

Regd. Office :
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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/2021-22/139

13th November, 2021

| | |
|---|--|
| 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 |
|---|--|

Dear Sirs,

Sub: Outcome of Board Meeting under Regulation 29 (1) (a) and Regulation 30 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 this is to inform you that a meeting of the Board of Directors of the Company was held today i.e. 13th November, 2021 and the following matters were transacted / noted:

Pursuant to 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 half year ended 30th September, 2021 which has been approved by the Board of Directors at its meeting held today along with the Limited Review Report.

With reference to the captioned subject, we would like to inform you that the Board of Directors of the Company at its meeting held today, i.e. on 13th November, 2021 has accepted and taken on record the resignation of Mr. Mahesh Jhawar (Membership No. A58438), Company Secretary and Compliance Officer and also approved the appointment of Mr. Rahul Jaiswal (Membership No. A37393) as the Company Secretary & Compliance Officer of the Company with immediate effect in place of Mr. Mahesh Jhawar.

The Brief Profile of appointment of Mr. Rahul Jaiswal as Company Secretary & Compliance Officer is as under:

| Sl. No | Particulars | Disclosure |
|--------|---|--|
| 1. | Reason for Change viz. appointment, resignation, removal, death or otherwise | Appointment |
| 2. | Date of Appointment / Cessation (as applicable) & terms of appointment | 13.11.2021 & Terms of Appointment as decided by the Board from time to time |
| 3. | Brief Profile (in case of appointment) | An associate member of The Institute of Company Secretaries of India (ICSI) bearing membership no. A37393 and having experience in secretarial compliance functions. |
| 4. | Disclosure of Relationship between directors (in case of appointment of a Director) | Not Applicable |

This is for your information and records.

Thanking You

Yours faithfully,

For EASTERN SILK INDUSTRIES LIMITED
For EASTERN SILK INDUSTRIES LTD.

SUNDEEP SHAH
MANAGING DIRECTOR MG. DIRECTOR
DIN: 00484311

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 AND HALF YEAR ENDED 30TH SEPTEMBER, 2021

PREPARED IN COMPLIANCE WITH THE INDIAN ACCOUNTING STANDARDS(IND-AS)

(₹ in Lakhs)

| Sl No. | Particulars | Quarter Ended | | | Half Year Ended | | Year Ended |
|-----------|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| | | 30/09/2021 (Unaudited) | 30/06/2021 (Unaudited) | 30/09/2020 (Unaudited) | 30/09/2021 (Unaudited) | 30/09/2020 (Unaudited) | 31/03/2021 (Audited) |
| 1 | Revenue | | | | | | |
| | a) Revenue from Operation | 1,872.57 | 2,431.79 | 2,302.18 | 4,304.36 | 2,885.93 | 9,066.51 |
| | b) Other income | 34.59 | 23.74 | 26.81 | 58.33 | 45.55 | 125.38 |
| | Total Revenue | 1,907.16 | 2,455.53 | 2,328.99 | 4,362.69 | 2,931.48 | 9,191.89 |
| 2 | Expenses | | | | | | |
| | (a) Cost of materials consumed | 767.13 | 1,012.19 | 1,007.40 | 1,779.32 | 1,251.08 | 3,375.06 |
| | (b) Purchases of stock-in-trade | 429.25 | 50.29 | 570.55 | 479.54 | 666.35 | 1,159.77 |
| | (c) Changes in inventories of Finished Goods, Work-in- Progress and Stock-in-Trade | (139.76) | 579.06 | (292.43) | 439.30 | (229.02) | 1,167.21 |
| | (d) Employee benefit expenses | 152.43 | 114.49 | 184.26 | 266.92 | 226.58 | 435.52 |
| | (e) Finance cost | - | - | - | - | - | 112.00 |
| | (f) Depreciation & Amortization Expenses | 99.30 | 99.43 | 102.57 | 198.73 | 238.72 | 475.85 |
| | (g) Other Expenses | 591.69 | 551.18 | 508.14 | 1,142.87 | 777.32 | 2,361.95 |
| | Total expenses | 1,900.04 | 2,406.64 | 2,080.49 | 4,306.68 | 2,931.03 | 9,087.36 |
| 3 | Profit / (Loss) from operations before exceptional items (1-2) | 7.12 | 48.89 | 248.50 | 56.01 | 0.45 | 104.53 |
| 4 | Exceptional items | | | | | | |
| 5 | Profit / (Loss) from ordinary activities before tax (3+4) | 7.12 | 48.89 | 248.50 | 56.01 | 0.45 | 104.53 |
| 6 | Tax expenses | | | | | | |
| | (a) Provision for taxation-Current | - | - | - | - | - | - |
| | (b) Income-tax for Earlier years | - | - | - | - | 0.06 | 0.06 |
| | (c) Provision for tax-Deferred | - | - | - | - | - | - |
| 7 | Net Profit / (Loss) for the period | 7.12 | 48.89 | 248.50 | 56.01 | 0.39 | 104.47 |
| 8 | Other Comprehensive Income (OCI) | | | | | | |
| | (a) Item that will not be reclassified to Profit & Loss (Net of Tax) | 0.56 | 0.21 | 0.52 | 0.77 | 0.85 | (5.36) |
| | (b) Item that will be reclassified to Profit & Loss (Net of Tax) | - | - | - | - | - | - |
| 9 | Total Comprehensive Income(After tax) | 7.68 | 49.10 | 249.02 | 56.78 | 1.24 | 99.11 |
| 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 | 0.01 | 0.06 | 0.31 | 0.07 | 0.00 | 0.13 |
| | (b) Diluted | 0.01 | 0.06 | 0.31 | 0.07 | 0.00 | 0.13 |

For EASTERN SILK INDUSTRIES LTD.

Handwritten Signature

MG. 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 , 2021 | | | |
|--|--|-------------------|-------------------|
| | Particulars | 30/09/2021 | 31/03/2021 |
| | | (Unaudited) | (Audited) |
| | ASSETS | | |
| 1 | Non-current assets | | |
| | (a) Property, Plant and Equipment | 4,190.56 | 4,375.56 |
| | (b) Right of Use Assets | 240.35 | 241.60 |
| | (c) Capital Work In Progress | | |
| | (d) Financial Assets | | |
| | (i) Investments | 5.09 | 4.32 |
| | (ii) Others | | |
| | (e) Deferred Tax Asset (Net) | 4,572.98 | 4,572.98 |
| | (f) Other Non Current Assets | 80.13 | 80.13 |
| | Total Non Current Assets | 9,089.11 | 9,274.59 |
| 2 | Current assets | | |
| | (a) Inventories | 4,375.28 | 4,055.57 |
| | (b) Financial Assets | | |
| | (i) Trade receivables | 2,219.77 | 2,478.36 |
| | (ii) Cash and cash equivalents | 334.00 | 365.90 |
| | (iii) Bank Balance other than (ii) above | 484.89 | 482.34 |
| | (c) Current Tax Assets (Net) | 38.78 | 31.01 |
| | (d) Other Current Assets | 579.82 | 638.35 |
| | Total Current assets | 8,032.54 | 8,051.53 |
| | TOTAL - ASSETS | 17,121.65 | 17,326.12 |
| | EQUITY AND LIABILITIES | | |
| 1 | Equity | | |
| | (a) Equity Share capital | 1,579.05 | 1,579.05 |
| | (b) Other Equity | (3,749.50) | (3,806.29) |
| | Total Equity | (2,170.45) | (2,227.24) |
| 2 | Liabilities | | |
| i) | Non-Current Liabilities | | |
| | (a) Financial Liabilities | | |
| | - Borrowings | 1,400.00 | 1,400.00 |
| | (b) Provisions | 37.26 | 37.26 |
| | Total Non Current Liabilities | 1,437.26 | 1,437.26 |
| ii) | Current Liabilities | | |
| | (a) Financial Liabilities | | |
| | (i) Borrowings | 13,549.41 | 13,549.41 |
| | (ii) Trade Payables | | |
| | (a) M.S.M.E. | | - |
| | (b) Other trade payables | 465.04 | 712.16 |
| | (iii) Others | 4.76 | 4.76 |
| | (b) Other Current Liabilities | 3,634.34 | 3,615.35 |
| | (c) Short Term provisions | 201.29 | 234.42 |
| | Total Current Liabilities | 17,854.84 | 18,116.10 |
| | TOTAL - EQUITY AND LIABILITIES | 17,121.65 | 17,326.12 |

For EASTERN SILK INDUSTRIES LTD.

MR. 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 ₹ 4,044.39 Lakhs, to the remaining financial institution for the period April'2014 to September'2021 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 Pursuant to Section 7 of the Insolvency & Bankruptcy Code, 2016("Code"), the Financial Creditors i.e. Edelweiss Asset Reconstruction Company Limited, ASREC(India) Ltd and Export-Import Bank of India respectively filed applications to the Hon'ble National Company Law Tribunal, Kolkata Bench against the Company for recovery of their outstanding dues but none of the applicants have been admitted till date by the Hon'ble NCLT, Kolkata Bench and Corporate Insolvency Resolution("CIR") Process in respect of the Corporate Debtors i.e. Eastern Silk Ind Ltd("the Company") under the provisions of the said Insolvency and Bankruptcy Code, 2016 have not yet commenced.
- 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.1,506.87 lakhs for the period up to 30th September, 2021 has not been made in the books of accounts.
- 8 Provision aggregating Rs. 5,977.61 Lakhs has been made against outstanding overdue export debtors of Rs. 6,156.57 Lakhs. In the opinion of the management the provision is adequate.
- 9 **Impact on COVID 19 Pandemic**
The Covid-19 outbreak was declared a global pandemic by World Health Organization & affected world economy as well as Indian economy. On account of continues volatility in financial markets the company has considered various factors for determining the impact on various elements of financial statement.

In assessing the recoverability of carrying amounts of its financial assets and fair value of its Property, Plant & Equipments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports upto the date of approval of these financial results. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions. The Company expects to recover the carrying amount of these assets. However, the eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results and the Company will continue to monitor any material changes to the future economic conditions. The company has developed estimated and applied management overlays for the purpose of determination of the provision for impairment of its financial assets and of its Property, Plant & Equipments in future.
- 10 The above results have been reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on 13th November, 2021. 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 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.
- 12 There are no complaints pending both at the beginning and end of quarter.
- 13 Previous period/year's figures have been regrouped / rearranged wherever necessary to confirm to current period presentation.

Place : Kolkata
Date : 13th November, 2021

For EASTERN SILK INDUSTRIES LTD.

SUNDEEP SHAH
DIN 00484311
Chairman & Managing Director

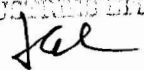
For EASTERN SILK INDUSTRIES LTD.
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EASTERN SILK INDUSTRIES LTD.

Cash Flow Statement for the Half Year Ended 30th September, 2021

| | 30th Sep, 2021 | (₹ in lakh) 31st March, 2021 |
|---|----------------|---------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Net Profit / (Loss) Before Tax | 56.01 | 104.53 |
| Add : Adjustments for : | | |
| Depreciation | 198.73 | 475.85 |
| Loss on Sale of Fixed Assets | 78.62 | 2.61 |
| Scrap of fixed Assets | - | 10.60 |
| Less : Adjustments for : | | |
| Interest & Dividend Received | 6.30 | 10.25 |
| Sundry Balances Adjusted | 2.59 | 9.62 |
| Operating Profit Before Working Capital Changes | 324.47 | 573.72 |
| (Increase)/Decrease in Inventories | (319.71) | (309.32) |
| (Increase)/Decrease in Trade Receivables | 258.59 | (274.92) |
| (Increase)/Decrease in Other Non-Current Assets | - | (5.48) |
| (Increase)/Decrease in Other Bank Balances | (2.55) | (4.31) |
| (Increase)/Decrease in Other Current Assets | 58.53 | 170.58 |
| Increase/(Decrease) in Trade Payables | (244.54) | 171.78 |
| Increase/(Decrease) in Other Current Liabilities | 18.99 | 21.86 |
| Increase/(Decrease) in Non Current Provisions | - | (42.74) |
| Increase/(Decrease) in Current Provisions | (33.12) | (104.21) |
| Cash Generated From Operations | 60.66 | 196.96 |
| Taxes paid | 7.77 | (2.79) |
| Net Cash Flow From Operating Activities | 52.89 | 199.75 |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Add : Inflows | | |
| Sale of Fixed Assets | 17.54 | 3.65 |
| Interest Received | 6.27 | 10.18 |
| Dividend Received | 0.03 | 0.07 |
| Less : Outflows | | |
| Purchase of Fixed Assets | 108.63 | 83.04 |
| Net Cash Used In Investing Activities | (84.79) | (69.14) |
| C. CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Increase / (Decrease) in Current Borrowings | (0.00) | (95.00) |
| Net Cash Used In Financing Activities | (0.00) | (95.00) |
| Net Changes In Cash & Cash Equivalents (A+B+C) | (31.90) | 35.59 |
| * Cash & Cash Equivalents - Opening Balance | 365.90 | 330.31 |
| * Cash & Cash Equivalents - Closing Balance | 334.00 | 365.90 |

For EASTERN SILK INDUSTRIES LTD.


MG. DIRECTOR

Independent Auditors Limited Review Report on Unaudited Half Year ended Standalone 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 Board of Directors of
Eastern Silk Industries Limited**

1. We have reviewed the accompanying statement of Unaudited Standalone financial results of Eastern Silk Industries Limited ("the Company") for the quarter ended 30th September, 2021 and half year ended from April 01, 2021 to September 30, 2021 ("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 2 to the Statement which states that the company has not provided interest on borrowings from banks/financial institutions amounting to Rs.4,044.39 lakhs for the period April, 2014 to September, 2021.
 - 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. 1,506.87 lakhs for the period up to 30th September 2021.
- d) Note 8 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.6,156.57 lakhs. We are unable to express any opinion, on correctness and/ or adequacy of the provision made.
- e) Note 9 to the Statement which describes the management's assessment of the impact of uncertainties related to COVID 19 pandemic and its consequential effects on the business operations of the Company.

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.

For SURESH KUMAR MITTAL & CO.

Chartered Accountants
Firm Registration No 500063N

Place: Kolkata

Date: 13th November, 2021

UDIN: 21522561AAAACD8649



Rashigoswami
(RASHIGOSWAMI)
PARTNER

Membership Number: 522561