

Regd. Office :  
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

12<sup>th</sup> February 2021

ESIL:20-21/271

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

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

Dear Sirs,

We enclose herewith a copy of Un-audited Financial Results of the Company for the quarter and nine month ended 31<sup>st</sup> December 2020, in compliance with Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

The information is also available on the website of the Company at [www.easternsilk.com](http://www.easternsilk.com) and on the website of the stock exchange where the shares of the Company are listed at [www.nseindia.com](http://www.nseindia.com)

Further we enclose herewith a copy of Limited Review Report for the quarter and nine month year ended 31<sup>st</sup> December, 2020 in compliance with the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We request you to kindly take the above on record.

Thanking you,

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

For EASTERN SILK INDUSTRIES LTD.

  
MG. DIRECTOR

**Sundeep Shah**  
**Managing Director**  
**DIN:00484311**

**EASTERN SILK INDUSTRIES LTD.**

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

Corporate Identity Number : L17226WB1946FLC013554

Phone : 033-22430817, Fax-033-22482486

Email : investors@easternsilk.com

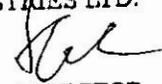
Website: www.easternsilk.com

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER & NINE MONTHS ENDED 31ST DECEMBER, 2020**

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

Sl No.	Particulars	Quarter Ended			Nine months Ended		Year Ended
		31/12/2020 (Unaudited)	30/09/2020 (Unaudited)	31/12/2019 (Unaudited)	31/12/2020 (Unaudited)	31/12/2019 (Unaudited)	31/03/2020 (Audited)
		( ` in Lakhs)					
<b>1</b>	<b>Revenue</b>						
	a) Revenue from Operation	3,398.61	2,302.18	4,756.42	6,284.54	8,318.98	10,317.51
	b) Other income	41.84	26.81	18.77	87.39	432.78	470.16
	<b>Total Revenue</b>	<b>3,440.45</b>	<b>2,328.99</b>	<b>4,775.19</b>	<b>6,371.93</b>	<b>8,751.76</b>	<b>10,787.67</b>
<b>2</b>	<b>Expenses</b>						
	(a) Cost of materials consumed	1,639.83	1,007.40	334.55	2,890.91	742.80	981.28
	(b) Purchases of stock-in-trade	49.47	570.55	731.38	715.82	1,885.21	2,109.49
	(c) Changes in inventories of Finished Goods, Work-in- Progress and Stock-in-Trade	359.90	(292.43)	1,456.84	130.88	1,981.56	2,197.32
	(d) Employee benefit expenses	82.69	184.26	327.83	309.27	634.18	744.93
	(e) Finance cost	-	-	-	-	-	112.00
	(f) Depreciation	112.10	102.57	142.59	350.82	428.35	574.49
	(g) Other Expenses	710.55	508.14	1,880.52	1,487.87	3,013.52	3,962.83
	<b>Total expenses</b>	<b>2,954.54</b>	<b>2,080.49</b>	<b>4,873.51</b>	<b>5,885.57</b>	<b>8,685.42</b>	<b>10,682.34</b>
<b>3</b>	<b>Profit / (Loss) from operations before exceptional items (1-2)</b>	<b>485.91</b>	<b>248.50</b>	<b>(98.32)</b>	<b>486.36</b>	<b>66.34</b>	<b>105.33</b>
<b>4</b>	Exceptional items	-	-	-	-	-	-
<b>5</b>	<b>Profit / (Loss) from ordinary activities before tax (3+4)</b>	<b>485.91</b>	<b>248.50</b>	<b>(98.32)</b>	<b>486.36</b>	<b>66.34</b>	<b>105.33</b>
<b>6</b>	<b>Tax expenses</b>						
	(a) Provision for taxation-Current	-	-	-	-	-	-
	(b) Income-tax for Earlier years	-	-	0.05	0.06	0.05	0.05
	(c) Provision for tax-Deferred	-	-	-	-	-	-
<b>7</b>	<b>Net Profit / (Loss) for the period</b>	<b>485.91</b>	<b>248.50</b>	<b>(98.37)</b>	<b>486.30</b>	<b>66.29</b>	<b>105.28</b>
<b>8</b>	<b>Other Comprehensive Income (OCI)</b>						
	(a) Item that will not be reclassified to Profit & Loss (Net of Tax)	0.47	0.52	0.08	1.32	0.20	(51.03)
	(b) Item that will be reclassified to Profit & Loss (Net of Tax)	-	-	-	-	-	-
<b>9</b>	<b>Total Comprehensive Income (After tax)</b>	<b>486.38</b>	<b>249.02</b>	<b>(98.29)</b>	<b>487.62</b>	<b>66.49</b>	<b>54.25</b>
<b>10</b>	<b>Paid-up equity share capital</b>	<b>1,579.05</b>	<b>1,579.05</b>	<b>1,579.05</b>	<b>1,579.05</b>	<b>1,579.05</b>	<b>1,579.05</b>
	(Face Value of each share - `2/-)						
<b>11</b>	<b>Earnings per share</b>						
	(of `2/-each) (not annualised):						
	(a) Basic	0.62	0.31	(0.12)	0.62	0.08	0.13
	(b) Diluted	0.62	0.31	(0.12)	0.62	0.08	0.13
<b>1</b>	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".						
<b>2</b>	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 ` 3,541.13 Lakhs, to the remaining financial institution for the period April'2014 to December'2020 has been made in the Statement of Accounts, as the management is hopeful of substantial relief on settlements with the same.						
<b>3</b>	'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.						
<b>4</b>	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.						
<b>5</b>	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.						
<b>6</b>	During the F.Y.2019-20, 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 applications have been admitted till date by the Hon'ble NCLT, Kolkata Bench and Corporate Insolvency Resolution ("CIR") Process in respect of the Corporate Debtor i.e. Eastern Silk Industries Limited ("the Company") under the provisions of the said Insolvency and Bankruptcy Code, 2016 have not yet commenced.						
<b>7</b>	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 resulting in Edelweiss Asset Reconstruction Company Limited (ARC) and ASREC (India) Ltd. (ARC) to move to the National Company Law Tribunal (NCLT), Kolkata Bench for recovery of their dues under Section 7 of the Insolvency and Bankruptcy Code (IBC). However the management is continuously discussing the present position of the Company with the concerned ARC's for withdrawal of the petition with NCLT and waiver of interest. Consequently, provision for interest amounting to Rs 1,008.47 lakhs for the period up to 31st December, 2020 has not been made in the books of accounts.						

For EASTERN SILK INDUSTRIES LTD.

  
MG. DIRECTOR

8	<p><b>Impact on COVID 19 Pandemic</b></p> <p>The Covid-19 outbreak was declared a global pandemic by World Health Organization &amp; 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.</p> <p>In assessing the recoverability of carrying amounts of its financial assets and fair value of its Property, Plant &amp; 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 &amp; Equipments in future.</p>
9	Provision aggregating Rs.5,977.61 Lakhs has been made against outstanding overdue export debtors of Rs. 6,118.50 Lakhs. In the opinion of the management the provisio is adequate.
10	The above results have been reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on 12th February, 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	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 : 12th February, 2021	
For EASTERN SILK INDUSTRIES LTD.	
S. SHAH	
DIN 00484311	
Chairman & Managing Director	

For EASTERN SILK INDUSTRIES LTD.



MG. DIRECTOR

**INDEPENDENT AUDITORS' REVIEW REPORT**

**FOR THE QUARTER & NINE MONTHS ENDED 31<sup>ST</sup> DECEMBER, 2020**

To

Board of Directors of  
Eastern Silk Industries Limited

1. We have reviewed the accompanying Unaudited Financial results of Eastern Silk Industries Limited ("the Company") for the quarter and nine months ended 31<sup>st</sup> December, 2020 ("the Statement"), attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 read with SEBI Circular no. CIR/CFD/CMD1/44/2019 dated 29<sup>th</sup> March, 2019 ("the Circular").
2. The preparation of the statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim financial Reporting" (Ind AS 34) under section 133 of the Companies Act, 2013 read with relevant rules issued there under is the responsibility of the company's management and has been approved by the Board of Directors of the company. Our responsibility is to express a conclusion on the statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditors of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement(s). A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down the applicable Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.



**5. Emphasis of Matter**

We draw attention to the followings matters:-

- i) Note No. 2 to the Statement which states the company has not provided interest to Lenders amounting to Rs. 3,641.13 Lakhs for the period April,2014 to December, 2020.
- ii) Note No. 3 to the Statement which states that the interest accruals on No Lien Term Deposit have not been accounted.
- iii) Note No. 7 to the Statement which states that the company has not provided interest on borrowings from ARC's amounting to Rs 1,008.47 Lakhs for the period up to 31<sup>st</sup> December, 2020.
- iv) Note No. 8 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
- v) Provision aggregating Rs. 5,977.61 Lakhs has been made against outstanding overdue export debtors of Rs.6,118.50 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.

**For SURESH KUMAR MITTAL & CO.**

Chartered Accountants  
Firm Registration No 500063N

  
(RASHI GOSWAMI)  
PARTNER

Membership Number:522561

Place: Kolkata

Date:12<sup>th</sup> February, 2021

UDIN: 21522561AAAAAH2831

