

EASTERN SILK INDUSTRIES LTD.

Regd. Office: 19, R.N. MUKHERJEE ROAD, KOLKATA- 700 001

Corporate Identity Number : L17226WB1946PLC013554

Phone : 033-40645731, Fax-033-22482486

Email :investors@easternsilk.com

Website:www.easternsilk.com

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2023

PREPARED IN COMPLIANCE WITH THE INDIAN ACCOUNTING STANDARDS(IND-AS)

(₹ in Lakhs)

SI No.	Particulars	Quarter Ended			Year Ended	
		31/03/2023 (Audited)	31/12/2022 (Unaudited)	31/03/2022 (Audited)	31/03/2023 (Audited)	31/03/2022 (Audited)
1	Revenue					
	a) Revenue from Operation	461.76	542.92	1,856.20	3,801.29	7,314.03
	b) Other income	58.84	31.34	40.52	145.16	144.29
	Total Income	520.60	574.26	1,896.72	3,946.45	7,458.32
2	Expenses					
	(a) Cost of materials consumed	279.99	131.18	266.55	1,353.45	2,627.78
	(b) Purchases of stock-in-trade	49.71	20.63	93.44	277.90	733.47
	(c) Changes in Inventories of Finished Goods, Work-in- Progress and Stock-in-Trade	(31.83)	247.17	919.05	900.24	1,307.63
	(d) Employee benefit expenses	152.04	96.79	57.55	453.07	468.26
	(e) Finance cost	112.00	-	112.00	112.00	112.00
	(f) Depreciation	69.97	71.61	103.88	296.06	402.00
	(g) Provision for doubtful debts (net)	127.41	-	-	127.41	-
	(h) Other Expenses	496.04	395.45	754.67	1,863.75	2,493.68
	Total expenses	1,255.33	962.83	2,307.14	5,389.87	8,144.82
3	Profit / (Loss) from operations before exceptional items (1-2)	(734.73)	(388.57)	(410.42)	(1,443.42)	(686.50)
4	Exceptional items	-	-	-	-	-
5	Profit / (Loss) from ordinary activities before tax (3+4)	(734.73)	(388.57)	(410.42)	(1,443.42)	(686.50)
6	Tax expenses					
	(a) Provision for taxation-Current	-	-	-	-	-
	(b) Income-tax for Earlier years	-	0.01	-	0.01	-
	(c) Provision for tax-Deferred	-	-	-	-	-
7	Net Profit / (Loss) for the period	(734.73)	(388.58)	(410.42)	(1,443.43)	(686.50)
8	Other Comprehensive Income (OCI)					
	(a) Item that will not be reclassified to Profit & Loss (Net of Tax)	9.55	0.32	26.11	8.93	26.83
	(b) Item that will be reclassified to Profit & Loss (Net of Tax)	-	-	-	-	-
9	Total Comprehensive Income(After tax)	(725.18)	(388.26)	(384.31)	(1,434.50)	(659.67)
10	Paid-up equity share capital (Face Value of each share- ₹ 2/-)	1,579.05	1,579.05	1,579.05	1,579.05	1,579.05
11	Earnings per share (of ₹2/-each) (not annualised):					
	(a) Basic	(0.93)	(0.49)	(0.52)	(1.83)	(0.87)
	(b) Diluted	(0.93)	(0.49)	(0.52)	(1.83)	(0.87)

For EASTERN SILK INDUSTRIES LTD.

MG
MG. DIRECTOR

EASTERN SILK INDUSTRIES LTD.

Regd. Office: 19, R.N. MUKHERJEE ROAD, KOLKATA- 700 001

(₹ in Lakhs)

STATEMENT OF AUDITED ASSETS AND LIABILITIES AS AT 31ST MARCH, 2023			
	Particulars	As at 31/03/2023	As at 31/03/2022
		(Audited)	(Audited)
ASSETS			
1	Non-current assets		
	(a) Property, Plant and Equipment	3,806.88	4,087.28
	(b) Right of Use Assets	236.63	239.12
	(c) Financial Assets		
	Investments	4.36	5.04
	(d) Deferred Tax Asset (Net)	4,572.98	4,572.98
	(e) Other Non Current Assets	105.25	105.57
	Total Non Current Assets	8,726.10	9,009.99
2	Current assets		
	(a) Inventories	2,899.69	3,577.96
	(b) Financial Assets		
	(i) Trade receivables	1,519.35	2,356.77
	(ii) Cash and cash equivalents	320.41	371.34
	(iii) Bank Balance other than (ii) above	1,080.06	491.52
	(c) Current Tax Assets (Net)	35.69	41.87
	(d) Other Current Assets	632.03	609.24
	Total Current assets	6,487.23	7,448.70
	TOTAL - ASSETS	15,213.33	16,458.69
EQUITY AND LIABILITIES			
1	Equity		
	(a) Equity Share capital	1,579.05	1,579.05
	(b) Other Equity	(5,900.46)	(4,465.96)
	Total Equity	(4,321.41)	(2,886.91)
2	(a) Financial Liabilities		
i)	Non-Current Liabilities		
	- Borrowings	1,400.00	1,400.00
	(b) Provisions	24.48	16.07
	Total Non Current Liabilities	1,424.48	1,416.07
ii)	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	13,176.41	13,566.41
	(ii) Trade Payables		
	(a) M.S.M.E.	27.41	-
	(b) Other trade payables	147.28	445.18
	(iii) Others	4.76	4.76
	(b) Other Current Liabilities	4,525.68	3,734.99
	(c) Short Term provisions	228.72	178.19
	Total Current Liabilities	18,110.26	17,929.53
	TOTAL - EQUITY AND LIABILITIES	15,213.33	16,458.69

For EASTERN SILK INDUSTRIES LTD.

MG. DIRECTOR

EASTERN SILK INDUSTRIES LTD.

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

	(₹ in lakh)	
	31st March, 2023	31st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) Before Tax	(1,443.42)	(686.50)
Add : Adjustments for :		
Depreciation	296.05	402.00
Provision for Doubtful Debts (net)	127.41	-
Irrecoverable Balance Written Off	-	-
Loss on Sale of Fixed Assets (net)	3.49	27.55
Less : Adjustments for :		
Interest & Dividend Received	11.33	8.34
Sundry Balances Adjusted	0.34	35.15
Operating Profit Before Working Capital Changes	(1,028.14)	(300.44)
(Increase)/Decrease in Inventories	678.27	477.61
(Increase)/Decrease in Trade Receivables	710.00	121.56
(Increase)/Decrease in Other Non-Current Assets	0.32	(25.44)
(Increase)/Decrease in Other Bank Balances	(588.54)	(9.18)
(Increase)/Decrease in Other Current Assets	(22.80)	29.11
Increase/(Decrease) in Trade Payables	(270.49)	(266.98)
Increase/(Decrease) in Other Current Liabilities	791.05	154.81
Increase/(Decrease) in Non Current Provisions	8.41	(21.19)
Increase/(Decrease) in Current Provisions	60.14	(30.12)
Cash Generated From Operations	338.22	129.74
Taxes paid (net of Refund)	(6.17)	10.86
Net Cash Flow From Operating Activities	344.39	118.88
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Add : Inflows		
Sale of Fixed Assets	10.96	28.04
Interest Received	11.27	8.29
Dividend Received	0.06	0.05
Less : Outflows		
Purchase of Fixed Assets	27.61	166.82
Net Cash Used In Investing Activities	(5.32)	(130.46)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Increase / (Decrease) in Current Borrowings	(390.00)	17.00
Net Cash Used In Financing Activities	(390.00)	17.00
Net Changes In Cash & Cash Equivalents (A+B+C)	(50.93)	5.44
* Cash & Cash Equivalents - Opening Balance	371.34	365.90
* Cash & Cash Equivalents - Closing Balance	320.41	371.34
* Represents Cash & Cash Equivalents as indicated in Note No.7		

For EASTERN SILK INDUSTRIES LTD.

Jal
MG. DIRECTOR

Notes :

- 1 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".
- 2 Pursuant to the application under section 7 of Insolvency and Bankruptcy Act, 2016 filed by Export-import Bank of India one of the Financial Creditors, being CP (IB) No 588/KB/2020, the National Company Law Tribunal (NCLT), Kolkata Bench, admitted the application vide order dated 10.06.2022 and directed to Initiate Corporate Insolvency Resolution Process (CIRP) against the Company. CA Anil Agarwal, (IBBI/IPA-001/IP-P00270/2017-18/10514) has been initially appointed as the Interim Resolution Professional (IRP). Upon commencement of CIRP, the powers of the Board of Directors of the Company stand suspended and management of the Company vest in the IRP/Resolution Professional (RP). Further as per order no. CP (IB) No 588/KB/2020 and IA (I.B.C)/713(KB) 2022 dated 29th July 2022 Mr. Anil kohli has been appointed as Resolution Professional for the above matter.
- 3 Committee of Creditors (COC) have been constituted on 04th July,2022 and the revised list of Creditors updated on 13th March 2023 on the basis of collation of all claims by the IRP/RP.
The admitted claims of Secured Financial creditors as on above mentioned date is Rs. 8,93,90,99,403/- (including Interest).The admitted claims of Unsecured Financial creditors as on above mentioned date is Rs.40,68,13,000/-.
- 4 The meeting of Committee of Creditors, from the date of last reporting of the financial results, were held on 13th February 2023, 3rd March 2023, 25th April 2023 and 11th May 2023 respectively for giving the update to COC regarding the CIRP proceedings along with taking up the other matters in terms of the applicable provisions of the code.
- 5 In the 11th COC Meeting held on 03rd March 2023 in which the Resolution Plan submitted by Mr. Ajay Bikram Singh through Baumann Dekor Private Limited was approved by the CoC members on 6th March 2023 and the application for Resolution Plan approval was filed with Hon'ble National Company Law Tribunal on 9th March 2023 and is pending for approval.
- 6 The Company's ability to continue as a going concern is dependent upon many factors including continued support from the Company Officials/Management, employees, operational creditors, customers and submission of viable resolution plan by the prospective Investor. Under the CIRP, the resolution plan has been approved by the COC and thereafter was filed with Hon'ble NCLT for seeking their approval. Whereupon, in accordance with the CoC & NCLT approved plan, the Company will be handed over to the successful resolution applicant upon full implementation of approved Plan. In view of the opinion of the management, CoC approved resolution Plan, the revival of the Company is possible in the foreseeable future. Accordingly, the financial statements of the company have been prepared on going concern basis as plant is working and the decision of Hon'ble NCLT on approval of Resolution Plan is pending.

For EASTERN SILK INDUSTRIES LTD.



MG. DIRECTOR

- 7 The above financial results which are in accordance with Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 read with SEBI circular dated July 05, 2016, have been prepared by the management. The IRP/RP has relied upon the assistance provided by the management and review of financial results and certifications, representations and statements made by management of the Company and taken on record the same only to the limited extent of discharging the powers of the management of the Company which has been conferred upon him in terms of the provisions of section 17 of the Insolvency and Bankruptcy Code, 2016. The Statutory Auditors of the Company have carried out audit for the financial year ended 31st March 2023 and the results are being published in accordance Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.
- 8 There shall be moratorium under section 14 of the Insolvency and Bankruptcy Code, 2016 till the completion of the CIRP or until the Adjudicating Authority approves the resolution plan under sub section (1) of section 31 of the IBC or pass an order for liquidation of Corporate Debtors under section 33 of the IBC, as the case may be. In view of Company's admission under CIRP all existing civil legal proceedings such as Goods and Services Tax, Income Tax, ESIC and EPF etc., will be kept in abeyance as moratorium u/s 14 of the Insolvency and Bankruptcy Code, 2016 is applicable on the Company till the conclusion of CIRP.
- 9 The Company has been categorised as Non Performing Asset and stopped debiting interest on their outstanding debts by the existing lender banks/financial institution as per the Prudential Norms on Income Recognition issued by the Reserve Bank of India. Accordingly, the Company has not recognised interest expense on such borrowings amounting to Rs. 4,852.38 Lakhs till 31st March, 2023 as per the management estimates.
- 10 In terms of the Settlement Arrangement arrived with the ARC's, the Company failed to meet certain scheduled payment of Installments within the stipulated time. However, the management were continuously discussing the present position of the Company with the ARC's for waiver of interest before initiation of CIRP process against the Company. Consequently, provision for interest amounting to Rs.3,183.69 lakhs for the period up to 31st March 2023 has not been made in the books of accounts.
- 11 'No Lien Term Deposit' with the consortium bankers for ₹ 2,400.00 Lakhs towards 5% deposit of the amount outstanding against the offer of one time settlement were made, of which ₹ 392.59 Lakhs have been appropriated by few banks towards recovery of their overdue interest. The same has not been recognized by the company and no adjustment has been made and the principal amount of deposit is continued to be shown as 'No Lien Term Deposit' without accounting for interest accruals. In view of the arbitrary and unilateral decision of the Banks, no provision for interest accrued has been made in the Statement of Accounts.
- 12 The Promoters' shareholding remains encumbered in favour of the Lenders as per the terms/stipulation mentioned under CDR Scheme dated 4th Feb, 2012. However as on 20th August, 2014 the CDR Scheme has been withdrawn.
- 13 This statement has been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standard) Accounting Rules. 2016.

For EASTERN SILK INDUSTRIES LTD.


MG. DIRECTOR

- 14 Total deferred tax assets (DTA) for the period up to 31st March, 2023 is Rs. 7,583.97 Lakhs out of which Rs.4,572.98 lakhs has been recognized in these accounts and balance Rs.3,010.99 Lakhs has not been recognised in these accounts due to the uncertainty of profit in the coming years as per the market scenario.
- 15 The above financial results have been prepared by the management of the Company and taken on record by the Resolution Professional. The Statutory Auditors of the Company have carried out audit of these results and the results are being published in accordance with Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.
- 16 There are two complaint pending at the beginning of the quarter which have been resolved and the no further complaint was received during the quarter. Accordingly, no complaint is pending at the end of quarter.
- 17 Previous period/year's figures have been regrouped / rearranged wherever necessary to confirm to current period presentation.

Place : Kolkata
Date 30th May, 2023

For EASTERN SILK INDUSTRIES LTD.
(company under CIRP)

For EASTERN SILK INDUSTRIES LTD.


MG. DIRECTOR

Sundeep Shah
DIN-00484311
Managing Director (Powers under suspension)




Taken on Record by Mr. Anil Kohli
Resolution Professional of Eastern Silk Industries Ltd.
Registration Number- IBBI/IPA-001/IP-P00112/2017-18/10219

Statement on Impact of Audit Qualifications for the Financial Year Ended 31st March 2023

1.	NAME OF THE COMPANY	EASTERN SILK INDUSTRIES LIMITED
2.	Annual financial statement for the year ended	31 st March 2023
3.	Type of Audit qualifications	Qualified opinion
4.	Frequency of qualifications	First time
	Details of Audit qualification:	<p>1. (a) Material Uncertainty Related to Going Concern, Basis for Qualified Opinion and the Emphasis of Matter paragraphs. On 10th June, 2022, the National Company Law Tribunal (NCLT), Kolkata Bench, directed to Initiate Corporate Insolvency Resolution Process (CIRP) against the Company by admitting the application under section 7 of Insolvency and Bankruptcy Act, 2016 filed by Export-Import Bank of India one of the Financial Creditors as stated in Note 37 (a) to the Ind AS financial statements. Further, Resolution Plan submitted by one of the Prospective Resolution Applicant was also approved by the Committee of Creditors (CoC) members in their meeting held on 03rd March 2023 and the application for approval of said Resolution Plan was filed with Hon'ble National Company Law Tribunal on 09th March 2023 and the same is pending for approval as stated in Note 37 (e) to the Ind AS financial statements.</p> <p>1. (b) Note No. 52 to the Ind AS financial statements also indicate that the Net worth of the Company has been fully eroded.</p> <p>1. (c) The above conditions indicate the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going Concern. However, the financial statements of the company have been prepared on a going concern basis for the reason stated in Note No. 37 (f) to the Ind AS Financial Statements, in view of ongoing CIRP, the outcome of which cannot be presently ascertained</p> <p>2. Note No. 35 (a) to the Ind AS financial statements which states that the company has not provided interest to lenders amounting to Rs. 4,852.38 Lakhs for the period upto March'2023 as per the management estimates.</p> <p>3. Note No. 35(b) to the Ind AS financial statements which states that the company has not provided interest on borrowings from ARC's amounting to Rs. 3,183.69 lakhs for the period up to 31st March 2023.</p> <p>4. Note No. 41 to the Ind AS financial statements which states that total deferred tax assets (DTA) for the period up to 31st March, 2023 is Rs. 7,583.97 Lakhs out of which Rs.4,572.98 lakhs</p>

		<p>have been recognized in these accounts and balance Rs. 3,010.99 Lakhs has not been recognised in these accounts. As there are existence of indicators of material uncertainty about company's ability to continue as going concern as stated above in "Material Uncertainty Related to Going Concern" paragraph, in our opinion, the earlier recognized DTA of Rs. 4,572.98 lakhs required to derecognized by the Company.</p>
	<p>Management Response</p>	<ol style="list-style-type: none"> 1. (a) <i>The Board of Directors (Power under Suspension) have vast experience to run the industry. The Company have come to this position due to Covid 19 outbreak which was declared a global pandemic by world health Organization & affect world economy as well as Indian economy. To boost up the business company required financial assistance for upgrading the plant and machinery and working capital, for funding requirement we approach the bankers to sale non-core asset of the Company but bankers have not issued the noc for the same which are pledged to bank.</i> 1. (b) <i>The Company considering the continuing substantial losses incurred by the Company, its net worth has been eroded. However, having regard to better operational performance expected in future and ongoing CIRP. the financial statements of the Company have been prepared on the basis of going concern and no adjustments are made to the carrying value of assets and liabilities.</i> 1. (c) <i>The Company's ability to continue as a going concern is dependent upon many factors including continued support from the Company Officials/Management, employees, operational creditors, customers and submission of viable resolution plan by the prospective investor. Under the CIRP, the resolution plan has been approved by the CoC and thereafter was filed with Hon'ble NCLT for seeking their approval. Whereupon, in accordance with the CoC & NCLT approved plan, the Company will be handed over to the successful resolution applicant upon full implementation of approved Plan. In view of the opinion of the management, CoC approved resolution Plan, the revival of the Company is possible in the foreseeable future. Accordingly, the financial statements of the company have been prepared on going concern basis as plant is working and the decision of Hon'ble NCLT on approval of Resolution Plan is pending.</i> 2. <i>The Company has been categorised as Non Performing Asset and stopped debiting interest on their outstanding debts by the existing lender banks/financial institution as per the Prudential Norms on Income Recognition issued by the Reserve Bank of India. Accordingly, the Company has not recognised interest expense on such borrowings</i>

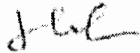
amounting to Rs. 4,852.38 Lakhs till 31st March, 2023 as per the management estimates.

3. In terms of the Settlement Arrangement arrived with the ARC's, the Company failed to meet certain scheduled payment of Instalments within the stipulated time. However, the management were continuously discussing the present position of the Company with the ARC's for waiver of interest before initiation of CIRP process against the Company (Refer Note 37). Consequently, provision for interest amounting to Rs.3,183.69 lakhs for the period up to 31st March 2023 has not been made in the books of accounts as per the management estimates.


4. In terms of Ind AS-12, further Deferred Tax Assets (DTA) of Rs. 3,010.99 Lakhs (P.T. Rs. 4,289.23 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 management is of the opinion that net DTA of Rs. 4,572.98 Lakhs as recognized in the books is sufficient for future income and as such, the current year's DTA has not been recognized.

Signatories:

Managing Director
Whole Time Director
Chief Financial Officer
Resolution Professional



(Sundeesp Shah)
Din: 00484311
Managing Director
(Power under suspension)




(Megha Shah)
Din: 07172597

Wholetime Director
(Power under suspension)



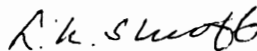
Prateek Chhabra
Chief Financial Officer



(Taken on Record)
Anil Kohli
Resolution Professional

Statutory Auditor

For, B.K. Shroff & Co.
Chartered Accountants
Firm Registration No. 302166E



L.K. Shroff
Partner
Membership No. 060742



INDEPENDENT AUDITOR'S REPORT

To
The Members of
Eastern Silk Industries Limited

Report on the Audit of the Financial Statements

Qualified Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in the "Material Uncertainty Related to Going Concern, Basis for Qualified Opinion and the Emphasis of Matter paragraphs"* the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and loss, changes in equity and its cash flows for the year ended on that date.

Material Uncertainty Related to Going Concern

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

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

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



Basis for Qualified Opinion

We draw attention to

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

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

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

Emphasis of Matter

We draw attention to

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



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

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

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

Key Audit Matters

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

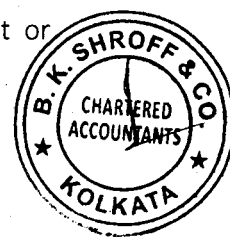
There are no key audit matters to communicate *other than the matters those are described under the Material Uncertainty Related to Going Concern, Basis for Qualified Opinion and Emphasis of Matter paragraphs.*

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

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

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

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



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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

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

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

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

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



Report on Other Legal and Regulatory Requirements

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

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

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



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

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

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements - Refer Note No. 29 to 33, 37, 39(b), 50 & 51 to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been delay in transferring amounts which are required to be transferred to the Investor Education and Protection Fund by the Company due to closure of Dividend Account for the Year 2009 & 2010 by the HDFC Bank Ltd. during the F.Y. 2016-17 resulting in non-transfer of the unclaimed amount for the year 2009 & 2010 to the Investors Education & Protection Fund - Refer Note No. 42 to the Ind AS financial statements.

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

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

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



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

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

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

L. K. Shroff



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

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

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

(i) (a) (A)	The company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipments.
(i) (a) (B)	The company does not have any intangible assets and hence provisions of clause (i) (a) (B) are not applicable to the company.
(i) (b)	<i>As stated in Note No. 37 (h) to the financial statement, physical verification of Property, Plant & Equipment has been carried out during the course of CIRP. However, report on such verification has not been provided to us and hence we are unable to comment on clause (i) (b) of the order regarding frequency and discrepancy in the physical verification of Property, Plant and Equipment with books of account and its impacts on the financial statements.</i>
(i) (c)	The title deeds of immovable properties disclosed in the financial statements are held in the name of the company.
(i) (d)	During the year, the company has not revalued its property, plant and equipments (including right to use assets) or intangible assets or both and hence provisions of clause (i) (d) are not applicable to the company.
(i) (e)	According to the information and explanation given to us and the records maintained by the company no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
(ii) (a)	<i>As stated in Note No. 37 (h) to the financial statement, physical verification of Inventories has been carried out during the course of CIRP. However, report on such verification has not been provided to us and hence we are unable to comment on clause (ii) (a) of the order regarding frequency and discrepancy in the physical verification of Inventories with books of account and its impacts on the financial statements.</i>
(ii) (b)	In our opinion and according to the information and explanation given to us and records maintained by the company, during the financial year, the company has not been sanctioned working capital limit in excess of Rs. 5.00 crores in aggregate, from banks or financial institutions on the basis of security of current assets. Therefore, in our opinion and according to the information and explanation given to us and records maintained by the company, no question to furnish quarterly returns or statements by the company with banks or financial institutions arises during the year and hence provisions of clause (ii)(b) of the order are not applicable to the company.
(iii)	According to the information and explanation provided to us, during the year, the company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans secured or unsecured to companies, firms, limited liability partnerships or other parties and hence provisions of clause (iii) of the order are not applicable to the company.



(iv)	In our opinion and according to the information and explanations given to us no loans, investments, guarantees and security covered under section 185 and 186 of the Companies Act, 2013 has been given by the company.																																																							
(v)	According to the information and explanation given to us, the company has not accepted any deposit or amounts which are deemed to be deposits from the public. Therefore, the provisions of clause (v) of the order are not applicable to the company.																																																							
(vi)	We have broadly reviewed the books of account maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such accounts and records.																																																							
(vii) (a)	The company is generally regular in depositing with the appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect thereof were outstanding as at 31st March, 2023 for a period of more than six months from the date they became payable.																																																							
(vii) (b)	<p>According to the records of the company, dues referred to in sub clause (a) which have not been deposited on account of any dispute are as under:-</p> <table border="1"> <thead> <tr> <th>Name of the Statute</th> <th>Name of the Dues</th> <th>Amount (Rs. in lakhs)</th> <th>Period to which the amount relates</th> <th>Forum where dispute is pending</th> </tr> </thead> <tbody> <tr> <td>Central Excise Act</td> <td>Excise Duty and Penalty</td> <td>26.72</td> <td>2002-03</td> <td>Deputy Commissioner, Central Excise</td> </tr> <tr> <td>Employees State Insurance Act</td> <td>Employees State Insurance</td> <td>6.03</td> <td>1995-96 & 2002-03</td> <td>Asst. Director, ESIC</td> </tr> <tr> <td>Custom Duty Act</td> <td>Custom Duty</td> <td>109.77</td> <td>2001-02</td> <td>Hon'ble High Court of Karnatka</td> </tr> <tr> <td>Customs Duty Act</td> <td>Custom Duty</td> <td>154.50</td> <td>2005-06</td> <td>Commissioner of Custom (Port), Kolkata</td> </tr> <tr> <td>Customs Duty Act</td> <td>Custom Duty</td> <td>28.70</td> <td>2003-04</td> <td>Commissioner of Custom</td> </tr> <tr> <td>Customs Duty Act</td> <td>Custom Duty</td> <td>44.07</td> <td>2002-03</td> <td>Commissioner of Custom</td> </tr> <tr> <td>Customs Duty Act</td> <td>Custom Duty</td> <td>205.00</td> <td>2010-11</td> <td>CESTAT, KOLKATA</td> </tr> <tr> <td>Customs Duty Act</td> <td>Custom Duty</td> <td>15.87</td> <td>2014-15</td> <td>CESTAT, NEW DELHI</td> </tr> <tr> <td>Customs Duty Act</td> <td>Custom Duty</td> <td>69.19</td> <td>2014-15</td> <td>CESTAT, NEW DELHI</td> </tr> <tr> <td>Service Tax</td> <td>Service Tax</td> <td>73.68</td> <td>2015-16</td> <td>CESTAT, KOLKATA</td> </tr> </tbody> </table> <p><i>Attention is drawn to note no. 37(g), since Corporate Insolvency Resolution Process (CIRP) initiated against the company, the suits or continuation of suits against company are prohibited.</i></p>	Name of the Statute	Name of the Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending	Central Excise Act	Excise Duty and Penalty	26.72	2002-03	Deputy Commissioner, Central Excise	Employees State Insurance Act	Employees State Insurance	6.03	1995-96 & 2002-03	Asst. Director, ESIC	Custom Duty Act	Custom Duty	109.77	2001-02	Hon'ble High Court of Karnatka	Customs Duty Act	Custom Duty	154.50	2005-06	Commissioner of Custom (Port), Kolkata	Customs Duty Act	Custom Duty	28.70	2003-04	Commissioner of Custom	Customs Duty Act	Custom Duty	44.07	2002-03	Commissioner of Custom	Customs Duty Act	Custom Duty	205.00	2010-11	CESTAT, KOLKATA	Customs Duty Act	Custom Duty	15.87	2014-15	CESTAT, NEW DELHI	Customs Duty Act	Custom Duty	69.19	2014-15	CESTAT, NEW DELHI	Service Tax	Service Tax	73.68	2015-16	CESTAT, KOLKATA
Name of the Statute	Name of the Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending																																																				
Central Excise Act	Excise Duty and Penalty	26.72	2002-03	Deputy Commissioner, Central Excise																																																				
Employees State Insurance Act	Employees State Insurance	6.03	1995-96 & 2002-03	Asst. Director, ESIC																																																				
Custom Duty Act	Custom Duty	109.77	2001-02	Hon'ble High Court of Karnatka																																																				
Customs Duty Act	Custom Duty	154.50	2005-06	Commissioner of Custom (Port), Kolkata																																																				
Customs Duty Act	Custom Duty	28.70	2003-04	Commissioner of Custom																																																				
Customs Duty Act	Custom Duty	44.07	2002-03	Commissioner of Custom																																																				
Customs Duty Act	Custom Duty	205.00	2010-11	CESTAT, KOLKATA																																																				
Customs Duty Act	Custom Duty	15.87	2014-15	CESTAT, NEW DELHI																																																				
Customs Duty Act	Custom Duty	69.19	2014-15	CESTAT, NEW DELHI																																																				
Service Tax	Service Tax	73.68	2015-16	CESTAT, KOLKATA																																																				
(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)	<p>In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of following loans or other borrowings or in the payment of interest thereon to any lender :</p> <table border="1" data-bbox="305 336 1387 1086"> <thead> <tr> <th data-bbox="305 336 493 526">Nature of the Borrowings</th> <th data-bbox="493 336 784 526">Name of the Lender</th> <th data-bbox="784 336 917 526">Amount not paid on due date (Rs. In Lakhs)</th> <th data-bbox="917 336 1042 526">Whether principal or Interest*</th> <th data-bbox="1042 336 1262 526">Due Since</th> <th data-bbox="1262 336 1387 526">Remarks , if any.</th> </tr> </thead> <tbody> <tr> <td data-bbox="305 526 493 627">OTS</td> <td data-bbox="493 526 784 627">Edelweiss Asset Reconstruction Company Ltd.</td> <td data-bbox="784 526 917 571">479.00</td> <td data-bbox="917 526 1042 571">Principal</td> <td data-bbox="1042 526 1262 627" rowspan="2">01.07.2018 onwards</td> <td data-bbox="1262 526 1387 627" rowspan="2"></td> </tr> <tr> <td></td> <td></td> <td data-bbox="784 571 917 627">206.67</td> <td data-bbox="917 571 1042 627">Interest*</td> </tr> <tr> <td data-bbox="305 627 493 728">OTS</td> <td data-bbox="493 627 784 728">Edelweiss Asset Reconstruction Company Ltd.</td> <td data-bbox="784 627 917 672">2,745.00</td> <td data-bbox="917 627 1042 672">Principal</td> <td data-bbox="1042 627 1262 728" rowspan="2">31.05.2018 onwards</td> <td data-bbox="1262 627 1387 728" rowspan="2"></td> </tr> <tr> <td></td> <td></td> <td data-bbox="784 672 917 728">1,010.54</td> <td data-bbox="917 672 1042 728">Interest*</td> </tr> <tr> <td data-bbox="305 728 493 828">OTS</td> <td data-bbox="493 728 784 828">Omkaara Assets Reconstruction Private Limited</td> <td data-bbox="784 728 917 772">3,130.00</td> <td data-bbox="917 728 1042 772">Principal</td> <td data-bbox="1042 728 1262 828" rowspan="2">31.05.2020 onwards</td> <td data-bbox="1262 728 1387 828" rowspan="2"></td> </tr> <tr> <td></td> <td></td> <td data-bbox="784 772 917 828">975.34</td> <td data-bbox="917 772 1042 828">Interest*</td> </tr> <tr> <td data-bbox="305 828 493 907">OTS</td> <td data-bbox="493 828 784 907">Kalptaru Fincap Ltd.</td> <td data-bbox="784 828 917 862">60.00</td> <td data-bbox="917 828 1042 862">Principal</td> <td data-bbox="1042 828 1262 907" rowspan="2">30.04.2022 onwards</td> <td data-bbox="1262 828 1387 907" rowspan="2"></td> </tr> <tr> <td></td> <td></td> <td data-bbox="784 862 917 907">14.28</td> <td data-bbox="917 862 1042 907">Interest*</td> </tr> <tr> <td data-bbox="305 907 493 996">OTS</td> <td data-bbox="493 907 784 996">ASREC (India) Limited</td> <td data-bbox="784 907 917 952">785.00</td> <td data-bbox="917 907 1042 952">Principal</td> <td data-bbox="1042 907 1262 996" rowspan="2">31.01.2018 onwards</td> <td data-bbox="1262 907 1387 996" rowspan="2"></td> </tr> <tr> <td></td> <td></td> <td data-bbox="784 952 917 996">1,219.25</td> <td data-bbox="917 952 1042 996">Interest*</td> </tr> <tr> <td data-bbox="305 996 493 1086">Term Loan/FITL</td> <td data-bbox="493 996 784 1086">Export Import Bank of India</td> <td data-bbox="784 996 917 1041">3,478.41</td> <td data-bbox="917 996 1042 1041">Principal</td> <td data-bbox="1042 996 1262 1086" rowspan="2">20.08.2014 onwards</td> <td data-bbox="1262 996 1387 1086" rowspan="2"></td> </tr> <tr> <td></td> <td></td> <td data-bbox="784 1041 917 1086">5,137.28</td> <td data-bbox="917 1041 1042 1086">Interest #</td> </tr> </tbody> </table> <p data-bbox="305 1086 1301 1120"># Includes Interest provided as well as Interest not provided in the Books of Accounts.</p> <p data-bbox="305 1120 862 1153">*Represents Interest not provided in the Books.</p>	Nature of the Borrowings	Name of the Lender	Amount not paid on due date (Rs. In Lakhs)	Whether principal or Interest*	Due Since	Remarks , if any.	OTS	Edelweiss Asset Reconstruction Company Ltd.	479.00	Principal	01.07.2018 onwards				206.67	Interest*	OTS	Edelweiss Asset Reconstruction Company Ltd.	2,745.00	Principal	31.05.2018 onwards				1,010.54	Interest*	OTS	Omkaara Assets Reconstruction Private Limited	3,130.00	Principal	31.05.2020 onwards				975.34	Interest*	OTS	Kalptaru Fincap Ltd.	60.00	Principal	30.04.2022 onwards				14.28	Interest*	OTS	ASREC (India) Limited	785.00	Principal	31.01.2018 onwards				1,219.25	Interest*	Term Loan/FITL	Export Import Bank of India	3,478.41	Principal	20.08.2014 onwards				5,137.28	Interest #
Nature of the Borrowings	Name of the Lender	Amount not paid on due date (Rs. In Lakhs)	Whether principal or Interest*	Due Since	Remarks , if any.																																																														
OTS	Edelweiss Asset Reconstruction Company Ltd.	479.00	Principal	01.07.2018 onwards																																																															
		206.67	Interest*																																																																
OTS	Edelweiss Asset Reconstruction Company Ltd.	2,745.00	Principal	31.05.2018 onwards																																																															
		1,010.54	Interest*																																																																
OTS	Omkaara Assets Reconstruction Private Limited	3,130.00	Principal	31.05.2020 onwards																																																															
		975.34	Interest*																																																																
OTS	Kalptaru Fincap Ltd.	60.00	Principal	30.04.2022 onwards																																																															
		14.28	Interest*																																																																
OTS	ASREC (India) Limited	785.00	Principal	31.01.2018 onwards																																																															
		1,219.25	Interest*																																																																
Term Loan/FITL	Export Import Bank of India	3,478.41	Principal	20.08.2014 onwards																																																															
		5,137.28	Interest #																																																																
(ix) (b)	<p>According to the records of the company and information or explanation given to us, Export Import Bank of India vide email dated 1st February 2022 informed the Company regarding the inclusion of name of the company and its promoters/directors in RBI's/CIRLC's list of wilful defaulters. (Refer Note no.38)</p>																																																																		
(ix) (c)	<p>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.</p>																																																																		
(ix) (d)	<p>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.</p>																																																																		
(ix) (e)	<p>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.</p>																																																																		
(ix) (f)	<p>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.</p>																																																																		



(x) (a)	In our opinion, moneys raised by way of initial public offer or further public offer (including debt instruments) have been applied for the purposes for which they were obtained.
(x) (b)	According to the records of the company and information and explanation given to us, during the year the company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures.
(xi) (a)	According to the information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
(xi) (b)	No report under subsection (12) of Section 143 of the Companies Act in form ADT-4 as prescribed Under Rule 13 of the Companies (Audit & Auditing) Rules 2014 has been filed with the Central Government during the year & upto the date of audit.
(xi) (c)	According to the records of the company and information and explanation given to us, no whistle blower complaints have been received by the company during the year.
(xii)	According to the records of the company and information and explanation given to us, the company is not a Nidhi Company hence provisions of clause (xii) of the order are not applicable to the company.
(xiii)	In our opinion all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
(xiv) (a)	According to the information and explanations given to us, in our opinion the company has an internal audit system commensurate with the size and nature of its business.
(xiv) (b)	We have considered the reports of internal auditors for the period under audit provided to us by the company.
(xv)	According to the records of the company and information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
(xvi) (a)	In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
(xvi) (b)	In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
(xvii)	The company has incurred cash losses amounting to Rs. 1,147.38 Lakhs in the financial year under audit and has also incurred cash loss of Rs. 284.50 Lakhs in the immediately preceding financial year.



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

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

L. K. Shroff



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

Place: Kolkata
Date: 30th May, 2023

UDIN : 23060742BGPTHR2516

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

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

We have audited the internal financial controls over financial reporting of Eastern Silk Industries Limited (“the Company”) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that:

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



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

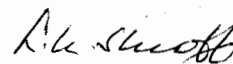
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI".

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



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



Place: Kolkata
Date: 30th May, 2023

UDIN : 23060742BGPTHR2516