



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: 10th November, 2021

Dear Sir / Madam,

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

Sub: Outcome of the Board Meeting held on 10th November, 2021

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 10th November, 2021, has *inter-alia* approved the following:

- 1) The Un-Audited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended 30th September, 2021 along with Statement of Assets and Liabilities and Statement of Cash flows and Limited Review Report thereon as submitted by the Statutory Auditors. Copy of said Financial Results along with Limited Review Report is enclosed for your record.
- 2) Changed of Registered Office address of the Company within the local limit , from "503, 5th Floor, Peninsula Tower-1, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013" to "Peninsula Corporate Park, unit-5, Ground Floor, Peninsula Tower 1, Wing B, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013".

The Board Meeting commenced at 4.30 p.m. and concluded at 06.00 p.m.

Request you to take the same on record.

Thanking You,

Yours truly,
For **Morarjee Textiles Limited**

Nishthi H Dharmani
Company Secretary



Encl: as above

MORARJEE TEXTILES LTD

503, 5th Floor, Peninsula Tower- 1,
Peninsula Corporate Park, Ganpatrao
Kadam Marg, Lower Parel,
Mumbai - 400013 India

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CIN: L52322MH1995PLC090643

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Morarjee Textiles Limited

Statement of Unaudited Standalone Financial Results for Quarter and Half Year Ended 30th September, 2021

(Rs.in lakhs except EPS)

	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2021 (Unaudited)	30.06.2021 (Unaudited)	30.09.2020 (Unaudited)	30.09.2021 (Unaudited)	30.09.2020 (Unaudited)	31.03.2021 (Audited)
	Income						
1	Revenue from Operations	5,813	5,702	4,145	11,515	5,551	19,389
2	Other Income	12	93	22	105	57	116
3	Total Income (1 + 2)	5,825	5,795	4,167	11,620	5,608	19,505
	Expenses						
a)	Cost of Materials Consumed	1,966	2,257	1,181	4,223	1,547	5,748
b)	Changes in Inventories of Finished Goods and Work in Progress	720	(141)	556	579	637	1,667
c)	Dyes and Chemicals	414	340	328	754	488	1,498
d)	Power and Fuel	842	877	615	1,719	968	2,771
e)	Employee Benefits Expense	699	685	536	1,384	1,018	2,397
f)	Finance Costs	1,701	1,706	1,276	3,407	2,383	5,455
g)	Depreciation and Amortisation Expense	577	573	588	1,150	1,176	2,328
h)	Other Expenses	1,433	1,431	1,324	2,864	2,106	5,040
	Total Expenses	8,352	7,728	6,404	16,080	10,323	26,904
5	Loss before exceptional Items and tax (3 - 4)	(2,527)	(1,933)	(2,237)	(4,460)	(4,715)	(7,399)
6	Exceptional Item	-	-	-	-	-	-
7	Loss before tax (5 + 6)	(2,527)	(1,933)	(2,237)	(4,460)	(4,715)	(7,399)
8	Tax Expense						
	- Current Tax	-	-	-	-	-	-
	- Deferred Tax	-	-	(451)	-	(1,248)	(1,236)
9	Loss after Tax (7 - 8)	(2,527)	(1,933)	(1,786)	(4,460)	(3,467)	(6,163)
10	Other Comprehensive Income						
	(i) Items that will not be reclassified to profit or loss	(10)	(10)	1	(20)	2	(39)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	(1)	-	(1)	11
	Total Other Comprehensive Income	(10)	(10)	-	(20)	1	(28)
11	Total Comprehensive Income (9 + 10)	(2,537)	(1,943)	(1,786)	(4,480)	(3,466)	(6,191)
12	Paid-up Equity Capital (Face value of Equity Shares:- Rs.7/- each)	2,543	2,543	2,543	2,543	2,543	2,543
13	Other Equity						(3,037)
14	Basic and Diluted EPS (Rs.) (Not annualised for the quarters)	(6.96)	(5.32)	(4.92)	(12.28)	(9.54)	(16.96)

Notes:

1 Statement of Assets and Liabilities as at 30th September, 2021

(Rs. in lakhs)

Particulars	Standalone	
	30.09.2021 (Unaudited)	31.03.2021 (Audited)
ASSETS		
1. Non-current Assets		
a) Property, Plant and Equipment	41,953	43,072
b) Right to use assets	28	42
c) Intangible Assets	108	121
d) Investment in Joint Ventures	64	64
e) Financial Assets		
i) Investments	1	1
ii) Loans	38	37
f) Other Non-current Assets	51	51
g) Deferred Tax Assets	3,041	3,041
h) Non-current Tax Assets	66	60
Total Non-current Assets	45,350	46,489
2. Current Assets		
a) Inventories	5,817	6,398
b) Financial Assets		
i) Trade Receivables	2,575	3,545
ii) Cash and Cash Equivalents	1,719	489
iii) Bank Balances other than (ii) above	182	168
iv) Loans	24	22
c) Other Current Assets	7,386	8,564
Total Current Assets	17,703	19,186
TOTAL ASSETS	63,053	65,675
EQUITY AND LIABILITIES		
1. Equity		
a) Equity Share Capital	2,543	2,543
b) Other Equity	(7,517)	(3,037)
Total Equity	(4,974)	(494)
2. Non-current Liabilities		
a) Financial Liabilities		
- Borrowings	21,788	22,880
- Other Financial Liabilities	5	16
b) Provisions	637	655
c) Other Non-current Liabilities	1,643	1,688
Total Non-current Liabilities	24,073	25,239
3. Current Liabilities		
a) Financial Liabilities		
i) Borrowings	22,077	21,893
ii) Trade Payables		
- Total Outstanding dues of Micro Enterprises and Small Enterprises	1,116	1,460
- Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	5,967	6,912
iii) Other Financial Liabilities	14,379	10,216
b) Other Current Liabilities	384	418
c) Provisions	31	31
Total Current Liabilities	43,954	40,930
TOTAL EQUITY AND LIABILITIES	63,053	65,675

Notes:

- 3 The above unaudited financial results for the quarter and half year ended 30th September, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors respectively at their meeting held on 10th November, 2021.

The Statutory auditors of the Company have carried out a limited review of these financial results.

- 4 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.

- 5 During the previous year the Company has submitted debt restructuring plan to the consortium of lenders, in terms of RBI Circular dated June 7, 2019. The plan submitted by the Company envisages several reliefs and concessions from the lenders. The Core Committee formed by the lenders consortium has commenced the debt restructuring process and undertaken several steps in this regard and it is so far progressing satisfactorily.

- 6 The Company has incurred net loss including cash losses during the quarter and half year ended and as also in the previous year, owing to high finance cost, weak demand coupled with impact on account of current pandemic conditions. The net worth stands eroded completely. There have been continuous delays and defaults in repayment of debt obligations. The loan account of the Company is currently NPA with all lenders and some of the lenders have served notice on the Company, requiring repayment of the loan and the company is in discussions with them to resolve the same. Further, the company has, after obtaining the approval of preference shareholders approached NCLT under section 55 of the Companies Act 2013 for reissuance of preference shares of Rs. 10 crs which were due for redemption on 15th November 2019, for a further period of 20 years. The approval of NCLT is awaited.

These events/conditions indicate the existence of uncertainty on the Company's ability to continue as a going concern. However having regard to the debt restructuring plan submitted as explained in Note 5 above and various cost control initiatives taken by the company, gradually improving operations of the company, including sale of inventory, mobilisation of additional funds and other strategic initiatives, the management has a reasonable expectation that the Company would have ability and adequate resources to continue its operational existence for the foreseeable future. Accordingly, the financial results are prepared on a going concern basis.

- 7 The outbreak of COVID-19 pandemic is causing significant disturbance and slowdown of economic activities globally. The nationwide lockdown ordered by the Government of India has resulted in significant reduction in economic activities throughout the country and also impacted the business operations of the Company in terms of production and sales and very low demand and production activity.

In preparing the accompanying financial results, the Company's management has been required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, equity, income and expenses. These estimates and associated assumptions, especially for assessing any impairment of PPE, Inventory are based on historical experience and various other factors including the possible effects that may result from the pandemic; and are believed to be reasonable under the current circumstances. Considering the assessment, the Company expects to recover the carrying amount of all these assets.

Given the dynamic nature of the pandemic situation, the valuation of Inventory and future profits for adjusting MAT Credit Entitlements as at 30th September, 2021 is subject to evolving uncertainty and may be affected in future by the severity and duration of the outbreak. In the event the impacts are more severe or prolonged than anticipated, this may have a corresponding impact on the carrying value of the Inventory, the financial position and financial performance of the Company. The management would be closely monitoring the situation as it evolves.

- 8 Other Current Assets includes an amount of Rs. 3,854 lakhs (P.Y Rs. 3,577 lakhs) as on 30th September, 2021 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. In the opinion of the management, in view of the continuing business of the Company, no provision is considered necessary in this regard.

- 9 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 and based on the outcome of debt restructuring plan submitted to the lenders (refer Note no. 5).

- 10 Corresponding figures of the previous periods have been regrouped wherever necessary.

For Morarjee Textiles Limited

Digitally signed by
HARSHVARDHAN
ASHOK PIRAMAL
Date: 2021.11.10 18:09:08
+05'30'

Harsh A. Piramal
Executive Vice Chairman
DIN - 00044972

Mumbai: 10th November, 2021

MORARJEE TEXTILES LIMITED
 STANDALONE STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2021

(Rs. in lakhs)

Particulars	Half Year Ended 30.09.2021	Half Year Ended 30.09.2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before Tax	(4,460)	(4,715)
Adjustments for :		
Depreciation and amortisation	1,150	1,176
Finance costs	3,407	2,383
Provision for doubtful debts	100	75
Deferred income	(45)	(45)
Interest income	(15)	(12)
	<u>4,597</u>	<u>3,577</u>
Operating Profit before Working Capital Changes	137	(1,138)
Adjustments for Changes in Working Capital		
(Increase)/ Decrease in trade and other receivables	2,050	682
(Increase) /Decrease in inventories	581	1,044
Increase/(Decrease) in trade payables and other liabilities	(1,315)	(11,460)
	<u>1,316</u>	<u>(9,734)</u>
Cash Generated From Operations	1,453	(10,872)
Direct taxes paid	(6)	(1)
Net Cash Flow from Operating Activities (A)	<u>1,447</u>	<u>(10,873)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of PPE (Including Capital Advances)	(4)	(14)
Interest received	9	12
Maturity of / (Investment in) fixed deposit with banks	(14)	-
	<u>(9)</u>	<u>(2)</u>
Net Cash (Used in) / generated from Investing Activities (B)		
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term borrowings	(59)	(175)
Increase/ (Decrease) in short-term borrowings	185	11,843
Interest paid	(334)	(656)
Net Cash Flow from / (Used in) Financing Activities (C)	<u>(208)</u>	<u>11,012</u>
Net Increase / (Decrease) in Cash and Cash Equivalents (A)+(B)+(C)	<u>1,230</u>	<u>137</u>
Cash and Cash Equivalents :		
- At the beginning of the year	489	27
- At the end of the year /period	1,719	164

Independent Auditor's Review Report on quarterly and year to date Unaudited Standalone Financial Results of Morarjee Textiles Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

To the Board of Directors
Morarjee Textiles Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Morarjee Textiles Limited ("the Company") for the quarter ended September 30, 2021 and for the period from April 01, 2021 to September 30, 2021 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board Company's of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" prescribed under Section 133 of Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



5. **Material Uncertainty Related to Going Concern**

We draw attention to Note 6 to the Statement, which indicates that the Company has incurred a net loss after tax of Rs 4,460 Lakhs, including cash losses, during the period from April 01, 2021 to September 30, 2021 and as of that date, the Company has accumulated losses resulting in complete erosion of its net worth. Further, there have been delays and defaults in repayment of debt obligations leading to classification of Company's debt as non-performing by the lenders. These conditions along with other matters as set forth in the said note indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. During the previous year, the Company has submitted a debt restructuring plan with the consortium of lenders which is under consideration of the lenders and certain measures have been put in place. With the successful implementation of debt restructuring plan along with other strategic initiatives, the management has a reasonable expectation that the Company would have ability and adequate resources to continue its operational existence for the foreseeable future and therefore, the Statement has been prepared on going concern basis.

Our report is not modified in respect of this matter.

6. We draw attention to the following matters:


- a. Note 7 to the Statement, which describes the uncertainties and the management's assessment of the financial impact on the Company due to COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon the circumstances as they evolve in the subsequent period.
- b. Note 8 to the Statement, regarding carry forward of GST input tax credit amounting to Rs 3,854 lakhs as on September 30, 2021 for the reason stated in the said note.
- c. Note 9 to the Statement, regarding MAT Credit Entitlement amounting to Rs 3,041 lakhs as on September 30, 2021 which is based on the judgment of the management that the MAT credit would be fully utilized against future tax liability.

Our report is not modified in respect of these matters.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Sumant Sakhardande

Partner

Membership No.: 034828

UDIN: 21034828AAAAHD8809

Place: Mumbai

Date: November 10, 2021



Morarjee Textiles Limited

Statement of Unaudited Consolidated Financial Results for Quarter and Half Year Ended 30th September, 2021

(Rs. in lakhs except EPS)

	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2021 (Unaudited)	30.06.2021 (Unaudited)	30.09.2020 (Unaudited)	30.09.2021 (Unaudited)	30.09.2020 (Unaudited)	31.03.2021 (Audited)
	Income						
1	Revenue from Operations	5,813	5,702	4,145	11,515	5,551	19,389
2	Other Income	12	93	22	105	57	116
3	Total Income (1 + 2)	5,825	5,795	4,167	11,620	5,608	19,505
4	Expenses						
	a) Cost of Materials Consumed	1,966	2,257	1,181	4,223	1,547	5,748
	b) Changes in Inventories of Finished Goods and Work in Progress	720	(141)	556	579	637	1,667
	c) Dyes and Chemicals	414	340	328	754	488	1,498
	d) Power and Fuel	842	877	615	1,719	968	2,771
	e) Employee Benefits Expense	699	685	536	1,384	1,018	2,397
	f) Finance Costs	1,701	1,706	1,276	3,407	2,383	5,455
	g) Depreciation and Amortisation Expense	577	573	588	1,150	1,176	2,328
	h) Other Expenses	1,433	1,431	1,324	2,864	2,106	5,040
	Total Expenses	8,352	7,728	6,404	16,080	10,323	26,904
5	Loss before exceptional items and tax (3 - 4)	(2,527)	(1,933)	(2,237)	(4,460)	(4,715)	(7,399)
6	Exceptional Item	-	-	-	-	-	-
7	Loss before tax (5 + 6)	(2,527)	(1,933)	(2,237)	(4,460)	(4,715)	(7,399)
8	Tax Expense						
	- Current Tax	-	-	-	-	-	-
	- Deferred Tax	-	-	(451)	-	(1,248)	(1,236)
9	Loss after Tax (7 - 8)	(2,527)	(1,933)	(1,786)	(4,460)	(3,467)	(6,163)
10	Share In (Loss) of Joint Venture (Refer Note 5)	-	(1)	(1)	(1)	(2)	(4)
11	Loss after Tax (9 - 10)	(2,527)	(1,934)	(1,787)	(4,461)	(3,469)	(6,167)
12	Other Comprehensive Income						
	(i) Items that will not be reclassified to profit or loss	(10)	(10)	1	(20)	2	(39)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	(1)	-	(1)	11
	Total Other Comprehensive Income	(10)	(10)	-	(20)	1	(28)
13	Total Comprehensive Income (9 + 10)	(2,537)	(1,944)	(1,787)	(4,481)	(3,468)	(6,195)
14	Paid-up Equity Capital (Face value of Equity Shares:- Rs.7/- each)	2,543	2,543	2,543	2,543	2,543	2,543
15	Other Equity						(3,050)
16	Basic and Diluted EPS (Rs.) (Not annualised for the quarters)	(6.96)	(5.32)	(4.92)	(12.28)	(9.55)	(16.97)

Notes:

1 Statement of Assets and Liabilities as at 30th September, 2021

(Rs. in lakhs)

Particulars	Consolidated	
	30.09.2021 (Unaudited)	31.03.2021 (Audited)
ASSETS		
1. Non-current Assets		
a) Property, Plant and Equipment	41,953	43,072
b) Right to use assets	28	42
c) Intangible Assets	108	121
d) Investment in Joint Ventures	51	51
e) Financial Assets		
i) Investments	1	1
ii) Loans	38	37
f) Other Non-current Assets	51	51
g) Deferred Tax Assets	3,041	3,041
h) Non-current Tax Assets	66	60
Total Non-current Assets	45,337	46,476
2. Current Assets		
a) Inventories	5,817	6,398
b) Financial Assets		
i) Trade Receivables	2,575	3,545
ii) Cash and Cash Equivalents	1,719	489
iii) Bank Balances other than (ii) above	182	168
iv) Loans	24	22
c) Other Current Assets	7,386	8,564
Total Current Assets	17,703	19,186
TOTAL ASSETS	63,040	65,662
EQUITY AND LIABILITIES		
1. Equity		
a) Equity Share Capital	2,543	2,543
b) Other Equity	(7,530)	(3,050)
Total Equity	(4,987)	(507)
2. Non-current Liabilities		
a) Financial Liabilities		
- Borrowings	21,788	22,880
- Other Financial Liabilities	5	16
b) Provisions	637	655
c) Other Non-current Liabilities	1,643	1,688
Total Non-current Liabilities	24,073	25,239
3. Current Liabilities		
a) Financial Liabilities		
i) Borrowings	22,077	21,893
ii) Trade Payables		
- Total Outstanding dues of Micro Enterprises and Small Enterprises	1,116	1,460
- Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	5,967	6,912
iii) Other Financial Liabilities	14,379	10,216
b) Other Current Liabilities	384	418
c) Provisions	31	31
Total Current Liabilities	43,954	40,930
TOTAL EQUITY AND LIABILITIES	63,040	65,662

Notes:

3 The above unaudited financial results for the quarter and half year ended 30th September, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors respectively at their meeting held on 10th November, 2021.

The Statutory auditors of the Company have carried out a limited review of these financial results.

4 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.

5 The consolidated financial results include financial results of one Joint Venture companies i.e. Morarjee Castiglioni (India) Private Limited.

6 During the previous year the Company has submitted debt restructuring plan to the consortium of lenders, in terms of RBI Circular dated June 7, 2019. The plan submitted by the Company envisages several reliefs and concessions from the lenders. The Core Committee formed by the lenders consortium has commenced the debt restructuring process and undertaken several steps in this regard and it is so far progressing satisfactorily.

7 The Company has incurred net loss including cash losses during the quarter and half year ended and as also in the previous year, owing to high finance cost, weak demand coupled with impact on account of current pandemic conditions. The net worth stands eroded completely. There have been continuous delays and defaults in repayment of debt obligations. The loan account of the Company is currently NPA with all lenders and some of the lenders have served notice on the Company, requiring repayment of the loan and the company is in discussions with them to resolve the same. Further, the company has, after obtaining the approval of preference shareholders approached NCLT under section 55 of the Companies Act 2013 for reissuance of preference shares of Rs. 10 crs which were due for redemption on 15th November 2019, for a further period of 20 years. The approval of NCLT is awaited.

These events/conditions indicate the existence of uncertainty on the Company's ability to continue as a going concern. However having regard to the debt restructuring plan submitted as explained in Note 6 above and various cost control initiatives taken by the company, gradually improving operations of the company, including sale of inventory, mobilisation of additional funds and other strategic initiatives, the management has a reasonable expectation that the Company would have ability and adequate resources to continue its operational existence for the foreseeable future. Accordingly, the financial results are prepared on a going concern basis.

8 The outbreak of COVID-19 pandemic is causing significant disturbance and slowdown of economic activities globally. The nationwide lockdown ordered by the Government of India has resulted in significant reduction in economic activities throughout the country and also impacted the business operations of the Company in terms of production and sales and very low demand and production activity.

In preparing the accompanying financial results, the Company's management has been required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, equity, income and expenses. These estimates and associated assumptions, especially for assessing any impairment of PPE, Inventory are based on historical experience and various other factors including the possible effects that may result from the pandemic; and are believed to be reasonable under the current circumstances. Considering the assessment, the Company expects to recover the carrying amount of all these assets.

Given the dynamic nature of the pandemic situation, the valuation of Inventory and future profits for adjusting MAT Credit Entitlements as at 30th September, 2021 is subject to evolving uncertainty and may be affected in future by the severity and duration of the outbreak. In the event the impacts are more severe or prolonged than anticipated, this may have a corresponding impact on the carrying value of the Inventory, the financial position and financial performance of the Company. The management would be closely monitoring the situation as it evolves.

9 Other Current Assets includes an amount of Rs. 3,854 lakhs (P.Y Rs. 3,577 lakhs) as on 30th September, 2021 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. In the opinion of the management, in view of the continuing business of the Company, no provision is considered necessary in this regard.

10 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 and based on the outcome of debt restructuring plan submitted to the lenders (refer Note no.6).

11 Corresponding figures of the previous periods have been regrouped wherever necessary.

For Morarjee Textiles Limited

HARSHVARD Digitally signed by HARSHVARDHAN
HAN ASHOK ASHOK PIRAMAL
PIRAMAL Date: 2021.11.10 18:08:02 +05'30'

Harsh A. Piramal
Executive Vice Chairman
DIN - 00044972

Mumbai: 10th November, 2021

MORARJEE TEXTILES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2021

(Rs. in lakhs)

Particulars	Half Year Ended 30.09.2021	Half Year Ended 30.09.2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before Tax	(4,460)	(4,715)
Adjustments for :		
Depreciation and amortisation	1,150	1,176
Finance costs	3,407	2,383
Provision for doubtful debts	100	75
Deferred income	(45)	(45)
Interest income	(15)	(12)
	<u>4,597</u>	<u>3,577</u>
Operating Profit before Working Capital Changes	137	(1,138)
Adjustments for Changes in Working Capital		
(Increase)/ Decrease in trade and other receivables	2,050	682
(Increase) /Decrease in inventories	581	1,044
Increase/(Decrease) in trade payables and other liabilities	(1,315)	(11,460)
	<u>1,316</u>	<u>(9,734)</u>
Cash Generated From Operations	1,453	(10,872)
Direct taxes paid	(6)	(1)
Net Cash Flow from Operating Activities (A)	<u>1,447</u>	<u>(10,873)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of PPE (Including Capital Advances)	(4)	(14)
Interest received	9	12
Maturity of / (Investment in) fixed deposit with banks	(14)	-
	<u>(9)</u>	<u>(2)</u>
Net Cash (Used In) / generated from Investing Activities (B)		
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term borrowings	(59)	(175)
Increase/ (Decrease) in short-term borrowings	185	11,843
Interest paid	(334)	(656)
Net Cash Flow from / (Used in) Financing Activities (C)	<u>(208)</u>	<u>11,012</u>
Net Increase / (Decrease) in Cash and Cash Equivalents (A)+(B)+(C)	<u>1,230</u>	<u>137</u>
Cash and Cash Equivalents :-		
- At the beginning of the year	489	27
- At the end of the year /period	1,719	164

Independent Auditor's Review Report on quarterly and year to date Unaudited Consolidated Financial Results of Morarjee Textiles Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

To The Board of Directors
Morarjee Textiles Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Morarjee Textiles Limited ("the Holding Company") and its share of the net loss after tax and total comprehensive income of its joint venture for the quarter ended September 30, 2021 and for the period from April 01, 2021 to September 30, 2021 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.



4. The Statement includes the results 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

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. **Material Uncertainty Related to Going Concern**

We draw attention to Note 7 to the Statement, which indicates that the Holding Company has incurred a net loss after tax of Rs 4,460 Lakhs, including cash losses, during the period from April 01, 2021 to September 30, 2021 and as of that date, the Holding Company has accumulated losses resulting in complete erosion of its net worth. Further, there have been delays and defaults in repayment of debt obligations leading to classification of Holding Company's debt as non-performing by the lenders. These conditions along with other matters as set forth in the said note indicate that a material uncertainty exists that may cast significant doubt on the Holding Company's ability to continue as a going concern. During the previous year, the Holding Company has submitted a debt restructuring plan with the consortium of lenders which is under consideration of the lenders and certain measures have been put in place. With the successful implementation of debt restructuring plan along with other strategic initiatives, the management has a reasonable expectation that the Holding Company would have ability and adequate resources to continue its operational existence for the foreseeable future and therefore, the Statement has been prepared on going concern basis.

Our report is not modified in respect of this matter.

7. We draw attention to the following matters:

a. Note 8 to the Statement, which describes the uncertainties and the management's assessment of the financial impact on the Holding Company due to COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon the circumstances as they evolve in the subsequent period.

b. Note 9 to the Statement, regarding carry forward of GST input tax credit amounting to Rs 3,854 lakhs as on September 30, 2021 for the reason stated in the said note.



HARIBHAKTI & CO. LLP

Chartered Accountants

c. Note 10 to the Statement, regarding MAT Credit Entitlement amounting to Rs 3,041 lakhs as on September 30, 2021 which is based on the judgment of the management that the MAT credit would be fully utilized against future tax liability.

Our report is not modified in respect of these matter.

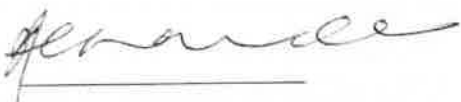
- 8. The unaudited consolidated financial results includes the Holding Company's share of net loss after tax of Rs.0.52 lakhs and Rs. 1.04 lakhs and total comprehensive loss of Rs. 0.52 lakhs and Rs. 1.04 Lakhs for the quarter ended September 30, 2021 and for the period from April 01, 2021 to September 30, 2021, as considered in the unaudited consolidated financial results, in respect of one joint venture, based on its interim financial results which has not been reviewed/audited by its auditor. According to the information and explanations given to us by the Management, these interim financial results are not material to the Holding Company and its joint venture.

Our report on the Statement is not modified in respect of the above matter.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Sumant Sakhardande

Partner

Membership No.: 034828

UDIN: 21034828AAAAHE1867



Place: Mumbai

Date: November 10, 2021