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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/2021-22/177

14th February, 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: 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. 14th February, 2022 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 nine month ended 31st December, 2021 which has been approved by the Board of Directors at its meeting held today along with the Limited Review Report.

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

The meeting of Board of Directors commenced at 1.00 p.m. and concluded at 2.30 p.m.

This is for your information and records.

Thanking You

Yours faithfully,

For EASTERN SILK INDUSTRIES LIMITED
For EASTERN SILK INDUSTRIES LTD.

Company Secretary

RAHUL JAISWAL
COMPANY SECRETARY & COMPLIANCE OFFICER
M.NO:A37393

EASTERN SILK INDUSTRIES LTD.

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

Corporate Identity Number : L17226WB1946PLC013554

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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER & NINE MONTHS ENDED 31ST DECEMBER, 2021**PREPARED IN COMPLIANCE WITH THE INDIAN ACCOUNTING STANDARDS(IND-AS)**

(₹ in Lakhs)

Sl No.	Particulars	Quarter Ended			Nine months Ended		Year Ended
		31/12/2021 (Unaudited)	30/09/2021 (Unaudited)	31/12/2020 (Unaudited)	31/12/2021 (Unaudited)	31/12/2020 (Unaudited)	31/03/2021 (Audited)
1	Revenue						
	a) Revenue from Operation	1,153.47	1,872.57	3,398.61	5,457.83	6,284.54	9,066.51
	b) Other income	45.44	34.59	41.84	103.77	87.39	125.38
	Total Revenue	1,198.91	1,907.16	3,440.45	5,561.60	6,371.93	9,191.89
2	Expenses						
	(a) Cost of materials consumed	581.91	767.13	1,639.83	2,361.23	2,890.91	3,375.06
	(b) Purchases of stock-in-trade	160.49	429.25	49.47	640.03	715.82	1,159.77
	(c) Changes in inventories of Finished Goods, Work-in- Progress and Stock-in-Trade	(50.72)	(139.76)	359.90	388.58	130.88	1,167.21
	(d) Employee benefit expenses	143.79	152.43	82.69	410.71	309.27	435.52
	(e) Finance cost	-	-	-	-	-	112.00
	(f) Depreciation	99.39	99.30	112.10	298.12	350.82	475.85
	(g) Other Expenses	596.14	591.69	710.55	1,739.01	1,487.87	2,361.95
	Total expenses	1,531.00	1,900.04	2,954.54	5,837.68	5,885.57	9,087.36
3	Profit / (Loss) from operations before exceptional items (1-2)	(332.09)	7.12	485.91	(276.08)	486.36	104.53
4	Exceptional items	-	-	-	-	-	-
5	Profit / (Loss) from ordinary activities before tax (3+4)	(332.09)	7.12	485.91	(276.08)	486.36	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	(332.09)	7.12	485.91	(276.08)	486.30	104.47
8	Other Comprehensive Income (OCI)						
	(a) Item that will not be reclassified to Profit & Loss (Net of Tax)	(0.05)	0.56	0.47	0.72	1.32	(5.36)
	(b) Item that will be reclassified to Profit & Loss (Net of Tax)	-	-	-	-	-	-
9	Total Comprehensive Income(After tax)	(332.14)	7.68	486.38	(275.36)	487.62	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 annualized):						
	(a) Basic	(0.42)	0.01	0.62	(0.35)	0.62	0.13
	(b) Diluted	(0.42)	0.01	0.62	(0.35)	0.62	0.13

For EASTERN SILK INDUSTRIES LTD.

MG. 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 ₹ 4,180.28 Lakhs, to the remaining financial institution for the period April'2014 to December'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.1,723.80 lakhs for the period up to 31st December, 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.6,148.22 Lakhs. In the opinion of the management the provision is adequate.				
9	In order to optimize the resource cost of Anekal Unit -1 due to impact of COVID-19 pandemic, the management has shifted the operations along with the necessary infrastructure required of Anekal Unit 1 situated at '411, Telugarahalli Road, Anekal, Bangalore – 562 106' to Anekal Unit 2 situated at 'Kammansandra Agrahara Kasaba Hobli, Anekal, Bangalore – 562 106'.				
10	<p>Impact on COVID 19 Pandemic</p> <p>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.</p> <p>In assessing the recoverability of carrying amounts of its financial assets and fair value of its Property, Plant & Equipment's, 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 & Equipment's in future.</p>				
11	The above results have been reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on 14th February, 2022. 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.				
12	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.				
13	There are no complaints pending both at the beginning and end of quarter.				
14	Previous period/year's figures have been regrouped / rearranged wherever necessary to confirm to current period presentation.				
Place : Kolkata		For EASTERN SILK INDUSTRIES LTD.			
Date : 14th February, 2022					
		SUNDEEP SHAH			
		DIN 00484311			
		Chairman & Managing Director			

For EASTERN SILK INDUSTRIES LTD.

MC. DIRECTOR

Independent Auditors Limited Review Report on Unaudited Quarterly and Nine Months 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 31st December, 2021 and nine months ended from April 01, 2021 to December 31, 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.4,180.28 lakhs for the period April, 2014 to December, 2021.
 - b) Note 3 to the Statement which states that the interest accruals on No Lien Term Deposits have not been accounted.



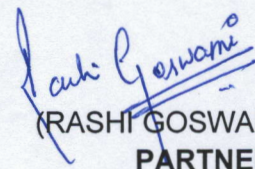
- c) Note 7 to the Statement which states that the company has not provided interest on borrowings from ARC's amounting to Rs. 1,723.80 lakhs for the period up to 31st December 2021.
- d) Note 8 to the Statement which states that the Provision aggregating to Rs.5,977.61 lakhs has been made against outstanding overdue export debtors of Rs.6,148.22 lakhs. We are unable to express any opinion, on correctness and/ or adequacy of the provision made.
- e) Note 10 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


(RASHI GOSWAMI)
PARTNER

Membership Number: 522561

Place: Kolkata

Date: 14th February, 2022

UDIN: 22522561AB2WUH3888

