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Eastern Silk Industries Ltd.

CIN : L17226WB1946PLC013554

Mailing Address : G. P. O. BOX No. 2174, Kolkata - 700 001
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ESIL/2021-22/243

11th August 2022

National Stock Exchange of India Ltd. "Exchange Plaza" Bandra Kurla Complex Bandra (E), Mumbai 400 051 NSE Symbol: EASTSILK	Bombay Stock Exchange Ltd. Floor 25, P.J Tower Dalal Street Mumbai 400 001 BSE Scrip: 590022
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Dear Sirs/ Madam,

Sub: Submission of the Quarterly Results for the Quarter ended on June 30, 2022 in terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Please be informed that pursuant to Regulation 30 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed herewith the Quarterly Results for the quarter ended on June 30, 2022 which was duly signed by the Managing Director of the Company and also the same was taken on record by the Resolution Professional on i.e. 11th August, 2022.

Accordingly, in compliance of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith copy of Un-audited Financial Results of the Company for the quarter and ended 30th June 2022 along with the Limited Review Report.

The said Unaudited Financial Results along with the Limited Review Report issued by M/s. B.K. Shroff & Co. Statutory Auditors of the Company are enclosed herewith.

This is for your information and records.

Thanking You

Yours faithfully,
For EASTERN SILK INDUSTRIES LIMITED
(Company under CIRP)

For EASTERN SILK INDUSTRIES LTD.

RAHUL JAISWAL Company Secretary

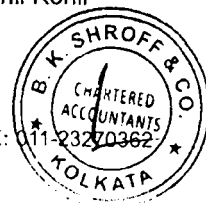
COMPANY SECRETARY & COMPLIANCE OFFICER



Independent Auditors Limited Review Report on Unaudited Quarterly Financial Results of Eastern Silk Industries Limited under Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulation 2015, as amended.

**Review report to
The Resolution Professional of
Eastern Silk Industries Limited**

1. We have reviewed the accompanying statement of Unaudited financial results of Eastern Silk Industries Limited ("the Company") for the quarter ended 30th June, 2022 ("the Statement"), attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015, as amended.
2. The preparation of the statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim financial Reporting" prescribed under section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, is the responsibility of the company's management and has been approved by the Board of Directors of the company. Our responsibility is to issue a report on these financial statements 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 Auditor 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 financial statements are 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. **Emphasis of Matter**
We draw attention to the following matters: -
 - a) Note 1 to the Statement which states that Pursuant to the application under section 7 of Insolvency and Bankruptcy Act, 2016 filed by Export-import Bank of India one of the Financial Creditors, being CP (IB) No 588/KB/2020, the National Company Law Tribunal (NCLT), Kolkata Bench, admitted the application vide order dated 10.06.2022 and directed to Initiate Corporate Insolvency Resolution Process (CIRP) against the Company. CA Anil Agarwal, (IBBI/IPA-001/IP-P00270/2017-18/10514) has been initially appointed as the Interim Resolution Professional (IRP). Upon commencement of CIRP, the powers of the Board of Directors of the Company stand suspended and management of the Company vest in the IRP/Resolution Professional (RP). Further as per order no. CP (IB) No 588/KB/2020 and IA (I.B.C)/713(KB) 2022 dated 29th July 2022 Mr. Anil Kohli has been appointed as Resolution Professional for the above matter.



- b) Note 2 to the Statement which states that Committee of Creditors (COC) have been constituted on 07.07.2022 and the revised list of operational Creditor updated on 27th July 2022 on the basis of collection of all claims by the IRP and report is submitted to NCLT by IRP. However, Lenders/ Financial creditors have submitted the claims to the IRP amounting to Rs.8,66,36,46,780/-(including Interest) which have been admitted by IRP.
- c) Note 4 to the Statement which states that the financial statements of the company have been prepared on going concern basis.
- d) Note 7 to the Statement which states that The Company has been categorised as Non-Performing Asset by the lender banks and majority of the Lender Banks stopped debiting Interest on their outstanding debts. Accordingly, the Company has not recognised Interest expense on the borrowings including Inter Corporate Deposits. Total Interest not recognised by the company is Rs 6,672.92 lakhs till 30th June, 2022 as per management estimates.
- e) Note 9 to the Statement which states that the interest accruals on No Lien Term Deposits have not been accounted.
- f) Note 12 to the Statement which states that the Provision aggregating to Rs.5,977.61 lakhs has been made against outstanding overdue export debtors of Rs.6,110.03 lakhs. We are unable to express any opinion, on correctness and/ or adequacy of the provision made.

Our conclusion on the statement is not modified in respect of the above stated matters.

5. 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 Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The comparative figures for the quarter ended 30th June 2021 and 31st March 2022 and the year to date from 1st April 2021 to 31st March 2022, provided to us by the management, were reviewed/audited by the predecessor auditor.

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

L. K. Shroff

Lalit Kumar Shroff
PARTNER

Membership Number: 060742.

UDIN: 22060742AOVMKG2247

Place: Kolkata
Date: 11th August, 2022



EASTERN SILK INDUSTRIES LTD.

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

Corporate Identity Number : L17226WB1946PLC013554

Phone : 033-40645731, Fax-033-22482486

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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2022 PREPARED IN COMPLIANCE WITH THE INDIAN ACCOUNTING STANDARDS(IND-AS)

(₹ in Lakhs)

SI No.	Particulars	Quarter Ended			Year Ended
		30/06/2022 (Unaudited)	31/03/2022 (Audited)	30/06/2021 (Unaudited)	31/03/2022 (Audited)
1	Revenue				
	a) Revenue from Operation	2,066.30	1,856.20	2,431.79	7,314.03
	b) Other income	25.78	40.52	23.74	144.29
	Total Income	2,092.08	1,896.72	2,455.53	7,458.32
2	Expenses				
	(a) Cost of materials consumed	454.43	266.55	1,012.19	2,627.78
	(b) Purchases of stock-in-trade	56.58	93.44	50.29	733.47
	(c) Changes in inventories of Finished Goods, Work-in- Progress and Stock-in-Trade	859.23	919.05	579.06	1,307.63
	(d) Employee benefit expenses	105.34	57.55	114.49	468.26
	(e) Finance cost	-	112.00	-	112.00
	(f) Depreciation	87.49	103.88	99.43	402.00
	(g) Other Expenses	569.00	754.67	551.18	2,493.68
	Total expenses	2,132.07	2,307.14	2,406.64	8,144.82
3	Profit / (Loss) from operations before exceptional items (1-2)	(39.99)	(410.42)	48.89	(686.50)
4	Exceptional items	-	-	-	-
5	Profit / (Loss) from ordinary activities before tax (3+4)	(39.99)	(410.42)	48.89	(686.50)
6	Tax expenses				
	(a) Provision for taxation-Current	-	-	-	-
	(b) Income-tax for Earlier years	-	-	-	-
	(c) Provision for tax-Deferred	-	-	-	-
7	Net Profit / (Loss) for the period	(39.99)	(410.42)	48.89	(686.50)
8	Other Comprehensive Income (OCI)				
	(a) Item that will not be reclassified to Profit & Loss (Net of Tax)	(0.61)	26.11	0.21	26.83
	(b) Item that will be reclassified to Profit & Loss (Net of Tax)	-	-	-	-
9	Total Comprehensive Income(After tax)	(40.60)	(384.31)	49.10	(659.67)
10	Paid-up equity share capital (Face Value of each share- ₹ 2/-)	1,579.05	1,579.05	1,579.05	1,579.05
11	Earnings per share (of ₹2/-each) (not annualised):				
	(a) Basic	(0.05)	(0.52)	0.06	(0.87)
	(b) Diluted	(0.05)	(0.52)	0.06	(0.87)

For EASTERN SILK INDUSTRIES LTD.


MG. DIRECTOR

Notes:

- 1 Pursuant to the application under section 7 of Insolvency and Bankruptcy Act, 2016 filed by Export-import Bank of India one of the Financial Creditors, being CP (IB) No 588/KB/2020, the National Company Law Tribunal (NCLT), Kolkata Bench, admitted the application vide order dated 10.06.2022 and directed to Initiate Corporate Insolvency Resolution Process (CIRP) against the Company. CA Anil Agarwal, (IBBI/IPA-001/IP-P00270/2017-18/10514) has been initially appointed as the Interim Resolution Professional (IRP). Upon commencement of CIRP, the powers of the Board of Directors of the Company stand suspended and management of the Company vest in the IRP/Resolution Professional (RP). Further as per order no. CP (IB) No 588/KB/2020 and IA (I.B.C)/713(KB) 2022 dated 29th July 2022 Mr. Anil kohli has been appointed as Resolution Professional for the above matter.
- 2 Committee of Creditors (COC) have been constituted on 07.07.2022 and the revised list of operational Creditor updated on 27th July 2022 on the basis of collection of all claims by the IRP and report is submitted to NCLT by IRP.
However, Lenders/ Financial creditors have submitted the claims to the IRP amounting to Rs.8,66,36,46,780/- (including Interest) which have been admitted by IRP.
- 3 The meeting of Committee of Creditors held on 8th July 2022 and 27th July 2022 respectively for taking the update from the IRP regarding the CIRP proceedings and appointment of Registered Valuer.
- 4 The Company's ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors, customers and submission of viable resolution plan by the prospective Investor. Under the CIRP, a resolution plan needs to be presented to and approved by the COC and thereafter will need to be approved by the NCLT to keep the Company as going concern. In view of the opinion of the management, resolution and revival of the Company is possible in the foreseeable future. The IRP/RP is expected to make every endeavour to protect and preserve the value of the property of the corporate debtor and manage the operations of the corporate debtor as going concern. Accordingly, the financial statements of the company have been prepared on going concern basis.
- 5 The above financial results which are in accordance with Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 read with SEBI circular dated July 05, 2016, have been prepared by the management. The IRP/RP has relied upon the assistance provided by the management and review of financial results and certifications, representations and statements made by management of the Company and taken on record the same only to the limited extent of discharging the powers of the management of the Company which has been conferred upon him in terms of the provisions of section 17 of the Insolvency and Bankruptcy Code, 2016. The Statutory Auditors of the Company have carried out limited review of these results and the results are being published in accordance Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.
- 6 There shall be moratorium under section 14 of the Insolvency and Bankruptcy Code, 2016 till the completion of the CIRP or until the Adjudicating Authority approves the resolution plan under sub section (1) of section 31 of the IBC or pass an order for liquidation of Corporate Debtors under section 33 of the 18C, as the case may be. In view of Company's admission under CIRP all existing civil legal proceedings such as Goods and Services Tax, Income Tax, ESIC and EPF etc., will be kept in abeyance as moratorium u/s 14 of the Insolvency and Bankruptcy Code, 2016 is applicable on the Company till the conclusion of CIRP.
- 7 The Company has been categorised as Non-Performing Asset by the lender banks and majority of the Lender Banks stopped debiting Interest on their outstanding debts. Accordingly, the Company has not recognised Interest expense on the borrowings including Inter Corporate Deposits. Total Interest not recognised by the company is Rs 6,672.92 lakhs till 30th June, 2022 as per management estimates.
- 8 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".
- 9 '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.

For EASTERN SILK INDUSTRIES LTD.


MG. DIRECTOR

- 10 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.
- 11 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.
- 12 Provision aggregating to Rs. 5,977.61 Lakhs has been made against outstanding overdue export debtors of Rs.6,110.03 Lakhs. In the opinion of the management provision is adequate.
- 13 No Deferred Tax Asset on Losses for this current quarter has been recognised due to the uncertainty of profit in the coming years as per the market scenario.
- 14 There are no complaints pending both at the beginning and end of quarter.
- 15 Previous period/year's figures have been regrouped / rearranged wherever necessary to confirm to current period presentation.

Place : Kolkata

Date : 11TH AUGUST 2022

For EASTERN SILK INDUSTRIES LTD.
(Company under CIRP)

For EASTERN SILK INDUSTRIES LTD.

MG. DIRECTOR

Sundeep Shah
DIN:-00484311
Managing Director

For EASTERN SILK INDUSTRIES LTD.

(Anil Kohli)
Resolution Professional

Taken on Record by Mr. Anil Kohli
Resolution Professional of Eastern Silk Industries Limited
Registration Number:-IBBI/IPA-001/IP-P00112/2017-18/10219