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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/19-20/04

May 30, 2019

The General Manager, DCS-CRD
Bombay Stock Exchange Ltd,
Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001.
BSE Scrip Code: 590022

The General Manager, DCS-CRD
National Stock Exchange of India Ltd.
"Exchange Plaza"
Plot No. C/1, 'G' Block,
Bandra – Kurla Complex
Bandra (E), Mumbai 400 051
NSE Symbol: EASTSILK

Dear Sirs,

Sub: Audited Financial Results for the quarter & year ended 31st March, 2019 and Appointment of Mr. Pankaj Kumar Deorah as an Independent Director.

We are enclosing herewith a copy of Audited Financial Results of the Company for the quarter and year ended 31st March, 2019 as per requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We would like to state that M/s Suresh Kumar Mittal & Co., statutory auditors of the Company have issued audit report with unmodified opinion on the above mentioned results.

Further pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the Company has appointed Mr. Pankaj Kumar Deorah (DIN:03426417) as an Additional Director (Non-Executive and Independent) of the Company on the above mentioned Board Meeting.

Further due to loss during the year under review, the Board has not recommended any dividend on the equity shares.

Please note that the meeting of the Board of Directors commenced at 3:00 pm and concluded at 6:30 pm.

This is for your information and records.

Thanking you,

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

Company Secretary

Deepak Agarwal
Company Secretary

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 AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2019**PREPARED IN COMPLIANCE WITH THE INDIAN ACCOUNTING STANDARDS(IND-AS)**

(` In Lakhs)

Sl No.	Particulars	Quarter Ended			Year Ended	
		31/03/2019 (Audited)	31/12/2018 (Unaudited)	31/03/2018 (Audited)	31/03/2019 (Audited)	31/03/2018 (Audited)
1	Revenue					
	a) Revenue from Operation	2,305.57	1,617.71	1,368.99	6,523.58	5,149.32
	b) Other income	22.95	27.53	33.83	91.47	54.48
	Total Revenue	2,328.52	1,645.24	1,402.82	6,615.05	5,203.80
2	Expenses					
	(a) Cost of materials consumed	255.76	155.28	149.25	779.58	703.56
	(b) Purchases of stock-in-trade	294.74	440.21	218.33	1,215.59	1,280.38
	(c) Changes in inventories of Finished Goods, Work-in- Progress and Stock-in-Trade	894.53	214.55	180.32	1,572.12	142.76
	(d) Employee benefit expenses	134.38	218.25	188.43	707.20	778.40
	(e) Finance cost	112.00	-	112.00	112.00	112.00
	(f) Depreciation	173.14	182.62	214.92	717.90	876.05
	(g) Other Expenses	692.11	656.66	3,406.04	2,472.27	5,117.17
	Total expenses	2,556.66	1,867.57	4,469.29	7,576.66	9,010.32
3	Profit / (Loss) from operations before exceptional items (1-2)	(228.14)	(222.33)	(3,066.47)	(961.61)	(3,806.52)
4	Exceptional items	-	-	5,910.03	-	5,910.03
5	Profit / (Loss) from ordinary activities before tax (3+4)	(228.14)	(222.33)	2,843.56	(961.61)	2,103.51
6	Tax expenses					
	(a) Provision for taxation-Current	-	-	-	-	-
	(b) Income-tax for Earlier years	1.19	-	-	1.19	0.03
	(c) Provision for tax-Deferred	-	-	-	-	-
7	Net Profit / (Loss) for the period	(229.33)	(222.33)	2,843.56	(962.80)	2,103.48
8	Other Comprehensive Income (OCI)					
	(a) Item that will not be reclassified to Profit & Loss (Net of Tax)	(3.82)	0.18	18.89	(4.43)	19.06
	(b) Item that will be reclassified to Profit & Loss (Net of Tax)	-	-	-	-	-
9	Total Comprehensive Income(After tax)	(233.15)	(222.15)	2,862.45	(967.23)	2,122.54
10	Paid-up equity share capital	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	(0.29)	(0.28)	3.60	(1.22)	2.66
	(b) Diluted	(0.29)	(0.28)	3.60	(1.22)	2.66

For EASTERN SILK INDUSTRIES LTD.


 MC. 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 31ST MARCH, 2019			
	Particulars	As at 31/03/2019	As at 31/03/2018
		(Audited)	(Audited)
	ASSETS		
1	Non-current assets		
	(a) Property, Plant and Equipment	5,526.46	6,039.26
	(b) Capital Work In Progress	-	17.25
	(c) Financial Assets		
	(i) Investments	2.81	2.07
	(ii) Others	-	-
	(d) Deferred Tax Asset (Net)	4,572.98	4,572.98
	(e) Other Non Current Assets	143.15	126.47
	Total Non Current Assets	10,245.40	10,758.03
2	Current assets		
	(a) Inventories	4,968.02	6,270.51
	(b) Financial Assets		
	(i) Trade receivables	3,208.15	2,520.27
	(ii) Cash and cash equivalents	333.00	322.84
	(iii) Bank Balance other than (ii) above	473.54	469.51
	(c) Current Tax Assets (Net)	30.40	48.98
	(d) Other Current Assets	916.98	733.96
	Total Current assets	9,930.09	10,366.07
	TOTAL - ASSETS	20,175.49	21,124.10
	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity Share capital	1,579.05	1,579.05
	(b) Other Equity	(3,959.66)	(2,992.43)
	Total Equity	(2,380.61)	(1,413.38)
2	Liabilities		
i)	Non-Current Liabilities		
	(a) Financial Liabilities		
	- Borrowings	1,400.00	1,400.00
	(b) Provisions	63.45	33.60
	Total Non Current Liabilities	1,463.45	1,433.60
ii)	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	13,510.71	13,855.71
	(ii) Trade Payables		
	(a) M.S.M.E.		
	(b) Other trade payables	571.97	641.95
	(iii) Others	4.76	4.76
	(b) Other Current Liabilities	6,790.49	6,356.48
	(c) Short Term provisions	214.72	244.98
	Total Current Liabilities	21,092.65	21,103.88
	TOTAL - EQUITY AND LIABILITIES	20,175.49	21,124.10

For EASTERN SILK INDUSTRIES LTD.

Handwritten Signature

Date: 20/04/2019


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 `2,695.76 Lakhs, to the remaining financial institution for the period April'2014 to March'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 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 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 308.82 lakhs for the period up to 31st March 2019 has not been made in the books of accounts.
- 8 The company has written off bad debts amounting to Rs. 6,560.05 Lakhs during the year and thus reducing the balance of provisions of Bad and Doubtful Debts to Rs. 6319.17 lakhs as at 31.03.2019 against a total overdue trade receivables of Rs 9,527.32 lakhs of which Rs 3,208.15 lakhs is considered good for recovery by the management.
- 9 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 year with the remedy of filing an application under Section 17 of the SARFAESI Act, 2002. Accordingly the Company has filed the application under Section 17 of the SARFAESI Act, 2002 before the Hon'ble Debt Recovery Tribunal at Bengaluru.
- 10 Total deferred tax assets (DTA) for the period up to 31st March, 2019 is Rs. 9,844.97 lakhs out of which Rs.4,572.98 lakhs has been recognized in these accounts and balance Rs. 5,271.99 Lakhs has not been recognised in these accounts.
- 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 30th May, 2019

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


SUNDEEP SHAH
DIN 00484311 MC. DIRECTOR
Chairman & Managing Director

Independent Auditors Report on Financial Results Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of
Eastern Silk Industries Limited

1. We have audited the accompanying Statement of Financial Results of Eastern Silk Industries Limited ("the Company"), for the quarter and year ended March 31, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2019 dated July 5, 2016.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related interim condensed standalone financial statements which has been prepaid in accordance with Indian Accounting Standard 34 Interim Financial Reporting (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such interim condensed standalone financial statements.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditors judgement including the assessment of the risks of material misstatement of the Statement whether due to fraud or error in making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An Audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, the Statement.
 - (i) Is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 and
 - (ii) Gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net loss, total comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2019.



4. We draw attention to:

- a) Note 2 to the Statement which states that the company has not provided interest on borrowings from banks/financial institutions amounting to Rs. 2,695.76 lakhs for the period April, 2014 to March, 2019.
- b) Note 3 to the Statement which states that the interest accruals on No Lien Term Deposits have not been accounted.
- c) Note 7 to the Statement which states that the company has not provided interest on borrowings from ARC's amounting to Rs. 308.82 lakhs for the period up to 31st March 2019.
- d) Note 8 to the Statement which states that the company has written off bad debts amounting to Rs. 6,560.05 lakhs during the year and thus reducing the balance of provisions of Bad and Doubtful Debts to Rs. 6,319.17 lakhs as at 31.03.2019 against a total overdue trade receivables of Rs. 9,527.32 lakhs of which Rs.3,208.15 lakhs is considered good for recovery by the management.
- e) Note 10 to the Statement which states Total deferred tax assets (DTA) for the period up to 31st March, 2019 is Rs. 9,844.97 lakhs out of which Rs. 4,572.98 lakhs has been recognized in these accounts and balance Rs. 5,271.99 lakhs has not been recognised in these accounts. We are unable to express any opinion regarding recognition of DTA and about its adjustment against future profits of the Company.

5. The figures for the quarter ended 31st March, 2019 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figure between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the relevant financial year.

For SURESH KUMAR MITTAL & CO.
Chartered Accountants
Firm Registration No 500063N

Place: Kolkata
Date: 30th May, 2019



Rashi Goswami
(RASHI GOSWAMI)
PARTNER

Membership Number: 522561

Regd. Office :
19, R. N. Mukherjee Road
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ESIL/19-20/07

May 30, 2019

Bombay Stock Exchange Ltd,
Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001.
BSE Scrip Code: 590022

National Stock Exchange of India Ltd.
Exchange Plaza
Plot No. C/1, 'G' Block,
Bandra – Kurla Complex
Bandra (E), Mumbai 400 051
NSE Symbol: EASTSILK

Dear Sirs,

Sub: Declaration of unmodified opinion – Standalone Results – 31st March, 2019.

In compliance with the provision of Reg. 33 (3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2016 and SEBI Circular No. CIR/CFD/ CMD/ 56/ 2016 dated 27th May, 2016, I, hereby declare that, M/s Suresh Kumar Mittal & Co., Chartered Accountants (ICAI Firm Registration No. 500063N) Statutory Auditor of the Company has issued Audit Report with unmodified opinion on Audited Standalone Financial Results of the Company for the quarter and year ended 31st March, 2019.

Kindly take the same on record.

Thanking you,

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


Chief Financial Officer

Uma Shankar Gutgutia
Chief Financial Officer

Regd. Office :
19, R. N. Mukherjee Road
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ESIL/19-20/06

May 30, 2019

National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, 'G' Block,
Bandra Kurla Complex
Bandra (E),
Mumbai 400 051
NSE Symbol: EASTSILK

Bombay Stock Exchange Ltd,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001.
BSE Scrip Code: 590022

Dear Sirs,

Sub: Disclosure of Related Party Transactions for the half year ended 31st March, 2019 pursuant to Regulation 23(9) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 23(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find the below mentioned disclosure of Related Party Transactions for the period from October 01, 2018 to March 31, 2019:

Related Party Transactions Disclosure for the half year ended 31st March, 2019

<u>Key Managerial Personnel</u>	<u>Remuneration(in Rs.)</u>
Mr. Sundeep Shah – Chairman & Managing Director	7,89,000
Miss Megha Shah – Women Executive Director	3,00,000
Late Shyam Sunder Shah – Ex- Managing Director (Demised as on 18.12.2018)	5,16,646
Total	16,05,646

You are requested to take the same on record.

Thanking you,

Yours faithfully,
For EASTERN SILK INDUSTRIES LTD.

For EASTERN SILK INDUSTRIES LTD.


Company Secretary

Deepak Agarwal
Company Secretary
Membership No - 32526