



# EUROTEX INDUSTRIES AND EXPORTS LIMITED

Registered Office: 1110, Raheja Chambers, 11<sup>th</sup> Floor, 213, Nariman Point, Mumbai – 400 021.

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CIN : L70200MH1987PLC042598

11<sup>th</sup> February, 2021

**1) The Secretary**

**Bombay Stock Exchange Limited**

**1<sup>st</sup> Floor, New Trading Ring,**

**Rotunda Building,**

**Phiroze Jeejeebhoy Towers,**

**Dalal Street, Fort, Mumbai - 400 001.**

**Stock Code: 521014**

**(BY BSE LISTING CENTRE)**

**2) The Secretary**

**National Stock Exchange of India Limited**

**Exchange Plaza, 5<sup>th</sup> Floor,**

**Plot No. C/1, G- Block,**

**Bandra-Kurla Complex,**

**Bandra (East), Mumbai - 400 051.**

**Stock Code: EUROTEXIND**

**(BY NSE NEAPS)**

**Dear Sir / Madam,**

**SUB: LIMITED REVIEW REPORT AND UNAUDITED FINANCIAL RESULTS OF THE COMPANY FOR THE QUARTER ENDED 31<sup>ST</sup> DECEMBER, 2020.**

As required by Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Limited Review Report and Unaudited Financial Results of the Company for the quarter ended 31<sup>st</sup> December, 2020 from our Auditors, SVP & Associates.

The Limited Review Report as well as the Unaudited Financial Results of the Company for the quarter ended 31<sup>st</sup> December, 2020 has been approved in the Board Meeting held on 11<sup>th</sup> February, 2021.

This is for your kind information and records.

Thanking you,

Yours faithfully,

**For EUROTEX INDUSTRIES AND EXPORTS LIMITED**

**RAHUL** Digitally signed  
by RAHUL  
**RAWAT**  
Date: 2021.02.11  
17:34:13 +05'30'

**RAHUL RAWAT**  
**COMPANY SECRETARY**

Encls: As above



**LIMITED REVIEW REPORT**

**Review Report to Board of Directors**

1. We have reviewed the accompanying statement of unaudited financial results of **Eurotex Industries and Exports Limited** ("the Company") for the quarter and nine months period ended 31<sup>st</sup> December, 2020 attached herewith, being submitted by the Company pursuant to the requirements of Regulations 33 of The SEBI (Listing, Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Obligations'). The statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on this financial Statement based on our review.
2. We conducted our review of Statement in accordance with the Standard on Review Engagement (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. 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.
3. 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 Indian accounting standards (IND AS) 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 read with circular issued from time to time including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. **Material Uncertainty Related to Going Concern**

Without qualifying, we draw your attention to the fact that these financial results have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business although the Company has incurred cash loss during the current period, losses during the last couple of previous periods/years, having eroded its entire net worth, and that most of the mills operations have come to a grinding halt, as informed by management, as a result of severe indiscipline by workers as well as severe inter-union rivalry, and also due to lack of working capital. As explained by the management, prospective lenders are being pursued for additional working capital. The management is also exploring/arranging alternate sources for additional funds to streamline the operations after proper evaluation. In view of such positivities, as explained by management, these financial results have been prepared on a going concern basis.





**Emphasis of Matters**

5. (a) Attention is invited to note no 3 (a) of financial results regarding dispute with authorities in respect of 'lay off' of workers. The matter in respect of which is subjudice and pending before the Honorable Supreme Court and the management expect a favourable outcome.

(b) We draw your attention to Note 3 (b) of the financial results with regard to management's assessment about the impact on Company's operations due to COVID 19 pandemic outbreak. The management apart from considering the internal and external information up to the date of approval of these financial results, the Company has also performed sensitivity analysis on the assumptions used interalia, including in respect of realisability of inventories of Rs.363.65 lakhs, recoverability of trade receivables of Rs.256.61 lakhs and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of all these assets.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements. Considering the continuing uncertainties, as explained, the Management will continue to closely monitor any material changes to future economic conditions.

Our report is not modified in respect of these matters.



Mumbai  
11<sup>th</sup> February, 2021

For SVP & Associates  
Chartered Accountants  
Firm Registration No. 003838N

*Yogesh Kumar Singhania*

Yogesh Kumar Singhania  
Partner  
Membership No. 111473  
UDIN : 21111473 AAAACD5580

**EUROTEX INDUSTRIES AND EXPORTS LIMITED**

REGD. OFFICE : 1110, RAJEJA CHAMBERS, 11TH FLOOR, 213, NARIMAN POINT, MUMBAI - 400 021

CIN : L70200MH1987PLC042598

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

(Rs. in Lakhs)

1	2	3	4	5	6	7	8
S. No.	Particulars	3 Months	3 Months	3 Months	Year to date	Year to date	Year to date
		ended	ended	ended	figures for the	figures for the	figures for the
		(31/12/2020)	(30/09/2020)	(31/12/2019)	period ended	period ended	period ended
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations	863.91	457.52	732.21	1,769.56	3,218.34	4,205.77
2	Other Income	33.44	280.11	588.54	345.34	693.73	753.86
3	<b>Total Revenue (1+2)</b>	<b>897.35</b>	<b>737.63</b>	<b>1,320.75</b>	<b>2,114.90</b>	<b>3,912.07</b>	<b>4,959.63</b>
4	<b>Expenses:</b>						
(a)	Cost of materials consumed	-	-	731.68	-	1,338.92	1,396.64
(b)	Purchase of Stock-in-Trade	691.84	135.12	210.12	887.91	738.13	958.02
(c)	Changes in inventories of finished goods, work-in-progress & Stock-in-Trade	86.49	245.68	(292.57)	616.79	762.36	1,388.93
(d)	Employee benefits expense	373.31	554.91	432.38	996.45	1,585.58	1,827.15
(e)	Power & Fuel	8.05	13.50	30.15	25.85	83.85	99.09
(f)	Finance costs	113.41	102.18	87.04	315.28	357.04	446.58
(g)	Depreciation and amortisation expense	92.19	92.45	93.09	276.33	279.21	371.04
(h)	Other expenses	112.24	102.26	145.83	309.44	516.61	652.14
	<b>Total Expenses (a to h)</b>	<b>1,477.53</b>	<b>1,246.10</b>	<b>1,437.72</b>	<b>3,428.05</b>	<b>5,661.70</b>	<b>7,139.59</b>
5	<b>Loss before tax (3-4)</b>	<b>(580.18)</b>	<b>(508.47)</b>	<b>(116.97)</b>	<b>(1,313.15)</b>	<b>(1,749.63)</b>	<b>(2,179.96)</b>
6	<b>Tax Expenses</b>						
	Deferred tax	61.58	(45.87)	41.76	(58.85)	(360.70)	(304.44)
	<b>Tax Expenses</b>	<b>61.58</b>	<b>(45.87)</b>	<b>41.76</b>	<b>(58.85)</b>	<b>(360.70)</b>	<b>(304.44)</b>
7	<b>Loss for the period (5-6)</b>	<b>(641.76)</b>	<b>(462.60)</b>	<b>(158.73)</b>	<b>(1,254.30)</b>	<b>(1,388.93)</b>	<b>(1,875.52)</b>
8	<b>Other Comprehensive Income</b>						
(i)	Items that will not be reclassified to profit or loss:						
(a)	Remeasurement of the net defined benefit liabilities/ (assets)	-	(28.02)	5.00	(75.00)	15.00	(187.91)
(b)	Equity instruments through other comprehensive income	76.65	6.20	(23.08)	103.39	(144.87)	(160.74)
(ii)	Income tax relating to items that will not be reclassified to profit or loss	(19.30)	5.50	16.21	(7.15)	33.48	88.54
9	<b>Total Comprehensive Income for the period</b>	<b>(584.41)</b>	<b>(478.92)</b>	<b>(160.60)</b>	<b>(1,233.06)</b>	<b>(1,485.32)</b>	<b>(2,135.63)</b>
10	<b>Paid up equity share capital (Face value : Rs.10 per share)</b>	<b>874.02</b>	<b>874.02</b>	<b>874.02</b>	<b>874.02</b>	<b>874.02</b>	<b>874.02</b>
11	<b>Other equity</b>						(446.37)
12	<b>Earning Per Share (of Rs.10 each)</b>						
a)	Basic (Not to be annualized)	(7.33)	(5.29)	(1.81)	(14.34)	(15.87)	(21.43)
b)	Diluted (Not to be annualized)	(7.33)	(5.29)	(1.81)	(14.34)	(15.87)	(21.43)



**Notes:**

- 1 The above unaudited financial results have been reviewed by the Audit Committee and were thereafter approved and taken on record by the Board of Directors in their meeting held on 11th, February 2021. The Statutory Auditors have carried out Limited Review of the above results for the quarter ended 31st December, 2020 as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2 The Company has only single reportable business segment i.e. 'Yarn segment' in terms of requirements of Ind AS 108 and has its operations / assets located in India.
- 3 (a) Results for the current quarter / nine months have been adversely affected mainly due to unfair and illegal activities and a strike started by workers from 3rd November, 2018 in Plant E-23 (Mill). The Spinning Mill restarted from 9th February, 2019 after getting prescribed consent letters of good conduct from all the workers as directed by Hon'ble Industrial Court. However, the Mill has come to a grinding halt again w.e.f. 25th March, 2019 due to persistent labour problems and with disconnection of power. Till now the grinding halt of Mills operation continues. Matter in respect of disputed labour dues for 'lay off' of workers, is subjudice, pending before the Honourable Supreme Court and the management expects a positive outcome, in view of the expert legal opinion in the aforesaid matter obtained by the Company. The management is studying ways to start operations of the Mills, pursuing the prospective lenders, exploring for sources of additional funds and in view of such positivities, the financial statements have been prepared on a going concern basis.
- 3 (b) In the meantime, there was an outbreak of Pandemic 'Novel Coronavirus' ("COVID - 2019") and consequent Lockdown announced by the Centre and State Governments on 23rd March, 2020.  
Due to impact of COVID - 2019 Pandemic, there might be an adverse impact on the Company's financials. The management however, has considered the possible future effects, that may inter-alia, impact the carrying amounts of inventories and trade receivables. The Management will closely monitor any material changes due to future economic conditions and take necessary measures to address the situation.
- 4 "Employee benefits expense" for the current quarter and nine months includes Rs.254.99 lakhs and Rs.679.80 lakhs respectively; previous years' corresponding quarter and nine months includes Rs.54.32 lakhs and Rs.276.67 lakhs respectively being ex-gratia paid/payable to the certain workers who have voluntarily retired. An amount of Rs. 212.49 lakhs was paid to the employees who resigned under VRS in January, 2021.
- 5 "Other Income" includes for the current quarter Rs. Nil and nine months Rs.254.26 lakhs; previous years' corresponding quarter and nine months includes Rs.546.09 lakhs being profit on sale of certain land and building at Kolhapur.
- 6 Figures of current quarter / nine months are not comparable with corresponding quarter / previous nine months due to the reasons as stated in Note 3, 4 and 5 above.
- 7 Previous periods' figures have been regrouped / rearranged, wherever necessary to make them comparable to current quarter's presentation.

For Eurotex Industries and Exports Limited



K.K. Patodia

Chairman and Managing Director  
(DIN : 00027335)

Place : Mumbai

Date : 11th February, 2021

