



Corporate Relations Department
BSE Limited,
1st Floor, New Trading Wing,
Rotunda Building, P J Towers,
Dalal Street, Fort,
Mumbai - 400 001.

The Market Operations Department
National Stock Exchange of India Limited,
Exchange Plaza, 5th Floor,
Plot No C/1, G Block,
Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051.

Date : 29th October, 2024

Dear Sir /Madam,

Ref: Morarjee Textiles Limited (Company Code: 532621, NSE: MORARJEE)

Sub: Outcome of the Board Meeting held on 29th October, 2024

Pursuant to Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company at its meeting held on 29th October, 2024, has *inter-alia* approved and the same is attached herewith:

1. The Audited Standalone Financial Results of the Company for quarter and year ended 31st March, 2024 along with statement of Assets and Liabilities and the Statement of Cashflow as on that date. Copy of said Financial Results is enclosed herewith
2. The Audited Standalone Financial Statements for the year ended 31st March, 2024
3. The Audit Report of the Statutory Auditor of the Company on the standalone and consolidated audited Financial Results of the Company for the year ended 31st March, 2024
4. Statement of impact of audit qualification (for audit report with modified opinion)
5. Statement of half yearly disclosure on consolidated Related party transactions for the half year ended 31st March, 2024

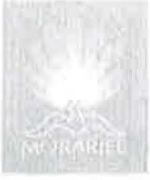
The Board Meeting commenced at 10:15 a.m. and was concluded at 16:35 p.m.

MORARJEE TEXTILES LTD.
Factory : Plot No. G - 2, MIDC,
Industrial Area, Post - Salaidhaba
Via Hingna, Butibori, Nagpur - 441 122,
Maharashtra, India



Tel : 86577 20751
Website : www.morarjee.com
CIN : L52322MHI995PLC090643

Registered Office:
242, Floor G-1, New Mahalaxmi Silk Mill,
Harishchandra L. Nagoankar Marg,
Mathuradas Mills Compound,
Delisle Road, Mumbai - 400 013
Maharashtra, India



Request you to take the same on record.

Thanking You,

Yours truly,
For **Morarjee Textiles Limited**

Kishor Dhage

CEO, Whole Time Director & Compliance Officer

Encl: as above



[Morarjee Textiles Limited is under the Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code 2016. Its affairs, business and assets are being managed by Mr. Ravi Sethia, appointed as the interim resolution professional by the National Company Law Tribunal, Mumbai by order dated 09th February 2024 in CP(IB) No. 1318/MB-VI/2022 and subsequently, confirmed as the Resolution Professional of Morarjee Textiles Limited by Committee of Creditors on 22 May 2024, under the provisions of the Insolvency and Bankruptcy Code, 2016.]

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Morarjee Textiles Limited

Statement of Audited Standalone Financial Results for Quarter and Year Ended March 31, 2024

(Rs. in lakhs except EPS)

Particulars	Quarter Ended			Year Ended	
	31.03.2024 (Audited)	31.12.2023 (Unaudited)	31.03.2023 (Audited)	31.03.2024 (Audited)	31.03.2023 (Audited)
Income					
1 Revenue from Operations	1,322	907	5,125	3,283	20,687
2 Other Income	33	25	27	945	130
3 Total Income (1 + 2)	1,355	932	5,152	4,228	20,817
Expenses					
a) Cost of Materials Consumed	750	222	2,103	1,218	8,635
b) Changes in Inventories of Finished Goods and Work in Progress	42	444	544	1,430	3,159
c) Dyes and Chemicals	37	55	387	117	1,762
d) Power and Fuel (Refer Note 8)	386	179	1,360	(107)	4,166
e) Employee Benefits Expense	959	269	1,270	1,830	3,380
f) Finance Costs	8,767	1,987	1,661	15,047	7,960
g) Depreciation and Amortisation Expense	527	533	536	2,137	2,233
h) Other Expenses	392	310	787	1,034	4,785
Total Expenses	11,860	3,999	8,648	22,706	36,080
5 Loss before exceptional items and tax (3 - 4)	(10,505)	(3,067)	(3,496)	(18,478)	(15,263)
6 Exceptional Items (Refer Note 14)	-	-	3,274	1,578	3,274
7 Loss before tax (5 + 6)	(10,505)	(3,067)	(6,770)	(20,056)	(18,537)
8 Tax Expense					
- Current Tax	-	-	-	-	-
- MAT/ Deferred Tax	-	-	-	18	-
- Tax (earlier years)	54	-	5	54	5
9 Loss after Tax (7 - 8)	(10,559)	(3,067)	(6,775)	(20,128)	(18,542)
10 Other Comprehensive Income					
(i) Items that will not be reclassified to profit or loss	(32)	6	35	(13)	26
(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
Total Other Comprehensive Income	(32)	6	35	(13)	26
11 Total Comprehensive Income (9 + 10)	(10,591)	(3,061)	(6,740)	(20,141)	(18,516)
12 Paid-up Equity Capital (Face value of Equity Share:- Rs.7/- each)	2,543	2,543	2,543	2,543	2,543
13 Other Equity				(50,518)	(30,377)
14 Basic and Diluted EPS (Rs.) (Not annualised for the quarters)	(29.06)	(8.44)	(18.65)	(55.40)	(51.03)

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Maharashtra, India

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Notes:

1 Statement of Assets and Liabilities as at March 31, 2024

(Rs. in lakhs)

Particulars	Standalone	
	31.03.2024 (Audited)	31.03.2023 (Audited)
ASSETS		
1. Non-current Assets		
a) Property, Plant and Equipment	36,563	38,679
b) Intangible Assets	53	73
c) Investment in Joint Venture	14	44
d) Financial Assets		
- Investments		1
- Other Financial Assets	25	44
e) Deferred Tax Assets	3,023	3,041
f) Non-current Tax Assets	58	109
g) Other Non-current Assets	51	51
Total Non-current Assets	39,787	42,042
2. Current Assets		
a) Inventories	1,644	3,252
b) Financial Assets		
i) Trade Receivables	171	523
ii) Cash and Cash Equivalents	412	239
iii) Bank Balances other than (ii) above	4	178
iv) Loans		3
c) Other Current Assets	2,038	4,145
Total Current Assets	4,269	8,340
TOTAL ASSETS	44,056	50,382
EQUITY AND LIABILITIES		
1. Equity		
a) Equity Share Capital	2,543	2,543
b) Other Equity	(50,518)	(30,377)
Total Equity	(47,975)	(27,834)
2. Non-current Liabilities		
a) Financial Liabilities		
- Borrowings		5,999
b) Provisions	545	551
c) Other Non-current Liabilities	1,416	1,507
Total Non-current Liabilities	1,961	8,057
3. Current Liabilities		
a) Financial Liabilities		
i) Borrowings	50,566	44,120
ii) Trade Payables		
-Total Outstanding dues of Micro Enterprises and Small Enterprises	1,778	1,496
-Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	6,027	6,533
iii) Other Financial Liabilities	30,723	17,279
b) Other Current Liabilities	946	705
c) Provisions	30	26
Total Current Liabilities	90,870	70,159
TOTAL EQUITY AND LIABILITIES	44,056	50,382

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Notes:

1. Pursuant to the application under section 7 of Insolvency and Bankruptcy Act, 2016 (IBC) filed by one of the Financial Creditors, being CP(IB) No. 1318/MB-VI/2022, the National Company Law Tribunal (NCLT), Mumbai Bench, admitted the application vide order dated February 9, 2024 and directed to initiate Corporate Insolvency Resolution Process (CIRP) against the Company. Ravi Sethia (IBBI/IPA-001/IP-P01305/2018-2019/12052) has been appointed as the Interim Resolution Professional (IRP) and has been confirmed as the Resolution Professional (RP) by the Committee of Creditors (COC) on May 22, 2024. Upon commencement of CIRP, the powers of the Board of Directors of the Company stand suspended and management of the Company vest in the Interim Resolution Professional (IRP)/ Resolution Professional (RP).

IRP/ RP has invited the financial/ operational/ other creditors and employees to file their respective claims and that the admissions of such claims is in process. Further pending reconciliation, the effects in respect of claims admitted till date has not been given in the books of account. Since creditors can file their claims during CIRP, the figures of claims admitted in the books of account might undergo changes during CIRP. Adjustments, if any, arising out of the claim verification and submission process will be given effect in subsequent periods.

2. The above standalone financial results for the year ended March 31, 2024 which are in accordance with Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 read with SEBI circular dated July 05, 2016, have been prepared by the management and approved in the meeting of Directors chaired by RP held on October 29, 2024. The RP has relied upon the explanations, clarifications, representations and statements made by the Directors, who were also part of the Company prior to initiation of the CIRP process. and have taken on record only to the limited extent of discharging the powers of the Board of Directors of the Company which has been conferred upon him in terms of the provisions of section 17 of the Insolvency and Bankruptcy Code, 2016. The Statutory auditors of the Company have carried out the audit of these standalone financial results. The standalone financial results for the Quarter ended March 31, 2024; being the balancing figure between audited figures in respect of full financial year and the published year to date

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figures upto the third quarter of the current financial year which were subject to limited review by statutory auditors.

3. The Company has incurred net loss including cash losses during the quarter and year ended March 31, 2024 as also in previous years, owing to high input and finance cost, coupled with sub-optimal utilization of the manufacturing facilities due to severe working capital constraints. The net worth has completely eroded and current liabilities are in excess of current assets. For major part of the financial year, the workers at plant resorted to strike and operations of the Company was adversely affected (refer Note 6 below). There have been continuous delays and defaults in repayment of debt obligations as well as delay in statutory and other payments. The loan account of the Company was classified as NPA by lenders and the lenders have served notice for recall / taken legal recourse against the Company, requiring repayment of the loan.

Further, the Company had, after obtaining the approval of Preference Shareholders, approached NCLT under Section 55 of the Companies Act 2013 for issue of further Redeemable Cumulative Non-Convertible Preference Shares against the existing Preference Shares of Rs. 10 Crores which were due for redemption on November 15, 2019 for a further period of 20 years. The Hon'ble NCLT has dismissed the application filed via C.P. 4073/2019 for non-prosecution via order dated 21st December 2023.

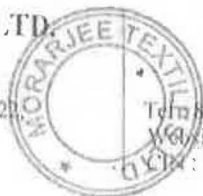
The Company's product is well accepted in market and the Company expects it would be able to cater to its customers and turn around, once the resolution process is put in place.

The CIRP is underway and is proceeding as per the prescribed timelines. It is expected that a resolution in the interest of all stakeholders would be in place in due course. In accordance with the CIRP, the RP had published brief particulars of invitation for expression of interest from prospective resolution applicants and invited Resolution Plans thereof. Thereafter, the Resolution plans have been received and are being discussed with the COC for their approval. The plan, as approved by the COC (if any) shall be submitted to NCLT for approval in accordance with section 20 of IBC. The RP is taking necessary action as required under the said section to keep the Company as going concern.

In the circumstances mentioned above, the standalone financial results have been prepared on a going concern basis and does not include any adjustment to the carrying value of assets and liabilities.

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4. a) There shall be moratorium under section 14 of the Insolvency and Bankruptcy Code, 2016 till the completion of the CIRP or until the Adjudicating Authority approves the resolution plan under sub section (1) of section 31 of the IBC or pass an order for liquidation of Corporate Debtors under section 33 of the IBC, as the case may be.

b) The Company had received regulatory Enquiries /Notices/ Summons /Show-Cause/Cause/Demand/ Orders from various government authorities. In view of Company's admission under CIRP all existing civil legal proceedings will be kept in abeyance as moratorium u/s 14 of the Insolvency and Bankruptcy Code, 2016 is applicable on the Company till the conclusion of CIRP. Therefore, no impact has been considered in these standalone results as of now.
5. Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators of business the segment/s in which the Company operates. The Company is primarily engaged in the business of Textile Products which the Management and CODM recognise as the sole business segment. Hence, disclosure of segment-wise information is not required and accordingly not provided.
6. The operations of the Company were affected due to strike by labour union at the plant at Nagpur from April 17, 2023. After continuous dialogue with the labour union, the strike was finally called off w.e.f. October 26, 2023 and partially operations were started with the restoration of power supply on November 09, 2023. There has been further disruption in power supply from August 28, 2024 to September 4, 2024, which has been resolved.

Revision in Wage Agreement was being done every 3 years by the Company. With the CIRP process underway in the Company, the settlement in relation to wage agreement which expired in August 2019 will be done as per the terms of the approved resolution plan and provisions laid down as per the Insolvency and Bankruptcy Code 2016.

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CIN : L52322MH1995PLC090643

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7. During the year ended March 31, 2024 an incidence of theft was reported at Nagpur Plant of the Company and bales of cotton and certain machinery parts were found stolen. A complaint was lodged with police station and the FIR has been subsequently registered against unknown personnel. The Company has quantified the estimated value of stolen cotton bales, which has been adjusted in the consumption and adjustment for machinery parts is being evaluated and would be adjusted upon completion of the process. The said machinery parts are not expected to be not significant in terms of value.

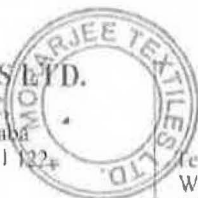
In view of continuing CIRP process the management has not carried out impairment assessment as at the year end. Consequently, the impact of the same on the carrying value of Property, Plant & Equipment and intangible assets ("PPE") is not ascertained with resultant impact on the losses and value of PPE standing in the books of account.

8. Power and fuel expense for the year ended March 31, 2024 is net of Rs. 1,040 lakhs, on account of textile subsidy pertaining to earlier years and adjusted against electricity bills by Maharashtra State Electricity Distribution Company Limited during the year.
9. Other Current Assets includes an amount of Rs. 1,263 lakhs (net of provision of Rs. 3,371 lakhs) as on March 31, 2024 (P.Y Rs. 3,034 lakhs (net of provision of Rs. 1,792 lakhs)) towards GST input tax credit on account of higher GST on input (specifically on input services) as compared to output. Though Input GST credits are allowed to be carried indefinitely, the utilisation thereof is generally dependent on various factors including volume and value of output in future, rates of tax on output and changes in government policies.
10. The MAT credit of Rs. 3,023.44 lakhs is being carried in the books of account which is available for set off against any future tax incidence for a period of 15 years. The Management is hopeful that it would be utilised within the time frame available and accordingly, the same is being carried forward.
11. The Company is in the process of appointing the Key Managerial Personnel (KMPs) and said professionals will be appointed with the consent of COC in due course.

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12. The Company had obtained EPCG licenses during FY16 and FY17 from DGFT, Ministry of Commerce and Industry under the Export Promotion Capital Goods Scheme and the Company saved Customs duty aggregating Rs. 2,841 Lakhs against the said licenses. However, the Customs Commissionerate Nagpur has filed a claim of Rs. 5,873 Lakhs against the Company as part of CIRP. With the CIRP underway, the claim of the Customs Commissionerate will be determined as per approved resolution plan and provisions laid down as per the Insolvency and Bankruptcy Code 2016.
13. Capital Subsidy of Rs. 1,196 lakhs was sanctioned by Government of Maharashtra in late 2019. The Company has thereafter received part Capital subsidy and balance of Rs. 543.33 lakhs is yet receivable. The release of the same is being pursued and is expected to be received in due course.
14. Exceptional items for the Year Ended March 31, 2024 represents:
- (a) provisioning of Rs. 1,578 lakhs (P.Y Rs. 1,792 lakhs) on account of uncertainty of full utilisation of accumulated Goods and Services Tax (GST);
- (b) provisioning in previous year of Rs. 1,482 lakhs on account of long outstanding subsidies receivable
15. Corresponding figures of the previous periods have been regrouped wherever necessary. The operations of the Company were affected due to power disconnection and strike as mentioned in Note 6 above, and therefore, the figures in the corresponding quarter of previous financial year and the previous financial year are not comparable.

For Morarjee Textiles Limited



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CEO, Whole Time Director &

Compliance Officer

Director of suspended Board of Directors

DIN: 10349307

Place: Nagpur

Date: October 29, 2024

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For Morarjee Textiles Limited

Harshvardhan A. Piramal
Executive Vice Chairman
Director of suspended Board of Directors
DIN: 00044972
Place: Mumbai
Date: October 29, 2024

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Date: 2024.10.29
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Ravi Sethia
(Taken on Record)
IBBI/TPA-001/IP-P01305/2018-2019/12052
Resolution Professional
Place: Kolkata
Date: October 29, 2024



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MORARJEE TEXTILES LIMITED

Standalone Statement of Cash Flows for the year ended March 31, 2024

(Rs. in lakhs)

Particulars	Year Ended 31.03.2024	Year Ended 31.03.2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before Tax	(20,056)	(18,537)
Adjustments for :		
Depreciation and amortisation	2,137	2,233
Finance costs	15,047	7,960
Provision for expected credit loss on trade receivables and other financial assets	126	240
Provision for Diminution in Investment in joint venture	31	20
Balances Written back	(846)	-
Provision for GST Receivable and Interest subsidy	1,578	3,274
Deferred income	(91)	(91)
Interest income	(3)	(10)
	17,979	13,626
Operating Loss before Working Capital Changes	(2,077)	(4,911)
Adjustments for Changes in Working Capital		
(Increase)/ Decrease in trade and other receivables	775	1,789
(Increase) /Decrease in Inventories	1,607	3,392
Increase/(Decrease) in trade payables and other liabilities	1	516
	2,383	5,697
Cash Generated From Operations	306	786
Taxes paid	(1)	(36)
Net Cash flow from Operating Activities (A)	305	750
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (Including Capital Advances)	(1)	(9)
Interest received	1	9
Maturity of / (Investment in) fixed deposit with banks	171	(15)
Net Cash from / (used in) Investing Activities (B)	171	(15)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term borrowings	(815)	(123)
Increase/ (Decrease) in short-term borrowings	1,172	(1,395)
Interest paid	(660)	(652)
Net Cash used in Financing Activities (C)	(303)	(2,170)
Net Increase / (Decrease) in Cash and Cash Equivalents (A)+(B)+(C)	173	(1,435)
Cash and Cash Equivalents		
- At the beginning of the year	239	1,674
- At the end of the year	412	239



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[Signature]

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INDEPENDENT AUDITOR'S REPORT

To the Resolution Professional of Morarjee Textiles Limited

Report on the Audit of the Standalone Annual Financial Results

Corporate Insolvency Proceedings as per Insolvency and Bankruptcy Code, 2016 ("the Code")

In accordance with the Code, the Honorable National Company Law Tribunal, Mumbai Bench ("NCLT") on February 09, 2024 admitted a Corporate Insolvency Resolution Process ("CIRP") application filed by a financial creditor against Morarjee Textiles Limited ("the Company") and appointed an Interim Resolution Professional ("IRP") who has thereafter been confirmed as the Resolution Professional ("RP") by the Committee of Creditors on May 22, 2024. The powers and responsibilities of the Board of Directors were suspended and shall vest with the RP under the provisions of the Code.

Disclaimer of Opinion

We were engaged to audit the accompanying standalone annual financial results of the Company for the year ended March 31, 2024 ("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').

We do not express an opinion on the accompanying Statement of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section below, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion as to whether the Statement:

- (i) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, and other accounting principles generally accepted in India, of net loss and other comprehensive income and other financial information of the Company for the year ended March 31, 2024.

Basis for Disclaimer of Opinion

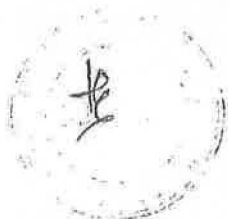
- (a) We draw attention to Note 1 of the Statement which explains that the Company has been admitted into CIRP by NCLT, and the RP has invited the financial/ operational/ other creditors and employees to file their respective claims and that the admission of such claims is in process. Further pending reconciliation, the effects in respect of claims admitted till date has not been given in the books of account. The note also explains that creditors can file their claims during CIRP and the figures of claims admitted and accounted in the books of account might undergo changes during CIRP. Hence, pending determination of final obligations and liabilities with regard to various claims submitted by these creditors and employees, we are unable to comment its consequential impact on the Statement.



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- (b) We draw attention to Note 2 of the Statement, which explains that since the RP (earlier IRP) has taken charge of the affairs of the Company on February 9, 2024, RP has relied upon the explanations, clarifications, representations and statements made by the Directors, who were also part of the Company prior to initiation of the CIRP process and have taken on record only to the limited extent of discharging the powers of the Board of Directors of the Company which has been conferred upon him in terms of the provisions of section 17 of the Insolvency and Bankruptcy Code, 2016.
- (c) We draw attention to Note 6 to the Statement, regarding pending revision of long term wage agreement and its impact, if any, on the Statement which is presently not ascertainable. In view of the pendency of the aforesaid wage agreement, the provision for gratuity and leave encashment worked out by Independent Actuary is based on actual wages paid to workers on payroll during the year and is subject to revision.
- (d) As mentioned in Note 7 of the Statement, the carrying value of the Company's Property, Plant and Equipment (PPE) and Intangible Assets are Rs. 36,563 lakhs and Rs. 53 lakhs respectively as at 31 March 2024. In accordance with Indian Accounting Standard (Ind AS) 36 "Impairment of Assets", the Management is required to make an assessment of impairment to the carrying value of its assets. Pending resolution of the CIRP as referred in the said note, we have been informed that the Management has not performed an analysis to determine any impairment to the carrying value of these assets. Also, the management has not conducted physical verification of PPE as at March 31, 2024 or at any time during the financial year. Further, as referred in the said note, an incident of theft was reported during the year at the manufacturing plant of the Company which was not operational at that point in time. As per the First Information Report filed by the Company against unknown personnel, apart from cotton bales, certain machinery parts were also stolen. The Company is still evaluating the impact of said theft on its books of account and as such the necessary adjustment would be effected in due course. Consequently we are unable to comment on the existence of PPE as at balance sheet date and the impairment loss, if any, that needs to be recognised to the carrying value of these assets and its consequential impact on the Statement.
- (e) We draw attention to Note 10 to the Statement, regarding MAT Credit Entitlement amounting to Rs. 3,023.44 lakhs as on March 31, 2024 which is carried forward based on the judgment of the management that the MAT credit would be fully utilized in future years before its expiry. We are unable to obtain any sufficient appropriate audit evidence regarding its utilization in future years before its expiry and therefore unable to comment on the extent of provision required, if any, and its consequential impact on the loss and other equity in the Statement.
- (f) As referred in Note 12 to the Statement, the Company had taken benefit of customs duty in earlier years on purchase of plant and machinery under the condition that the Company is required to fulfill certain export obligations. As part of the CIRP, the Customs Commissionerate, Nagpur, has filed a claim of customs duty (along with interest) aggregating Rs. 5,873 lakhs under Export Promotion Capital Goods Scheme considering the Company has failed to meet with the export obligation within the time frame as permitted, which has expired. In view of the ongoing CIRP and considering the uncertainties involved, we are unable to comment on the consequential impact of this matter on the Statement.



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- (g) We draw attention to Note 13 to the Statement, regarding capital subsidy receivable amounting to Rs. 543.33 lakhs as on March 31, 2024 which is carried forward based on the judgment of the management that the subsidy would be realised in the future years. However, we are unable to obtain sufficient appropriate audit evidence regarding its recoverability and therefore unable to comment on the extent of provision required, if any, and its consequential impact on the loss and other equity in the Statement.
- (h) We had carried out independent balance confirmation process with respect to various parties/ lenders, responses for which are pending receipt/ reconciliation as on the date of signing of this report. Hence we are unable to comment on such balances and its consequential impact on the Statement.
- (i) We have been informed that certain information including the minutes of meetings of the Committee of Creditors are confidential in nature and cannot be shared with anyone other than the Committee of Creditors and the Hon'ble NCLT. Accordingly, we are unable to comment on the possible financial effects on the Statement including on the presentation and disclosure, if any, that may have arisen if we had been provided access to those information.
- (j) We have been informed that transaction audit of the Company is also in progress as per Section 39 of the Code and pending the outcome of such audit, the impact, if any, on the Statement is currently not ascertainable.
- (k) During the course of audit, we have observed few instances of non-compliances with the provisions of Listing Regulations and The Companies Act, 2013 ("Act"). Major non-compliances observed are as under:
- I. The Company has not prepared and presented consolidated financial statements for the year ended March 31, 2024 as required under Section 129(3) of the Act;
Further, the Company has not prepared and presented unaudited consolidated financial results as required under the requirements of Regulation 33 of the Listing Regulations for the quarter and year ended March 31, 2024;
 - II. The Company has not appointed Internal Auditors as required by Section 138 of the Act;
 - III. The Company has not appointed full time Company Secretary as required by Section 203 of the Act;
 - IV. The Company has not conducted audit of Cost Records as required by Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014;
 - V. The Company did not have a Chief Financial Officer (CFO) for financial year 2023-24 as required under section 203 of the Act.

In the absence of ascertainment of impact arising on account of such non-compliance of laws and regulations and other regulatory non-compliances, if any, we are unable to comment on its consequential impact on the Statement of the Company.



(l) We draw attention to Note 3 of the Statement, which states that the Company has been admitted to CIRP and also that the Company has incurred net loss after tax of Rs. 20,128 lakhs including cash losses, during the year ended March 31, 2024 and as of that date, the Company's accumulated losses amount to Rs. 56,145 lakhs resulting in complete erosion of its net worth and its current liabilities are in excess of current assets by Rs. 85,801 lakhs. Due to strike at the manufacturing plant of the Company for major part of the year, the operations of the Company has been adversely affected. Further, there have been continuous delays and defaults in repayment of debt obligations leading to classification of Company's debt as non-performing by the lenders, who have served notice for recall / taken legal recourse against the Company, requiring repayment of the loan. These events / conditions along with other matters as set forth in the said note and the fact stated in Corporate Insolvency Proceedings as per the Code section above, indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

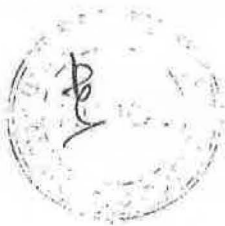
Pending the completion of the CIRP and the outcome of the matters described in paragraph (a) to (k) above and possible impact thereof, we are unable to obtain sufficient appropriate audit evidence to conclude on appropriateness of the management's use of the going concern basis in the preparation of the Statement.

Responsibilities of Management and Resolution Professional for the Standalone Annual Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The RP and the existing officials of the Company are responsible for the preparation and presentation of this Statement that give a true and fair view of the net loss and other comprehensive income and other financial information of the Company in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder 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 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Statement, the RP and the existing officials of the Company 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 RP either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The RP and the existing officials of the Company are also responsible for overseeing the Company's financial reporting process.



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

Our responsibility is to conduct an audit of the Company's Statement in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India ("ICAI") and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we are not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Statement.

We are independent of the Company in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the Statement under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical requirements in accordance with these requirements and the Code of Ethics.


Other Matter

The Statement includes the results for the quarter ended March 31, 2024, being the balancing figure between audited figures in respect of full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048



Sumant Sakhardande

Partner

Membership No. 034828

UDIN: 24034828BKCANS9709

Place: Mumbai

Date: October 29, 2024

Morgan Textiles Limited

ANNEXURE I

Statement on Impact of Audit Qualifications from audit report with materiality assumptions and impact along with Annual Audited Financial Results - 2024-25

Rs. in Lakhs

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2025
(See Regulation 33(5) of the SEBI (LODR) Amendment Regulations, 2016)

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (Audited figures after adjusting for qualifications)
1.	Turnover / Total Income	4,228	4,228
2.	Total Expenditure	24,705	Not Quantifiable
3.	Net Profit/(Loss)	(18,478)	Not Quantifiable
4.	Earnings Per Share	(55.40)	Not Quantifiable
5.	Total Assets	44,056	Not Quantifiable
6.	Total Liabilities	92,031	Not Quantifiable
7.	Net Worth	(47,975)	Not Quantifiable
8.	Any other financial item(s) (as felt appropriate by the management)		

ii. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification: Disclaimer of Opinion on the basis of following matters

- i. Impairment Analysis of Property, Plant & Equipment and Intangible Assets & physical verification not carried out by the Company; incidence of theft at Plant by unknown personnel; consequential impact not ascertainable
- ii. Reliance of RP on upon the explanations, clarifications, representations and statements made by the Directors, who were also part of the Company prior to initiation of the CIRP process and have taken on record only to the limited extent of discharging the powers of the Board of Directors of the Company which has been conferred upon him
- iii. Admission of Company into CIRP and consequential impact of claims submitted by various creditors on the financial statements is presently not ascertainable pending completion of CIRP.
- iv. MAT credit carried forward for utilisation future and the extent of provision required towards impairment, if any, not ascertainable;
- v. Balances subject to receipt of independent confirmations/ pending reconciliations - Consequential impact not ascertainable pending CIRP
- vi. Information w.r.t minutes of Committee of Creditors not shared with auditors and transaction audit presently going on - Consequential impact not ascertainable
- vii. Claims filed by Customs Duty (with Interest) under EPCG scheme; Consequential impact not ascertainable pending CIRP
- viii. Pending revision of long term wage agreement; and its consequential impact presently not ascertainable
- ix. Non compliance with certain provisions of the Companies Act, 2013 & SEBI LODR Regulations and any other regulatory non compliances; impact not ascertainable
- x. Material Uncertainty related to Going Concern
- xi. Capital subsidy receivable and carried forward in books of account; extent of provision required, if any, not ascertainable and its recoverability

b. Type of Audit Qualification: Disclaimer of Opinion

c. Frequency of qualification: First time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
Not applicable



Ravi
Sethia

Digitally signed
by Ravi Sethia
Date: 2024.10.29
16:37:51 +05'30'



(Handwritten signature)

For Audit Qualification(s) where the impact is not quantified by the auditor:

- (i) Management's estimation on the impact of audit qualification (based on) ascertainable
- (ii) If management is unable to estimate the impact, reasons for the same. The impact of any on financial statements is presently not ascertainable pending ...
- (iii) Auditor's Comments on (i) or (ii) above, the impact of any on financial statements is presently not ascertainable pending BRRP and other facts as reported.

iii. Signatories

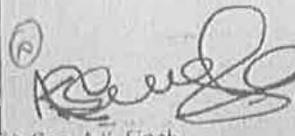
For Haribhakti & Co LLP
Chartered Accountants
ICAI FRN: 10352TW / W100048

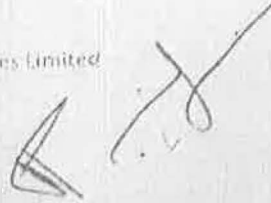

Sumant Sakherdande
Partner
Membership No. 034828

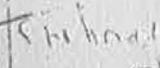


For and on behalf of Morarjee Textiles Limited

Ravi Sethia
Resolution Professional


Lt. Gen. A.K. Singh
(Chairman - Audit Committee)
Suspended Board of Directors


Harsh Piramal
Executive Vice Chairman
Director of Suspended Board of Directors


Kedar Dhanraj
CLO & Whole Time Director of
Suspended Board of Directors

Date: 29th October 2024



Ravi
Sethia

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Ravi Sethia
Date: 2024.10.29
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