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19, R. N. Mukherjee Road  
Kolkata - 700 001 (India)  
Phone : +91 33 2243 0817 (3 Lines)  
Fax : +91 33 2248 2486



## 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: 1992

November 14, 2015

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

Dear Sir,

In compliance of Clause 41 of the Listing Agreement, we enclose herewith Limited Review Report for the quarter ended 30<sup>th</sup> September, 2015.

Thanking you,

Yours faithfully,  
For EASTERN SILK INDUSTRIES LTD.

Deepak Agarwal  
Company Secretary

Encl: as above

**LIMITED REVIEW REPORT**

The Board of Directors  
Eastern Silk Industries Ltd.  
19, R.N. Mukherjee Road  
Kolkata - 700 001

We have reviewed the accompanying Statement of Un-audited financial results of EASTERN SILK INDUSTRIES LTD. of 19, R. N. Mukherjee Road, Kolkata - 700 001 for the quarter ended 30th September, 2015 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, *Engagements to Review Financial Statements* 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 financial statements are free of misstatement, a review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement subject to following observation :-

- i) Provision aggregating Rs.12,665.10 lacs has been made against outstanding overdue export debtors of Rs.28,761.26 lacs. We are unable to express any opinion, on correctness and / or adequacy of the provision made.
- ii) In view of reference made by the Company to the BIFR on erosion of 100% networth as at 31<sup>st</sup> March, 2014, unpaid liability towards interest for the period July to September '2015 to Banks & Financial Institutions amounting to Rs.1,711.60 lacs has not been provided.

**Dated: 14.11.2015**



**For B. K. SHROFF & Co.**  
**Chartered Accountants**  
**Firm Registration No.302166E**

*L. K. Shroff*

**( L. K. SHROFF )**  
**PARTNER**

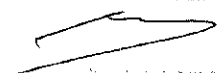
**Membership No.060742**

| 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 : esical@vsnl.com Website: www.easternsilk.com                                          |                                            |                                                                                              |                                                    |
| Unaudited Financial Results (After Limited Review) for the quarter ended 30th September, 2015 |                                            |                                                                                              |                                                    |
| Particulars                                                                                   |                                            |                                                                                              | (₹ In Lacs)                                        |
|                                                                                               |                                            |                                                                                              | After Limited Review                               |
| 1                                                                                             | a)                                         | Net Sales / Income from Operation                                                            | 1,552.56                                           |
|                                                                                               | b)                                         | Other operating Income (Net)                                                                 | 52.61                                              |
|                                                                                               |                                            | Total (a+b)                                                                                  | 1,605.17                                           |
| 2                                                                                             |                                            | Expenses                                                                                     |                                                    |
|                                                                                               | a)                                         | Cost of materials consumed                                                                   | 234.85                                             |
|                                                                                               | b)                                         | Purchases of stock-in-trade                                                                  | 441.67                                             |
|                                                                                               | c)                                         | Changes in inventories of Finished Goods, Work-in- Progress and Stock-in-Trade               | (11.69)                                            |
|                                                                                               | d)                                         | Employee benefit expenses                                                                    | 191.09                                             |
|                                                                                               | e)                                         | Depreciation                                                                                 | 340.51                                             |
|                                                                                               | f)                                         | Provision for doubtful debts                                                                 | -                                                  |
|                                                                                               | g)                                         | Other Expenses                                                                               | 828.07                                             |
|                                                                                               |                                            | Total (a to g)                                                                               | 2,024.50                                           |
| 3                                                                                             |                                            | Profit / (Loss) from operations before other income, finance costs & exceptional items (1-2) | (419.33)                                           |
| 4                                                                                             |                                            | Other Income                                                                                 | 70.64                                              |
| 5                                                                                             |                                            | Profit / (Loss) from ordinary activities before finance cost and exceptional items (3 + 4)   | (348.69)                                           |
| 6                                                                                             |                                            | Finance cost                                                                                 | 0.00                                               |
| 7                                                                                             |                                            | Profit / (Loss) after finance costs but before exceptional items (5-6)                       | (348.69)                                           |
| 8                                                                                             |                                            | Exceptional items-                                                                           | -                                                  |
| 9                                                                                             |                                            | Profit (+)/Loss(-) from Ordinary Activities before tax (7+8)                                 | (348.69)                                           |
| 10                                                                                            |                                            | Tax expenses                                                                                 | -                                                  |
| 11                                                                                            |                                            | Net profit (+) / Loss (-) from Ordinary Activities after tax (9-10)                          | (348.69)                                           |
| 12                                                                                            |                                            | Extraordinary items                                                                          | -                                                  |
| 13                                                                                            |                                            | Net Profit (+) / Loss (-) for the period (11-12)                                             | (348.69)                                           |
| 14                                                                                            |                                            | Paid up Equity Share Capital (Face Value of each Share - ₹ 2/-)                              | 1,579.05                                           |
| STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH SEPTEMBER, 2015                                |                                            |                                                                                              |                                                    |
| Particulars                                                                                   |                                            | As at current year end<br>30/09/2015<br>(Unaudited)                                          | As at previous year<br>end 31/03/2015<br>(Audited) |
| <b>A</b>                                                                                      | <b>EQUITY AND LIABILITIES</b>              |                                                                                              |                                                    |
| 1                                                                                             | Shareholders' funds                        |                                                                                              |                                                    |
|                                                                                               | (a) Share capital                          | 2,979.05                                                                                     | 2,979.05                                           |
|                                                                                               | (b) Reserves and surplus                   | (10126.96)                                                                                   | (8513.13)                                          |
|                                                                                               | (c) Money received against share warrants  | -                                                                                            | -                                                  |
|                                                                                               | <b>Sub-total - Shareholders' funds</b>     | <b>(7,147.91)</b>                                                                            | <b>(5,534.08)</b>                                  |
| 2                                                                                             | <b>Non-current liabilities</b>             |                                                                                              |                                                    |
|                                                                                               | (a) Long-term borrowings                   | 40,111.46                                                                                    | 40,111.46                                          |
|                                                                                               | (b) Deferred tax liabilities (net)         |                                                                                              |                                                    |
|                                                                                               | (c) Other long-term liabilities            |                                                                                              |                                                    |
|                                                                                               | (d) Long-term provisions                   | 16.06                                                                                        | 16.06                                              |
|                                                                                               | <b>Sub-total - Non-current liabilities</b> | <b>40,127.52</b>                                                                             | <b>40,127.52</b>                                   |
| 3                                                                                             | <b>Current liabilities</b>                 |                                                                                              |                                                    |
|                                                                                               | (a) Short-term borrowings                  | 5,865.72                                                                                     | 5,865.72                                           |
|                                                                                               | (b) Trade payables                         | 424.54                                                                                       | 446.44                                             |
|                                                                                               | (c) Other current liabilities              | 3,852.84                                                                                     | 2,723.73                                           |
|                                                                                               | (d) Short-term provisions                  | 186.68                                                                                       | 147.22                                             |
|                                                                                               | <b>Sub-total - current liabilities</b>     | <b>10,329.78</b>                                                                             | <b>9,183.11</b>                                    |
|                                                                                               | <b>TOTAL - EQUITY AND LIABILITIES</b>      | <b>43,309.39</b>                                                                             | <b>43,776.55</b>                                   |

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| <b>B</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>ASSETS</b>                         |                  |                  |
| <b>1</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Non-current assets</b>             |                  |                  |
| (a)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Fixed assets                          | 8,402.70         | 9,110.30         |
| (b)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Non-current investments               | 0.39             | 0.39             |
| (c)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Deferred Tax Asset                    | 4,572.98         | 4,572.98         |
| (d)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Long-term loans and advances          | 79.44            | 79.44            |
| (e)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Other non-current assets              | -                | -                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Sub-total - Non-current assets</b> | <b>13,055.51</b> | <b>13,763.11</b> |
| <b>2</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Current assets</b>                 |                  |                  |
| (a)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Current investments                   | -                | -                |
| (b)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Inventories                           | 6,160.16         | 7,650.20         |
| (c)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Trade receivables                     | 17,259.81        | 18,347.02        |
| (d)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Cash and cash equivalents             | 2,785.30         | 3,412.53         |
| (e)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Short-term loans and advances         | 4,048.61         | 603.69           |
| (f)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Other current assets                  | -                | -                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Sub-total - current assets</b>     | <b>30,253.88</b> | <b>30,013.44</b> |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>TOTAL - ASSETS</b>                 | <b>43,309.39</b> | <b>43,776.55</b> |
| <b>Notes :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                       |                  |                  |
| 1 The operation of the Company relate to only one primary segment viz. Textiles.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                       |                  |                  |
| 2 In view of the reference made by the Company to BIFR on erosion of 100% networth as at 31st March, 2014, interest payable to Banks & Financial Institutions has not been provided for the quarter ended 30th September, 2015 amounts to ₹ 1711.60 lakhs(interest not provided in the books upto last quarter amounts to ₹ 8,232.74 lakhs)                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                       |                  |                  |
| 3 "NO LIEN Term Deposits" were opened with the consortium bankers for ₹ 2,400.00 lakhs being 5% of the total outstanding dues against offer of a One Time Settlement. Some of the bankers have appropriated an amount aggregating ₹ 1,809.40 Lacs towards their dues. On such appropriation no interest is accruing on the said deposits. The action by the bankers made on "No Lien" deposits has been pointed out and a request for reversal of such appropriation is pending. As such the company has not recognized this adjustment in the books of accounts and continues to show it as "NO LIEN Term Deposits" only, without accounting for interest accruals. Further, deposits of ₹ 140.00 lacs have been adjusted while the OTS was made with two Banks namely ICICI Bank Ltd. and State Bank of Hyderabad. |                                       |                  |                  |
| 4 Other expenses includes loss on disposal of impaired and discarded assets.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                       |                  |                  |
| 5 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                       |                  |                  |
| 6 Previous period/year's figures have been regrouped / rearranged wherever necessary to confirm to current period presentation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                       |                  |                  |
| Place : Kolkata                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                       |                  |                  |
| Date : 14th November, 2015                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                       |                  |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                       |                  |                  |
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REVENUE DEPARTMENT, GOVERNMENT OF WEST BENGAL



Revenue Officer, Kolkata