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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/20-21/126

29.08.2020

National Stock Exchange of India Limited
"Exchange Plaza"
Bandra Kurla Complex
Bandra (E), Mumbai 400 051
NSE Symbol: EASTSILK

Bombay Stock Exchange Limited
Floor 25, P. J. Towers,
Dalal Street,
Mumbai 400 001
BSE Scrip Code: 590022

Dear Sirs,

Sub: Outcome of Board Meeting held on 29th August, 2020

Please be informed that pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange that a meeting of the Board of Directors of the Company was held on 29th August, 2020 and the following matters were transacted / noted:

1. 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 ended 30th June, 2020 which has been approved by the Board of Directors at its meeting held today along with the Limited Review Report.
2. The date of Book Closure for the purpose of AGM will commence from 22nd of September, 2020 and will conclude on 28th of September, 2020.
3. The Annual General Meeting to be held via Video Conferencing (VC) or Other Audio Video Means (OAVM) as on Monday, 28th September, 2020 at 11:00 A.M and accordingly notice of the 74th Annual General Meeting (AGM) of the Company was finalised.
4. Mr. Abhishek Haralalka (DIN. 08836412), has been appointed as the Additional Director (Non-Executive Independent) of the Company, who shall hold the office of directorship in the Company up to the date of the ensuing Annual General Meeting. Further the Board proposes to regularise Mr. Abhishek Haralalka as the Non-Executive Independent Director of the Company, subject to shareholders approval at the ensuing AGM. A brief profile of Mr. Haralalka is enclosed herewith.
5. Further Board discussed for continuation of Directorship of Mr. Madhu Kant Sharma (DIN.01836989) as the Independent Director, in terms of Regulation 17 of SEBI (LODR) Regulations, 2015 on attaining the age 75 years during his tenure, hence his continuance would require the shareholder's approval as per the requisite regulations of SEBI (LODR) Regulations, 2015 at the ensuing AGM of the Company. A brief profile of Mr. Sharma is enclosed herewith.
6. The Board of Directors of the Company on recommendation of the Audit Committee, approved the appointment and remuneration of M/s. N. Radhakrishnan & Co., Cost Accountant, to conduct Cost Audit of the Company for the F.Y.2020-21. However in terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, remuneration of the Cost Auditors is required to be ratified by the Members of the Company, which shall be done at the ensuing AGM.
7. The Board discussed the notice received from NSE for Non Compliance pursuant to Regulation 17 (1) of SEBI (LODR), Regulations, 2015, ((i.e. The Board of Directors of Top 2000 Listed Companies shall comprise of not less than 6 (Six) Directors w.e.f 01.04.2020) and considered the fact that the same resulted on account of the unprecedented event happened due to the pandemic of COVID-19, which was also intimated to the exchange. Further the Board discussed to file the request for waiver of fine levied by the exchange.

Please note that the meeting of the Board of Directors commenced at 3:00 pm and concluded at 5:00 pm.

Thanking you,

Yours faithfully,

For EASTERN SILK INDUSTRIES LIMITED
For EASTERN SILK INDUSTRIES LTD.


Deepak Agarwal
Company Secretary

Company Secretary

Encl: as above

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29.08.2020

National Stock Exchange of India Limited
"Exchange Plaza"
Bandra Kurla Complex
Bandra (E), Mumbai 400 051
NSE Symbol: EASTSILK

Dear Sir/Madam,

Sub: Intimation of Board Comments on Non-Compliance pursuant to Regulation 17 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (i.e. The Board of Directors of Top 2000 Listed Companies shall comprise of not less than 6 (Six) Directors w.e.f 01.04.2020.

We are in receipt of the notice given by the exchange numbered NSE/LIST-SOP/CG/FINES/101661 dated August 20, 2020, wherein we have been advised to bring to the attention of the Board, the above mentioned non-compliance which has been identified by the Exchange and subsequent action taken by the Exchange in this regard and Board's discussion and comments thereon shall be informed to the Exchange accordingly for dissemination thereon.

The Chairman informed the Board about the above mentioned notice of the Exchange and further discussed that the reasons behind the same are already intimated to the Exchange, which resulted on account of the unprecedented event happened due to the pandemic of COVID-19.

The Board discussed the matter at length and came to the conclusion that Mr. Abhishek Haralalka has been appointed in the Board and accordingly the Board comprises of the 6 (Six) Directors. It was agreed unanimously to explain the entire chain of events to the Exchange again wherein the Board was scheduling a meeting on the last week of March, 2020 to appoint a Director on the Company's Board, so as to comply with the requirements of Regulation 17(1) of the SEBI (LODR) Regulations, 2015 but the proposed candidate was infected with the coronavirus and later expired, which left the entire Board under shock and subsequently because of the complete lockdown in the entire nation, we cannot look for the suitable candidate which resulted in restraining our Board of Directors numbers to 5 (five) only.

The Board discussed to file a request at the earliest with the exchange for the waiver of the fines levied on us for non-compliance with requisite regulations of SEBI (LODR) Regulations, 2015, which resulted from the reasons beyond the control of the Company.

Thanking you,

Your's faithfully

For Eastern Silk Industries Limited
For EASTERN SILK INDUSTRIES LTD.

Deepak Agarwal
Company Secretary
Company Secretary

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 ENDED 30TH JUNE, 2020**PREPARED IN COMPLIANCE WITH THE INDIAN ACCOUNTING STANDARDS(IND-AS)**

		(₹ in Lakhs)			
SI No.	Particulars	Quarter Ended			Year Ended
		30/06/2020 (Unaudited)	31/03/2020 (Audited)	30/06/2019 (Unaudited)	31/03/2020 (Audited)
1	Revenue				
	a) Revenue from Operation	583.75	1,998.53	1,593.22	10,317.51
	b) Other income	18.74	37.38	18.18	470.16
	Total Revenue	602.49	2,035.91	1,611.40	10,787.67
2	Expenses				
	(a) Cost of materials consumed	243.68	238.68	186.44	981.28
	(b) Purchases of stock-in-trade	95.80	224.28	220.60	2,109.49
	(c) Changes in inventories of Finished Goods, Work-in- Progress and Stock-in-Trade	63.41	215.76	464.95	2,197.32
	(d) Employee benefit expenses	42.32	110.75	168.49	744.93
	(e) Finance cost (refer to note no 2)	-	112.00	-	112.00
	(f) Depreciation	136.15	146.14	144.84	574.49
	(g) Other Expenses	269.18	949.31	530.56	3,962.83
	Total expenses	850.54	1,996.92	1,715.88	10,682.34
3	Profit / (Loss) from operations before exceptional items (1-2)	(248.05)	38.99	(104.48)	105.33
4	Exceptional items	-	-	-	-
5	Profit / (Loss) from ordinary activities before tax (3+4)	(248.05)	38.99	(104.48)	105.33
6	Tax expenses				
	(a) Provision for taxation-Current	-	-	-	-
	(b) Income-tax for Earlier years	0.06	-	-	0.05
	(c) Provision for tax-Deferred	-	-	-	-
7	Net Profit / (Loss) for the period	(248.11)	38.99	(104.48)	105.28
8	Other Comprehensive Income (OCI)				
	(a) Item that will not be reclassified to Profit & Loss (Net of Tax)	0.33	(51.23)	0.29	(51.03)
	(b) Item that will be reclassified to Profit & Loss (Net of Tax)	-	-	-	-
9	Total Comprehensive Income(After tax)	(247.78)	(12.24)	(104.19)	54.25
10	Paid-up equity share capital	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	(0.31)	0.05	(0.13)	0.13
	(b) Diluted	(0.31)	0.05	(0.13)	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 ₹. 3,369.34 Lakhs, to the remaining financial institution for the period April'2014 to June'2020 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 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	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.
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 ₹. 758.94 lakhs for the period up to 30th June, 2020 has not been made in the books of accounts.
8	<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 & 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.</p>
9	The above results have been reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on 29th August, 2020. 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.
10	Provision aggregating ₹. 5,977.61 Lakhs has been made against outstanding overdue export debtors of ₹. 6,149.77 Lakhs. In the opinion of the management the provision is adequate.
11	No Deferred Tax Assset 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	For EASTERN SILK INDUSTRIES LTD.
Date : 29th August, 2020	SUNDEEP SHAH
	DIN 00484311
	Chairman & Managing Director

INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE QUARTER ENDED 30TH JUNE, 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 ended 30th June, 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 29thMarch, 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. 3,369.34 Lakhs for the period April,2014 to June 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 758.94 Lakhs for the period up to 30th June, 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. 6,149.77 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.

6. Other Matter

The figures for the three months ended 31st March, 2020 as reported in the Statement are the balancing figures between audited figures in respect of the full financial year ended on 31st March, 2020 and the published unaudited year to date figures up to the third quarter i.e. 31st December, 2019 of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed by us and not subjected to audit.

Place: Kolkata
Date : 29th August, 2020



For SURESH KUMAR MITTAL & CO.
Chartered Accountants
Firm Registration No 500063N

Rashi Goswami
(RASHI GOSWAMI)
PARTNER

Membership Number: 522561
UDIN: 20522561AAAA BAI451

ABHISHEK HARALALKA

Personal Information:

Father's Name: Anand Prakash Haralalka

DOB: 19.07.1976

PAN: AAQPH7940C

Qualification:

Bachelor-in-Commerce (Accounts & Finance)

Brief Profile:

Abhishek Haralalka, aged 44 having a Bachelor's degree in Commerce with business experience of more than 18 years. He is enriched with experience of export and import of textiles and allied products for more than 15 years in manufacturing and trading industry. He has vast experience in Import-Export process & documentation thereof. As a Non-Executive Independent Director, he is expected to help the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as enduring high standard of corporate governance. He is also an active member of BNI - India, one of the leading Business Networking Organization.

Reason for Change (Appointment):

The Board of Directors at its meeting held on 29th August, 2020 approved the appointment of Mr. Abhishek Haralalka, as the Additional Director (Non-Executive Independent) for a term of 5 (five) years with effect from 29th August, 2020, who shall hold the office till the ensuing General Meeting and shall be regularized accordingly subject to the approval of the shareholders.

Date of Appointment: 29th August, 2020.

Term of Appointment: 5 (five) years, i.e 29th August, 2020 to 28th August, 2025 subject to the approval of the shareholders at the ensuing Annual General Meeting.

Disclosure of Interest: Mr. Abhishek Haralalka is not related to any other Director of the Company.



MADHU KANT SHARMA

Personal Information:

Father's Name: Shreekant Sharma

DOB: 20.08.1945

PAN: AKRPS9350C

Qualification:

Bachelor-in-Science

Madhu Kant Sharma, aged 75 years, having a Bachelor's degree in Science with business experience of more than 45 years. He has progressively been responsible for managing the Accounts & Finance department. He is focused on setting the strategy and policies of the Company, developing leadership, and meeting shareholders' commitments. Mr. Sharma is serving as member of the committee meetings, since he is having more than five decades of work experience in financial and management accounting, taxation, project management, standardizing and streamlining processes in reputed companies. Further, he specializes in forecasting, budgeting, engaging in cost reduction analysis, and reviewing operational performance. This combination of his academics, business and administrative skills will facilitate us to lead our organization to newer heights.

Reason for Change (Continuation):

The Board of Directors at its meeting held on 29th August, 2020 approved the continuation of Directorship of Mr. Madhu Kant Sharma (DIN.01836989) as the Independent Director, in terms of Regulation 17 of SEBI (LODR) Regulations, 2015 on attaining the age 75 years during his tenure subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

Date of Appointment: 30th March, 2019.

Term of Appointment: 5 (five) years, i.e 30th March, 2019 to 29th March, 2024 subject to the approval of the shareholders at the ensuing Annual General Meeting.

Disclosure of Interest: Mr. Madhu Kant Sharma is not related to any other Director of the Company.

