

EASTERN SILK INDUSTRIES LTD.

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

Corporate Identity Number : L17226WB1946PLC013554

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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2020

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

(` in Lakhs)

Sl No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30/09/2020 (Unaudited)	30/06/2020 (Unaudited)	30/09/2019 (Unaudited)	30/09/2020 (Unaudited)	30/09/2019 (Unaudited)	31/03/2020 (Audited)
1	Revenue						
	a) Revenue from Operation	2,302.18	583.75	1,969.34	2,885.93	3,562.56	10,317.51
	b) Other income	26.81	18.74	395.83	45.55	414.01	470.16
	Total Revenue	2,328.99	602.49	2,365.17	2,931.48	3,976.57	10,787.67
2	Expenses						
	(a) Cost of materials consumed	1,007.40	243.68	221.61	1,251.08	408.05	981.28
	(b) Purchases of stock-in-trade	570.55	95.80	933.23	666.35	1,153.83	2,109.49
	(c) Changes in inventories of Finished Goods, Work-in- Progress and Stock-in-Trade	(292.43)	63.41	59.77	(229.02)	524.72	2,197.32
	(d) Employee benefit expenses	184.26	42.32	138.06	226.58	306.55	744.93
	(e) Finance cost	-	-	-	-	-	112.00
	(f) Depreciation & Amortization Expenses	102.57	136.15	140.92	238.72	285.76	574.49
	(g) Other Expenses	508.14	269.18	602.44	777.32	1,133.00	3,962.83
	Total expenses	2,080.49	850.54	2,096.03	2,931.03	3,811.91	10,682.34
3	Profit / (Loss) from operations before exceptional items (1-2)	248.50	(248.05)	269.14	0.45	164.66	105.33
4	Exceptional items						-
5	Profit / (Loss) from ordinary activities before tax (3+4)	248.50	(248.05)	269.14	0.45	164.66	105.33
6	Tax expenses						
	(a) Provision for taxation-Current	-	-				-
	(b) Income-tax for Earlier years	-	0.06		0.06	-	0.05
	(c) Provision for tax-Deferred	-	-				-
7	Net Profit / (Loss) for the period	248.50	(248.11)	269.14	0.39	164.66	105.28
8	Other Comprehensive Income (OCI)						
	(a) Item that will not be reclassified to Profit & Loss (Net of Tax)	0.52	0.33	(0.17)	0.85	0.12	(51.03)
	(b) Item that will be reclassified to Profit & Loss (Net of Tax)	-	-	-	-	-	-
9	Total Comprehensive Income(After tax)	249.02	(247.78)	268.97	1.24	164.78	54.25
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	1,579.05
11	Earnings per share						
	(of ` 2/-each) (not annualised):						
	(a) Basic	0.31	(0.31)	0.34	0.00	0.21	0.13
	(b) Diluted	0.31	(0.31)	0.34	0.00	0.21	0.13

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(` in Lakhs)

STATEMENT OF AUDITED ASSETS AND LIABILITIES AS AT 30 TH SEPTEMBER , 2020

	30/09/2020	31/03/2020
Particulars	(Unaudited)	(Audited)
<u>ASSETS</u>		
1 Non-current assets		
(a) Property, Plant and Equipment	4,549.82	4,782.73
(b) Right of Use Assets	242.84	244.09
(c) Capital Work In Progress		-
(d) Financial Assets		
(i) Investments	3.44	2.59
(ii) Others		-
(e) Deferred Tax Asset (Net)	4,572.98	4,572.98
(f) Other Non Current Assets	104.65	104.65
Total Non Current Assets	9,473.73	9,707.04
2 Current assets		
(a) Inventories	4,049.98	3,746.25
(b) Financial Assets		
(i) Trade receivables	1,875.19	2,203.43
(ii) Cash and cash equivalents	349.54	330.31
(iii) Bank Balance other than (ii) above	478.21	478.03
(c) Current Tax Assets (Net)	25.24	33.86
(d) Other Current Assets	959.92	778.92
Total Current assets	7,738.08	7,570.80
TOTAL - ASSETS	17,211.81	17,277.84
<u>EQUITY AND LIABILITIES</u>		
1 Equity		
(a) Equity Share capital	1,579.05	1,579.05
(b) Other Equity	(3,905.84)	(3,905.41)
Total Equity	(2,326.78)	(2,326.36)
2 Liabilities		
i) Non-Current Liabilities		
(a) Financial Liabilities		
- Borrowings	1,400.00	1,400.00
(b) Provisions	80.00	80.00
Total Non Current Liabilities	1,480.00	1,480.00
ii) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	13,285.41	13,315.41
(ii) Trade Payables		
(a) M.S.M.E.	-	-
(b) Other trade payables	570.26	540.38
(iii) Others	4.76	4.76
(b) Other Current Liabilities	3,839.72	3,932.11
(c) Short Term provisions	358.45	331.54
Total Current Liabilities	18,058.59	18,124.20
TOTAL - EQUITY AND LIABILITIES	17,211.81	17,277.84

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 ` 3505.23 Lakhs, to the remaining financial institution for the period April'2014 to September'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 Allahabad bank, Leader Bank of consortium of Banks. 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 applicants have been admitted till date by the Hon'ble NCLT, Kolkata Bench and Corporate Insolvency Resolution("CIR") Process in respect of the Corporate Debtors i.e. Eastern Silk Ind Ltd("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 877.70 lakhs for the period up to 30th September, 2020 has not been made in the books of accounts.
- 8 **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.
- 9 The above results have been reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on 13th November, 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 Provision aggregating Rs. 5,977.61 Lakhs has been made against outstanding overdue export debtors of Rs. 6,095.95 Lakhs. In the opinion of the management the provision is adequate.
- 11 There are no complaints pending both at the beginning and end of quarter.
- 12 Previous period/year's figures have been regrouped / rearranged wherever necessary to confirm to current period presentation.

Place : Kolkata
Date : 13th November, 2020

For EASTERN SILK INDUSTRIES LTD.

SUNDEEP SHAH
DIN 00484311
Chairman & Managing Director

EASTERN SILK INDUSTRIES LTD.**Cash Flow Statement for the Half Year Ended 30th September, 2020**

	(` in lakh)	
	30th Sep, 2020	31st March, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) Before Tax	0.45	105.33
Add : Adjustments for :		
Depreciation	238.72	574.49
Provision for Doubtful Debts (net)	-	1,065.47
Loss on Sale of Fixed Assets	0.06	4.09
Less : Adjustments for :		
Interest & Dividend Received	2.91	10.29
Unrealised Foreign Exchange(Net)	-	-
Sundry Balances Adjusted	-	19.44
Operating Profit Before Working Capital Changes	236.31	1,719.65
(Increase)/Decrease in Inventories	(303.73)	1,221.77
(Increase)/Decrease in Trade Receivables	328.24	(60.76)
(Increase)/Decrease in Other Non-Current Assets	(1.74)	50.84
(Increase)/Decrease in Other Non Current Financial Assets	-	-
(Increase)/Decrease in Other Bank Balances	(0.18)	(4.49)
(Increase)/Decrease in Other Current Assets	(181.00)	125.71
Increase/(Decrease) in Trade Payables	29.88	(31.59)
Increase/(Decrease) in Other Current Liabilities	(92.38)	(2,838.94)
Increase/(Decrease) in Non Current Provisions	-	16.56
Increase/(Decrease) in Current Provisions	26.91	66.00
Cash Generated From Operations	42.31	264.75
Taxes paid	(8.56)	3.50
Net Cash Flow From Operating Activities	50.87	261.25
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Add : Inflows		
Sale of Fixed Assets	-	21.89
Interest Received	2.87	10.15
Dividend Received	0.04	0.14
Less : Outflows		
Purchase of Fixed Assets	4.55	100.82
Net Cash Used In Investing Activities	(1.63)	(68.64)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Increase / (Decrease) in Current Borrowings	(30.00)	(195.30)
Net Cash Used In Financing Activities	(30.00)	(195.30)
Net Changes In Cash & Cash Equivalents (A+B+C)	19.23	(2.69)
* Cash & Cash Equivalents - Opening Balance	330.31	333.00
* Cash & Cash Equivalents - Closing Balance	349.54	330.31