resolution Plan by the Hon'ble NCLT, Kolkata Bench vide its order dated January 31, 2024, the monitoring committee were constituted Monitoring Committee in its meeting held on March 04, 2024 re-constituted the Board of the Company thereby appointing new board of directors as nominated by the Successful Resolution applicant along with the cessation/vacation of the erstwhile directors of the company.

Post the reconstitution of the committee on March 11, 2024; during the financial year, the newly constituted Board of Directors was met one time. However, no meeting of previous board of directors held during the year.

The Details of the Board Meeting held during the period under review i.e. F.Y 2023-24 along with the details of the attendance of the Directors at the meeting of board of directors 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. Ajay Bikram Singh	30/03/2024	1 out of 1	NA
Mr. Sunil Kumar	30/03/2024	1 out of 1	NA
Mr. Ramesh Chandragiri Reddappa	30/03/2024	1 out of 1	NA
Mr. Deepak Kumar Gupta	30/03/2024	1 out of 1	NA
Mr. Praveen Kumar Agarwal	30/03/2024	1 out of 1	NA
Ms. Jyothi Thomas	30/03/2024	1 out of 1	NA
Mr. Sundeep Shah	N.A	N.A	NA
Ms. Megha Shah	N.A	N.A	NA
Mr. Madhu Kant Sharma	N.A	N.A	NA
Mr. Pankaj Kumar Deorah	N.A	N.A	NA
Mr Abhishek Haralalka	N.A	N.A	NA



## Disclosure of relationships between directors inter-se:

NONE of the directors are related to each other under section 2(76) the Companies Act, 2013

## Number of Shares and Convertible instruments held by directors as on March 31, 2024:

Name of the Director	No. of Shares and Convertible instruments held
Mr. Ajay Bikram Singh	Nil
Mr. Sunil Kumar	Nil
Mr. Ramesh Chandragiri Reddappa	Nil
Mr. Deepak Kumar Gupta	Nil
Mr. Praveen Kumar Agarwal	Nil
Ms. Jyothi Thomas	Nil

## familiarization programmes to Independent Directors

On appointment of an individual as Director, the Company issues a formal Letter of Appointment to the concerned director, setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a formal Familiarisation Program providing information relating to the Company, Business Divisions, industry, business model of the Company, geographies in which Company operates, etc. The programme also provides awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarisation Programme also provides information relating to the financial performance of the Company and budget and control process of the Company.

## 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, as on March 31, 2024, 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. Ajay Bikram Singh	Corporate Governance, Entrepreneur & Leadership
Mr. Sunil Kumar	Corporate Governance, Business management
Mr. Ramesh Chandragiri Reddappa	Corporate Governance, Textile professional
Mr. Deepak Kumar Gupta	Corporate Governance, Financial management.
Mr. Praveen Kumar Agarwal	Corporate Governance, Project management
Ms. Jyothi Thomas	Corporate Governance, Project management

## 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 Act and Listing Regulations.



## 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 Listing Regulations. The said Independent Directors have also confirmed that they meet the criteria of independence as laid down in the Act and 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 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.

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 IBC Code vide its order dated 10th June 2022. The Powers of the Previous Board of Directors were suspended, and Mr. Kohli, was appointed as Resolution professional and was managing the affair of the company till the date of approval of Resolution plan by Hon'ble NCLT, vide order dated 31st January, 2024. .

However, In term of approved resolution plan by Hon'ble NCLT, Kolkata vide order dated January 31, 2024 a new Board was constituted with the following directors by the Monitoring Committee in the current financial year i.e. on 11th March, 2024 ("Reconstituted Board" or "Board") in place of the previous Board of Directors.

S.N.	DIN	NAME	Designation/Category	Date of Appointment
1	03096101	Mr. Ajay Bikram Singh	Additional Director( Non-Executive Independent Director)	11/03/2024
2	03502492	Ms. Jyothi Thomas	Additional Director (Non-Executive Independent Director)	11/03/2024
3	06992675	Mr. Praveen Kumar Agarwal	Additional Director (Non-Executive Independent Director)	11/03/2024
4	08578380	Mr. Deepak Kumar Gupta	Additional Director Non-Executive Independent Director	11/03/2024
5	09424480	Mr. Sunil Kumar	Whole-Time Director (Executive Director)	11/03/2024
6	10535137	Mr. Ramesh Chandragiri Reddappa	Whole-Time Director (Executive Director)	11/03/2024

Hence, no meetings of the Independent directors was held during the period under review.



## Reasons for the Cessation/Resignation of Independent Director

During the period under review there were no resignation from the Independent Directors of the company.

However, the details of the Independent Directors ceased/removed from the directorship of the company, along with their date of cessation and reason for Cessation/Removal, are given herein below:-

DIN	Name of Director	Category	Date of Cessation/Removal	Reason of Cessation/Removal
01836989	Mr. Madhu Kant Sharma	Non-Executive Independent Director	11.03.2024	Ceased/Removed in terms of the approved Resolution Plan
03426417	Mr. Pankaj Kumar Deorah	Non-Executive Independent Director	11.03.2024	Ceased/Removed in terms of the approved Resolution Plan
08836412	Mr. Abhishek Haralalka	Non-Executive Independent Director	11.03.2024	Ceased/Removed in terms of the approved Resolution Plan
01360829	Mr. Ghanshyam das Harnathka	Non-Executive Independent Director	21.09.2023	Ceased to be director due to completion of tenure for which he was appointed

## Code of Conduct for Board Members and Senior Management

The Board of Eastern Silk Industries 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>).

The company has received the certificate from the Whole Time Director of the company regarding the compliance of the Code of Conduct by All Board members and Senior Management. 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.

## COMMITTEE(S) OF THE BOARD

### I. AUDIT COMMITTEE

#### (a) Brief description of the Audit Committee.

Pursuant to the Insolvency Commencement Order dated June 10, 2022 and in consonance with the stipulation contained in Section 17 of the IBC, 2016, the powers of the Board of Directors of the Company including committee of the board stand suspended and the same are vested in and exercised by Resolution Professional.



Subsequently, Bauman Dekor Private Limited filed Resolution Plan which was approved by Hon'ble NCLT vide order dated January 31, 2024.

In term of approve resolution plan, the Monitoring Committee, in its meeting held on March 4, 2024, reconstituted the new board and in place of previous Board of the company with effect from March 11, 2024. Post the reconstitution of the board the Audit Committee of the Company was re-constituted by the new Board of Directors in their meeting held on 30<sup>th</sup> March 2024, to exercise powers and discharge functions as stipulated in Section 177 of the Act and Listing Regulations,

## **(b) Terms of reference of Audit Committee**

### **The terms of reference of Audit Committee includes:**

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the auditors.
4. Reviewing, with the management, the annual/Quarterly financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
  - h. The quality and acceptability of:
    - i. the accounting policies and practices, including without limitation critical accounting policies and practices, all alternative accounting treatments within generally accepted accounting principles for policies and procedures related to material items that have been discussed with management, ramifications of the use of such alternative treatments and the treatment preferred by the external auditors; and
    - ii. financial reporting disclosures and changes thereto, including a review of any material items of correspondence between the Company and the external auditors;
  - i. The extent to which the financial statements are affected by any unusual transactions or any off-balance sheet arrangements, including any disclosable guarantees, indemnification agreements or interests in unconsolidated special purpose entities, in the year and how they are disclosed;
  - j. the policies and process for identifying and assessing business risks and the management of these risks;
  - k. material misstatements detected by the auditors that individually or in aggregate have not been corrected and management's explanations as to why they have not been adjusted;
  - l. possible impairments of the Group's assets;
  - m. compliance with financial reporting standards and relevant financial and governance reporting requirements;
5. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer



document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
13. Mandatory review the following information:
  - i. Management discussion and analysis of financial condition and results of operations;
  - ii. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - iv. Internal audit reports relating to internal control weaknesses; and
  - v. The appointment, removal and terms of remuneration of the Chief internal auditor.
14. Overseeing the relationships with the external auditors as follows:
  - i. To consider the appointment of the external auditors and provide the Board with its recommendation to the shareholders on the appointment, reappointment and removal of the external auditors, approve the audit engagement fees and terms and review annually their activities, findings, conclusions and recommendations. The external auditors shall report directly to the Audit Committee. The Audit Committee shall be responsible for ensuring the resolution of any disagreements between management and the external auditors regarding financial reporting;
  - ii. To discuss with the external auditors the nature and scope of the audit (including any significant ventures, investments or operations which are not subject to audit) and ensure co-ordination if more than one audit firm is involved;
  - iii. To review and monitor the independence of the external auditors and the objectivity and the effectiveness of the audit process including reviewing and monitoring the external auditors' quality control procedure and steps taken by the external auditors to respond to changes in regulatory and other requirements. This review will include a review of the experience and qualifications of the senior members of the audit team, including rotational procedures;
  - iv. To consider communications from the external auditors on audit planning and findings and on material weaknesses in accounting and internal control systems that came to the auditors' attention, including a review of material items of correspondence between the Company and the external auditors; and
  - vi. To ensure that there are no restrictions on the scope of the statutory audit;
- 14A. The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- 14B. Review and monitor the auditor's independence and performance and effectiveness of audit process;
- 14C. Examination of the financial statement and the auditors' report thereon;





- 14D. Approval or any subsequent modification of transactions of the company with related parties;
- 14E. Scrutiny of inter-corporate loans and investments;
- 14F. Valuation of undertakings or assets of the company, wherever it is necessary;
- 14G. Evaluation of internal financial controls and risk management systems;
- 14H. Monitoring the end use of funds raised through public offers and related matters.
- 14I. Approval of appointment of Chief Financial Officer (i.e., the whole- time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
15. Such other functions, as may be assigned by the Board of directors from time to time or as may be stipulated under any law, rule or regulation including listing agreement and the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force)

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

Pursuant to the NCLT order dated January 31, 2024, approving the resolution plan, the Monitoring Committee, in its meeting on March 4, 2024, approved the reconstitution of the new Board of Directors, effective March 11, 2024. As a result, the previous board was dissolved, leading to the dissolution of the Audit Committee consisting of previous Board as well.

As on March 31, 2024, the new Audit Committee of the Company comprises of Two Non-Executive (Independent) Directors & One Executive director having knowledge of corporate finance, accounts and company law. The Chairman of the Committee is an Independent Director.

The Company Secretary acts as the Secretary of the Committee.

As specified hereinabove post the reconstitution of Board on March 11, 2024, the Audit Committee were reconstituted by the Board in their meeting held on March 30, 2024, accordingly, during the financial year ended March 31, 2024, no meetings of the Audit Committee were conducted. The composition of the re-constituted Audit Committee, as on March 31, 2024, is as follows:

Name of the Director	Position	Category	No. of Meeting Attended	Date of Meeting held on
Mr. Deepak Kumar Gupta	Chairman	Non-Executive Independent Director	NA	NA
Mr. Sunil Kumar	Member	Executive Director	NA	NA
Ms. Jyothi Thomas	Member	Non-Executive Independent Director	NA	NA

The Company Secretary acts as the Secretary of the Committee.

**II. NOMINATION & REMUNERATION COMMITTEE**

**(a) Brief description of Nomination & Remuneration Committee.**

Pursuant to the Insolvency Commencement Order dated June 10, 2022 and in consonance with the stipulation contained in Section 17 of the IBC, 2016, the powers of the Board of Directors of the Company including committee of the board stand suspended and the same are vested in and exercised by Resolution Professional.

Subsequently, Bauman Dekor Private Limited filed Resolution Plan which was approved by Hon'ble NCLT vide order dated January 31, 2024.



In term of approve resolution plan, the Monitoring Committee, in its meeting held on March 4, 2024, reconstituted the new board and in place of previous Board of the company with effect from March 11, 2024. Post the reconstitution of the board the Nomination and Remuneration Committee of the Company was re-constituted by the new Board of Director in their meeting held on 30<sup>th</sup> March 2024.

The role of the committee is to perform all such matters as prescribed under the Act and Listing Regulations about Role of Nomination and Remuneration Committee of Directors. 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.

**(b) Terms of reference of Nomination & Remuneration Committee.**

The terms of reference of Nomination & Remuneration Committee includes:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. To review performance and recommend remuneration of Executive Director's to the board;
6. To formulate ESOP plans and decide on future grants;
7. To formulate terms and conditions on followings under the present Employee Stock Option Schemes of the Company:
  - i. the quantum of options to be granted under ESOP scheme(s) per employee and in aggregate;
  - ii. The conditions under which options vested in employees may lapse in case of termination or of employment for misconduct;
  - iii. The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
  - iv. The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
  - v. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
  - vi. The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
  - vii. The grant, vest and exercise of option in case of employees who are on long leave; and
  - viii. The procedure for cashless exercise of options.
  - ix. Any other matter, which may be relevant for administration of ESOP schemes from time to time.
8. such other functions, as may be assigned by the Board of directors from time to time or as may be stipulate under any law, rule or regulation including listing regulations and the companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force



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

Pursuant to the NCLT order dated January 31, 2024, approving the resolution plan, the Monitoring Committee, in its meeting on March 4, 2024, approved the reconstitution of the new Board of Directors, effective March 11, 2024. As a result, the previous board was dissolved, leading to the dissolution of the Nomination & Remuneration Committee constituting of previous Board as well.

Post the reconstitution of the board, the Nomination and Remuneration Committee of the Company was re-constituted by the new Board of Director in their meeting held on 30<sup>th</sup> March 2024.

The Members of the re-constituted Nomination & Remuneration Committee are Mr. Deepak Kumar Gupta (Chairman) (Independent Non Executive Director); Mr. Praveen Kumar Agarwal (Independent Non Executive Director) and Ms. Jyothi Thomas (Independent Non Executive Director) being the members of the Committee.

As specified hereinabove post the reconstitution of Board on March 11, 2024, the Nomination and Remuneration Committee were reconstituted by the Board in their meeting held on March 30, 2024, accordingly, during the financial year ended March 31, 2024, no meetings of the re-constituted Nomination & Remuneration Committee and previous committee were conducted.

The re-constituted composition of the re-constituted Nomination & Remuneration Committee, as on March 31, 2024, are as follows:

Name of the Director	Position	Category	No. of Meeting Attended
Mr. Deepak Kumar Agarwal	Chairman	Non-Executive Independent Director	-
Mr. Praveen Kumar Agarwal	Member	Non-Executive Independent Director	-
Ms. Jyothi Thomas	Member	Non-Executive Independent Director	-

The Company Secretary acts as the Secretary of the Committee.

**(d) Performance evaluation criteria by Independent Directors**

The Act 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.

**III. STAKEHOLDER REALTIONSHIP COMMITTEE OF DIRECTORS**

**(a) Brief description of Stakeholder Relationship Committee.**

Pursuant to the Insolvency Commencement Order dated June 10, 2022 and in consonance with the stipulation contained in Section 17 of the IBC, 2016, the powers of the Board of Directors of the Company including committee of the board stand suspended and the same are vested in and exercised by Resolution Professional.

Subsequently, Bauman Dekor Private Limited filed Resolution Plan which was approved by Hon'ble NCLT vide order dated January 31, 2024.

In term of approve resolution plan, the Monitoring Committee, in its meeting held on March 4, 2024, reconstituted the new board and in place of previous Board of the company with effect from March 11, 2024. Post the reconstitution of the board the Stakeholder Relationship Committee of the Company was re-constituted by the new Board of Director in their meeting held on 30<sup>th</sup> March 2024.



The role of the Committee is to consider and resolve the grievances of security holders and perform such roles as may require under the Act and Listing Regulations. 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) Terms of reference of Stakeholder Relationship Committee.**

The terms of reference of Stakeholder Relationship Committee includes:

1. Redressal of shareholder and investor complaints including, but not limiting itself to transfer of shares and issue of duplicate share certificates, non-receipt of balance sheet, non-receipt of declared dividends, etc.;
2. Overseeing and reviewing all matters connected with securities of the Company;
3. Overseeing the performance of the Registrar and Transfer Agent of the Company and recommends measures for overall improvement in the quality of Investor services;
4. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of shares issued by the Company, and
5. Such other role/functions as may be specifically referred to the Committee by the Board of Directors and /or of the committees of Directors of the Company or mentioned in the Listing Regulations 2015.

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

Pursuant to the NCLT order dated January 31, 2024, approving the resolution plan, the Monitoring Committee, in its meeting on March 4, 2024, approved the reconstitution of the new Board of Directors, effective March 11, 2024. As a result, the previous board was dissolved, leading to the dissolution of the Stakeholder Relationship Committee consisting of previous Board as well.

Post the reconstitution of the board the Stakeholder Relationship Committee of the Company was re-constituted by the new Board of Director in their meeting held on 30<sup>th</sup> March 2024. The Members of the re-constituted Stakeholders Relationship Committee are Mr. Deepak Kumar Gupta (Chairman) (Independent Non Executive Director) Mr. Sunil Kumar (Non Independent Executive Director) and Ms. Jyothi Thomas (Independent Non Executive Director).

As specified hereinabove post the reconstitution of Board on March 11, 2024, the Stakeholders Relationship Committee were reconstituted by the Board in their meeting held on March 30, 2024, accordingly, during the financial year ended March 31, 2024, no meetings of the re-constituted Stakeholder Relationship and previous committee were conducted.

The composition of re-constituted of Stakeholder Relationship Committee is as follows:

Name of the Director	Position	Category	No. of Meeting Attended
Mr. Deepak Kumar Agarwal	Chairman	Non-Executive Independent Director	-
Ms. Jyothi Thomas	Member	Non -Executive Independent Director	-
Mr. Sunil Kumar	Member	Executive Director	-

The Company Secretary acts as the Secretary of the Committee.

**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 2023-24	Nil
Number of complaints received during the year 2023-24	1
Number of complaints redressed during the year 2023-24	1



Number of complaints pending at the end of the financial year 2023-24	Nil
Number of complaints not solved to the satisfaction of shareholders	Nil

## **Name and Designation of Compliance Officer:**

Mr. Ravi Kumar; Company Secretary is Compliance officer of the Company.

Please take note that Mr. Rahul Jaiswal, Company Secretary & Compliance Officer, resigned, effective from March 31, 2024 and post his resignation the newly reconstituted board appointed Mr. Ravi Kumar, as Company Secretary & Compliance Officer, effective from June 29, 2024.

## **SENIOR MANAGEMENT:**

The following are the names and designation of Senior Management Personnel of the Company as on 31st March, 2024 and changes therein since the close of previous financial year.

S. No.	Name	Designation
1.	Mr. Dilip Shah	Manager
2.	Mr. Mallappa Desai	Manager
3.	Mr. Kodandarama A	Manager
4.	Mr. Arvind Kumar Shukla	Manager
5.	Ms. Vishalakshi S	Manager
6.	Mr. Vishwanatha J	Manager
7.	Mr. Vivekananda Choubey	Manager
8.	Mr. Jagadeesh	Manager
9.	Mr. Jaganath V	Manager
10.	Mr. Prateek Chhawchharia	Chief Financial Officer*
11.	Mr. Jitendra Kumar Singh	Manager (ceased on 10/03/2024)
12.	Mr. Mallikarjun Nidagundi	Manager (ceased on 30/11/2023)
13.	Mr. Rahul Jaiswal	Company Secretary & Compliance Officer (Ceased on 31/03/2024)
14.	Mr. Ravi Kumar	Company Secretary and Compliance Officer appointed w.e.f 29/06/2024**

\*Mr. Prateek Chhawchharia, Chief Financial Officer of the company, ceased with effect from close of business of 27/12/2024.

\*\* Mr. Ravi Kumar Appointed as Company Secretary and Compliance Officer of the Company with effect from 29/06/2024.

## **Details of remuneration for the year ended March 31, 2024**

### **i) Executive Directors**



No remuneration paid to Executive Directors the during the financial year 2023-24.

ii) **Non-Executive Directors**

No sitting fees paid to the Non-Executive director the during the financial year ended 31<sup>st</sup> March 2024

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 2023-2024, no stock options were granted to any of the directors of the Company. The Company does not pay any performance incentives or severance fees.

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

<b>Name of the Previous Directors*</b>	Notice period
Mr. Sundeep Shah	6 Months
Ms. Megha Shah	6 Months
Mr. G. D. Hamathka	-
Mr. Madhu Kant Sharma	-
Mr. Pankaj Kumar Deorah	-
Mr. Abhishek Haralalka	-
<b>Names of New Directors*</b>	
Mr. Ajay Bikram Singh	-
Mr. Sunil Kumar	-
Mr. Ramesh Chandragiri Reddappa	-
Mr. Deepak Kumar Gupta	-
Mr. Praveen Kumar Agarwal	-
Mrs. Jyothi Thomas	-

\*Pursuant to the Hon'ble NCLT, Kolkata vide order dated January 31, 2024, approving the resolution plan, the Monitoring Committee, in its meeting on March 4, 2024, approved the re-constitution of the new Board of Directors, effective March 11, 2024. As a result, the previous board was dissolved w.e.f. March 11, 2024..



## GENERAL BODY MEETING

### i) General Meetings:

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

Date	Time	Venue	Details of any Special Resolution Passed in the previous three annual general meetings
8 <sup>th</sup> September 2021	11:00 A.M.	Through OAVM	The following Special Resolutions were passed during the Annual General Meeting:-  1. re-appointment of Sri Sundeeep Shah (DIN.00484311) as the Managing Director of the Company for a period of five years effective from 1st September, 2021 to 31st August, 2026.  2. re-appointment of Ms. Megha Shah (DIN. 07172597) as the Whole Time Director of the Company for a period of three years effective from 1st September, 2021 to 31st August, 2024.
15 <sup>th</sup> July 2022	11:00 A.M.	Through OAVM	No Special Resolution were Passed
29 <sup>th</sup> September, 2023	3:30 P.M.	Through OAVM	No Special Resolution were Passed

ii) **Details of Resolutions passed through Postal Ballot, the person who conducted the Postal Ballot Exercise and details of the voting pattern:** There were no resolutions passed in the financial year 2023-24 by postal ballot.

### iii) Procedure for postal ballot.

The postal ballot was conducted in accordance with the provisions contained in Sections 108, 110 and other applicable provisions, if any, of the Act read together with Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014 ("Rules") as amended from time to time and Listing Regulations and various circulars issued by the Ministry of Corporate Affairs ("MCA Circulars"), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India and other applicable laws and regulations, as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force).

## MEANS OF COMMUNICATION

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

The financial results of the Company are generally published in Financial Express (English) and Arthik Lipi (Regional) newspapers. These results are also posted in the Company's website <https://www.easternsilk.com/>. As per SEBI requirements, quarterly, half yearly 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.

**GENERAL SHAREHOLDERS INFORMATION**

**i) Seventy Eighth Annual General Meeting**

Venue : At the Registered Office of the Company, 19, RN, Mukherjee Road, Kolkata, 700001 through Video Conferencing (VC)/ Other Audio Visual Means ("OAVM")  
 Date : September 25, 2025  
 Time : 11:00 AM

**ii) Financial Year: 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024**

Adoption of un-audited quarterly results and Annual Results	Adoption on
Unaudited 1 <sup>st</sup> quarter results	Within 45 days of the end of the quarter, except the 4 <sup>th</sup> quarter (60 days)
Unaudited 2 <sup>nd</sup> quarter results	
Unaudited 3 <sup>rd</sup> quarter results	
Audited 4th 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 19<sup>th</sup> September, 2025 to 25<sup>th</sup> September 2025 (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 INE962C01035	EASTSILK

**vi) Listing Fess:** the Company has paid the listing fees for the financial year 2023-24.



## Details relating to Suspension of Securities and reasons thereof

As briefed above that Pursuant to the Insolvency Commencement Order dated June 10, 2022 and in consonance with the stipulation contained in Section 17 of the IBC, 2016, the powers of the Board of Directors of the Company including committee of the board stand suspended and the same are vested in and exercised by Resolution Professional.

Subsequently, Bauman Dekor Private Limited filed Resolution Plan which was approved by Hon'ble NCLT vide order dated January 31, 2024. The said approval of the Resolution plan were intimated to all the exchanges where the equity shares of the company are listed and traded.

Post the intimation to the exchange about the approval of the Resolution Plan, certain queries were raised by the exchange pertaining to the treatment/payment to the public shareholder in terms of the approved Resolution Plan. The queries of the exchange pertaining to the treatment/payment to the public shareholder in terms of the approved Resolution Plan were addressed promptly by informing that the complete Pre-CIRP share Capital of the company including the equity shares held by the erstwhile promoters along with the public shareholding were stand extinguished.

As the complete Pre-CIRP shareholding of the company were stand extinguished as result of implementation of the Resolution Plan. Accordingly, as informed by the exchange, the trading of the shares of the company were suspended until the implementation of the Resolution Plan.

Accordingly, during the year, post approval of the Resolution Plan by the Hon'ble NCLT, Kolkata Bench, trading in the security of the company is suspended as cautionary measures by the exchanges.

## Registrar and Share Transfer Agents:

The Company's has appointed ABS Consultant Pvt. Ltd., Room No. 99, Stephen House, 6<sup>th</sup> 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.

## Share Transfer System:

As mandated by SEBI, securities of the Company can be transferred / traded only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. During the year, the Company obtained, a certificate from a Company Secretary in Practice, certifying that all certificates for transfer, transmission, transposition, sub-division, consolidation, renewal, exchange and deletion of names were issued as required under Regulation 40(9) of Listing Regulations. The certificate was duly filed with the Stock Exchanges.

## Distribution of shareholding as on 31<sup>st</sup> March 2024:

No. of Shares	Number of Share Holders	% To Total Holders	No. of Shares held	% To total Holding
Upto 500	19677	73.63	30,74,842	3.89
501 - 1000	3210	12.01	28,05,794	3.55
1001 – 2000	1663	6.22	26,41,482	3.35
2001 – 3000	675	2.53	17,70,918	2.24
3001 - 4000	309	1.16	11,09,456	1.41
4001 – 5000	325	1.22	15,52,881	1.97
5001 – 10000	440	1.65	3353,964	4.25
10001 & above	423	1.58	62643283	79.34
<b>TOTAL</b>	<b>26722</b>	<b>100.00</b>	<b>78952620</b>	<b>100.00</b>



## Categories of Equity Shareholding as on 31<sup>st</sup> March, 2024

Category	No. Shares	% age of Holding
Promoters including NRI Promoters	40488351	51.28
Financial Institutions, Banks, Mutual Fund Etc.	1513000	1.92
Non Resident Indians / OCBs / FIIs	1084518	1.37
Private Corporate Bodies	2654668	3.36
Public Corporate Bodies	3957289	5.01
Indian Public	28466326	36.05
Trust	5	0.00
IEPF Account	788463	1.00
<b>TOTAL</b>	<b>7,89,52,620</b>	<b>100.00</b>

Note: As briefed above that Pursuant to the Insolvency Commencement Order dated June 10, 2022 and in consonance with the stipulation contained in Section 17 of the IBC, 2016, the powers of the Board of Directors of the Company including committee of the board stand suspended and the same are vested in and exercised by Resolution Professional.

Subsequently, Bauman Dekor Private Limited filed Resolution Plan which was approved by Hon'ble NCLT vide order dated January 31, 2024. The said approval of the Resolution plan were intimated to all the exchanges where the equity shares of the company are listed and traded.

Post the intimation to the exchange about the approval of the Resolution Plan, certain queries were raised by the exchange pertaining to the treatment/payment to the public shareholder in terms of the approved Resolution Plan. The queries of the exchange pertaining to the treatment/payment to the public shareholder in terms of the approved Resolution Plan were addressed promptly by informing that the complete Pre-CIRP share Capital of the company including the equity shares held by the erstwhile promoters along with the public shareholding were stand extinguished.

## 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 INE962C01035.

As on 31.03.2024 the dematerialised shares were 7,78,37,161 which represents 98.39% of the total subscribed capital

## 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.

## 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.

**Plant Location**

<b>Unit 1</b>	:	411, Telugarahalli Road Anekal, Bangalore – 562 106(The operation is yet to start)
<b>Unit 2</b>	:	#39, Kammansandra Agrahara Kasaba Hobli Anekal, Bangalore – 560 106
<b>Unit 3</b>	:	11A, 2nd Cross Industrial Area Nanjangud, Karnataka – 571 301 (The operation is yet to start)
<b>Unit 4 (Warehouse)</b>	:	Falta Special Economic Zone 24 Parganas (South), West Bengal

**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](mailto:investors@easternsilk.com) Website: [www.easternsilk.com](http://www.easternsilk.com)

**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.**

As the Company was under CIRP until January 31, 2024 and post that up to the closure of the financial year i.e. Up to March 31, 2024 the plan was under implementation under the supervision of Monitory Committee as constituted in terms of the Approved Resolution Plan. Accordingly, the said clause is Not Applicable

**OTHER DISCLOSURE**

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

After the Commencement of CIRP i.e. w.e.f. June 10, 2022, in terms of the Section 17 of the Insolvency and Bankruptcy Code, 2016, the powers of the Board are suspended upto the approval of the Resolution Plan by the Hon'ble NCLT, Kolkata Bench vide its order Dated January 31, 2024.

During the CIRP i.e. upto January 31, 2024 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 and upto the continuation of CIRP till January 31, 2024.

As briefed above that Post the approval of the Resolution Plan by the Hon'ble NCLT, Kolkata Bench vide its order dated January 31, 2024, the monitoring committee were constituted Monitoring Committee in its meeting held on March 04, 2024 re-constituted the Board of the Company thereby appointing new board of directors as nominated by the Successful Resolution applicant along with the cessation/vacation of the erstwhile directors of the company w.e.f. March 11, 2024.

Furthermore, all the related party transactions were entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Act and the Listing Regulations. T



There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. However, the details of the transactions with Related Parties are provided in the Company's financial statements in accordance with the Accounting Standards.

The Policy on Related Party Transactions as approved by the Board is available on Company's website and can be accessed at [www.easternsilk.com](http://www.easternsilk.com).

**ii. Details of non-compliance by the Company, penalties, and 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 denied access to the Interim Resolution Professional/ Resolution Professional (as specified that w.e.f 10<sup>th</sup> 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 till the date of resolution plan approved by NCLT, Kolkata vide order dated Jan 31, 2024.

In term of approved resolution plan by Hon'ble NCLT, Kolkata vide order dated January 31, 2024 a new Board was constituted by the Monitoring Committee in the current financial year i.e. on 11<sup>th</sup> March, 2024 ("Reconstituted Board" or "Board") in place of the previous Board of Directors. Post the completion of the CIRP and reconsituion of Board on March 11, 2024 and also the re-constitution of the audit committee by the new Board of Director in their meeting held on 30<sup>th</sup> March 2024 no personnel has been denied access to the audit committee/board.

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

**(a) Compliance with mandatory requirements.**

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 IBC Code vide its order dated 10th June 2022. The Powers of the Previous Board of Directors were suspended, and Mr. Kohli, was appointed as Resolution professional and was managing the affair of the company till the date of approval of Resolution plan by Hon'ble NCLT, vide order dated 31<sup>st</sup> January, 2024.

However, In term of approved resolution plan by Hon'ble NCLT, Kolkata vide order dated January 31, 2024 a new Board was constituted by the Monitoring Committee in the current financial year i.e. on 11<sup>th</sup> March, 2024 ("Reconstituted Board" or "Board") in place of the previous Board of Directors. Various committee as required under the Listing Regulations, were formed by the Board in their meeting held on 30<sup>th</sup> March, 2024. The Company has complied with the compliance of listing regulations related to corporate governance to the extent applicable.

**(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:



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

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 IBC Code vide its order dated 10th June 2022. The Powers of the Previous Board of Directors were suspended, and Mr. Kohli, was appointed as Resolution professional and was managing the affair of the company till the date of approval of Resolution plan by Hon'ble NCLT, vide order dated 31st January, 2024.

However, In term of approved resolution plan by Hon'ble NCLT, Kolkata vide order dated January 31, 2024 a new Board was constituted by the Monitoring Committee in the current financial year i.e. on 11<sup>th</sup> March, 2024 ("Reconstituted Board" or "Board") in place of the previous Board of Directors.

The Audit Committee of the Company was re-constituted by the new Board of Director in their meeting held on 30<sup>th</sup> March 2024

**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, 2024.

**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 H Nitin & Associates, 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 as **Annexure-VI**

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

There were no such instances during the financial year 2023-24, wherein the Board had not accepted recommendations made by any Committees of the Board.

**xi. Fees paid to the Statutory Auditor for the FY 2023-2024.**

M/s B.K. Shroff & Co, Chartered Accountants were appointed as the Statutory Auditors of the Company at the 76<sup>th</sup> AGM held on 15<sup>th</sup> July 2022. M/s B.K. Shroff & Co, Chartered Accountants, Statutory Auditors of the Company have issued the limited review reports of the subsequent three quarters of FY 2023-24 and the Audited/Review Report on the Financial Statement/Results for the quarter and year ended 31<sup>st</sup> March, 2024.



Particulars	Amount (Rs.in Lakh)
Services as statutory auditors (including quarterly audits)	5.26
Services for other matters	0.85
Total	6.11

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 2023-2024. The details are as under:

Number of complaints filed during the financial year	Number of complaints disposed of during the financial year	Number of complaints pending as on end of the financial year
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':

Sl.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.

## xv. 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, to the extent applicable, with regard to corporate governance.

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 IBC Code vide its order dated 10th June 2022. The Powers of the Previous Board of Directors were suspended, and Mr. Kohli, was appointed as Resolution professional and was managing the affair of the company till the date of approval of Resolution plan by Hon'ble NCLT, vide order dated 31st January, 2024.

However, In term of approved resolution plan by Hon'ble NCLT, Kolkata vide order dated January 31, 2024 a new Board was constituted by the Monitoring Committee in the current financial year i.e. on 11<sup>th</sup> March, 2024 ("Reconstituted Board" or "Board") in place of the previous Board of Directors

## xvi. 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>

**xvii. WTD and CFO Certification**

The WTD and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(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.

**xviii 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 H Nitin & Associates, Practicing Company Secretaries, confirming the status of compliance with the conditions of Corporate Governance, is attached to this report forming part of the Annual Report.

**xix. Disclosures with respect to demat suspense account/ unclaimed suspense account.**

The Company do not have any unclaimed suspense account.



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

**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 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

**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

**INITIATION OF CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP) AND APPROVAL OF THE RESOLUTION PLAN:**

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 June 10, 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. "). The Adjudicating Authority appointed- Mr. Anil Agarwal as Interim Resolution Professional (IRP) vide its said order dated June 10, 2022.

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

Further, the CIRP is being carried out by the Resolution Professional as per the provisions of code and during CIRP the resolution plan as submitted by Mr. Ajay Bikram Singh through Baumann Dekor Private Limited (SRA-Successful Resolution Applicant), in terms of the applicable provisions of the code, was got approved by the CoC in its 11th Meeting.

Post the approval of the resolution plan from the CoC, the Resolution Professional has filed the CoC approved Resolution Plan with Hon'ble National Company Law Tribunal, Kolkata Bench on 09.03.2023 and the same was approved by the Hon'ble National Company Law Tribunal, Kolkata Bench vide its order dated 31.01.2024.

Post the approval of the plan and for the purpose of the implementation of the plan, a monitoring committee were constituted in terms of the approved Resolution Plan and post constitution the monitoring committee, in terms of the approved Resolution Plan, had reconstituted the Board of the company thereby appointment of the new board directors of the company along with the removal/vacation of the existing Board of Directors of the Company.

**Company Outlook:**

As the resolution plan of the Company is approved as aforesaid, and new management have taken over the Company, the Company hopes to turn around its performance in forthcoming years.

**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.

**RISKS AND CONCERNS**

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.

**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.

**HUMAN RESOURCES / INDUSTRIAL RELATIONS**

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

**FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE (Forms part of Director's Report)****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	2023-24	2022-23	Difference (%)
Debtors' turnover	2.29	1.96	16.76%
Inventory turnover	0.25	0.78	(68.43%)
Interest coverage ratio	Not Applicable, since the Company has no Borrowings in pervious year involving interest coverage.		
Current ratio (in times)	0.79	0.36	120.85%
Debt equity ratio (in times)	3.68	10.15	(63.73%)
Operating Profit Margin (in %)	-58.34	(35.03)	59.51%
Net profit margin/Ratio (in %)	(65.03)	(37.97)	71.27
Return on net worth (in %)	(0.78)	(0.91)	(14.76)

The reason of the Operating Profit and Net Profit Margin/Ratio 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 inter connected, this outbreak has a global impact on the business.

## 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.



Annexure-3

Certificate on the Compliance of Conditions of Corporate Governance for the year ended March 31, 2024

To  
The Members,  
Eastern Silk Industries Limited

We have examined the compliance of conditions of Corporate Governance by EASTERN SILK INDUSTRIES LIMITED ("the Company"), for the financial year ended on March 31, 2024, as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and pursuant to Regulations 17 to 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR'), for the financial year ended 31st March 2024. We have obtained all the information and explanations, which, to the best of our knowledge and belief, is necessary for the purpose of this certification.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to review the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

As per the audit report opinion for Eastern Silk Industries Limited for the financial year ending March 31, 2024, contains a qualified opinion due to unresolved matters related to the approved resolution plan under insolvency proceedings. Key issues include adjustments of liabilities/write-offs pending compliance, unrecognized deposits with banks related to settlement amounts, and unconfirmed bank balances. Additionally, there is significant material uncertainty regarding the company's ability to continue as a going concern due to financial stress and dependency on the resolution plan's implementation.

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

**For H. Nitin & Associates**

**Date: 02.12.2024**

**Place: Jaipur**  
**UDIN: F009632F003203966**

**Nitin Ghanshyam Hotchandani**  
**Practicing Company Secretary**

**M. No.: F-9632**  
**C.P. No.: 11673.**  
Peer Review No: 1023/2020

**Annexure-IV**

**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, 2024.

**For Eastern Silk Industries Limited**

**Sd/-**

**Sunil Kumar**

**Whole-Time Director**

**DIN: 09424480**

Date : 02.12.2024

Place : Bengaluru



**Annexure V**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2024**  
***[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies***  
***(Appointment and Remuneration Personnel) Rules, 2014 and Regulation 24A of SEBI***  
***(Listing Obligations Disclosure Requirements) Regulations, 2015, as amended]***

**To,**  
**The Members,**  
**Eastern silk industries limited,**  
**19 R N Mukherjee Rd, Kolkata**  
**West Bengal, India, 700001**  
**(CIN: L17226WB1946PLC013554)**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained and provided by the Company for the financial year ended on 31<sup>st</sup> March 2024 according to the provisions of:-

- I. The Companies Act, 2013 (the Act) and the rules made there under;
- AI. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- BI. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit Period).
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)



Regulations, 2018; **(Not applicable to the Company during the review period)**

- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the review period)**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the review period)**
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the review period)**
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (h) (other regulations as applicable) and circulars/ guidelines issued thereunder;

It may be noted that as per the provisions of IBC Code and provisions of Regulation 15 (2A) and (2B) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI (LODR)) as amended from time to time, the provisions specified in regulation 17, 18, 19, 20, 21 shall not be applicable during the CIRP. The conditions as specified in said regulations of the SEBI (LODR) shall not be useful during the CIRP and the roles and responsibilities of the Board of Directors and the Committees, specified in the respective regulations, shall be fulfilled by the Interim Resolution Professional or Resolution Professional, as the case may be.

Based on the above and the examination carried out by me, I hereby report that for this report all stock exchange filings/submissions/publications made during the period commencing April 01, 2023 up to March 31, 2024, have been taken into consideration.

(Note: The aforesaid list of Regulations is only illustrative. The list of such SEBI Regulations, as may be relevant and applicable to the listed entity for the review period, shall be added.)

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. The Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreement entered into by the company with the BSE Limited/SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

1. **The Company was under Corporate Insolvency Resolution Process ("CIRP") under Insolvency and Bankruptcy Code. On petition filed by Exim Bank of India against the**



Company, which was admitted vide an Order dated 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").

2. Hon'ble Adjudicating Authority, i.e., National Company Law Tribunal, Kolkata Bench admitted the Company Petition i.e. C.P. (IB) No. 588/KB/2020 filed by the Financial Creditor, Export-Import Bank of India, on 10.06.2022, initiating Corporate Insolvency Resolution Process under Insolvency & Bankruptcy Code, 2016 (hereinafter referred to as "Code") against M/s Eastern Silk Industries Limited ("Corporate Debtor") and appointed Mr. Anil Agarwal as the Interim Resolution Professional. Thereupon the member of the Committee of Creditors ("CoC") in its 1st meeting held on 08.07.2022 has approved 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 29.07.2022. Copy of the order appointing Mr. Anil Kohli as Resolution Professional was received on 04.08.2022.
3. Pursuant to the initiation of CIRP and Appointment of IRP/RP the powers of the Board of Directors of the Company stand suspended in accordance with the provisions of the Code and the same have been vested with and are being exercised by the IRP/RP, as the case may be.
4. Further, the CIRP is being carried out by the Resolution Professional as per the provisions of code and during CIRP the resolution plan as submitted by Mr. Ajay Bikram Singh through Baumann Dekor Private Limited (SRA-Successful Resolution Applicant), in terms of the applicable provisions of the code, was got approved by the CoC in its 11th Meeting.
5. Post the approval of the resolution plan from the CoC, the Resolution Professional has filed the CoC approved Resolution Plan with Hon'ble National Company Law Tribunal, Kolkata Bench on 09.03.2023, which was then approved by Hon'ble NCLT vide order dated 31.01.2024 in accordance with the provisions of the Insolvency & Bankruptcy Code, 2016. Accordingly, in terms of IBC, 2016 and also as per the order of the Hon'ble NCLT, Kolkata Bench the CIRP was come to an end upon the order of the Hon'ble NCLT for the approval of the Resolution Plan.
6. It is pertinent to mention that, at present the plan is under implementation and as part of implementation of the approved Resolution Plan the board of the Company was re-constituted w.e.f 11.03.2024.
7. Meeting of the Board of Directors of the Company was held on 30 March 2024 through video conferencing & other audio visual means for Reconstitution of Audit Committee, Nomination and Remuneration Committee and Stake holders Relationship Committee as per the NCLT order dated 31st January 2024 and approve by Monitoring Committee effective from March 11, 2024.





8. The Monitoring Committee of the Company, in terms of the approved Resolution Plan, has approved the appointment of Mr. Ajay Bikram Singh (DIN: 03096101) as Additional Director under the Category of Chairman (Non-Executive Director), Mr. Sunil Kumar (DIN:09424480) as Additional Director under the Category of Whole-Time Director (Executive Director), Mr. Ramesh Chandragiri Reddappa (DIN 10535137) as Additional Director under the Category of Whole-Time Director (Executive Director), Mr. Deepak Kumar Gupta (DIN 08578380) as Additional Director under the Category of independent Director (Non-Executive Director), Mr. Praveen Kumar Agarwal (DIN 06992675) as Additional Director under the Category of Independent Director (Non-Executive Director) and Mrs. Jyothi Thomas (DIN 03502492) as Additional Director under the Category of Women Independent Director (Non-Executive Director) with effect from 11th March 2024.
9. In addition to above, the monitoring committee also took the note that pursuant, to the constitution of new Board of Directors w.e.f 11.03.2024 in terms of the approved resolution plan by Hon'ble NCLT, Kolkata Bench, the existing Board shall stand dissolved, and the existing Directors, as specified in Annexure A (ii), be deemed to have been vacated from their directorship of the Company by virtue of order dated 31.01.2024 passed by Hon'ble NCLT approving the resolution plan.
10. Mr. Rahul Jaiswal has tendered his resignation from the position of Company Secretary & Compliance Officer (Key Managerial Personnel) of the Company vide his letter dated 19<sup>TH</sup> February 2024. He has decided to move on to pursue career interest outside the Company. He has relieved from the services of the Company with effect from end of business hour on March, 31, 2024.

**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 are 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 approved Resolution Plan w.e.f 11.03.2024.

Adequate notice is given to all the 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 was vested with 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 were suspended from CIRP initiation order dated 10.06.2022 passed by Hon'ble NCLT.



During the review period, the Resolution Plan got approved and management has been re-constituted as mentioned above by conducting Board Meeting dated 30.03.2024 and passed board resolution for Reconstitution of Audit Committee, Nomination and Remuneration Committee and Stake holders Relationship Committee as per the NCLT order dated 31st January 2024 and approved by Monitoring Committee effective from March 11, 2024.

**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 & Provident 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 Provident 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.**

**Date: 30.05.2024**

**Place: Jaipur**

**For H Nitin & Associates Company  
Secretaries**

**CS Nitin Hotchandani**  
**FCS No.: F-9632 COP No.:**  
**11673 PR No.-1023/2020**  
**UDIN: F009632F000495689**



**“ANNEXURE A”**

**To,**  
**The Members,**  
**Eastern silk industries limited,**  
**19 R N Mukherjee Rd, Kolkata**  
**West Bengal, India, 700001**  
**(CIN: L17226WB1946PLC013554)**

Our report of even date is to be read with the following clarification and explanation:

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

1. Employees' Provident Fund and Miscellaneous Provisions Act, 1952
2. Employees' State Insurance Act, 1948
3. Income Tax Act, 1961
4. Goods and Services Tax Act, 2017 (GST)
5. Factories Act, 1948
6. Industrial Disputes Act, 1947
7. Industrial Relations Act 1962
8. Foreign Exchange Management Act, 1999
9. The Customs Act, 1962
10. The Central Excise Act, 1944
11. Shops & Establishment Act, 1963
12. Minimum Wages Act, 1948
13. Payment of Gratuity Act, 1972
14. Payment of Bonus Act, 1965
15. Payment of Wages Act, 1936
16. Compulsory Notification of Vacancies Act, 1959

**Date: 30.05.2024**

**Place: Jaipur**

**For H Nitin & Associates**  
**Company Secretaries**

**CS Nitin Hotchandani**  
**FCS No.: F-9632**  
**COP No.: 11673**  
**PR No.-1023/2020**  
**UDIN: F009632F000495689**



Annexure-VI

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTOR

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(1) 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 RD, KOLKATA, West Bengal, India, 700001 (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/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that NONE of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2024 have 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.

Thereby. certify that NONE of the-Directors-on-the-Board not debarred or disqualified during the period 11/03/2024 to 31/03/2024:-

S.No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Ajay Bikram Singh	03096101	11/03/2024
2.	Mr. Sunil Kumar	09424480	11/03/2024
3.	Mr. Ramesh Chandragiri Reddappa	10535137	11/03/2024
4.	Mr. Deepak Kumar Gupta	08578380	11/03/2024
5.	Mr. Praveen Kumar Agarwal	06992675	11/03/2024
6.	Mrs. Jyothi Thomas	03502492	11/03/2024

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 10<sup>th</sup> 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.

Meeting of the Board of Directors of the Company was held on 30<sup>th</sup> March 2024 through video conferencing & other audio visual means for Reconstitution of Audit Committee, Nomination and Remuneration Committee and Stake holders Relationship Committee as per the NCLT order dated 31st January 2024 and approve by Monitoring Committee effective from March 11, 2024.

The Monitoring Committee of the Company, in terms of the approved Resolution Plan, has approved the appointment of Mr. Ajay Bikram Singh (DIN: 03096101) as Additional Director under the Category of Chairman (Non-Executive Director), Mr. Sunil Kumar (DIN:09424480) as Additional Director under the Category of Whole-Time Director (Executive Director), Mr. Ramesh Chandragiri Reddappa (DIN 10535137) as Additional Director under the Category of Whole-Time Director (Executive Director), Mr. Deepak Kumar Gupta (DIN 08578380) as Additional Director under the Category of Independent Director (Non-Executive Director), Mr. Praveen Kumar Agarwal (DIN 06992675) as Additional Director under the Category of Independent Director (Non-Executive Director) and Mrs. Jyothi Thomas (DIN 03502492) as Additional Director under the Category of Women Independent Director (Non-Executive Director) with effect from 11th March 2024.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For H. Nitin & Associates**

**Date: 02.12.2024**

**Place: Jaipur**

**UDIN: F009632F003204483**

**Nitin Ghanshyam Hotchandani**  
**Practicing Company Secretary**

**M. No.: F-9632**

**C.P. No.: 11673.**

Peer Review No: 1023/2020





## 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 2024, 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, 2024 and loss, changes in equity and its cash flows for the year ended on that date.

#### Material Uncertainty Related to Going Concern

*Pursuant to an application made by Export Import Bank of India one of the financial creditors, the Hon'ble National Company Law Tribunal, Kolkata Bench ("Adjudicating Authority"), vide its order dated 31st January, 2024, approved the resolution plan dated 02.01.2023 and addendums dated 04.02.2023 and 25.02.2023 submitted by the Resolution Applicant Baumann Dekor Private Limited. As per the terms of Section 31 of the Code, the Approved Resolution Plan shall be binding on the Company, its employees, members, creditors and other stakeholders involved in the Resolution Plan.*

*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. 29 to the Ind AS Financial Results.*



## **Basis for Qualified Opinion**

### ***We draw attention to***

- a) *Note No. 29 to the Ind AS financial results which states that In compliance with the approved Resolution Plan and order from the Hon'ble National Company law Tribunal, the accounting adjustments have been carried out related to extinguishment of liabilities / claims and write off of impaired and/or doubtful assets during the Financial Year ending 31.03.2024. The net impact of the same Rs 11793.06 lakhs has been transferred to the Capital Reserve Account as per the approved Resolution plan. The cancellation of existing share capital and infusion of new capital is in progress and its effect will be taken in accounts on finalisation. The above adjustments are subject to reversal in the event of non compliance with the terms of Resolution plan.*
- b) *Note No. 37 to the Ind AS financial results which states that '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. Also no confirmation has been received from the said banks.*
- c) *Note No. 36 to the Ind AS financial results which states that Confirmation of bank balances of all bank accounts at Kolkata as on 31.03.2024 is under process of acquiring and reconciling.*

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. 31 to the Ind AS financial results which states that In terms of Ind AS-12, further Deferred Tax Assets (DTA) of INR 1,577.05 Lakhs is required to be recognized during the year. The Company has so far recognized DTA aggregating INR 4,572.98 Lakhs. Earlier recognitions were made based on future profitability and projections. The Company is of the opinion that net DTA of INR 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. Our opinion is not modified in this matter. 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 and Management Committee 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.

When we read the other information and if, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter with those charged with governance.



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

The Company's Board of Directors and Management Committee 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 and Management Committee 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) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of section 164(2) of the Act.
- 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 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.32 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. *Based on our examination and information and explanations provided to us, the accounting software used by the company for maintaining its books of account does not support the feature of recording audit trail (edit log) facility.*

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

*L. K. Shroff*

Place: Kolkata  
Date: 14<sup>th</sup> June, 2024



(L. K. Shroff)  
Partner  
Membership No.: 060742  
UDIN:24060742BKCMBI9683



**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)	Property, plant and equipments have been physically verified by the new management after taking charge pursuant to an application made by Export Import Bank of India one of the financial creditors, the Hon'ble National Company Law Tribunal, Kolkata Bench ("Adjudicating Authority"), vide its order dated 31st January, 2024, approved the resolution plan dated 02.01.2023 and addendums dated 04.02.2023 and 25.02.2023 submitted by the Resolution Applicant Baumann Dekor Private Limited. As per the terms of Section 31 of the Code, the Approved Resolution Plan shall be binding on the Company, its employees, members, creditors and other stakeholders involved in the Resolution Plan (Refer note 29 to the Ind AS financial statements). Discrepancies with respect to book records were noticed on such verification. Discrepancies noticed have been properly dealt with in the books of account
(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)	Inventory has been Physically verified by the new management after taking charge pursuant to an application made by Export Import Bank of India one of the financial creditors, the Hon'ble National Company Law Tribunal, Kolkata Bench ("Adjudicating Authority"), vide its order dated 31st January, 2024, approved the resolution plan dated 02.01.2023 and addendums dated 04.02.2023 and 25.02.2023 submitted by the Resolution Applicant Baumann Dekor Private Limited. As per the terms of Section 31 of the Code, the Approved Resolution Plan shall be binding on the Company, its employees, members, creditors and other stakeholders involved in the Resolution Plan (Refer note 29 to the Ind AS financial statements). Discrepancies with respect to book records were noticed on such verification. Discrepancies noticed have been properly dealt with in the books of account.
(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 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





	since pursuant to an application made by Export Import Bank of India one of the financial creditors, the Hon'ble National Company Law Tribunal, Kolkata Bench ("Adjudicating Authority"), vide its order dated 31st January, 2024, approved the resolution plan dated 02.01.2023 and addendums dated 04.02.2023 and 25.02.2023 submitted by the Resolution Applicant Baumann Dekor Private Limited. As per the terms of Section 31 of the Code, the Approved Resolution Plan shall be binding on the Company, its employees, members, creditors and other stakeholders involved in the Resolution Plan (Refer note 29 to the Ind AS Financial Statements).
(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, 2024 for a period of more than six months from the date they became payable.
(vii) (b)	According to the records of the company, there are no dues referred to in sub clause (a) which have not been deposited on account of any dispute as pursuant to an application made by Export Import Bank of India one of the financial creditors, the Hon'ble National Company Law Tribunal, Kolkata Bench ("Adjudicating Authority"), vide its order dated 31st January, 2024, approved the resolution plan dated 02.01.2023 and addendums dated 04.02.2023 and 25.02.2023 submitted by the Resolution Applicant Baumann Dekor Private Limited. As per the terms of Section 31 of the Code, the Approved Resolution Plan shall be binding on the Company, its employees, members, creditors and other stakeholders involved in the Resolution Plan (Refer note 29 to the Ind AS financial statements).
(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 not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender after adjustments pursuant to an application made by Export Import Bank of India one of the financial creditors, the Hon'ble National Company Law Tribunal, Kolkata Bench ("Adjudicating Authority"), vide its order dated 31st January, 2024, approved the resolution plan dated 02.01.2023 and addendums dated 04.02.2023 and 25.02.2023 submitted by the Resolution Applicant Baumann Dekor Private Limited. As per the terms of Section 31 of the Code, the Approved Resolution Plan shall be binding on the Company, its employees, members, creditors and other stakeholders involved in the Resolution Plan (Refer note 29 to the Ind AS financial statements).
(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. Further Pursuant to an application made by Export Import Bank of India one of the financial creditors, the Hon'ble National Company Law Tribunal, Kolkata Bench ("Adjudicating Authority"), vide its order dated 31st January, 2024, approved the resolution plan dated 02.01.2023 and addendums dated 04.02.2023 and 25.02.2023 submitted by the Resolution Applicant Baumann Dekor Private Limited. As per the terms of Section 31 of the Code, the Approved Resolution Plan shall be binding on the Company, its employees, members, creditors and other stakeholders involved in the Resolution Plan (Refer note 29 to the Ind AS financial statements).
(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. 889.87 Lakhs in the financial year under audit and has also incurred cash loss of Rs. 1147.38 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)	Pursuant to an application made by Export Import Bank of India one of the financial creditors, the Hon'ble National Company Law Tribunal, Kolkata Bench ("Adjudicating Authority"), vide its order dated 31st January, 2024, approved the resolution plan dated 02.01.2023 and addendums dated 04.02.2023 and 25.02.2023 submitted by the Resolution Applicant Baumann Dekor Private Limited. As per the terms of Section 31 of the Code, the Approved Resolution





	<p>Plan shall be binding on the Company, its employees, members, creditors and other stakeholders involved in the Resolution Plan (Refer note 29 to the Ind AS financial statements).</p> <p>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. 29 to the Ind AS Financial Results.</p>
(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*

Place: Kolkata  
Date: 14<sup>th</sup> June, 2024



(L. K. Shroff)  
Partner  
Membership No.: 060742  
UDIN: 24060742BKCMBI9683

**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 31<sup>st</sup> March 2024.**

**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, 2024 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 31<sup>st</sup> March, 2024, 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*



Place: Kolkata  
Date: 14<sup>th</sup> June, 2024

(L. K. Shroff)  
Partner  
Membership No.: 060742  
UDIN: 24060742BKCMBI9683

**EASTERN SILK INDUSTRIES LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2024**

(₹ in lakhs)

	<u>Note No.</u>	<u>31st March, 2024</u>	<u>31st March, 2023</u>
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
(i) Property, Plant & Equipment	1	3,506.05	3,806.88
(ii) Right of Use Assets	1	261.31	236.63
(iii) Financial Assets			
Investments	2	5.25	4.36
(iv) Deferred Tax Asset	3	4,572.98	4,572.98
(v) Other Non-Current Assets	4	97.96	105.25
<b>II. Current assets</b>			
(i) Inventories	5	3,074.09	2,899.69
(ii) Financial Assets			
(a) Trade receivables	6	132.93	1,519.35
(b) Cash and cash equivalents	7	436.92	320.41
(c) Bank Balances other than (b) above	8	1,088.96	1,080.06
(iii) Current Tax Assets (net)	9	24.53	35.69
(iv) Other Current Assets	10	303.23	632.03
		<u>13,504.21</u>	<u>15,213.33</u>
<b>EQUITY AND LIABILITIES</b>			
<b>I. Equity</b>			
(i) Equity Share Capital	11	1,579.05	1,579.05
(ii) Other Equity	12	4,685.77	(5,900.46)
<b>II. Liabilities</b>			
<b>Non-Current Liabilities</b>			
(i) Financial Liabilities			
Borrowings	13 (a)	-	1,400.00
(ii) Other non current liabilities	13 (b)	826.52	-
(iii) Provisions	14	15.93	24.48
<b>Current Liabilities</b>			
(i) Financial Liabilities			
(a) Borrowings	15	5,815.16	13,176.41
(b) Trade payables			
Total outstanding dues of MSME	16	-	27.41
Total outstanding dues of other than MSME		6.93	147.28
(c) Others	17	-	4.76
(ii) Other current liabilities	18	299.09	4,525.68
(iii) Provisions	19	275.75	228.72
		<u>13,504.21</u>	<u>15,213.33</u>

**Material Accounting Policy**

The Notes are an integral part of financial statements

B

As per our report attached

For and on behalf of the Board

For **B. K. SHROFF & CO**

Firm Registration No : 302166E

Chartered Accountants

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



Place : Kolkata  
Date : 14.06.2024

**Ajay Bikram Singh**  
DIN 03096101  
Chairman

**Sunil Kumar**  
DIN 09424480  
Wholetime Director

**Prateek Chhawchharia**  
Chief Financial Officer

# EASTERN SILK INDUSTRIES LIMITED

## STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH, 2024

			(' in lakhs)
	Note No.	31st March, 2024	31st March, 2023
Revenue from operations	20	1,891.98	3,801.29
Other Income	21	141.60	145.16
<b>Total Income</b>		<b>2,033.58</b>	<b>3,946.45</b>
Cost of materials consumed	22	837.53	1,353.45
Purchase of Stock-in-Trade	23	24.16	277.90
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	(122.77)	906.24
Employee benefit expenses	25	478.66	453.07
Finance cost	26	3.78	112.00
Depreciation and Amortization expense	27	296.55	296.05
Other expenses	28	1,702.08	1,991.16
<b>Total Expenses</b>		<b>3,220.00</b>	<b>5,389.87</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>(1,186.42)</b>	<b>(1,443.42)</b>
Exceptional Items		-	-
<b>Profit / (Loss) before tax</b>		<b>(1,186.42)</b>	<b>(1,443.42)</b>
Tax expense:			
Current tax		44.00	-
Deferred tax		-	-
Earlier Year Taxation		-	0.01
<b>Profit / (Loss) for the year</b>		<b>(1,230.42)</b>	<b>(1,443.43)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit and loss			
- Remeasurement of Post Employment Benefit Obligation		(22.71)	(9.61)
- Changes in Fair Value of Equity Instrument		0.89	0.68
- Income Tax relating to above items		-	-
<b>Total Comprehensive Income for the period</b>		<b>(1,208.60)</b>	<b>(1,434.50)</b>
Earning per equity share:			
Basic & Diluted (in `)	41	(1.56)	(1.83)
<b>Material Accounting Policy</b>	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

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

Place : Kolkata  
Date : 14.06.2024



Ajay Bikram Singh  
DIN 03096101  
Chairman

Sunil Kumar  
DIN 09424480  
Wholetime Director

Prateek Chhachharia  
Chief Financial Officer

**EASTERN SILK INDUSTRIES LTD.**

**Cash Flow Statement for the Year Ended 31st March, 2024**

	31st March, 2024	(' in lakhs) 31st March, 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit / ( Loss) Before Tax	(1,186.42)	(1,443.42)
<b>Add : Adjustments for :</b>		
Depreciation	296.55	296.05
Bad Debt	-	-
Interest	-	-
Provision for Doubtful Debts (net)	-	127.41
Irrecoverable Balance Written Off	-	-
Loss on Sale of Fixed Assets (net)	-	3.49
<b>Less : Adjustments for :</b>		
Interest & Dividend Received	18.78	11.33
Unrealised Foreign Exchange(Net)	-	-
Profit on Sale of Fixed Assets	-	-
Sundry Balances Adjusted	-	0.34
<b>Operating Profit Before Working Capital Changes</b>	<b>(908.65)</b>	<b>(1,028.14)</b>
(Increase)/Decrease in Inventories	(174.40)	678.27
(Increase)/Decrease in Trade Receivables	1,386.42	710.00
(Increase)/Decrease in Other Non-Current Assets	7.29	0.32
(Increase)/Decrease in Other Bank Balances	(8.90)	(588.54)
(Increase)/Decrease in Other Current Assets	328.80	(22.80)
Increase/(Decrease) in Trade Payables	(167.76)	(270.49)
Increase/(Decrease) in Other Current Liabilities	267.99	791.05
Increase/(Decrease) in Non Current Provisions	(8.55)	8.41
Increase/(Decrease) in Current Provisions	25.74	60.14
<b>Cash Generated From Operations</b>	<b>743.22</b>	<b>338.22</b>
Interest paid on Working Capital	(108.22)	-
Taxes paid (net of Refund)	(11.16)	(6.17)
<b>Net Cash Flow From Operating Activities</b>	<b>862.60</b>	<b>344.39</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
<b>Add : Inflows</b>		
Sale of Fixed Assets	-	10.96
Interest Received	18.53	11.27
Dividend Received	0.25	0.06
<b>Less : Outflows</b>		
Purchase of Fixed Assets	59.52	27.61
<b>Net Cash Used In Investing Activities</b>	<b>(40.74)</b>	<b>(5.32)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Increase / (Decrease) In Current Borrowings	(705.35)	(390.00)
<b>Net Cash Used In Financing Activities</b>	<b>(705.35)</b>	<b>(390.00)</b>
<b>Net Changes in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>116.51</b>	<b>(50.93)</b>
* Cash & Cash Equivalents - Opening Balance	320.41	371.34
* Cash & Cash Equivalents - Closing Balance	436.92	320.41
* 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

(L. K. Shroff)

Partner

(Mem.No. 060742)

Place : Kolkata

Date : 14.06.2024



For and on behalf of the Board

Ajay Bikram Singh

DIN 03096101

Chairman

Sonil Kumar

DIN 09424480

Wholetime Director

Prateek Chhawanchharia

Chief Financial Officer





## 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. MATERIAL 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. 01<sup>st</sup> 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 :**

- The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.
- Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.
- 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.
- 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:

- 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 fund 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.

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

*L. K. Shroff*

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



*Ajay Bikram Singh*  
**Ajay Bikram Singh**  
DIN 03096101  
Chairman

*Sunil Kumar*

**Sunil Kumar**  
DIN 03096101  
Chairman



*Prateek Chhawchharia*  
**Prateek Chhawchharia**  
Chief Financial Officer





# Notes on Financial Statements for the year ended 31st March 2024

Note 1:-

( in lakhs)

	Property, Plant & Equipment - Tangible Assets							Right of Use Assets - Leasehold Land	Total
	Land Freehold *	Building	Plant & Machinery	Electric Installations	Office Equipment & Furniture	Vehicles	Total		
<b>GROSS BLOCK</b>									
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
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
Additions	-	-	12.13	-	6.97	-	19.10	40.42	59.52
Sales/Deductions	-	27.04	2.55	-	9.57	0.16	39.32	-	39.32
At 31st March 2024	379.86	2,165.62	5,265.94	151.74	82.39	16.16	8,061.71	287.01	8,348.71
<b>Depreciation</b>									
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
Charges for the year	-	64.12	204.36	8.87	2.09	1.37	280.81	15.74	296.55
Disposals	-	-	-	-	-	-	-	-	-
At 31st March 2024	-	616.35	3,795.42	70.05	61.29	12.75	4,555.87	25.70	4,581.57

## NET BLOCK

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
At 31st March 2024	379.86	1,549.27	1,470.51	81.69	21.10	3.41	3,506.05	261.31	3,767.14

\* 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 2024

(` in lakhs)

	31st March, 2024		31st March, 2023	
	Nos.	Amount	Nos.	Amount
<b>Note 2:- Non-Current Investments</b>				
<u>Investments at Fair Value through OCI</u>				
<u>Investments in Equity Instruments</u>				
<b>Quoted</b>				
Tata Consultancy Services Ltd.	128	5.00	128	4.11
Equity Shares of ` 1/- (P.Y. ` 1/-) each fully paid up				
<b>Unquoted</b>				
India Exposition Mart Ltd.	5,140	0.25	5,140	0.25
Equity Shares of ` 5 (P.Y. ` 10/-) each fully paid up				
		5.25		4.36
Aggregate amount of quoted investments		5.00		4.11
Market value of quoted investments		5.00		4.11
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

**Net Deferred Tax ( Liability) / Asset**

\* Refer to Note : 31

4,572.98	4,572.98
4,572.98	4,572.98

### Note 4 :- Other Non-Current Assets

#### **Advance other than Capital Advance**

Security Deposits

Others

97.96	102.20
-	3.05
97.96	105.25

### Note 5 :- Inventories

Raw Materials and components

Work-in-progress

Finished goods

Stores and spares & Others

876.46	779.53
145.26	181.08
1,996.68	1,838.09
55.69	100.99
3,074.09	2,899.69

### Note 6:- Trade Receivables

Unsecured and Considered good

Having significant increase in Credit Risk

132.93	1,519.35
-	6,105.02
132.93	7,624.36

**Less :Allowance for Credit Losses**

-	6,105.02
132.93	1,519.35



Notes on Financial Statements for the year ended 31st March 2024

**Note 6:- Trade Receivables contd. ..**

**Allowance for Credit Losses**

As per Last Balance Sheet

Add : Provided during the year

Less : Bad Debt Written Off during the year

Less : Provision written back during the year

	31st March, 2024	31st March, 2023
	Amount	Amount
	6,105.02	5,977.61
	6,105.02	127.41
	6,105.02	6,105.02
	6,105.02	6,105.02

(' in lakhs)

**Trade Receivables Ageing Schedule as at 31st March 2024**

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		132.93	-	-	-	132.93
(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	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Less: Allowance for doubtful trade receivables	-	132.93	-	-	-	132.93
<b>Total Trade Receivables</b>	-	132.93	-	-	-	132.93

**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	-	-	-	-	-	-
Less: Allowance for doubtful trade receivables	-	22.20	505.29	991.86	-	7,624.37
<b>Total Trade Receivables</b>	-	22.20	505.29	991.86	-	6,105.02



## Notes on Financial Statements for the year ended 31st March 2024

	31st March, 2024	31st March, 2023
( in lakhs)		
<b>Note 7:-Cash &amp; Cash Equivalents</b>		
<b>Cash Balance</b>		
Cash on hand	0.68	0.53
<b>Balance with banks</b>		
Current Account	435.58	319.22
Foreign Currency Account	0.66	0.66
	<u>436.92</u>	<u>320.41</u>

## Note 8:-Other Bank Balances

Earmarked Balance	4.76	4.76
<b>Deposits with Banks</b>		
-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	86.19	93.64
Term Deposit as No-lien Deposit	605.43	589.07
Term Deposit as No-lien Deposit (utilised for adjustment by Banks)	392.59	392.59
	<u>1,088.96</u>	<u>1,080.06</u>

## Note 9:-Current Tax Assets (Net)

Advance Tax & TDS	68.53	51.10
<b>Less:</b>		
Provision for Income Tax	44.00	7.00
Income Tax Payable	-	7.34
F.B.T. Payable	-	1.07
	<u>24.53</u>	<u>35.69</u>

## Note 10:-Other Current Assets

### Advance other than Capital Advance

Others	239.88	605.11
Gratuity Fund	(30.00)	26.92
	<u>209.87</u>	<u>632.03</u>



## Notes on Financial Statements for the year ended 31st March 2024

(` in lakhs)

### Note 11 :-Equity Share Capital

	31st March, 2024		31st March, 2023	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised</b>				
Equity Shares of ` 2/- each	150,000,000	3,000.00	150,000,000	3,000.00
8 % Redeemable Cumulative Preference	2,000,000	2,000.00	2,000,000	2,000.00
<b>Issued</b>				
Equity Shares of ` 2/- each	79,110,120	1,582.20	79,110,120	1,582.20
<b>Subscribed &amp; Paid Up</b>				
Equity Shares of ` 2/- each	78,952,620	1,579.05	78,952,620	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 ` 10/- 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.

#### Equity Shares of ` 2/- each fully paid

	31st March 2024		31st March 2023	
	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, 2024 & March 31, 2023 is as follows:

Name of Promoter(s)	No. of Shares		Percentage		Change during the year
	31st March 2024	31st March 2023	31st March 2024	31st March 2023	
Megha Shah	33,750	33,750	0.04	0.04	-
Varun Shah	120,000	120,000	0.15	0.15	-
Neha Shah	168,750	168,750	0.21	0.21	-
Pramod Kumar Shah	265,000	265,000	0.34	0.34	-
Preeti Shah	501,240	501,240	0.63	0.63	-
Kavita Shah	662,750	662,750	0.84	0.84	-
Vijoy Trading Company	1,396,750	1,396,750	1.77	1.77	-
Sundeep Shah	1,664,000	1,664,000	2.11	2.11	-
Ginia Devi Shah	5,324,170	5,324,170	6.74	6.74	-
Shyam Sunder Shah	7,139,205	7,139,205	9.04	9.04	-
P K Textiles Limited	1,527,380	1,527,380	1.93	1.93	-
Lucky Gold Star Company Limited	1,751,580	1,751,580	2.22	2.22	-
Ethics Commercial Limited	2,688,696	2,688,696	3.41	3.41	-
Gemini Overseas Limited	7,669,580	7,669,580	9.71	9.71	-
Tarun Fabrics Limited	9,575,500	9,575,500	12.13	12.13	-
	40,488,351	40,488,351	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 preceeding the date at which Balance Sheet is prepared.
- g) No securities convertible into Equity/Preference shares issued by the Company during the year.
- h) No calls are unpaid by any Director or Officer of the Company during the year.
- i) During 1995-96 the company offered 1,18,13,725 Equity Shares of ` 2/- each to the existing Shareholders in the ratio of 1 share for every 2 shares held, at a premium of ` 6/- per share as per letter of offer dated December 21, 1995. Out of the above shares, allotment of 6,000 Equity Shares are kept in abeyance under Court Order.
- j) The Promoter's shareholding remains encumbered in favour of Indian Bank (erstwhile Allahabad Bank), Leader Bank of consortium of Banks.
- k) The existing capital and shareholding will be extinguished as per approved plan vide NCLT order dated 31.01.2024 and new capital infusion shall take place in FY 24-25 for which a certified professional has been assigned.





# Eastern Silk Industries Limited

## Statement of Changes in Equity for the period ended 31st March, 2024

### a. Equity share capital Particulars

(In Lakhs)

Balance as at 1 April 2022	1,579.05
Changes in equity share capital during 2022-23	-
Balance as at 31, March 2023	1,579.05
Changes in equity share capital during 2023-24	-
Balance as at 31 March 2024	1,579.05

### b. Other equity

#### Reserves and surplus

(In Lakhs)

Particulars	Capital reserve	Capital Redemption reserve	Securities Premium Account	Preference Share Redemption reserve	Retained earnings	Equity Instrument through Other Comprehensive Income	Other Comprehensive Income	Total
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	(1434.50)
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)
Balance as at 1 April 2023	1,882.77	1,400.00	11,428.75	1,400.00	(21,995.24)	3.98	(20.72)	(5,900.46)
Total Comprehensive Income for the year	11,793.06	-	-	-	(1,230.42)	0.89	22.71	10,586.24
Balance as at 31 March 2024	13,675.83	1,400.00	11,428.75	1,400.00	(23,225.67)	4.87	1.99	4,685.77

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

*B.K. Shroff*

(L. K. Shroff)  
Partner  
(Mem.No. 080742)

*Pratik Singh*  
Ajay Bikram Singh  
DIN 03096101  
Chairman

*Pratik Singh*  
Sunil Kumar  
DIN 09424480  
Wholetime Director

*Prateek Chandra*  
Prateek Chandra  
Chief Financial Officer

Place : Kolkata  
Date : 14.06.2024



## Notes on Financial Statements for the year ended 31st March 2024

	31st March, 2024	(` In lakhs) 31st March, 2023
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### Note 12 :- Other Equity

#### Capital Reserve\*

Opening Balance	1,882.77	1,882.77
Add:- Transferred during the year	11,793.06	
Closing Balance	13,675.83	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	(21,995.24)	(20,551.81)
Net Profit / ( Loss ) For the Year	(1,230.42)	(1,443.43)
Closing Balance	(23,225.67)	(21,995.24)

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	3.98	4.66
Add(Less) :		
Changes in Fair Value of Equity Instruments for the year	0.89	(0.68)
Closing Balance	4.87	3.98

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	(20.72)	(30.33)
Add(Less) :		
Remeasurement of Post Employment Benefit Obligation for the year	22.71	9.61
Closing Balance	1.99	(20.72)
	4,685.77	(5,900.46)

### Note 13(a) :- Non-Current Borrowings

8 % Redeemable Cumulative Preference Shares of ` 100/- each	-	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. This has been written off as per approved resolution plan vide NCLT Order dated 31.01.2024.

### Note 13(b) :- Other non current liabilities

	31st March, 2024	(` in lakhs) 31st March, 2023
Advance from others	826.52	-
	826.52	-





## Notes on Financial Statements for the year ended 31st March 2024

(` in lakhs)

31st March, 2024

31st March, 2023

### Note 16 :- Trade Payables

Total outstanding dues of Micro and Small Enterprises  
Total outstanding dues of other than Micro and Small Enterprises

-	6.93
6.93	6.93

27.41	147.28
174.69	174.69

### Trade Payables Ageing Schedule as at 31st March 2024

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	-	-	-	-	-	-
Others	-	6.93	-	-	-	6.93
Disputed dues-MSME	-	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-	-
<b>Total</b>	-	<b>6.93</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.93</b>

### 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	
MSME	-	27.41	-	-	-	27.41
Others	-	107.67	39.60	0.01	-	147.28
Disputed dues-MSME	-	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-	-
<b>Total</b>	-	<b>135.08</b>	<b>39.60</b>	<b>0.01</b>	<b>-</b>	<b>174.69</b>

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, 2024

(` in lakhs)  
31st March, 2023

Principal amount due outstanding as at end of year  
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

-	27.41
-	-
-	-
-	-
-	-
-	-

### Note 17 :- Other Current Financial Liabilities

Unclaimed Dividend

-
-

4.76
4.76

### Note 18 :- Other Current Liabilities

Advance from customers  
Advance from others  
Statutory Dues  
Dividend Payable on Preference Shares  
Others

8.11
-
143.43
-
147.55
299.09

289.67
581.52
7.65
1,458.00
2,190.84
4,525.68

### Note 19 :- Current Provisions

Provision for employee benefits  
Salary and Reimbursement  
Contribution to P.F. & ESIC  
Leave Encashment

271.70
2.29
1.78
275.75

220.56
5.32
2.84
228.72



## Notes on Financial Statements for the year ended 31st March 2024

(` in lakhs)

31st March, 2024

31st March, 2023

### Note 20:-Revenue From Operations

Sale of products	1,825.47	3,735.68
Sale of Service	66.51	62.94
<b>Other Operating Revenue</b>		
Drawback & Other incentives	-	2.67
	<u>1,891.98</u>	<u>3,801.29</u>

### Note 21:- Other Income

<b>Interest Income</b>		
On Bank Deposits	16.17	9.09
On Other Deposits	2.36	2.18
<b>Dividend Income</b>		
On Long Term Investment	0.25	0.06
<b>Other Non-Operating Income</b>		
Exchange Rate Difference(net)	(1.80)	23.02
Sundry Balances & Liabilities No Longer Required		
Written Back	-	0.34
Rent Received	121.25	106.12
Other Miscellaneous Income	3.37	4.35
	<u>141.60</u>	<u>145.16</u>



# Notes on Financial Statements for the year ended 31st March 2024

(' in lakhs)

	31st March, 2024	31st March, 2023
<b>Note 22:- Cost of Material Consumed</b>		
Opening Stock	779.53	1,014.48
Add: Purchases	934.46	1,637.58
Less : Transferred to Finished Goods	-	519.08
Less: Closing Stock	876.46	779.53
	<u>837.53</u>	<u>1,353.45</u>
<b>Raw Material Consumption</b>		
Yarn	837.53	1,353.45
	<u>837.53</u>	<u>1,353.45</u>
<b>Note 23:-Purchase of Stock in Trade</b>		
Purchase of Finished Goods	24.16	277.90
	<u>24.16</u>	<u>277.90</u>
<b>Note 24:-Changes in Inventories of Finished Goods,WIP &amp; Stock in Trade</b>		
Opening Stock of Work In Progress	181.08	258.87
Opening Stock of Finished Goods	1,838.09	2,147.46
Add :Transferred From Raw Material	-	519.08
	<u>2,019.17</u>	<u>2,925.41</u>
Less: Closing Stock of Work in Progress	145.26	181.08
Closing Stock of Finished Goods	1996.68	1,838.09
	<u>2,141.94</u>	<u>2,019.17</u>
(Increase) / Decrease in Stock	<u>(122.77)</u>	<u>906.24</u>
<b>Note 25:-Employees Benefit Expenses</b>		
Salaries and incentives	431.97	402.23
Contributions to Provident & Other Fund	18.80	19.89
Contribution to Gratuity Fund	14.30	13.46
Staff welfare expenses	13.59	17.49
	<u>478.66</u>	<u>453.07</u>



## Notes on Financial Statements for the year ended 31st March 2024

(` in lakhs)

### Note 26:-Finance Cost

Interest on lease liability

3.78

-

### Dividend

On Redeemable Preference Shares

-

112.00

3.78

112.00

### Note 27:- Depreciation & Amortization Expense

On Property, Plant & Equipment

280.81

293.56

On ROU Assets

15.74

2.49

296.55

296.05

### Note 28:- Other Expenses

#### Manufacturing Expenses

Wages

850.05

904.53

Conversion, Machining & Other Direct Expenses

56.37

80.51

Stores, Spares & Accessories Consumed

115.63

88.72

Dyes & Chemicals Consumed

97.88

133.22

Power & Fuel

266.35

291.56

1,386.28

1,498.54

#### Administrative Expenses

Legal, Professional & Syndication Charges

95.07

72.50

Rent

1.83

17.33

Rates & Taxes

5.08

21.44

Insurance

3.35

5.53

Travelling Expenses

2.16

30.58

Mailing & Communication Expenses

0.02

4.50

Bank Charges & Commission

0.58

2.84

Managerial Remuneration

-

4.04

Auditor's Remuneration for

Statutory Audit Fee

5.26

4.00

Tax Audit Fee

1.65

0.85

For Other Services

-

1.20

Miscellaneous Expenses

104.75

99.42

Loss on sale of Fixed Assets (Net)

-

3.49

Software Development Expenses

25.47

19.72

#### Repairs & Maintenance

Building

6.97

2.61

Plant & Machinery

28.59

28.04

Others

-

7.89

Provision for Bad & doubtful debts

-

127.41

280.78

453.39

#### Selling and Distribution Overhead

Sales Promotion

1.07

1.64

Freight, Packing, Forwarding, etc.

33.95

37.59

35.02

39.23

1,702.08

1,991.16



## Notes on Financial Statements for the year ended 31st March 2024

	( in lakhs)	
	31st March, 2024	31st March, 2023
<b>Note 14:-Non- Current Provisions</b>		
<b>Provisions for Employees Benefit</b>		
Leave Encashment	15.93	24.48
	<b>15.93</b>	<b>24.48</b>

## Note 15 :- Current Borrowings

### Secured

#### Loan from Banks

Term Loan	589.66	2,984.60
Funded Interest Term Loan	-	493.81

<b>Loans from others</b>	<b>5,225.50</b>	<b>7,199.00</b>
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### Unsecured

<b>Loans From Directors</b>	<b>-</b>	<b>329.00</b>
<b>Loans From Promoters</b>	<b>-</b>	<b>2,170.00</b>

	<b>5,815.16</b>	<b>13,176.41</b>
--	-----------------	------------------

### Nature of Security :-

#### Term Loan

- Pari passu first charge over entire movable fixed assets excluding assets charged to other lenders.
- Pari passu second charge over the company's entire current assets excluding assets charged to other lenders.
- 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.
- 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.
- Personal guarantee of Shri S.S.Shah and Sri Sundeep Shah.

#### Loans repayable on demand

- 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.
  - Hypothecation of realizable non-current assets of the company on first charge basis ranking pari passu.
  - 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.
  - 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.
  - 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.
  - Secured against first pari-passu charge on all Assets, excluding assets exclusively charged to respective lenders.
- No.184,185 and 169 of Kallahally Village, Chikkaiahna, Chatra, Hobli, Nanjangud Taluk, Mysore District containing by admeasurement 58686.00 sq. mtrs.

- Second charge on the Company's property at 411, Telugarahalli Road, Anekal, Bangalore-562106.
- Second charge on the Company's property at Kammasandra Agrahara Kasaba Hobli, Anekal, Bangalore-562106.
- 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.





Tranche of Payment	Date of Payment	Amount (In INR Lacs)
First Tranche => 20% of the Resolution Plan Amount	On or before the 90th day from the date of approval from Adjudicating Authority	1,222.22
Second Tranche => 15% of the Resolution Plan Amount	At the end of 12th Month from the date of approval from Adjudicating Authority	916.67
Third Tranche or Final Payment => 65% of the Resolution Plan Amount	At the end of 13th Month from the date of approval from Adjudicating Authority	3972.22
<b>Total</b>		<b>6,111.11</b>

CIRP cost and amount allocated towards workmen or employee benefits, operational creditors – government and others shall be paid on priority from the first tranche of payment and balance shall be paid to the secured financial creditors.

(f). As per the terms of the said Resolution Plan, till 31st March, 2023, the successful Resolution Applicant has deposited a total amount of INR 5,81,51,600/- as EMD & Performance Security with the Company and such amount has been deposited by the company with State Bank of India included in "Term Deposit as No-Lien Deposit" under "Other Bank Balances". The successful Resolution Applicant has deposited a total amount INR 2,45,00,000 till 31st March 2024 towards working capital requirements. Further INR 12,22,22,200 has been infused by successful Resolution Applicant in April 2024 towards payment of 1st tranche as per proposed distribution to financial creditors, government dues, CIRP cost and operational creditors as per approved resolution plan.

(g). Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Requirements"), the Monitoring Committee of the Company, in terms of the approved Resolution Plan, has approved the appointment of Mr. Ajay Bikram Singh as Additional Director under the Category of Chairman (Non-Executive Director), Mr. Sunil Kumar as Additional Director under the category of Whole Time Director (Executive Director), Mr. Ramesh Chandragiri Reddappa as Additional Director under the category of Whole Time Director (Executive Director), Mr. Deepak Kumar Gupta as Additional Director under the category of Independent Director (Non-Executive Director), Mr. Praveen Kumar Agarwal as Additional Director under the category of Independent Director (Non-Executive Director) and Mrs. Jyothi Thomas as Additional Director under the category of Women Independent Director (Non-Executive Director) with effect from 11<sup>th</sup> March, 2024.

Pursuant to the constitution of the new Board of Directors w.e.f. 11.03.2024 in terms of the approved resolution plan by Hon'ble NCLT, Kolkata Bench, the previous Board shall stand dissolved, and the previous Directors be deemed to have vacated from their directorship of the company by virtue of the order dated 31.01.2024 passed by Hon'ble NCLT approving the resolution plan.

(h). As mentioned in the Approved Resolution Plan, the existing share capital of INR 15,79,05,000/- (Indian Rupees Fifteen Crores Seventy-Nine Lakhs Five Thousand Only) will be written off and a fresh equity infusion of INR 1,00,00,000/- (Indian Rupees One Crore Only) by the Resolution Applicant is to be made. The Resolution Debtor has commenced work on the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (LODR Regulations) which is likely to be completed in the upcoming financial year.



29)

- (a). Pursuant to an application made by Export Import Bank of India one of the financial creditors, the Hon'ble National Company Law Tribunal, Kolkata Bench ("Adjudicating Authority"), vide its order dated 31<sup>st</sup> January, 2024, approved the resolution plan dated 02.01.2023 and addendums dated 04.02.2023 and 25.02.2023 submitted by the Resolution Applicant Baumann Dekor Private Limited. As per the terms of Section 31 of the Code, the Approved Resolution Plan shall be binding on the Company, its employees, members, creditors and other stakeholders involved in the Resolution Plan.
- (b). On the date of approval of the resolution plan by the Adjudicating Authority, all such claims, that are not a part of the resolution plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the resolution plan.
- (c). Pursuant to the Approved Resolution Plan, a monitoring committee has been constituted, to oversee the implementation of the Resolution Plan and to maintain the Company as a going concern. Considering this the financial statements are being presented on a 'Going Concern' basis.
- (d). As per the approved Resolution Plan, total outlay of INR 6111.11 Lacs would be deployed as under:

S.No.	Particulars	Amount in Lakhs
1	CIRP Cost	41.02
2	Workmen's Dues- Employee Benefits	123.95
3	Unsecured Financial Creditors	-
4	Secured Creditors-	
	- Loan From bank	5,815.16
	- Loan from Others	
5	Claims - Government Dues	118.56
6	Operational Creditors Claim (other than Government & Employee Dues -Provisionally Admitted)	12.42
	<b>Total</b>	<b>6,111.11</b>

In addition to the above outlay of INR 6,111.11 Lacs, INR 5.00 Lac has been allocated to Metro Infrastructure Development Limited in settlement of its outstanding dues as per clause 38 of Hon'ble NCLT Order dated 31st January, 2024 and subsequent discussion of the monitoring committee.

- (e). The payment plan for the above mentioned outlay of INR 6,111.11 Lacs mentioned in the final resolution plan is as follows:

- A performance security (after adjusting EMD already paid) @ 10% of the resolution plan amount shall be payable within 3 working days of receiving letter of intent and
- Payment as per resolution plan is proposed to be made in three tranches (details as per below table). In case Successful Resolution Applicant (SRA) Baumann Dekor Private Limited make the payment in advance against the dates of payment mentioned below, the amount paid in advance shall be eligible to be discounted as per the approved resolution plan.

The summary of the payment plan is tabulated as follows:





(i). In compliance with the approved Resolution Plan and order from the Hon'ble National Company law Tribunal, the accounting adjustments have been carried out related to extinguishment of liabilities / claims and write off of impaired and/or doubtful assets during the Financial Year ending 31.03.2024. The net impact of the same Rs 11793.06 lakhs has been transferred to the Capital Reserve Account as per the approved Resolution plan. The cancellation of existing share capital and infusion of new capital is in progress and its effect will be taken in accounts on finalisation. The above adjustments are subject to reversal in the event of non compliance with the terms of Resolution plan.

30) (a) Considering the probability of recovery of provided debtors, management is in the opinion of writing off the entire provision for bad and doubtful debt amounting to Rs. 6105.22 lakhs. But, management holds the right to claim such dues on receipt basis.

(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.

31) In terms of Ind AS-12, further Deferred Tax Assets (DTA) of Rs. 1,577.05 Lakhs (P.Y. Rs. 3,010.99 Lakhs) is required to 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 Company 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.

Particulars	Amount	Deferred Tax @ 26.00%	Amount	Deferred Tax @ 26.00%
	2023-24		2022-23	
<b>Deferred Tax Liability</b>				
Difference Between W.D.V. of P.P.E. as per I. Tax Act and Companies Act	770.69	(200.38)	719.72	187.13
<b>Deferred Tax Asset</b>				
Provision as per Sec 43B to be allowed as per payment basis	17.69	4.60	342.04	88.93
Provision for Bad and Doubtful Debts	NIL	NIL	6,105.02	1,587.31
Unabsorbed Losses	24406.95	6345.81	23,441.76	6,094.86
<b>Net Deferred Tax Asset</b>		6150.03		7,583.97
<b>Net Deferred Tax Asset Already Recognized</b>		4572.98		4,572.98
<b>Net Deferred Tax Asset to be recognized this year</b>		1577.05		3,010.99

32) There has been delay in transferring amounts which are required to be transferred to the Investor Education and Protection Fund by the Company as the Manager's Cheque received for the balances held in dividend account on closure of all the bank accounts in HDFC to be deposited in the Investor Education and Protection Fund has been time barred during the period when the company was going through the CIRP. Hence 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. Post CIRP and order issued by the Hon'ble NCLT, the Company under the new management is in process of transferring the unclaimed dividend to the Investor Education and Protection Fund to comply with the required provision of the Companies Act, 2013.



33) Mr. Rahul Jaiswal, Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company, resigned from his position vide his letter dated 19<sup>th</sup> February, 2024 and was relieved from the services of the Company with effect from end of business hour on 31<sup>st</sup> March, 2024.

34) The operation of the Company relate to only one segment viz. Textiles and therefore, has only one reportable segment in accordance with Ind AS 108 "Operating Segments".

35) 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	0.79	0.36	120.85%	Decrease in turnover and other market factors.  NCLT order dated 31.01.2024 approving the resolution plan submitted by RA.
2	Debt Equity Ratio (in times)	Total Debts	Total Equity	3.68	10.15	-63.73%	
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	0.25	0.78	-68.43%	
6	Trade Receivable Turnover Ratio (in times)	Revenue from operations	Average Trade Receivables	2.29	1.96	16.76%	
7	Trade Payable Turnover Ratio (in times)	Cost of Goods and other expenses	Average Trade Payables	4.79	5.96	-19.59%	
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	(65.03)	(37.97)	71.27%	
10	Return on Capital Employed (in %) (Refer Note Below)	Profit before tax and finance costs	Capital employed = Net worth + Lease				

	<i>Below)</i>		liabilities + Deferred tax liabilities			
11	Return on Investment (in %)	Income generated from investments	Time weighted average investments	5.20	1.28	307.56%

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

36) Confirmation of bank balances of all bank accounts at Kolkata as on 31.03.2024 is under process of acquiring and reconciling during the implementation process.

37) '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. Also no confirmation has been received from the said banks.

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

39) 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.

(` in lakhs)

Particulars	Opening Balance as on 01.04.2023	Net (Payments) /Receipts during the year	Closing Balance as on 31.03.2024
Term Loan	2,984.60		95.85
Funded Interest Term Loan	493.81		493.81
Loan from Others	7,199.00		5225.50
Loan from Directors	329.00	329.00	NIL
Loan from Promoter	2,170.00	2170.00	NIL

40) Related Party Disclosure as per IND AS – 24

List of Related Parties

Resolution Applicant

Name of the Person

Baumann Dekor Private Limited

Transaction during the year :-

Remuneration Paid

: NIL





Balance outstanding as on 31.03.2024

Unsecured Borrowings  
(interest-free)

: Rs. 826.52 Lakhs

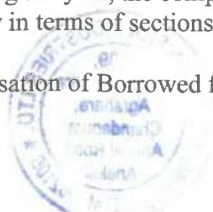
41) Earnings Per Share (EPS)

(` in Lakhs)

	2023-24	2022-23
Profit/(loss) for the year	(1230.42)	(1443.43)
Weighted average number of equity shares of Rs 2/- each	7,89,52,620	7,98,52,620
Earnings per share (Basic & diluted) (In Rs.)	(1.56)	(1.83)

42) 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, 201 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
- 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 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
- 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
- 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.

43) Earning In Foreign Currency

Particulars	<u>2023-24</u> Amount (` in Lakhs)	<u>2022-23</u> Amount (` in Lakhs)
Export of goods calculated on F.O.B. (accrual basis)	24.72	243.79

44) Expenditure in foreign currency

Sl No.	Particulars	<u>2023-24</u> Amount (` in Lakhs)	<u>2022-23</u> Amount (` in Lakhs)
1	Overseas Travelling	-	19.00
2	Commission to Agents	-	136.87
3	Others	1.81	0.92

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

- 46) The dues to Micro, Small and Medium Enterprises as much to company's knowledge amounts to are NIL for Trade Payable & NIL 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 31<sup>st</sup> March 2024. 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.

- 47) 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 31.03.2022	5.04
FVTOCI of increase in value of listed shares as on 31.03.2023	(0.68)
Value of Investment as on 31.03.2023	4.36
FVTOCI of decrease in value of listed shares as on 31.03.2024	0.89
Value of Investment as on 31.03.2024	5.25

**Level 2:**

Particulars	Amount (` in lakhs)
Actuarial Valuation of Gratuity Scheme as at 31 <sup>st</sup> 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)
Actuarial Valuation of Gratuity Scheme as at 31 <sup>st</sup> March 2024 under Ind AS 19 Recognized as stated below:-	
Total Employer expense recognized in Income Statement	14.55
Total Employer expense recognized in Other Comprehensive Income	(22.71)

**B. Material Accounting Policies**

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

For and on behalf of the Board

*L. K. Shroff*

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



*Ajay Bikram Singh*

Ajay Bikram Singh  
Managing Director  
DIN 03096101

*Sunil Kumar*

Sunil Kumar  
Wholetime Director  
DIN 09424480

*Prateek Chhawchharia*

Prateek Chhawchharia  
Chief Financial Officer

Place: Kolkata

Date: 14<sup>th</sup> June, 2024



# Ratios

S.No.	Particulars	Numerator	Denominator	Current Year	Previous Year	% Variance	Reason for Variance
1	Current Ratio (in times)	Total Current Assets	Total Current Liabilities	0.79	0.36	120.85%	
2	Debt Equity Ratio (in times)	Total Debts	Total Equity	3.68	10.15	-63.73%	
3	Debt Service Coverage Ratio (in times)	Earning for Debt Service = Net Profit after taxes + Depreciation + Interest	Debt service = Interest + Principal repayments	-	-	-	
4	Return on Equity Ratio (in %)	Profit after tax	Average total equity	-	-	-	
5	Inventory Turnover Ratio (in times)	Cost of goods sold or sales	Average Inventory	0.25	0.78	-68.43%	
6	Trade Receivable Turnover Ratio (in times)	Revenue from operations	Average Trade Receivables	2.29	1.96	16.76%	
7	Trade Payable Turnover Ratio (in times)	Cost of Goods and other expenses	Average Trade Payables	4.79	5.96	-19.59%	
8	Net Capital Turnover Ratio (in times)	Revenue from operations	Working capital	-	-	-	
9	Net Profit Ratio (in %)	Profit for the year	Revenue from operations	(65.03)	(37.97)	71.27%	
10	Return on Capital Employed (in %)	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	5.20	1.28	307.56%	

## Reason for Variance

Note 1 Increase in volume as well as better sales realisation

Note 2 As per approved resolution plan vide NCLT order dated 31.01.2024

## Workings

1	Current Assets	5,060.66	6,487.23
	Current Liabilities	6,396.93	18,110.26
2	Total Debt	5,815.16	16,032.41
	total Shareholder's Equity	1,579.05	1,579.05
3	Earning for Debt Service	(930.10)	(1,035.39)
	Total Debt Service	(10,217.25)	(278.00)
4	Net Profits after taxes – Preference Dividend (if any)	(1,230.42)	(1,443.43)
	Average shareholders' equity	6,264.82	(4,321.41)
5	Cost of Goods Sold	738.92	2,537.59
	Average Inventory	2,986.89	3,238.80
6	Revenue	1,891.98	3,801.29
	Average trade receivables	826.14	1,938.10
7	Expenses	1,590.96	3,620.72
	Average Trade Payables	332.16	607.84
8	Net Sales	1,891.98	3,801.29
	Working Capital	(1,336.27)	(11,623.03)
9	Net Profit	(1,230.42)	(1,443.43)
	Net Sales	1,891.98	3,801.29
10	EBIT	(1,182.65)	(1,331.42)
	Capital Employed	6,264.82	(4,321.41)
11	$\frac{(MV(T1) - MV(T0) - \text{Sum } [C(t)])}{(MV(T0) + \text{Sum } [W(t) * C(t)])}$		





### Return on investment

Return on investment (ROI) is a financial ratio used to calculate the benefit an investor will receive in relation to their investment cost. The higher the ratio, the greater the benefit earned. The one of widely used method is Time Weighted Rate of Return (TWRR) and the same should be followed to calculate ROI. It adjusts the return for the timing of investment cash flows and its formula / method of calculation is commonly available. However, the same is given below for quick reference:

$$ROI = \frac{MV(T1) - MV(T0) - \text{Sum } [C(t)]}{\{MV(T0) + \text{Sum } [W(t) * C(t)]\}}$$

where,

T1 = End of time period

T0 = Beginning of time period

t = Specific date falling between T1 and T0

MV(T1) = Market Value at T1

MV(T0) = Market Value at T0

C(t) = Cash inflow, cash outflow on specific date

W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as  $[T1 - t] / T1$

Companies may provide ROI separately for each asset class (e.g., equity, fixed income, money market, etc.).





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

(I) Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024 [See  
Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. in lakhs)

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (as reported before adjusting after qualifications)
1	Turnover / Total income	2,033.58	2,033.58
2	Total Expenditure	3,220.00	3,220.00
3	Net Profit/(Loss)	(1,230.42)	(1,230.42)
4	Earnings Per Share	(1.56)	(1.56)
5	Total Assets	13,504.21	13,504.21
6	Total Liabilities	13,504.21	13,504.21
7	Net Worth	6,264.83	6,264.83
8	Any other financial item(s) (as felt appropriate by the management)	-	-



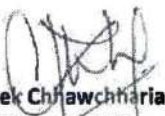



**(II) Statement on Impact of Audit Qualifications for the Financial Year Ended 31<sup>st</sup> March 2024**

1.	NAME OF THE COMPANY	EASTERN SILK INDUSTRIES LIMITED
2.	Annual financial statement for the year ended	31 <sup>st</sup> March 2024
3.	Type of Audit qualifications	Qualified opinion
4.	Frequency of qualifications	Second time
	Details of Audit Qualification:	<p>a.) Note No. 6 to the Ind AS financial results which states that In compliance with the approved Resolution Plan and order from the Hon'ble National Company law Tribunal, the accounting adjustments have been carried out related to extinguishment of liabilities / claims and write off of impaired and/or doubtful assets during the Financial Year ending 31.03.2024. The net impact of the same Rs 11793.06 lakhs has been transferred to the Capital Reserve Account as per the approved Resolution plan. The cancellation of existing share capital and infusion of new capital is in progress and its effect will be taken in accounts on finalisation. The above adjustments are subject to reversal in the event of non compliance with the terms of Resolution plan.</p> <p>b.) Note No. 10 to the Ind AS financial results which states that '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. Also no confirmation has been received from the said banks.</p>

		<p>c.) Note No. 11 to the Ind AS financial results which states that Confirmation of bank balances of all bank accounts at Kolkata as on 31.03.2024 is under process of acquiring and reconciling.</p>
	<b>Management Views</b>	<p>a. The adjustments have been carried out in the financial statements as per the amount allocated as per the resolution plan approved by the Hon'ble National Company Law Tribunal (NCLT) order dated 31.01.2024.</p> <p>Further, clause 145 of the Hon'ble NCLT order states that "Thus, on the date of approval of the resolution plan by the Adjudicating Authority, all such claims, that are not a part of the resolution plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the resolution plan.</p> <p>Further, As mentioned in the Approved Resolution Plan, the existing share capital of INR 15,79,05,000/- (Indian Rupees Fifteen Crores Seventy-Nine Lakhs Five Thousand Only) will be written off and a fresh equity infusion of INR 1,00,00,000/- (Indian Rupees One Crore Only) by the Resolution Applicant will be made as per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (LODR Regulations) in the upcoming financial year as the same is under process.</p> <p>Hence, all the adjustments comply with the approved resolution plan.</p> <p>Further, The SRA, Baumann Dekor Private Limited, has paid the following amount till now:</p> <p>i.) The Performance guarantee amount of INR 5,81,51,600.00 on approval of the plan by COC.</p> <p>ii.) INR 12,22,22,200/- prepaid on 5th Apr'24</p>



		<p>(due for payment on 30th April 2024) towards payment of 1st tranche as per proposed distribution to financial creditors, government dues, CIRP cost and operational creditors as per approved resolution plan.</p> <p>There is no default in any payment from the SRA and prepayment of the first tranche and infusion of required working capital shows the intent to run the entity as a going concern.</p> <p>b. The new management of the company is in the process of getting the original Deposit documents from the respective Bank / Institutions / Ex-promoters. Management is of the view that the deposit against OTS was made before CIRP process, and if the same was against the Interest settlement, it would have been adjusted in the previous year's financials. Confirmation of the deposit is under process and accordingly, the deposit amount has been carried forward from the last financial year ending 31.03.2023 and the same will be adjusted in the subsequent financials. However, in the opinion of Management, this should not affect the company's ability to continue as going concern.</p> <p>c. The accounts are dormant and the cumulative balance of all the Bank accounts in Kolkata is 5.78 Lakh as on 31.03.2023. Activation of these bank accounts and confirmation of bank balances of all bank accounts at Kolkata as on 31.03.2024 is under process of acquiring and reconciling during the implementation process. However, in the opinion of Management, this should not affect the company's ability to continue as going concern.</p>
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(III)	<p><b><u>Signatories:</u></b></p> <p>Chairman Whole Time Director Chief Financial Officer Audit Committee Chairman</p>	<p> Ajay Bikram Singh DIN 03096101 Chairman</p> <p> Sonil Kumar DIN 09424480 Wholetime Director</p> <p> Prateek Chhawchharia Chief Financial Officer</p> <p> Deepak Kumar Gupta Chairman Audit Committee.</p>
	<p><b>Statutory Auditor</b></p>	<p><b>For, B.K. Shroff &amp; Co. Chartered Accountants Firm Registration No. 302166E</b></p> <p> L.K. Shroff Partner Membership No. 060742</p> <p><b>Place : Kolkata Date : 14.06.2024</b></p> <p></p>