

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

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(` 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)
	<u>ASSETS</u>		
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
	<u>EQUITY AND LIABILITIES</u>		
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

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.

SUNDEEP SHAH
DIN 00484311
Chairman & Managing Director