



ASHOK
PIRAMAL
GROUP

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 May, 2023

Dear Sir / Madam,

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

Sub: Outcome of the Board Meeting held on 29th May, 2023

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 May, 2023, has *inter-alia* approved the following and the same is attached herewith.

- 1) The audited Standalone and Consolidated Financial Results of the Company for quarter and year ended 31st March, 2023 along with statement of Assets and Liabilities and the Statement of Cash Flows as on that date. Copy of said Financial Results is enclosed herewith.
- 2) The audited Standalone and Consolidated Financial Statements for the financial year ended 31st March, 2023.
- 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, 2023.
- 4) Statement on 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, 2023

The Board Meeting commenced at 3.00 p.m. and was concluded at 6.25 p.m.

Request you to kindly take the above on record.

Yours Sincerely,
For **Morarjee Textiles Limited**



Nishthi Dharmani
Company Secretary & Compliance Officer

Encl.: as above

MORARJEE TEXTILES LTD
Peninsula Corporate Park, Unit-5,
Ground Floor, Peninsula Tower-1,
Wing B, Ganpatrao Kadam Marg,
Lower Parel (W) Mumbai - 400013 India

Tel : 022- 66811600

www.morarjee.com
CIN: L52322MH1995PLC090643



Morarjee Textiles Limited
Statement of Audited Standalone Financial Results for the Quarter and Year Ended March 31, 2023

(Rs. In lakhs except EPS)

Particulars	Quarter Ended			Year Ended	
	31.03.2023 (Audited)	31.12.2022 (Unaudited)	31.03.2022 (Audited)	31.03.2023 (Audited)	31.03.2022 (Audited)
Income					
1 Revenue from Operations	5,125	5,912	7,983	20,687	27,233
2 Other Income	27	38	6	130	118
3 Total Income (1 + 2)	5,152	5,950	7,989	20,817	27,351
4 Expenses					
a) Cost of Materials Consumed	2,103	2,311	3,980	8,635	11,583
b) Changes in Inventories of Finished Goods and Work in Progress	544	1,247	(445)	3,159	4
c) Dyes and Chemicals	387	474	673	1,762	2,029
d) Power and Fuel	1,360	917	1,310	4,166	4,033
e) Employee Benefits Expense	1,270	717	717	3,380	2,821
f) Finance Costs	1,661	2,228	1,981	7,960	7,246
g) Depreciation and Amortisation Expense	536	567	565	2,233	2,288
h) Other Expenses	787	1,351	1,577	4,785	6,158
Total Expenses	8,648	9,812	10,358	36,080	36,162
5 Loss before exceptional items and tax (3 - 4)	(3,496)	(3,862)	(2,369)	(15,263)	(8,811)
6 Exceptional Items (Refer Note 8)	3,274	-	-	3,274	-
7 Loss before tax (5 + 6)	(6,770)	(3,862)	(2,369)	(18,537)	(8,811)
8 Tax Expense					
- Current Tax	-	-	-	-	-
- MAT / Deferred Tax	-	-	-	-	-
- Tax (earlier years)	5	-	-	5	-
9 Loss after Tax (7 - 8)	(6,775)	(3,862)	(2,369)	(18,542)	(8,811)
10 Other Comprehensive Income					
(i) Items that will not be reclassified to profit or loss	35	(3)	17	26	(12)
(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
Total Other Comprehensive Income	35	(3)	17	26	(12)
11 Total Comprehensive Income (9 + 10)	(6,740)	(3,865)	(2,352)	(18,516)	(8,823)
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				(30,377)	(11,861)
14 Basic and Diluted EPS (Rs.) (Not annualised for the quarters)	(18.65)	(10.63)	(6.52)	(51.03)	(24.25)

MORARJEE TEXTILES LTD

Peninsula Corporate Park, Unit 5,
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Ganpatrao Kadam Marg, Lower Parel (W)
Mumbai -400013 India.

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CIN: L52322MH1995PLC090643



Notes:

1 Statement of Assets and Liabilities as at March 31, 2023

(Rs. in lakhs)

Particulars	Standalone	
	31.03.2023 (Audited)	31.03.2022 (Audited)
ASSETS		
1. Non-current Assets		
a) Property, Plant and Equipment	38,679	40,865
b) Right to use assets	-	13
c) Intangible Assets	73	98
d) Investment in Joint Venture	44	64
e) Financial Assets		
- Investments	1	1
- Other Financial Assets	44	56
f) Deferred Tax Assets	3,041	3,041
g) Non-current Tax Assets	109	77
h) Other Non-current Assets	51	51
Total Non-current Assets	42,042	44,266
2. Current Assets		
a) Inventories	3,252	6,644
b) Financial Assets		
i) Trade Receivables	523	2,094
ii) Cash and Cash Equivalents	239	1,674
iii) Bank Balances other than (ii) above	178	159
iv) Loans	3	8
c) Other Current Assets	4,145	7,866
Total Current Assets	8,340	18,445
TOTAL ASSETS	50,382	62,711
EQUITY AND LIABILITIES		
1. Equity		
a) Equity Share Capital	2,543	2,543
b) Other Equity	(30,377)	(11,861)
Total Equity	(27,834)	(9,318)
2. Non-current Liabilities		
a) Financial Liabilities		
- Borrowings	5,999	15,579
b) Provisions	551	571
c) Other Non-current Liabilities	1,507	1,598
Total Non-current Liabilities	8,057	17,748
3. Current Liabilities		
a) Financial Liabilities		
i) Borrowings	45,514	36,942
ii) Lease Liabilities	-	20
iii) Trade Payables		
- Total Outstanding dues of Micro Enterprises and Small Enterprises	1,496	1,193
- Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	6,533	6,486
iv) Other Financial Liabilities	15,885	9,099
b) Other Current Liabilities	705	512
c) Provisions	26	29
Total Current Liabilities	70,159	54,281
TOTAL EQUITY AND LIABILITIES	50,382	62,711

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**Notes:**

- 2 The above audited standalone financial results for the year ended March 31, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors respectively at their meeting held on May 29, 2023. The standalone financial results for the Quarter ended March 31, 2023, being the balancing figure between audited figures in respect of full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by statutory auditor.
- 3 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.
- 4 The Company has incurred net loss including cash losses during the quarter and year 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. During the beginning of the financial year and subsequently, the workers at plant resorted to strike and operations of the Company have been adversely affected. There have been continuous delays and defaults in repayment of debt obligations as well as delay in other payments. The loan account of the Company is classified as NPA by lenders and some of the lenders have served notice for recall / taken legal recourse against the Company, requiring repayment of the loan. One of the financial creditor has filed an application before National Company Law Tribunal ("NCLT"), Mumbai under Section 7 of Insolvency and Bankruptcy Code, 2016 for initiating Corporate Insolvency Resolution Process against the Company. Further, two of the operational creditors have also submitted applications under Section 9 of Insolvency and Bankruptcy Code, 2016 before NCLT, Mumbai. All the applications' are pending before NCLT.

The Management is in discussions with lenders and creditors to amicably resolve the matter.

Further, the Company has, 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 approval of NCLT is awaited.

These events / conditions indicate the existence of material uncertainty on the Company's ability to continue as a going concern. Though the management has been making sincere efforts for finding a solution for debt resolution in the interest of all stakeholders, including identifying strategic investor for one time settlement with lenders, it is yet to receive a definitive proposal.


The Company's product is well accepted in market and with resolution; the Company would be able to cater to its customers.

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.

- 5 The operations of the Company were affected due to strike by workers union at the plant at Nagpur during the quarter ended June 30, 2022, due to pendency of revision of long term wage agreement which expired in the earlier year. After continuous discussions by the management, the strike was called off and work resumed w.e.f. May 02, 2022.

Further, the workers have again resorted to strike from April 17, 2023 putting forth various demands including wage revision etc. This has resulted in majority of the operations at the Plant being adversely impacted. The management is in discussions with the Workers to amicably resolve the same.
- 6 Other Current Assets includes an amount of Rs. 3,034 lakhs (net of provision of Rs.1,792 Lakhs) (P.Y Rs. 4,362 lakhs) as on March 31, 2023 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.
- 7 MAT Credit Entitlement of Rs. 3,041 lakhs (P.Y Rs. 3,041 lakhs) is based on future performance and expectation of full utilization of MAT Credit within time frame available as projected by the Management of the Company.
- 8 Exceptional items for the Quarter and Year Ended March 31, 2023 represents:
(A) provisioning of Rs. 1,792 lakhs on account of uncertainty of full utilisation of accumulated Goods and Services Tax (GST);
(B) provisioning of Rs.1,482 lakhs on account of long outstanding subsidies receivable;
- 9 Corresponding figures of the previous periods have been regrouped wherever necessary.

For Morarjee Textiles Limited


Harshwardhan A. Piramal
Executive Vice Chairman
DIN - 00044972



Mumbai, May 29, 2023
MORARJEE TEXTILES LTD

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Morarjee Textiles Limited
Standalone Statement of Cash flows for the year ended March 31, 2023

(Rs. in Lakhs)

Particulars	Year ended	Year ended
	31.03.2023	31.03.2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	(18,538)	(8,811)
Adjustments for :		
Depreciation and amortisation	2,233	2,288
Finance costs	7,960	7,246
Provision for doubtful debts / Financial Assets	240	145
Provision for Diminution in Investment	20	-
Provision for GST Receivable and Interest subsidy	3,274	-
Deferred income	(91)	(91)
Interest income	(10)	(27)
	<u>13,626</u>	<u>9,561</u>
Operating Profit before Working Capital Changes	(4,912)	750
Adjustments for Changes in Working Capital		
(Increase)/ Decrease in trade and other receivables	1,789	2,009
(Increase) /Decrease in inventories	3,392	(246)
Increase/(Decrease) in trade payables and other liabilities	516	(711)
	<u>5,697</u>	<u>1,052</u>
Cash Generated From Operations	785	1,802
Direct taxes paid	(36)	(17)
Net Cash Flow from Operating Activities (A)	749	1,785
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of PPE (Including Capital Advances)	(9)	(30)
Interest received	9	26
Maturity of / (Investment in) fixed deposit with banks	(15)	(6)
	<u>(15)</u>	<u>(10)</u>
Net Cash (Used in) Investing Activities (B)	(15)	(10)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term borrowings	(123)	(179)
Increase/ (Decrease) in short-term borrowings	(961)	351
Interest paid	(1,085)	(762)
	<u>(2,169)</u>	<u>(590)</u>
Net Cash Flow (Used in) Financing Activities (C)	(2,169)	(590)
Net Increase / (Decrease) in Cash and Cash Equivalents (A)+(B)+(C)	(1,435)	1,185
Cash and Cash Equivalents		
- At the beginning of the year	1,674	489
- At the end of the year	239	1,674

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Morarjee Textiles Limited

Report on the Audit of the Standalone Annual Financial Results

Qualified Opinion

We have audited the accompanying standalone annual financial results of **Morarjee Textiles Limited** ("the Company") for the year ended March 31, 2023 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid 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, 2023.

Basis for Qualified Opinion

We draw attention to Note 4 in the Statement, which indicates that the Company has incurred a net loss after tax of Rs. 18,542 lakhs, including cash losses during the year ended March 31, 2023 and as of that date, the Company's accumulated losses amount to Rs. 30,377 lakhs resulting in complete erosion of its net worth and its current liabilities are in excess of current assets. 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 and some of the lenders creditors have served notice for recall / taken legal recourse against the Company. Also one of the financial creditor and certain operational creditors have filed an application before National Company Law Tribunal for initiating CIRP against the Company, which are pending. The annual standalone financial results, however for the reason stated in the aforesaid note have been prepared by the Management on going concern basis. The Company's ability to continue as Going Concern is dependent on debt resolution including identifying strategic investor for one time settlement with lenders, though it is yet to receive a definitive proposal. These conditions along with other matters as set forth in the said note indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and therefore the Company may not be able to realise its assets and meet with liabilities in the normal course of business. The standalone financial results does not include any adjustment in this respect.



We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 ("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 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.

Emphasis of Matter

We draw attention to the following matters in the notes to the Statement:

1. Note no 5 to the statement, regarding pending revision of long term wage agreement for which the management is in discussion with the workers and impact, if any, on the standalone financial results is not presently ascertainable.
2. Note 6 to the statement, regarding carry forward of GST input tax credit amounting to Rs. 3,034 lakhs as on March 31, 2023 for the reason stated in the said note.
3. Note 7 to the statement, regarding MAT Credit Entitlement amounting to Rs. 3,041 lakhs as on March 31, 2023 which is carried based on the judgment of the management that the MAT credit would be fully utilized.

Our opinion is not modified in respect of these matters.

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

The Statement has 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 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 the 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 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 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 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 Management and the Board of Directors are also 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 Statement 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 this 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 Statement, 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 made in the Statement by the Management and the Board of Directors.
- Conclude on the appropriateness of the Management and the 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 Company's ability to continue as a going concern. 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 Statement 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 Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.



HARIBHAKTI & CO. LLP

Chartered Accountants

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 Matter

The Statement includes the results for the quarter ended March 31, 2023, 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: 23034828BGWUEK4214

Place: Mumbai

Date: May 29, 2023

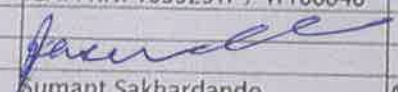
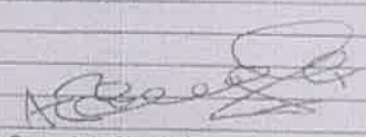
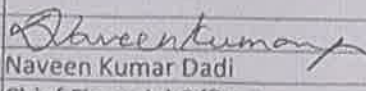


Morarjee Textiles Limited

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results - (Standalone)

(Rs. In lakhs)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	20,817	20,817
	2.	Total Expenditure	39,359	39,359
	3.	Net Profit/(Loss)	(18,542)	(18,542)
	4.	Earnings Per Share	(51.03)	(51.03)
	5.	Total Assets	50,382	50,382
	6.	Total Liabilities	78,216	78,216
	7.	Net Worth	(27,834)	(27,834)
	8.	Any other financial item(s) (as felt appropriate by the management)		
II.	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification: Qualification is w.r.t Going Concern, the impact of which is not presently ascertainable		
	b.	Type of Audit Qualification : Qualified 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		
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:		
		(i) Management's estimation on the impact of audit qualification: Impact not ascertainable		
		(ii) If management is unable to estimate the impact, reasons for the same: The qualification is w.r.t Going concern and the impact of which is presently not ascertainable		
		(iii) Auditors' Comments on (i) or (ii) above: The qualification is w.r.t Going concern and the impact of which is presently not ascertainable		
III.	Signatories			
	For Haribhakti & Co LLP Chartered Accountants ICAI FRN: 103523W / W100048		For and on behalf of Morarjee Textiles Limited	
				
	Sumant Sakhardande Partner Membership No. 034828		Amresh Narayan* Chief Executive Officer	
			Lt. Gen. A.K. Singh (Retd.) Audit Committee Chairman	
				
			Naveen Kumar Dadi Chief Financial Officer	
	Place: Mumbai			
	Date: 29 th May 2023			

*Mr. Amresh Narayan was absent and hence he has not signed.





Morarjee Textiles Limited
Statement of Audited Consolidated Financial Results for the Quarter and Year Ended March 31, 2023

(Rs. In lakhs except EPS)

	Particulars	Quarter Ended			Year Ended	
		31.03.2023 (Audited)	31.12.2022 (Unaudited)	31.03.2022 (Audited)	31.03.2023 (Audited)	31.03.2022 (Audited)
	Income					
1	Revenue from Operations	5,125	5,912	7,983	20,687	27,233
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4	Expenses					
	a) Cost of Materials Consumed	2,103	2,311	3,980	8,635	11,583
	b) Changes in Inventories of Finished Goods and Work in Progress	544	1,247	(445)	3,159	4
	c) Dyes and Chemicals	387	474	673	1,762	2,029
	d) Power and Fuel	1,360	917	1,310	4,166	4,033
	e) Employee Benefits Expense	1,270	717	717	3,380	2,821
	f) Finance Costs	1,661	2,228	1,981	7,960	7,246
	g) Depreciation and Amortisation Expense	536	567	565	2,233	2,288
	h) Other Expenses	770	1,351	1,577	4,768	6,158
	Total Expenses	8,631	9,812	10,358	36,063	36,162
5	Loss before exceptional items and tax (3 - 4)	(3,479)	(3,862)	(2,369)	(15,246)	(8,811)
6	Exceptional Items (Refer Note 9)	3,274	-	-	3,274	-
7	Loss before tax (5 + 6)	(6,753)	(3,862)	(2,369)	(18,520)	(8,811)
8	Tax Expense					
	- Current Tax	-	-	-	-	-
	- MAT / Deferred Tax	-	-	-	-	-
	- Tax (earlier years)	5			5	
9	Loss after Tax (7 - 8)	(6,758)	(3,862)	(2,369)	(18,525)	(8,811)
10	Share in Loss of Joint Venture	(1)	(1)	(1)	(3)	(2)
11	Loss for the year	(6,759)	(3,863)	(2,370)	(18,528)	(8,813)
12	Other Comprehensive Income					
	(i) Items that will not be reclassified to profit or loss	35	(3)	17	26	(12)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	Total Other Comprehensive Income	35	(3)	17	26	(12)
13	Total Comprehensive Income (11 + 12)	(6,724)	(3,866)	(2,353)	(18,502)	(8,825)
14	Paid-up Equity Capital (Face value of Equity Share:- Rs.7/- each)	2,543	2,543	2,543	2,543	2,543
15	Other Equity				(30,377)	(11,876)
16	Basic and Diluted EPS (Rs.) (Not annualised for the quarters)	(18.60)	(10.63)	(6.52)	(51.00)	(24.26)

MORARJEE TEXTILES LTD.

Peninsula Corporate Park, Unit-5,
Ground Floor, Peninsula Tower-1,
Wing B, Ganpatrao Kadam Marg,
Lower Parel (W) Mumbai - 400013 India

Tel: 022- 66811600

www.morarjee.com

CIN: L52322MH1995PLC090643


Notes:
1 Statement of Assets and Liabilities as at March 31, 2023

(Rs. in lakhs)

Particulars	Consolidated	
	31.03.2023 (Audited)	31.03.2022 (Audited)
ASSETS		
1. Non-current Assets		
a) Property, Plant and Equipment	38,679	40,865
b) Right to use assets	-	13
c) Intangible Assets	73	98
d) Investment in Joint Venture	44	49
e) Financial Assets		
- Investments	1	1
- Other Financial Assets	44	56
f) Deferred Tax Assets	3,041	3,041
g) Non-current Tax Assets	109	77
h) Other Non-current Assets	51	51
Total Non-current Assets	42,042	44,251
2. Current Assets		
a) Inventories	3,252	6,644
b) Financial Assets		
i) Trade Receivables	523	2,094
ii) Cash and Cash Equivalents	239	1,674
iii) Bank Balances other than (ii) above	178	159
iv) Loans	3	8
c) Other Current Assets	4,145	7,866
Total Current Assets	8,340	18,445
TOTAL ASSETS	50,382	62,696
EQUITY AND LIABILITIES		
1. Equity		
a) Equity Share Capital	2,543	2,543
b) Other Equity	(30,377)	(11,876)
Total Equity	(27,834)	(9,333)
2. Non-current Liabilities		
a) Financial Liabilities		
- Borrowings	5,999	15,579
b) Provisions	551	571
c) Other Non-current Liabilities	1,507	1,598
Total Non-current Liabilities	8,057	17,748
3. Current Liabilities		
a) Financial Liabilities		
i) Borrowings	45,514	36,942
ii) Lease Liabilities	-	20
iii) Trade Payables		
-Total Outstanding dues of Micro Enterprises and Small Enterprises	1,496	1,193
-Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	6,533	6,486
iv) Other Financial Liabilities	15,885	9,099
b) Other Current Liabilities	705	512
c) Provisions	26	29
Total Current Liabilities	70,159	54,281
TOTAL EQUITY AND LIABILITIES	50,382	62,696


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Notes:

- 2 The above audited consolidated financial results for the year ended March 31, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors respectively at their meeting held on May 29, 2023. The consolidated financial results for the Quarter ended March 31, 2023, being the balancing figure between audited figures in respect of full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by statutory auditor.
- 3 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.
- 4 The consolidated financial results include financial results of one Joint Venture Company i.e. Morarjee Castiglioni (India) Private Limited.
- 5 The Company has incurred net loss including cash losses during the quarter and year 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. During the beginning of the financial year and subsequently, the workers at plant resorted to strike and operations of the Company have been adversely affected. There have been continuous delays and defaults in repayment of debt obligations as well as delay in other payments. The loan account of the Company is classified as NPA by lenders and some of the lenders have served notice for recall / taken legal recourse against the Company, requiring repayment of the loan. One of the financial creditor has filed an application before National Company Law Tribunal ("NCLT"), Mumbai under Section 7 of Insolvency and Bankruptcy Code, 2016 for initiating Corporate Insolvency Resolution Process against the Company. Further, two of the operational creditors have also submitted applications under Section 9 of Insolvency and Bankruptcy Code, 2016 before NCLT, Mumbai. All the applications are pending before NCLT.

The Management is in discussions with lenders and creditors to amicably resolve the matter.

Further, the Company has, 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 approval of NCLT is awaited.

These events / conditions indicate the existence of material uncertainty on the Company's ability to continue as a going concern. Though the management has been making sincere efforts for finding a solution for debt resolution in the interest of all stakeholders, including identifying strategic investor for one time settlement with lenders, it is yet to receive a definitive proposal.

The Company's product is well accepted in market and with resolution; the Company would be able to cater to its customers.

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

- 6 The operations of the Company were affected due to strike by workers union at the plant at Nagpur during the quarter ended June 30, 2022, due to pendency of revision of long term wage agreement which expired in the earlier year. After continuous discussions by the management, the strike was called off and work resumed w.e.f. May 02, 2022.
- Further, the workers have again resorted to strike from April 17, 2023 putting forth various demands including wage revision etc. This has resulted in majority of the operations at the Plant being adversely impacted. The management is in discussions with the Workers to amicably resolve the same.
- 7 Other Current Assets includes an amount of Rs. 3,034 lakhs (net of provision of Rs.1,792 Lakhs) (P.Y Rs. 4,362 lakhs) as on March 31, 2023 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.
 - 8 MAT Credit Entitlement of Rs. 3,041 lakhs (P.Y Rs. 3,041 lakhs) is based on future performance and expectation of full utilization of MAT Credit within time frame available as projected by the Management of the Company.
 - 9 Exceptional items for the Quarter and Year Ended March 31, 2023 represents:
 - (A) provisioning of Rs. 1,792 lakhs on account of uncertainty of full utilisation of accumulated Goods and Services Tax (GST);
 - (B) provisioning of Rs. 1,482 lakhs on account of long outstanding subsidies receivable;
 - 10 Corresponding figures of the previous periods have been regrouped wherever necessary.

For Morarjee Textiles Limited

Hanshvardhan A. Piramal
Executive Vice Chairman
DIN - 00044972



Mumbai: May 29, 2023

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MORARJEE TEXTILES LIMITED

Consolidated Statement of Cash Flows For the year ended March 31, 2023

(Rs. in lakhs)

Particulars	Year ended	
	31.03.2023	31.03.2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	(18,520)	(8,811)
Adjustments for :		
Depreciation and amortisation	2,233	2,288
Finance costs	7,960	7,246
Provision for doubtful debts / Financial Assets	240	145
Provision for Diminution in Investment	3	-
Exceptional items	3,274	-
Deferred income	(91)	(91)
Interest income	(10)	(27)
	13,609	9,561
Operating Profit before Working Capital Changes	(4,912)	750
Adjustments for Changes in Working Capital		
(Increase)/ Decrease in trade and other receivables	1,789	2,009
(Increase) /Decrease in inventories	3,392	(246)
Increase/(Decrease) in trade payables and other liabilities	516	(711)
	5,697	1,052
Cash Generated From Operations	785	1,802
Direct taxes paid	(36)	(17)
Net Cash Flow from Operating Activities (A)	749	1,785
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of PPE (Including Capital Advances)	(9)	(30)
Interest received	9	26
Maturity of / (Investment in) fixed deposit with banks	(15)	(6)
Net Cash (Used in) Investing Activities (B)	(15)	(10)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term borrowings	(123)	(179)
Increase/ (Decrease) in short-term borrowings	(961)	351
Interest paid	(1,085)	(762)
Net Cash Flow (Used in) Financing Activities (C)	(2,169)	(590)
Net Increase / (Decrease) in Cash and Cash Equivalents (A)+(B)+(C)	(1,435)	1,185
Cash and Cash Equivalents :		
- At the beginning of the year	1,674	489
- At the end of the year	239	1,674



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Morarjee Textiles Limited

Report on the Audit of the Consolidated Annual Financial Results

Qualified Opinion

We have audited the accompanying consolidated annual financial results of **Morarjee Textiles Limited** (hereinafter referred to as the "Holding Company") and its joint venture for the year ended March 31, 2023 ("the Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (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 and based on the consideration of report of the other auditor on separate audited financial statements of the joint venture, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid Statement:

(i) Includes the annual financial results/ financial statements of the following entities

Sr. No.	Name of the Entity	Relationship
1.	Morarjee Textiles Limited	Holding Company
2.	Morarjee Castiglioni (India) Private Limited	Joint Venture

(ii) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

(iii) 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 consolidated net loss and other comprehensive income and other financial information of the Holding Company and its joint venture for the year ended March 31, 2023.

Basis for Qualified Opinion

We draw attention to Note 5 in the Statement, which indicates that the Holding Company has incurred a consolidated net loss after tax of Rs. 18,525 lakhs, including cash losses during the year ended March 31, 2023 and as of that date, the Holding Company's accumulated losses amount to Rs. 30,377 lakhs resulting in complete erosion of its net worth and its current liabilities are in excess of current assets. 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 and some of the lenders creditors have served notice for recall / taken legal recourse against the Company. Also one of the financial creditor and certain operational creditors have filed an application before National Company Law Tribunal for initiating CIRP against the Company, which are pending. The annual consolidated financial results, however for the reason stated in the aforesaid note have been prepared by the Management on going concern basis. The Company's ability to continue as Going Concern is dependent on debt resolution including identifying strategic investor for one time settlement with lenders, though it is yet to receive a definitive proposal. These conditions along with other matters as set forth in the said note indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and therefore the Company may not be able to realise its assets and meet with liabilities in the normal course of business. The consolidated financial results does not include any adjustment in this respect.



We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results section of our report. We are independent of the Holding Company and its joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("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 responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditor in terms of their report referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following matters in the notes to the Statement:

1. Note no 6 to the statement, regarding pending revision of long term wage agreement for which the management is in discussion with the workers and impact, if any, on the consolidated financial results is not presently ascertainable.
2. Note 7 to the statement, regarding carry forward of GST input tax credit amounting to Rs. 3,034 lakhs as on March 31, 2023 for the reason stated in the said note.
3. Note 8 to the statement, regarding MAT Credit Entitlement amounting to Rs. 3,041 lakhs as on March 31, 2023 which is carried based on the judgment of the management that the MAT credit would be fully utilized.

Our opinion is not modified in respect of these matters.

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

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Management and the Board of Directors 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 Holding Company and its joint venture in accordance with the recognition and measurement principles laid down in the 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. The respective Management and the Board of Directors of the Holding Company and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Holding Company and its joint venture 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 respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.



In preparing the Statement, the respective Management and the Board of Directors of the Holding Company and its joint venture are responsible for assessing the ability of the Holding Company and its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Management and the Board of Directors either intends to liquidate the Holding Company and its joint venture or to cease operations, or has no realistic alternative but to do so.

The respective Management and the Board of Directors of the Holding Company and its joint venture are responsible for overseeing the Holding Company's financial reporting process and its joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement 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 this 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 Statement, 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 Holding 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 made in the Statement by the Management and the Board of Directors.
- Conclude on the appropriateness of the Management and the 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 ability of Holding Company and its joint venture to continue as a going concern. 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 Statement 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 Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial of the Holding Company and financial information of its joint venture to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entity included in the Statement of which we are the independent auditor. For the other entity included in the Statement, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company 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.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

Other Matters

- a. The Statement includes Holding Company's share of net loss (including other comprehensive income) of Rs. 1.21 lakhs and Rs. 3 lakhs for the quarter and year ended March 31, 2023 respectively, as considered in the Statement, in respect of one joint venture, whose financial statements have been audited by its Independent auditor. The independent auditor's report on financial statements of this entity has been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the report of the such auditor and the procedures performed by us are as stated in section above.

Our opinion on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.



HARIBHAKTI & CO. LLP


Chartered Accountants

- b. The Statement includes the results for the quarter ended March 31, 2023, 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: 23034828BGWUEL4598

Place: Mumbai

Date: May 29, 2023

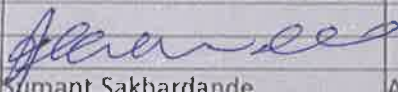
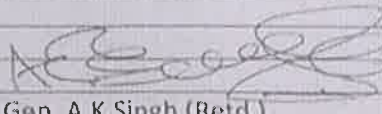
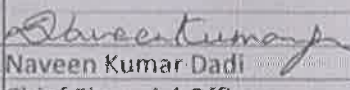


Morarjee Textiles Limited

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated)

(Rs. In lakhs)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023 (See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2015)				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	20,817	20,817
	2.	Total Expenditure	39,345	39,345
	3.	Net Profit/(Loss)	(18,528)	(18,528)
	4.	Earnings Per Share	(51.00)	(51.00)
	5.	Total Assets	50,382	50,382
	6.	Total Liabilities	78,216	78,216
	7.	Net Worth	(27,834)	(27,834)
	8.	Any other financial item(s) (as felt appropriate by the management)		
II.	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification: Qualification is w.r.t Going Concern, the impact of which is not presently ascertainable		
	b.	Type of Audit Qualification : Qualified 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		
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:		
		(i) Management's estimation on the impact of audit qualification: Impact not ascertainable		
		(ii) If management is unable to estimate the impact, reasons for the same: The qualification is w.r.t Going concern and the impact of which is presently not ascertainable		
		(iii) Auditors' Comments on (i) or (ii) above: The qualification is w.r.t Going concern and the impact of which is presently not ascertainable		
III	Signatories			
	For Haribhakti & Co LLP		For and on behalf of Morarjee Textiles Limited	
	Chartered Accountants			
	ICAI FRN: 103523W / W100048			
				
	Sumant Sakhardande		Amresh Narayan*	
	Partner		Chief Executive Officer	
	Membership No. 034828			
				
			Naveen Kumar Dadi	
			Chief Financial Officer	
	Place: Mumbai			
	Date: 29 th May 2023			

* Mr. Amresh Narayan was absent and hence he has not signed.



