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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

EC:da: 848

November 14, 2018

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 30th September, 2018 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 30th September, 2018 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.

Deepak Agarwal
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

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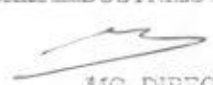
Website: www.easternsilk.com

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2018**PREPARED IN COMPLIANCE WITH THE INDIAN ACCOUNTING STANDARDS(IND-AS)**

(₹ in Lakhs)

Sl No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30/09/2018 (Unaudited)	30/06/2018 (Unaudited)	30/09/2017 (Unaudited)	30/09/2018 (Unaudited)	30/09/2017 (Unaudited)	31/03/2018 (Audited)
1	Revenue						
	a) Revenue from Operation	1,221.72	1,378.58	1,223.62	2,600.30	2,468.32	5,149.32
	b) Other income	26.57	14.42	2.12	40.99	18.62	54.48
	Total Revenue	1,248.29	1,393.00	1,225.74	2,641.29	2,486.94	5,203.80
2	Expenses						
	(a) Cost of materials consumed	190.08	178.46	174.87	368.54	420.05	703.56
	(b) Purchases of stock-in-trade	280.18	200.46	205.12	480.64	810.34	1,280.38
	(c) Changes in inventories of Finished Goods, Work-in- Progress and Stock-in-Trade	77.96	385.08	91.21	463.04	(150.67)	142.76
	(d) Employee benefit expenses	197.17	157.40	191.29	354.57	378.67	778.40
	(e) Finance cost	-	-	-	-	-	112.00
	(f) Depreciation	182.05	180.09	221.88	362.14	441.88	876.05
	(g) Other Expenses	620.56	502.94	592.47	1,123.50	1,158.84	5,117.17
	Total expenses	1,548.00	1,604.43	1,476.84	3,152.43	3,059.11	9,010.32
3	Profit / (Loss) from operations before exceptional items (1-2)	(299.71)	(211.43)	(251.10)	(511.13)	(572.17)	(3,806.52)
4	Exceptional items						5,910.03
5	Profit / (Loss) from ordinary activities before tax (3+4)	(299.71)	(211.43)	(251.10)	(511.13)	(572.17)	2,103.51
6	Tax expenses						
	(a) Provision for taxation-Current	-	-	-	-	-	-
	(b) Income-tax for Earlier years	-	-	-	-	0.03	0.03
	(c) Provision for tax-Deferred	-	-	-	-	-	-
7	Net Profit / (Loss) for the period	(299.71)	(211.43)	(251.10)	(511.14)	(572.20)	2,103.48
8	Other Comprehensive Income (OCI)						
	(a) Item that will not be reclassified to Profit & Loss (Net of Tax)	0.21	(0.64)	0.04	(0.43)	-	19.06
	(b) Item that will be reclassified to Profit & Loss (Net of Tax)	-	-	-	-	-	-
9	Total Comprehensive Income(After tax)	(299.50)	(212.07)	(251.06)	(511.57)	(572.20)	2,122.54
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	(0.38)	(0.27)	(0.32)	(0.65)	(0.72)	2.66
	(b) Diluted	(0.38)	(0.27)	(0.32)	(0.65)	(0.72)	2.66

For EASTERN SILK INDUSTRIES LTD.


 M.G. 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 30 TH SEPTEMBER , 2018

Particulars		As at 30/09/2018	As at 31/03/2018
		(Unaudited)	(Audited)
ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment		5,860.88	6,039.26
(b) Capital Work In Progress		-	17.25
(c) Financial Assets			
(i) Investments		1.65	2.07
(ii) Others		-	-
(d) Deferred Tax Asset (Net)		4,572.98	4,572.98
(e) Other Non Current Assets		95.87	126.47
Total Non Current Assets		10,531.38	10,758.03
2 Current assets			
(a) Inventories		5,903.46	6,270.51
(b) Financial Assets			
(i) Trade receivables		2,809.63	2,520.27
(ii) Cash and cash equivalents		325.66	322.84
(iii) Bank Balance other than (ii) above		472.04	469.51
(c) Current Tax Assets (Net)		39.94	48.98
(d) Other Current Assets		821.18	733.96
Total Current assets		10,371.91	10,366.07
TOTAL - ASSETS		20,903.29	21,124.10
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital		1,579.05	1,579.05
(b) Other Equity		(3,503.99)	(2,992.43)
Total Equity		(1,924.94)	(1,413.38)
2 Liabilities			
i) Non-Current Liabilities			
(a) Financial Liabilities			
- Borrowings		1,400.00	1,400.00
(b) Provisions		33.60	33.60
Total Non Current Liabilities		1,433.60	1,433.60
ii) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		13,986.71	13,855.71
(ii) Trade Payables		547.07	641.95
(iii) Others		4.76	4.76
(b) Other Current Liabilities		6,691.77	6,356.48
(c) Short Term provisions		164.32	244.98
Total Current Liabilities		21,394.63	21,103.88
TOTAL - EQUITY AND LIABILITIES		20,903.29	21,124.10

For EASTERN SILK INDUSTRIES LTD.

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 ₹ 2,426.93 Lakhs, to the the remaining financial institution for the period April'2014 to September '2018 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 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 There are no complaints pending both at the beginning and end of quarter.
- 8 Board of Directors has been mandated by the shareholders/members of the Company at the 72nd Annual General Meeting, held on 25.07.2018, to exercise the requisite power to sell, lease or otherwise dispose of the Company's Unit at 11A, 2nd Cross Industrial Area, Nanjungud, Karnataka 571 301 on an "as is where is" basis. The said unit has been inoperative since 2011 and sale of the said Undertaking will not have any impact on the Company's existing operations and its going concern assumption. Further the Board fails to obtain No Objection Certificate from the Exim Bank and the Company finds it difficult to execute the sale/transfer of the said asset in absence of NOC from the EXIM Bank resulting in non-classification of the said asset as "Asset Held for Sale".
- 9 The above results have been reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on 14th November, 2018. 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 Previous period/year's figures have been regrouped / rearranged wherever necessary to confirm to current period presentation.

Place : Kolkata
Date 14th November, 2018

For EASTERN SILK INDUSTRIES LTD.
For EASTERN SILK INDUSTRIES LTD.

S.S. SHAH
DIN 00491097
Chairman & Managing Director

INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2018

To
Board of Directors of
Eastern Silk Industries Limited

1. We have reviewed the accompanying standalone Unaudited Financial results of Eastern Silk Industries Limited ("the Company") for the Half year ended 30th September 2018 ("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/FAC/62/2016 dated 5th July 2016.
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 and SEBI circular dated 5th July 2016, 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) Provision aggregating Rs. 12,879.22 Lakhs has been made against outstanding overdue export debtors of Rs. 13,951.95 Lakhs. We are unable to express any opinion, on correctness and / or adequacy of the provision made.
- ii) Note No. 2 to the Statement which states the the company has not provided interest to Lenders amounting to Rs. 2,426.93 Lakhs for the period April,2014 to Sept,2018.
- iii) Note No. 3 to the Statement which states that the interest accruals on No Lien Term Deposit have not been accounted.

Our opinion is not qualified in respect of these matters.

For SURESH KUMAR MITTAL & CO.

Chartered Accountants

Firm Registration No 500063N

Place: Kolkata

Date : 14th November, 2018


(RASHI GOEL)
PARTNER

Membership Number: 522561

