

EASTERN SILK INDUSTRIES LTD.

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

Corporate Identity Number : L17226WB1946PLC013554

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STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020 PREPARED IN COMPLIANCE WITH THE INDIAN ACCOUNTING STANDARDS(IND-AS)

(₹ in Lakhs)

SI No.	Particulars	Quarter Ended			Year Ended	
		31/03/2020 (Audited)	31/12/2019 (Unaudited)	31/03/2019 (Audited)	31/03/2020 (Audited)	31/03/2019 (Audited)
1	Revenue					
	a) Revenue from Operation	1,998.53	4,756.42	2,305.57	10,317.51	6,523.58
	b) Other income	37.38	18.77	22.95	470.16	91.47
	Total Revenue	2,035.91	4,775.19	2,328.52	10,787.67	6,615.05
2	Expenses					
	(a) Cost of materials consumed	238.68	334.55	255.76	981.28	779.58
	(b) Purchases of stock-in-trade	224.28	731.38	294.74	2,109.49	1,215.59
	(c) Changes in inventories of Finished Goods, Work-in- Progress and Stock-in-Trade	215.76	1,456.84	894.53	2,197.32	1,572.12
	(d) Employee benefit expenses	110.75	327.63	134.38	744.93	707.20
	(e) Finance cost	112.00	-	112.00	112.00	112.00
	(f) Depreciation	146.14	142.59	173.14	574.49	717.90
	(g) Other Expenses	949.31	1,880.52	692.11	3,962.83	2,472.27
	Total expenses	1,996.92	4,873.51	2,556.66	10,682.34	7,576.66
3	Profit / (Loss) from operations before exceptional items (1-2)	38.99	(98.32)	(228.14)	105.33	(961.61)
4	Exceptional items					
5	Profit / (Loss) from ordinary activities before tax (3+4)	38.99	(98.32)	(228.14)	105.33	(961.61)
6	Tax expenses					
	(a) Provision for taxation-Current	-	-	-	-	-
	(b) Income-tax for Earlier years	-	0.05	1.19	0.05	1.19
	(c) Provision for tax-Deferred	-	-	-	-	-
7	Net Profit / (Loss) for the period	38.99	(98.37)	(229.33)	105.28	(962.80)
8	Other Comprehensive Income (OCI)					
	(a) Item that will not be reclassified to Profit & Loss (Net of Tax)	(51.23)	0.08	(2.80)	(51.03)	4.43
	(b) Item that will be reclassified to Profit & Loss (Net of Tax)	-	-	-	-	-
9	Total Comprehensive Income(After tax)	(12.24)	(98.29)	(233.15)	54.25	(967.23)
10	Paid-up equity share capital	1,579.05	1,579.05	1,579.05	1,579.05	1,579.05
	(Face Value of each share- ₹ 2/-)					
11	Earnings per share					
	(of ₹2/-each) (not annualised):					
	(a) Basic	0.05	(0.12)	(0.29)	0.13	(1.22)
	(b) Diluted	0.05	(0.12)	(0.29)	0.13	(1.22)

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For EASTERN SILK INDUSTRIES LTD.


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, 2020			
	Particulars	As at 31/03/2020	As at 31/03/2019
		(Audited)	(Audited)
<u>ASSETS</u>			
1	Non-current assets		
	(a) Property, Plant and Equipment	4,782.73	5,526.46
	(b) Right of Use Assets	244.09	-
	(c) Capital Work In Progress	-	-
	(d) Financial Assets		
	(i) Investments	2.59	2.81
	(ii) Others	-	-
	(e) Deferred Tax Asset (Net)	4,572.98	4,572.98
	(f) Other Non Current Assets	104.65	155.50
	Total Non Current Assets	9,707.04	10,257.75
2	Current assets		
	(a) Inventories	3,746.25	4,968.02
	(b) Financial Assets		
	(i) Trade receivables	2,203.43	3,208.15
	(ii) Cash and cash equivalents	330.31	333.00
	(iii) Bank Balance other than (ii) above	478.03	473.54
	(c) Current Tax Assets (Net)	33.86	30.40
	(d) Other Current Assets	778.92	904.63
	Total Current assets	7,570.80	9,917.74
	TOTAL - ASSETS	17,277.84	20,175.49
<u>EQUITY AND LIABILITIES</u>			
1	Equity		
	(a) Equity Share capital	1,579.05	1,579.05
	(b) Other Equity	(3,905.41)	(3,959.66)
	Total Equity	(2,326.36)	(2,380.61)
2	Liabilities		
	i) Non-Current Liabilities		
	(a) Financial Liabilities		
	- Borrowings	1,400.00	1,400.00
	(b) Provisions	80.00	63.45
	Total Non Current Liabilities	1,480.00	1,463.45
	ii) Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	13,315.41	13,510.71
	(ii) Trade Payables		
	(a) M.S.M.E.	-	-
	(b) Other trade payables	540.38	571.97
	(iii) Others	4.76	4.76
	(b) Other Current Liabilities	3,932.11	6,790.49
	(c) Short Term provisions	331.54	214.72
	Total Current Liabilities	18,124.20	21,092.65
	TOTAL - EQUITY AND LIABILITIES	17,277.84	20,175.49

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EASTERN SILK INDUSTRIES LTD.

Cash Flow Statement for the Year Ended 31st March, 2020

	31st March, 2020	(₹ in lakh) 31st March, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) Before Tax	105.33	(961.61)
Add : Adjustments for :		
Depreciation	574.49	717.90
Provision for Doubtful Debts (net)	1,065.47	-
Loss on Sale of Fixed Assets	4.09	11.19
Less : Adjustments for :		
Interest & Dividend Received	10.29	20.39
Unrealised Foreign Exchange(Net)	-	51.08
Sundry Balances Adjusted	19.44	21.32
Operating Profit Before Working Capital Changes	<u>1,719.65</u>	<u>(325.31)</u>
(Increase)/Decrease in Inventories	1,221.77	1,302.49
(Increase)/Decrease in Trade Receivables	(60.76)	(636.80)
(Increase)/Decrease in Other Non-Current Assets	50.84	(29.03)
(Increase)/Decrease in Other Non Current Financial Assets	-	-
(Increase)/Decrease in Other Bank Balances	(4.49)	(4.03)
(Increase)/Decrease in Other Current Assets	125.71	(170.67)
Increase/(Decrease) in Trade Payables	(31.59)	(69.98)
Increase/(Decrease) in Other Current Liabilities	(2,838.94)	455.34
Increase/(Decrease) in Non Current Provisions	16.56	29.85
Increase/(Decrease) in Current Provisions	66.00	(35.42)
Cash Generated From Operations	<u>264.75</u>	<u>516.44</u>
Taxes paid	3.50	(17.39)
Net Cash Flow From Operating Activities	<u>261.25</u>	<u>533.83</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Add : Inflows		
Sale of Fixed Assets	21.89	4.81
Interest Received	10.15	20.31
Dividend Received	0.14	0.08
Less : Outflows		
Purchase of Fixed Assets	100.82	203.87
Net Cash Used In Investing Activities	<u>(68.64)</u>	<u>(178.67)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Increase / (Decrease) in Current Borrowings	(195.30)	(345.00)
Net Cash Used In Financing Activities	<u>(195.30)</u>	<u>(345.00)</u>
Net Changes In Cash & Cash Equivalents (A+B+C)	(2.69)	10.16
* Cash & Cash Equivalents - Opening Balance	333.00	322.84
* Cash & Cash Equivalents - Closing Balance	<u>330.31</u>	<u>333.00</u>

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For EASTERN SILK INDUSTRIES LTD.

[Signature]
MANAGER

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

In view of the above no provision in respect of interest payable, amounting to ₹ 3,234.92 Lakhs, to the remaining financial institution for the period April'2014 to March'2020, as the management is hopeful of substantial relief on settlements with the same.

- 3 '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.
- 4 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.
- 5 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.
- 6 During the year under review, pursuant to Section 7 of the Insolvency & Bankruptcy Code, 2016 ("Code"), the Financial Creditors i.e. Edelweiss Asset Reconstruction Company Limited, ASREC (India) Ltd. and Export-Import Bank of India respectively filed applications to the Hon'ble National Company Law Tribunal, Kolkata Bench against the Company for recovery of their outstanding dues but none of the applications have been admitted till date by the Hon'ble NCLT, Kolkata Bench and Corporate Insolvency Resolution ("CIR") Process in respect of the Corporate Debtor i.e. Eastern Silk Industries Limited ("the Company") under the provisions of the said Insolvency and Bankruptcy Code, 2016 have not yet commenced.
- 7 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 is continuously discussing the present position of the Company with the ARC's for waiver of interest. Consequently, provision for interest amounting to Rs 654.05 lakhs for the period up to 31st March 2020 has not been made in the books of accounts.
- 8 The company has written off bad debts amounting to Rs. 1,407.03 Lakhs during the year and thus reducing the balance of provisions of Bad and Doubtful Debts to Rs. 5,977.61 lakhs as at 31.03.2020 against a total trade receivables of Rs 8,181.04 lakhs of which Rs 2,203.43 lakhs is considered good for recovery by the management.
- 9 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" w.e.f. 01.04.2019 and 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.
- 10 Total deferred tax assets (DTA) for the period up to 31st March, 2020 is Rs. 9,785.11 lakhs out of which Rs.4,572.98 lakhs has been recognized in these accounts and balance Rs. 5,212.13 Lakhs has not been recognised in these accounts.
- 11 **Impact on COVID 19 Pandemic**
The Covid-19 outbreak was declared a global pandemic by World Health Organization & affected world economy as well as Indian economy. On account of continues volatility in financial markets the company has considered various factors for determining the impact on various elements of financial statement.

In assessing the recoverability of carrying amounts of its financial assets and fair value of its Property, Plant & Equipments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports upto the date of approval of these financial results. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions. The Company expects to recover the carrying amount of these assets. However, the eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results and the Company will continue to monitor any material changes to the future economic conditions. The company has developed estimated and applied management overlays for the purpose of determination of the provision for impairment of its financial assets and of its Property, Plant & Equipments in future.

- 12 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on June 30, 2020 respectively. 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.
- 13 There are no complaints pending both at the beginning and end of quarter.
- 14 Previous period/year's figures have been regrouped / rearranged wherever necessary to confirm to current period presentation.

Place : Kolkata
Date 30th June, 2020

For EASTERN SILK INDUSTRIES LTD.

SUNDEEP SHAH
DIN 00484311
Chairman & Managing Director

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For EASTERN SILK INDUSTRIES LTD.


MG. DIRECTOR