

Independent Auditor's Report on Audited Annual Financial Results of Eastern General Industries Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF EASTERN GENERAL INDUSTRIES LIMITED

Report on the audit of the Financial Results

Opinion

We have audited the accompanying annual financial results of **M/s. Eastern General Industries Limited** (hereinafter referred to as the "Company") for the year ended March 31, 2020 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Results section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The annual financial results include the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year and unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For J K V S & CO
Chartered Accountants
Firm Registration No.: 318086E



Utsav Saraf

Utsav Saraf
Partner

Membership No.: 306932
UDIN: 20306932AAAABV2486

Place: Kolkata

Date: 25th September 2020

EASTERN GENERAL INDUSTRIES LTD.

Registered Office - 90/31, Diamond Harbour Road, Kolkata - 700 038

Phone no - 91-33 2398 3475/3289

CIN NO. L01131WB1952PLC020342

AUDITED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED 31ST MARCH, 2020

(₹ in Lacs)

SL No.	Particulars	Quarter ended			Twelve months ended	
		31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Revenue					
	Revenue from Operations	80.64	79.38	123.27	338.22	428.10
	Other Income	2.54	22.96	12.26	44.53	32.17
	Total Income	83.18	102.34	135.53	382.75	460.27
2	Expenses					
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(5.31)	-	-	(5.31)	-
	Employee benefits expense	12.18	10.73	13.87	42.48	40.66
	Depreciation and amortisation expense	1.29	1.28	2.16	5.14	8.58
	Power and Fuel	8.33	8.73	8.93	32.41	35.52
	Other Expenses	63.36	62.54	100.19	269.53	330.06
	Total Expenses	79.85	83.28	125.15	344.25	414.82
3	Profit before tax (1-2)	3.33	19.06	10.38	38.50	45.45
4	Tax expenses					
	Current tax	7.27	-	11.65	7.27	11.65
	Deferred tax	0.40	-	(0.26)	0.40	(0.26)
	Tax for earlier years	-	-	(0.77)	-	(0.77)
	Total tax expense	7.67	-	10.62	7.67	10.62
5	Net Profit for the period (3-4)	(4.34)	19.06	(0.24)	30.83	34.83
	Other Comprehensive Income					
	<u>Items that will not be reclassified to profit or loss</u>					
	a) Remeasurement of defined benefit plan	1.94	(0.30)	(1.21)	1.03	(1.21)
	b) Equity instrument through Other Comprehensive Income	(16.39)	(0.62)	(97.43)	(26.69)	(101.98)
	c) Income tax relating to above items	2.02	-	23.03	2.02	23.03
6	Other Comprehensive Income (Net of Tax)	(12.43)	(0.92)	(75.61)	(23.64)	(80.16)
7	Total Comprehensive Income for the period (Net of Tax) (5+6)	(16.77)	18.14	(75.85)	7.19	(45.33)
8	Paid up Equity Share Capital (Face Value- Rs.10/ each)	20.00	20.00	20.00	20.00	20.00
9	Other Equity					767.41
10	Basic and Diluted earnings per share - (in Rs.)#	(2.17)	9.53	(0.12)	15.42	17.41

Not annualised

Notes:

- The aforementioned results were approved by the Board of Directors at their meeting held on 25th September, 2020 at Kolkata.
- As the Company's business activity falls within a single significant primary business segment i.e., Mining, no separate segment information is disclosed.
- The format for un-audited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated 30th November has been modified to comply with the requirements of SEBI's circular no. CIR/CFD/62/2016 dated 5th July, 2016.
- The Company is holding 9% Equity shares in Alwar Investment Co. Ltd. at a value of Rs. 24,300/-. In view of practical difficulties in ascertaining the fair value of such investment, investment in Alwar Investment Co. Ltd. have been carried at cost. Further, the company is also having investment in Paper Distributors (P) Ltd. which is having further investment in Alwar Investment Co. Ltd. In view of practical difficulties fair value of Paper Distributors (P) Ltd. has been derived by considering its investment in Alwar Investment Co. Ltd. at cost only.
- The figure for the last quarter are the balancing figures between the audited figures in respect of the full financial year and the year to date figures up to the third quarter of the current financial year.
- The spread of COVID-19 has severely impacted businesses around the globe, including India. There has been severe disruption to regular business operations due to lock-down, disruption in transportation, supply chain and other emergency measures. The company's offices are under lockdown since 24th March, 2020 and plants are running with curtailed production and manpower as per requisite permission from local administration. As a result the volumes for the month of Mar'2020 and period upto the board meeting has been impacted. The company is monitoring the situation closely and operations are being ramped up in a phased manner taking into account directives from the Government. The management has considered internal and certain external sources of information up to the date of approval of the financial statements in determining the impact of COVID-19 pandemic on various elements of its financial statements. The management has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the management expects to fully recover the carrying amount of inventories, trade receivables, investments and other assets. 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 statements.
- Effective from April 1, 2019, the company has adopted Ind AS 116 'Leases' and applied the same to lease contracts existing on 1st April, 2019 by using modified retrospective approach. Adoption of this standard does not have any impact on the financial statements for the year ended 31 March 2020.
- The Taxation Law (Amendments) Ordinance 2019 ('the Ordinance'), provides an option to domestic companies to pay income-tax at a lower rate of 22% (plus applicable surcharge and cess) instead of the normal rate of 25% (plus applicable surcharge and cess) depending on the conditions specified in this behalf under section 115 BA of the Income Tax Act, 1961. A domestic company can avail of the lower tax rate only if it opts for not availing of certain exemptions or incentives specified in this behalf in the Ordinance. There is no time limit prescribed under the above to choose the option of lower tax rate under section 115BAA, however, once chosen it is irreversible. Based on the Management estimates, the Company has determined that exercising the option of lower rate will not give any significant benefit at this point of time. Hence, the
- The statement of Asset & liabilities and statement of cash flow is attached herewith.
- The previous period figures have been regrouped/rearranged wherever necessary, to confirm to the current period figures.

For and on behalf of the Board of Directors



Place: Kolkata

Date: 25th September, 2020

Jai Vardhan Kejriwal
(Director)
DIN - 06740278

EASTERN GENERAL INDUSTRIES LIMITED
CIN No. L01131WB1952PLC020342
BALANCE SHEET as at 31st March, 2020

(₹ in lacs)

	As at 31st March, 2020		As at 31st March, 2019		
ASSETS					
1	NON-CURRENT ASSETS				
a	Property, Plant and Equipment	24.86		29.97	
b	Intangible Assets	0.35		0.38	
c	Investment Property	5.06	30.27	5.06	35.41
d	Financial Assets				
i	Investments	323.06		403.62	
ii	Loans	6.35		6.35	
iii	Other Financial Assets	4.95	334.36	4.64	414.61
e	Non Current Tax Assets		4.73		1.68
2	CURRENT ASSETS				
a	Inventories	5.31		-	
b	Financial Assets	-		-	
i	Trade Receivables	19.07		28.64	
ii	Cash and Cash Equivalents	43.39		297.78	
ii	Bank Balances Others	25.00		25.00	
iv	Loans	340.00		-	
v	Other Financial Assets	28.67		22.49	
c	Other Current Assets	6.69	468.13	6.36	380.27
Total Assets			837.49		831.97
EQUITY AND LIABILITIES					
EQUITY					
a	Equity Share Capital	20.00		20.00	
b	Other Equity	774.60	794.60	767.41	787.41
LIABILITIES					
1	NON-CURRENT LIABILITIES				
a	Provisions	16.61		10.31	
b	Deferred Tax Liabilities (Net)	10.25	26.86	11.87	22.18
2	CURRENT LIABILITIES				
a	Financial Liabilities				
i	Trade Payables	-		-	
	Dues to Micro and Small enterprises	-		-	
	Others	13.64		9.63	
ii	Other Current Financial Liabilities	-		4.51	
b	Provisions	1.44		5.75	
c	Other Current Liabilities	0.95	16.03	2.49	22.38
Total Equity and Liabilities			837.49		831.97

For and on behalf of the Board of Directors



Place : Kolkata
Date: 25th September, 2020


JAI VARDHAN KEJRIWAL
(DIN: 06740278)

EASTERN GENERAL INDUSTRIES LIMITED
CIN No. L01131WB1952PLC020342
CASH FLOW STATEMENT for the year ended 31st March, 2020

(₹ in lacs)


Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before TAX	38.50	45.45
Adjustments for:		
Depreciation	5.14	8.58
Income from Dividend	(0.22)	(0.33)
Assets Discarded	-	1.07
Income from Interest	(33.99)	(28.67)
(Profit)/Loss on Sale of Fixed Assets(Net)	(6.89)	-
(Profit)/Loss on Revaluation of Investments through FVTPL (Net)	(3.39)	(3.15)
Other Provisions Created/(utilised)	1.99	2.61
Actuarial (Gain)/Loss	1.03	(1.21)
Operating Profit before Working Capital Changes	2.17	24.35
Movement in Working Capital :		
(Increase)/Decrease in Trade Receivables	9.58	(16.74)
(Increase)/Decrease in Inventories	(5.31)	-
(Increase)/Decrease in Other Financial Assets	(321.18)	(24.02)
(Increase)/Decrease in Other Current Assets	(0.34)	(1.50)
Increase/(Decrease) in Trade Payables	4.01	3.95
Increase/(Decrease) in Other Current Financial Liabilities	(4.51)	4.51
Increase/(Decrease) in Other Current Liabilities	(1.54)	(1.25)
Cash Generated from Operations	(317.12)	(10.70)
Direct Taxes Paid	(10.32)	(15.09)
Net Cash Flow generated from Operating Activities	(327.44)	(25.79)
B Cash Flow from Investing Activities		
Investment in Shares & Mutual Funds	(119.94)	(19.18)
Sale of Investment in Shares	177.20	-
Investment In Fixed Deposit	(25.00)	1.01
Sale of Fixed Assets	7.00	-
Purchase of Fixed Assets	(0.11)	(0.55)
Interest Received	33.68	28.73
Dividend Received	0.22	0.33
Net Cash Flow used in Investing Activities	73.05	10.34
Cash Flow from Financing Activities		
Repayments of Short Term Borrowings	-	-
Net Cash Flow used in Financing Activities	-	-
Net increase/(decrease) in Cash and Cash equivalent (A+B+C)	(254.39)	(15.45)
Cash & Cash equivalent at the beginning of the year	297.78	313.23
Cash & Cash equivalent at the end of the year	43.39	297.78

Notes:

- The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
- The composition of Cash & Cash Equivalent has been determined based on the Accounting Policy No. 3.2.
- Figures for the previous year have been re-grouped wherever considered necessary.
- Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

For and on behalf of the Board of Directors




JAI VARDHAN KEJRIWAL
 (DIN: 06740278)