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Eastern Silk Industries Ltd.

CIN : L17226WB1946PLC013554

Mailing Address : G. P. O. BOX No. 2174, Kolkata - 700 001
E-mail : sales@easternsilk.com • Web : www.easternsilk.com

ESIL/2019-20/ 312

January 31, 2020

National Stock Exchange of India Ltd.
"Exchange Plaza"
Bandra – Kurla Complex
Bandra (E)
Mumbai 400 051

Bombay Stock Exchange Ltd,
Floor 1, P.J. Towers,
Dalal Street,
Mumbai 400 001

Dear Sir,

We enclose herewith a copy of the Un-audited Financial Results of the Company for the quarter ended 31st December, 2019 in compliance with the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The information is also available on the website of the Company at www.easternsilk.com and on the website of the stock exchange where the shares of the Company are listed at www.nseindia.com.

Further we enclose herewith a copy of Limited Review Report for the quarter ended 31st December, 2019 in compliance with the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you,

Yours faithfully,
For EASTERN SILK INDUSTRIES LTD.
For EASTERN SILK INDUSTRIES LTD.

Deepak Agarwal **Company Secretary**
Company Secretary

Encl: as above

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 & NINE MONTHS ENDED 31ST DECEMBER, 2019**PREPARED IN COMPLIANCE WITH THE INDIAN ACCOUNTING STANDARDS(IND-AS)**

(' In Lakhs)

Sl No.	Particulars	Quarter Ended			Nine months Ended		Year Ended
		31/12/2019 (Unaudited)	30/09/2019 (Unaudited)	31/12/2018 (Unaudited)	31/12/2019 (Unaudited)	31/12/2018 (Unaudited)	31/03/2019 (Audited)
1	Revenue						
	a) Revenue from Operation	4,756.42	1,969.34	1,617.71	8,318.98	4,218.01	6,523.58
	b) Other income	18.77	395.83	27.53	432.78	68.52	91.47
	Total Revenue	4,775.19	2,365.17	1,645.24	8,751.76	4,286.53	6,615.05
2	Expenses						
	(a) Cost of materials consumed	334.55	221.61	155.28	742.60	523.82	779.58
	(b) Purchases of stock-in-trade	731.38	933.23	440.21	1,885.21	920.85	1,215.59
	(c) Changes in inventories of Finished Goods, Work-in- Progress and Stock-in-Trade	1,456.84	59.77	214.55	1,981.56	677.59	1,572.12
	(d) Employee benefit expenses	327.63	138.06	218.25	634.18	572.82	707.20
	(e) Finance cost	-	-	-	-	-	112.00
	(f) Depreciation	142.59	140.92	182.62	428.35	544.76	717.90
	(g) Other Expenses	1,880.52	602.44	656.66	3,013.52	1,780.16	2,472.27
	Total expenses	4,873.51	2,096.03	1,867.57	8,685.42	5,020.00	7,576.66
3	Profit / (Loss) from operations before exceptional items (1-2)	(98.32)	269.14	(222.33)	66.34	(733.47)	(961.61)
4	Exceptional items	-	-	-	-	-	-
5	Profit / (Loss) from ordinary activities before tax (3+4)	(98.32)	269.14	(222.33)	66.34	(733.47)	(961.61)
6	Tax expenses						
	(a) Provision for taxation-Current	-	-	-	-	-	-
	(b) Income-tax for Earlier years	0.05	-	-	0.05	-	1.19
	(c) Provision for tax-Deferred	-	-	-	-	-	-
7	Net Profit / (Loss) for the period	(98.37)	269.14	(222.33)	66.29	(733.47)	(962.80)
8	Other Comprehensive Income (OCI)						
	(a) Item that will not be reclassified to Profit & Loss (Net of Tax)	0.08	(0.17)	(0.18)	0.20	(0.61)	(4.43)
	(b) Item that will be reclassified to Profit & Loss (Net of Tax)	-	-	-	-	-	-
9	Total Comprehensive Income(After tax)	(98.29)	268.97	(222.51)	66.49	(734.08)	(967.23)
10	Paid-up equity share capital	1,579.05	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	(0.12)	0.34	(0.28)	0.08	(0.93)	(1.22)
	(b) Diluted	(0.12)	0.34	(0.28)	0.08	(0.93)	(1.22)

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For EASTERN SILK INDUSTRIES

Shal
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	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 ` 3,101.98 Lakhs, to the remaining financial institution for the period April'2014 to December'2019 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	Effective April 1, 2018, the Company has adopted Ind AS 115 'Revenue from contracts with customers'. Based on the assessment done by the management, there is no material impact on the revenue recognised during the period.
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 resulting in Edelweiss Asset Reconstruction Company Limited (ARC) and ASREC (India) Ltd. (ARC) to move to the National Company Law Tribunal (NCLT), Kolkata Bench for recovery of their dues under Section 7 of the Insolvency and Bankruptcy Code (IBC). However the management is continuously discussing the present position of the Company with the concerned ARC's for withdrawal of the petition with NCLT and waiver of interest. Consequently, provision for interest amounting to Rs 560.98 lakhs for the period up to 31st December, 2019 has not been made in the books of accounts.
8	The order of the Hon'ble Court of Chief Judicial Magistrate at Bangalore and at Mysore for taking the physical possession of the properties at Karnataka by the Consortium members was challenged by the Company before the Hon'ble High Court of Karnataka, Bengaluru. The Company's petition before the Hon'ble High Court of Karnataka, Bengaluru has been disposed of during the last year with the remedy of filing an application under Section 17 of the SARFAESI Act, 2002. Accordingly the Company had filed the application under Section 17 of the SARFAESI Act, 2002 before the Hon'ble Debt Recovery Tribunal at Bengaluru.
9	During the relevant quarter provisions against the doubtful debtors amounting to ` 963.64 Lakhs has been created. Further the Company has also written off bad debts during the quarter amounting to ` 118.04 Lakhs. Total Provision aggregating Rs. 7,282.81 Lakhs has been made against outstanding overdue export debtors of Rs. 7,374.46 Lakhs.
10	The above results have been reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on 31st January, 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.
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 : 31st January, 2020	
	For EASTERN SILK INDUSTRIES LTD.
	S.SHAH DIN 00484311 Chairman & Managing Director

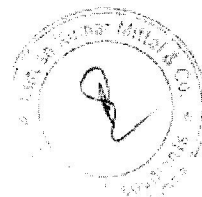
CERTIFIED TRUE COPY
For EASTERN SILK INDUSTRIES LTD.

MG. DIRECTOR

INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2019

To
Board of Directors of
Eastern Silk Industries Limited

1. We have reviewed the accompanying Unaudited Financial results of Eastern Silk Industries Limited ("the Company") for the quarter and nine months ended 31st December, 2019 ("the Statement"), attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 read with SEBI Circular no. CIR/CFD/CMD1/44/2019 dated 29th March, 2019 ("the Circular").
2. The preparation of the statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim financial Reporting" (Ind AS 34) under section 133 of the Companies Act, 2013 read with relevant rules issued there under is the responsibility of the company's management and has been approved by the Board of Directors of the company. Our responsibility is to express a conclusion on the statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditors of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement(s). A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down the applicable Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.



5. We draw attention to the followings matters:-

- i) Note No. 2 to the Statement which states the company has not provided interest to Lenders amounting to Rs. 3,101.98 Lakhs for the period April, 2014 to December, 2019.
- ii) Note No. 3 to the Statement which states that the interest accruals on No Lien Term Deposit have not been accounted.
- iii) Note No. 7 to the statement which states that the petition of ARC's to the Kolkata Bench of National Company Law Tribunal (NCLT) on account of failure of payments of their dues by the Company as per the terms of Settlements Arrangement. Attention is also drawn for non provision of interest amounting to Rs. 560.98 Lakhs on delayed/default in payments to ARC's for the period upto 31st December, 2019.
- iv) Provision aggregating Rs. 7,282.81 Lakhs has been made against outstanding overdue export debtors of Rs. 7,374.46 Lakhs. We are unable to express any opinion, on correctness and / or adequacy of the provision made.

Our opinion is not qualified in respect of these matters.

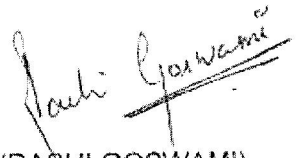
For SURESH KUMAR MITTAL & CO.

Chartered Accountants
Firm Registration No 500063N

Place: Kolkata

Date: 31st January, 2020

UDIN: 20522561AAAAA/K1877


(RASHMI GOSWAMI)

PARTNER

Membership Number: 522561

