

EASTERN SILK INDUSTRIES LTD.

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

Corporate Identity Number : L17226WB1946PLC013554

Phone : 033-22430817, Fax-033-22482486

Email :investors@easternsilk.com

Website:www.easternsilk.com

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2020**PREPARED IN COMPLIANCE WITH THE INDIAN ACCOUNTING STANDARDS(IND-AS)**

(` in Lakhs)

SI No.	Particulars	Quarter Ended			Year Ended
		30/06/2020 (Unaudited)	31/03/2020 (Audited)	30/06/2019 (Unaudited)	31/03/2020 (Audited)
1	Revenue				
	a) Revenue from Operation	583.75	1,998.53	1,593.22	10,317.51
	b) Other income	18.74	37.38	18.18	470.16
	Total Revenue	602.49	2,035.91	1,611.40	10,787.67
2	Expenses				
	(a) Cost of materials consumed	243.68	238.68	186.44	981.28
	(b) Purchases of stock-in-trade	95.80	224.28	220.60	2,109.49
	(c) Changes in inventories of Finished Goods, Work-in- Progress and Stock-in-Trade	63.41	215.76	464.95	2,197.32
	(d) Employee benefit expenses	42.32	110.75	168.49	744.93
	(e) Finance cost (refer to note no 2)	-	112.00	-	112.00
	(f) Depreciation	136.15	146.14	144.84	574.49
	(g) Other Expenses	269.18	949.31	530.56	3,962.83
	Total expenses	850.54	1,996.92	1,715.88	10,682.34
3	Profit / (Loss) from operations before exceptional items (1-2)	(248.05)	38.99	(104.48)	105.33
4	Exceptional items	-	-	-	-
5	Profit / (Loss) from ordinary activities before tax (3+4)	(248.05)	38.99	(104.48)	105.33
6	Tax expenses				
	(a) Provision for taxation-Current	-	-	-	-
	(b) Income-tax for Earlier years	0.06	-	-	0.05
	(c) Provision for tax-Deferred	-	-	-	-
7	Net Profit / (Loss) for the period	(248.11)	38.99	(104.48)	105.28
8	Other Comprehensive Income (OCI)				
	(a) Item that will not be reclassified to Profit & Loss (Net of Tax)	0.33	(51.23)	0.29	(51.03)
	(b) Item that will be reclassified to Profit & Loss (Net of Tax)	-	-	-	-
9	Total Comprehensive Income(After tax)	(247.78)	(12.24)	(104.19)	54.25
10	Paid-up equity share capital	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	(0.31)	0.05	(0.13)	0.13
	(b) Diluted	(0.31)	0.05	(0.13)	0.13

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 ` 3,369.34 Lakhs, to the remaining financial institution for the period April'2014 to June'2020 has been made in the Statement of Accounts, 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/financial Institutions 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 F.Y.2019-20, 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. 758.94 lakhs for the period up to 30th June, 2020 has not been made in the books of accounts.
8	<p><u>Impact on COVID 19 Pandemic</u></p> <p>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.</p> <p>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.</p>
9	The above results have been reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on 29th August, 2020. The Statutory Auditors of the Company have carried out review of these results and the results are being published in accordance with Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.
10	There are no complaints pending both at the beginning and end of quarter.
11	Previous period/year's figures have been regrouped / rearranged wherever necessary to confirm to current period presentation.
Place : Kolkata	For EASTERN SILK INDUSTRIES LTD.
Date : 29th August, 2020	
	SUNDEEP SHAH
	DIN 00484311
	Chairman & Managing Director