

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: 26th June, 2020

Dear Sir / Madam,

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

Sub: Outcome of the Board Meeting held on 26th June, 2020

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 26th June, 2020, has *inter-alia* approved the following:

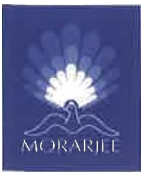
- 1) The audited Standalone and Consolidated Financial Results of the Company for quarter and year ended 31st March, 2020 along with statement of Assets and Liabilities and the Statement of Cash Flows as on that date. Copy of said Financial Results is enclosed herewith.
- 2) The audited Standalone and Consolidated Financial Statements for the financial year ended 31st March, 2020.
- 3) Appointment of Mr. Devesh Dadheech as an Additional Director (Independent) of the Company with effect from 26th June, 2020, for a term of five consecutive years, subject to the approval of the members of the Company at the ensuing AGM of the Company. Mr. Devesh Dadheech is not related to any of the Directors of the Company and his brief profile is enclosed herewith as **Annexure I**.

MORARJEE TEXTILES LTD

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Senapati Bapat Marg, Lower Parel,
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- 4) The proposal of raising funds by way of issuing Non-Convertible Debentures on Private Placement basis. The detailed information required under regulation 30 of SEBI (LODR) Regulations, 2015 and as per circular CIR/CFD/CMD/4/2015, dated 9th September, 2015 is enclosed as **Annexure - II**.

The Statutory Auditors of the Company have issued their Audit Report on the standalone and consolidated audited Financial Results of the Company for the year ended 31st March, 2020, with unmodified opinion. The said signed audited Financial Results along with the auditor's report with unmodified opinion are enclosed herewith.

There shall be no publication of these financials results in the newspapers in this regard as per the Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by Securities and Exchange Board of India dated May 12, 2020.

The Board Meeting commenced at 4:30 p.m. and was concluded at 6:23 p.m.

Request you to kindly take the above on record.

Yours Sincerely,
For **Morarjee Textiles Limited**

RAJENDAR
KUMAR REWARI
R. K. Rewari
Managing Director
DIN: 00619240

Digitally signed by RAJENDAR
KUMAR REWARI
Date: 2020.06.26 18:43:18 +05'30'

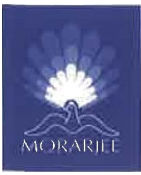
Encl.: as above

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Annexure - I

BRIEF PROFILE

Mr. Devesh Dadheech:

Mr. Devesh Dadheech is a fellow member of ICAI (Institute of Chartered Accountants of India) since July 17, 1982 and senior partner in **M/s. D. Dadheech & Co.**, Chartered Accountants, a partnership firm with standing of more than thirty five years and having combined experience of more than thirty five years in the field of:

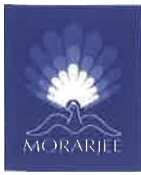
- Taxation
- Audit & Assurance
- Transaction Advisory Services
- Company Law Matters
- FEMA Advisory Services
- Foreign Taxation
- Transfer Pricing
- Foreign Collaborations

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Annexure - II

Details of the Proposed Issue of Non-Convertible Debentures on Private Placement basis during the Financial Year 2020-21

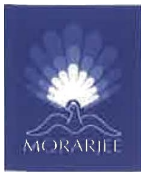
1.	Type of securities proposed to be issued	Non-Convertible Debentures
2.	Type of issuance	Private Placement
3.	Total number of securities proposed to be issued or the total amount for which the securities will be issued (approximately)	Rs. 150 Crores (approx.) (in one or more tranches)
4.	Details to be provided in case of preferential issue	Not Applicable
5.	Details to be provided in case of bonus issue	Not Applicable
6.	Details to be provided in case of issuance of depository receipts (ADR/GDR) or FCCB	Not Applicable
7.	In case of issuance of debt securities or other non-convertible securities:	
	a. size of the issue;	Rs. 150 Crores (approx.) (in one or more tranches)
	b. whether proposed to be listed? If yes, name of the stock exchange(s);	Will be determined individually in case of each tranche.
	c. tenure of the instrument - date of allotment and date of maturity;	
	d. coupon/interest offered, schedule of payment of coupon/interest and principal;	
	e. charge/security, if any, created over the assets;	
	f. special right/interest/privileges attached to the instrument and changes thereof;	
	g. delay in payment of interest / principal amount for a period of more than three months from the due date or default in payment of interest / principal;	Not Applicable
	h. details of any letter or comments regarding payment/non-payment of interest, principal on due dates, or any other matter concerning the security and /or the assets along with its comments thereon, if any;	Not Applicable
	i. details of redemption of preference shares indicating the manner of redemption (whether out of profits or out of fresh issue) and debentures;	Not Applicable
8.	any cancellation or termination of proposal for issuance of securities including reasons thereof.	Not Applicable

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Morarjee Textiles Limited
Statement of Standalone Audited Financial Results for the Year Ended 31st March, 2020

(Rs. in lakhs)

	Particulars	Quarter Ended			Year Ended	
		31.03.2020 (Audited) Refer Note 3	31.12.2019 (Unaudited)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
	Income					
1	Revenue from Operations	8,651	11,081	9,595	38,204	34,861
2	Other Income	97	40	28	212	164
3	Total Income (1 + 2)	8,748	11,121	9,623	38,416	35,025
4	Expenses					
	a) Cost of Materials Consumed	2,911	3,606	3,162	13,325	11,157
	b) Changes in Inventories of Finished Goods and Work in Progress	951	992	196	1,147	403
	c) Dyes and Chemicals	768	1,085	962	3,873	3,264
	d) Power and Fuel	1,095	1,037	908	4,036	4,058
	e) Employee Benefits Expense	893	892	911	3,421	3,653
	f) Finance Costs	1,446	1,442	1,376	5,720	5,394
	g) Depreciation and Amortisation Expense	589	612	574	2,372	2,321
	h) Other Expenses	1,863	2,166	2,015	8,186	8,214
	Total Expenses	10,516	11,832	10,104	42,080	38,464
5	Loss before exceptional items and tax (3 - 4)	(1,768)	(711)	(481)	(3,664)	(3,439)
6	Exceptional Item (Refer Note 9)	-	-	-	(24)	-
7	Loss before tax (5 + 6)	(1,768)	(711)	(481)	(3,688)	(3,439)
8	Tax Expense					
	- Current Tax (Minimum Alternate Tax)	-	-	-	-	-
	- Deferred Tax (Net of MAT Credit Entitlement)	(543)	(195)	(111)	(1,079)	(985)

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	- Prior Year Tax adjustment (Minimum Alternate Tax)	-	-	(6)	-	(6)
9	Loss after Tax (7 - 8)	(1,225)	(516)	(364)	(2,609)	(2,448)
10	Other Comprehensive Income					
	(i) Items that will not be reclassified to profit or loss	(14)	6	43	3	22
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	5	(2)	(14)	(1)	(7)
	Total Other Comprehensive Income	(9)	4	29	2	15
11	Total Comprehensive Income (9 + 10)	(1,234)	(512)	(335)	(2,607)	(2,433)
12	Paid-up Equity Capital (Face value of Equity Shares:- Rs.7/- each)	2,543	2,543	2,543	2,543	2,543
13	Other Equity				3,153	5,760
14	Basic and Diluted EPS (Rs.) (Not annualised for the quarters)	(3.37)	(1.42)	(1.00)	(7.18)	(6.74)

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Notes:

1 Statement of Assets and Liabilities as at 31st March, 2020

Particulars	(Rs. in lakhs)	
	Standalone	
	31.03.2020 (Audited)	31.03.2019 (Audited)
ASSETS		
1. Non-current Assets		
a) Property, Plant and Equipment	45,272	47,546
b) Right to use assets	77	-
c) Intangible Assets	138	162
d) Investment in Joint Ventures	64	494
e) Financial Assets		
i) Investments	1	1
ii) Loans	169	164
f) Other Non-current Assets	51	54
g) Deferred Tax Assets	1,794	717
h) Non-current Tax Assets	51	48
Total Non-current Assets	47,617	49,186
2. Current Assets		
a) Inventories	8,545	10,489
b) Financial Assets		
i) Trade Receivables	3,520	4,075
ii) Cash and Cash Equivalentents	27	596
iii) Bank Balances other than (ii) above	201	379
iv) Loans	15	18
c) Other Current Assets	8,539	7,485

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Total Current Assets	20,847	23,042
TOTAL ASSETS	68,464	72,228
EQUITY AND LIABILITIES		
1. Equity		
a) Equity Share Capital	2,543	2,543
b) Other Equity	3,153	5,760
Total Equity	5,696	8,303
2. Non-current Liabilities		
a) Financial Liabilities		
- Borrowings	23,226	32,900
- Other Financial Liabilities	42	-
b) Provisions	600	525
c) Other Non-current Liabilities	1,779	1,870
Total Non-current Liabilities	25,647	35,295
3. Current Liabilities		
a) Financial Liabilities		
i) Borrowings	9,455	12,451
ii) Trade Payables		
- Total Outstanding dues of Micro Enterprises and Small Enterprises	838	736
- Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	8,050	8,513
iii) Other Financial Liabilities	6,562	6,412
b) Other Current Liabilities	12,173	460
c) Provisions	43	58
Total Current Liabilities	37,121	28,630

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TOTAL EQUITY AND LIABILITIES	68,464	72,228

Notes:

2

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020

(Rs. in lakhs)

Particulars	Year ended 31.03.2020 (Audited)	Year ended 31.03.2019 (Audited)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	(3,688)	(3,439)
Adjustments for :		
Depreciation and amortisation	2,372	2,321
Finance costs	5,720	5,393
(Profit) / Loss on sale of Property, Plant & Equipment	-	(13)
Loss on sale of Investment	24	-
Provision for doubtful debts	25	100
Deferred income on Government Grant	(91)	(91)
CSR Expenditure / Donation	-	35
Interest income	(42)	(60)
	<u>8,008</u>	<u>7,685</u>
Operating Profit before Working Capital Changes	4,320	4,246
Adjustments for Changes in Working Capital		
(Increase)/ Decrease in trade and other receivables	(129)	287
(Increase) /Decrease in inventories	1,945	(90)
Increase/(Decrease) in trade payables and other liabilities	11,372	2,686
	<u>13,188</u>	<u>2,883</u>
Cash Generated From Operations	17,508	7,129
Direct taxes paid	(4)	(117)
Net Cash Flow from Operating Activities (A)	17,504	7,012
B. CASH FLOW FROM INVESTING ACTIVITIES		

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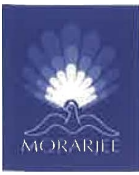
Purchase of PPE (Including Capital Advances)	(33)	(164)
Proceeds from sale of PPE	-	27
Proceeds from sale of Investment	406	-
Interest received	37	50
Maturity of / (Investment in) fixed deposit with banks	187	(45)
Net Cash (Used in) Investing Activities (B)	597	(132)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	-	2,914
Repayment of long-term borrowings	(13,594)	(5,903)
Dividend and distribution tax paid	-	-
Increase/ (Decrease) in short-term borrowings	(510)	873
Interest paid	(4,566)	(4,393)
Net Cash Flow from / (Used in) Financing Activities (C)	(18,670)	(6,510)
Net Increase / (Decrease) in Cash and Cash Equivalents (A)+(B)+(C)	(569)	370
Cash and Cash Equivalents :-		
- At the beginning of the year	596	225
- At the end of the year	27	596

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Notes:

3 The Statutory Auditors have audited the above results pursuant to Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015 and the same are reviewed by the Audit Committee and taken on record by the Board of Directors at their meeting held on 26th June, 2020. The Financial result for the Quarter ended March 31, 2020, 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 auditor.

4 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.

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 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 as at March 31, 2020 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.

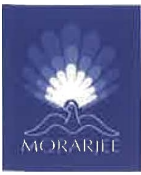
5 The Company has incurred net cash losses for the year owing to high finance cost and debt obligations, resulting from weak demand and growth. During the year, there are delays in repayment of loans and interest to banks and financial institution. Further, the Company has not able to redeem its preference shares of Rs. 10 crores which were due in November 2019. These events/conditions indicate the existence of uncertainty on the Company's ability to continue as going concern. The management is addressing these concerns and is confident that they will be able to arrange sufficient liquidity / find solution to the high debt obligations, increase collections from sale of inventory, mobilisation of additional funds and other strategic initiatives. The Company has also approached NCLT under Section 55 of the Companies Act, 2013, for re-issuance of the said preference shares for a further period of 20 years and approval from such preference shareholders have already been taken. Accordingly, the financial results are prepared on a going concern basis

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- 6 Other Current Assets includes an amount of Rs. 4,011 lakhs (P.Y Rs. 3,161 lakhs) as on March 31, 2020 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.
- 7 Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method with practical expedient. There is no impact on retained earnings, on the date of initial application. Accordingly, comparatives figures have not been restated. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) with corresponding lease liability of Rs 115.01 lakhs. The effect of this adoption is not material on the losses for the period and earnings per share.
- 8 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.
- 9 On 30th September, 2019, the Company has sold its entire holding (49%) in one of its joint venture for consideration of Rs.405.74 lakhs. Consequently the Company has recognised loss of Rs.24.12 lakhs on account of sale of investment and the same has been considered as an exceptional item.
- 10 The Company having opted to continue with old tax regime in view of unabsorbed losses and depreciation and MAT assets benefits and would evaluate in future. Hence, deferred tax assets (including MAT assets) are continuing in financial results considering old tax regime and management judgment on recoverability based on future projections
- 11 Corresponding figures of the previous periods have been regrouped wherever necessary.

For Morarjee Textiles Limited

RAJENDAR
KUMAR
REWARI

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RAJENDAR KUMAR
REWARI
Date: 2020.06.26 18:40:54
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R. K. Rewari

Managing Director

DIN - 00619240

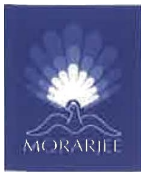
Mumbai: 26th June, 2020

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Statement of consolidated Audited Financial Results for the Year Ended 31st March, 2020

(Rs. in lakhs)

	Particulars	Quarter Ended			Year Ended	
		31.03.2020 (Audited) Refer Note 3	31.12.2019 (Unaudited)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
	Income					
1	Revenue from Operations	8,651	11,081	9,595	38,204	34,861
2	Other Income	97	40	28	212	164
3	Total Income (1 + 2)	8,748	11,121	9,623	38,416	35,025
4	Expenses					
	a) Cost of Materials Consumed	2,911	3,606	3,162	13,325	11,157
	b) Changes in Inventories of Finished Goods and Work in Progress	951	992	196	1,147	403
	c) Dyes and Chemicals	768	1,085	962	3,873	3,264
	d) Power and Fuel	1,095	1,037	908	4,036	4,058
	e) Employee Benefits Expense	893	892	911	3,421	3,653
	f) Finance Costs	1,446	1,442	1,376	5,720	5,394
	g) Depreciation and Amortisation Expense	589	612	574	2,372	2,321
	h) Other Expenses	1,863	2,166	2,015	8,186	8,214

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	Total Expenses	10,516	11,832	10,104	42,080	38,464
5	Loss before exceptional items and tax (3 - 4)	(1,768)	(711)	(481)	(3,664)	(3,439)
6	Exceptional Item (Refer Note 9)	-	-	-	(49)	-
7	Loss before tax (5 + 6)	(1,768)	(711)	(481)	(3,713)	(3,439)
8	Tax Expense					
	- Current Tax (Minimum Alternate Tax)	-	-	-	-	-
	- Deferred Tax (Net of MAT Credit Entitlement)	(543)	(195)	(111)	(1,079)	(985)
	- Prior Year Tax adjustment (Minimum Alternate Tax)	-	-	(6)	-	(6)
9	Loss after Tax (7 - 8)	(1,225)	(516)	(364)	(2,634)	(2,448)
10	Share in Profit / (Loss) of Joint Ventures (Refer Note 10)	-	(1)	(8)	(11)	(7)
11	Loss after tax (9 + 10)	(1,225)	(517)	(372)	(2,645)	(2,455)
12	Other Comprehensive Income					
	(i) Items that will not be reclassified to profit or loss	(14)	6	43	3	22
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	5	(2)	(14)	(1)	(7)
	Total Other Comprehensive Income	(9)	4	29	2	15

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13	Total Comprehensive Income (11 + 12)	(1,234)	(513)	(343)	(2,643)	(2,440)
14	Paid-up Equity Capital (Face value of Equity Shares:- Rs.7/- each)	2,543	2,543	2,543	2,543	2,543
15	Other Equity				3,145	5,788
16	Basic and Diluted EPS (Rs.) (Not annualised for the quarters)	(3.37)	(1.42)	(1.02)	(7.28)	(6.76)

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Notes:

1 Statement of Assets and Liabilities as at 31st March, 2020

Particulars	(Rs. in lakhs)	
	Consolidated	
	31.03.2020 (Audited)	31.03.2019 (Audited)
ASSETS		
1. Non-current Assets		
a) Property, Plant and Equipment	45,272	47,546
b) Right to use assets	77	-
c) Intangible Assets	138	162
d) Investment in Joint Ventures	56	522
e) Financial Assets		
i) Investments	1	1
ii) Loans	169	164
f) Other Non-current Assets	51	54
g) Deferred Tax Assets	1,794	717
h) Non-current Tax Assets	51	47
Total Non-current Assets	47,609	49,213
2. Current Assets		
a) Inventories	8,545	10,489
b) Financial Assets		
i) Trade Receivables	3,520	4,075
ii) Cash and Cash Equivalents	27	596
iii) Bank Balances other than (ii) above	201	380
iv) Loans	15	18
c) Other Current Assets	8,539	7,485
Total Current Assets	20,847	23,043
TOTAL ASSETS	68,456	72,256
EQUITY AND LIABILITIES		
1. Equity		
a) Equity Share Capital	2,543	2,543
b) Other Equity	3,145	5,788
Total Equity	5,688	8,331

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2. Non-current Liabilities		
a) Financial Liabilities		
- Borrowings	23,226	32,900
- Other Financial Liabilities	42	-
b) Provisions	600	525
c) Other Non-current Liabilities	1,779	1,870
Total Non-current Liabilities	25,647	35,295
3. Current Liabilities		
a) Financial Liabilities		
i) Borrowings	9,455	12,451
ii) Trade Payables		
-Total Outstanding dues of Micro Enterprises and Small Enterprises	838	736
-Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	8,050	8,513
iii) Other Financial Liabilities	6,562	6,412
b) Other Current Liabilities	12,173	460
c) Provisions	43	58
d) Current Tax Liabilities (Net)	-	-
Total Current Liabilities	37,121	28,630
TOTAL EQUITY AND LIABILITIES	68,456	72,256

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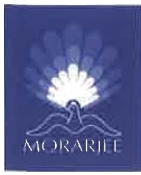
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**Notes:****2 CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020**

(Rs. in lakhs)

Particulars	Year ended 31.03.2020 (Audited)	Year ended 31.03.2019 (Audited)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	(3,713)	(3,439)
Adjustments for :		
Depreciation and amortisation	2,372	2,321
Finance costs	5,720	5,393
(Profit) / Loss on sale of Property, Plant & Equipment	-	(13)
Loss on sale of Investment	49	-
Provision for doubtful debts	25	100
Deferred income	(91)	(91)
CSR Expenditure / Donation	-	35
Interest income	(42)	(60)
	<u>8,033</u>	<u>7,685</u>
Operating Profit before Working Capital Changes	4,320	4,246
Adjustments for Changes in Working Capital (Increase)/ Decrease in trade and other receivables	(129)	287
(Increase) /Decrease in inventories	1,945	(90)
Increase/(Decrease) in trade payables and other liabilities	<u>11,372</u>	<u>2,686</u>
	<u>13,188</u>	<u>2,883</u>
Cash Generated From Operations	17,508	7,129
Direct taxes paid	<u>(4)</u>	<u>(117)</u>
Net Cash Flow from Operating Activities (A)	17,504	7,012

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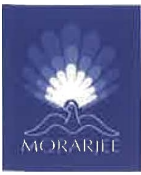
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of PPE (Including Capital Advances)	(33)	(164)
	Proceeds from sale of PPE / investment	-	27
	Proceeds from sale of Investment	406	-
	Interest received	37	50
	Maturity of / (Investment in) fixed deposit with banks	187	(45)
	Net Cash (Used in) Investing Activities (B)	597	(132)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from long-term borrowings	-	2,914
	Repayment of long-term borrowings	(13,594)	(5,903)
	Dividend and distribution tax paid	-	-
	Increase/ (Decrease) in short-term borrowings	(510)	873
	Interest paid	(4,566)	(4,393)
	Net Cash Flow from / (Used in) Financing Activities (C)	(18,670)	(6,510)
	Net Increase / (Decrease) in Cash and Cash Equivalents (A)+(B)+(C)	(569)	370
	Cash and Cash Equivalents :-		
	- At the beginning of the year	596	225
	- At the end of the year	27	596

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Notes:

3 The Statutory Auditors have audited the above results pursuant to Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015 and the same are reviewed by the Audit Committee and taken on record by the Board of Directors at their meeting held on 26th June, 2020. The Financial result for the Quarter ended March 31, 2020, 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 auditor.

4 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.

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 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 as at March 31, 2020 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.

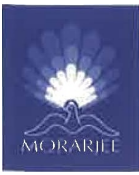
5 The Company has incurred net cash losses for the year owing to high finance cost and debt obligations, resulting from weak demand and growth. During the year, there are delays in repayment of loans and interest to banks and financial institution. Further, the Company has not able to redeem its preference shares of Rs. 10 crores which were due in November 2019. These events/conditions indicate the existence of uncertainty on the Company's ability to continue as going concern. The management is addressing these concerns and is confident that they will be able to arrange sufficient liquidity / find solution to the high debt obligations, increase collections from sale of inventory, mobilisation of additional funds and other strategic initiatives. The Company has also approached NCLT under Section 55 of the Companies Act, 2013, for re-issuance of the said preference shares for a further period of 20 years and approval from such preference shareholders have already been taken. Accordingly, the financial results are prepared on a going concern basis

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- 6 Other Current Assets includes an amount of Rs. 4,011 lakhs (P.Y Rs. 3,161 lakhs) as on March 31, 2020 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.
- 7 Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method with practical expedient. There is no impact on retained earnings, on the date of initial application. Accordingly, comparatives figures have not been restated. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) with corresponding lease liability of Rs 115.01 lakhs. The effect of this adoption is not material on the losses for the period and earnings per share.
- 8 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.
- 9 On 30th September, 2019, the Company has sold its entire holding (49%) in one of its joint venture for consideration of Rs.405.74 lakhs. Consequently the Company has recognised loss of Rs.48.99 lakhs on account of sale of investment and the same has been considered as an exceptional item.
- 10 The consolidated financial results include financial results of two Joint Venture companies i.e. Morarjee Castiglioni (India) Private Limited and Just Textiles Limited(Upto 30.09.2019)
- 11 The Company having opted to continue with old tax regime in view of unabsorbed losses and depreciation and MAT assets benefits and would evaluate in future. Hence, deferred tax assets (including MAT assets) are continuing in financial results considering old tax regime and management judgment on recoverability based on future projections
- 12 Corresponding figures of the previous periods have been regrouped wherever necessary.

For **Morarjee Textiles Limited**

**RAJENDAR
KUMAR
REWARI** Digitally signed by
RAJENDAR KUMAR
REWARI
Date: 2020.06.26
18:42:18 +05'30'

R. K. Rewari

Managing Director

DIN - 00619240

Mumbai: 26th June, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Morarjee Textiles Limited

Report on the Audit of the Standalone Financial Results

Opinion

We have audited the accompanying standalone annual financial results of Morarjee Textiles Limited (“the Company”) for the year ended March 31, 2020 (“the Statement”), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘Listing Regulations’).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2020.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 5 to the Statement, which indicates that the Company has incurred a net loss of Rs 2,609 lakhs during the year ended March 31, 2020. Further, there are delays in repayment of debt obligation. These conditions along with other matters as set forth in the said note indicate that a material uncertainty exists that may cast doubt on the Company’s ability to continue as a going concern. Based on the favourable factors mentioned in the said note, the management has a reasonable expectation that the Company has adequate resources to continue its operational existence for the foreseeable future and therefore, the Statement has been prepared on going concern basis.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

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

1. Note 4 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.
2. Note 6 to the Statement, as regard carry forward of GST input tax credit amounting to Rs 4,011 lakhs as on March 31, 2020 for the reason stated in the said note.

Our opinion is not modified in respect of these matters.

Board of Directors' Responsibility for the Standalone Financial Results

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

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

Auditor's Responsibilities for the Audit of the Standalone 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.

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- 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 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 by the Board of Directors.
- Conclude on the appropriateness of 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.

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, 2020, 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
MANGESH
SAKHARDANDE

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MANGESH SAKHARDANDE
Date: 2020.06.26 18:36:46 +05'30'

Sumant Sakhardande

Partner

Membership No. 034828

UDIN: 20034828AAAADA8515

Mumbai

June 26, 2020

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Morarjee Textiles Limited

Report on the Audit of the Consolidated Financial Results

Opinion

We have audited the accompanying consolidated annual financial results of Morarjee Textiles Limited (hereinafter referred to as the "Holding Company") and its joint ventures for the year ended March 31, 2020 ("the Statement"), attached herewith, 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 ('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 reports of other auditor on separate audited financial statements of the joint ventures, the aforesaid Statement:

(i) includes the annual financial 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
3.	Just Textiles Limited (upto 30 th Sept 2019)	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 the consolidated net loss and other comprehensive income and other financial information of the Holding Company including its joint ventures for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Holding Company and its joint ventures 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 auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 5 to the Statement, which indicates that the Holding company has incurred a net loss of Rs 2,609 lakhs during the year ended March 31, 2020. Further, there are delays in repayment of debt obligation. These conditions along with other matters as set forth in the said note indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern. Based on the favourable factors mentioned in the said note, the management has a reasonable expectation that the Holding Company has adequate resources to continue its operational existence for the foreseeable future and therefore, the Statement has been prepared on going concern basis.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

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

- (a) Note 4 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 6 to the Statement, as regard carry forward of GST input tax credit amounting to Rs 4,011 lakhs as on March 31, 2020 for the reason stated in the said note.

Our opinion is not modified in respect of these matters.

Board of Directors' Responsibility for the Consolidated Financial Results

This Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the consolidated net loss and other comprehensive income and other financial information of the Holding Company including its joint ventures 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 Board of Directors of the companies included in the Holding Company and of its joint ventures 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 ventures 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.

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In preparing the Statement, the respective Board of Directors of the companies included in the Holding Company and of its joint ventures are responsible for assessing the ability of the Holding Company and its joint ventures 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 Board of Directors either intends to liquidate the Holding Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Holding and of its joint ventures are responsible for overseeing the financial reporting process of the Holding Company and of its joint ventures.

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 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 by the Board of Directors.
- Conclude on the appropriateness of 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 the Holding Company and its joint ventures 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 Holding Company and its joint ventures 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.

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- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Holding Company and its joint ventures to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors 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 SEBI 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. 0.42 lakhs and Rs. 2.34 lakhs for the quarter and year ended March 31, 2020 respectively, as considered in the Statement, in respect of one joint venture, whose financial statements/financial information have been audited by their Independent auditors. The independent auditors' reports on financial statements/ financial information 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 reports of the such auditor and the procedures performed by us are as stated in section above.
- b) The Statement also includes the Holding Company's share of net loss (including other comprehensive income) of Rs. 9.14 lakhs for the period ended September 30, 2020 (upto joint venture period), as considered in the Statement, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements are not audited by their auditor and have 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 joint venture, is based solely on such unaudited financial statements. According to the information and explanations given to us by the Management, these financial statements are not material to the Holding Company including its joint ventures.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial results/ financial information certified by the Board of Directors.

HARIBHAKTI & CO. LLP

Chartered Accountants

- c) The Statement includes the results for the quarter ended March 31, 2020, 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
MANGESH
SAKHARDANDE

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SUMANT MANGESH
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Sumant Sakhardande
Partner
Membership No.: 034828
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Mumbai
June 26, 2020