



ASHOK
PIRAMAL
GROUP

Corporate Relations Department
BSE Limited
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Rotunda Building, P J Towers
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Mumbai 400 001
Scrip code: 532621

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
Company Symbol: MORARJEE

Date: 11th August, 2020

Dear Sir / Madam,

Sub: Disclosure of Material Impact of CoVID-19 pandemic under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, please find enclosed herewith disclosure on material impact of COVID-19 pandemic on the Company.

Kindly take the above on record.

Thanking you,

Yours faithfully,

For Morarjee Textiles Limited

Nishthi H Dharmani
Company Secretary

MORARJEE TEXTILES LTD

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Morarjee Textiles Limited
Impact of CoVID - 19

Sr. No.	Details	Particulars
1	Impact of the CoVID-19 pandemic on the business	Due to lockdown the Company's overall operations, including manufacturing operations were shut down from March 22 till May 15, 2020 to comply with Government guidelines. At present, the Company is operating at single shift basis. The Covid has affected the Company's business severely and it is expected to take longer time for the Company to return to Pre-Covid levels.
2	Ability to maintain operations including the factories/ units/ office spaces functioning and closed down.	The office operations have been started as per Government guidelines. In Lockdown 3, the manufacturing was started in Nagpur plant with limited manpower/ volume due to restrictions imposed by the Government w.e.f. May 16, 2020. Other than manufacturing at Nagpur Plant, all other operations of the Company continued in limited way through remote mode (work from home) using various digital mediums and ERP during the lockdown period.
3	Schedule, if any, for restarting the operations	After obtaining requisite permissions, as applicable, from the concerned Government authorities, the Company restarted its manufacturing operations at Nagpur plant, in a limited way, on May 16, 2020 to complete the limited orders on hand. The Company also started its Mumbai office w.e.f from June 8, 2020, with limited staff strength as per State and Central Government guidelines. Work from home is being encouraged among employees by the Company.
4	Steps taken to ensure smooth functioning of operations	Prior to starting of operations, the Company carried out thorough preparatory exercise for all plants and offices including provision for social distancing / position marking. The workers and employees have been trained with details of pre-cautions to protect from COVID including Do's and Don'ts. Further, the employees have also been advised on do's and don'ts through email communications. Audio and Videos are being played constantly in areas like canteen / washroom / common areas etc. at Nagpur Plant. Proper equipment and sanitization material has been provided at all locations. The Company has ensured thermal screening of employees, sanitization of premises, ensuring use of Arogya setu app, maintain social distancing in office etc. The Company has implemented "Work from Home" policy for employees at the corporate & plant wherever feasible. The Company is encouraging employees to restrict travel / visits unless essential and the entry of visitors at plant and Mumbai office is restricted.

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Sr. No.	Details	Particulars
5	Estimation of the future impact of CoVID-19 on its operations	<p>Due to Covid-19 the overall demand for textile sector - fabric and apparel has decreased substantially in domestic and export markets. The demand revival is expected to take some time. The IMF has revised its World Output growth to -3.0% for calendar year 2020. As per RBI, prominent economists, rating agencies and various media reports, the GDP growth for the year 2020-21 is expected to be negative. Under such demand scenario, the Company cannot remain immune to the overall adverse business scenario. In these circumstances the Company may not be in a position to quantify its future impact with any degree of certainty on the business as of now. While, the Company do foresee that its operations during first half of the current year shall witness significant downtrend compared to previous year; The Company does see some normalcy in business returning from second half of the current financial year.</p>
6	<p>Details of Impact of CoVID-19 on Company's</p> <ul style="list-style-type: none"> • capital and financial resources • Profitability • Liquidity positions • ability to service debt and other financing arrangements • Assets • internal financial reporting and control • supply chain • Demand for products/services 	<p>The Company's capital and sanctioned financial facilities remain intact. However, the profitability of the Company has been adversely affected due to continued fixed costs and loan servicing costs with very low levels of sales. The exact impact on profitability during lockdown period will be disclosed after financial results for the quarter ended 30.6.2020 is announced, post limited review by statutory auditors. The long term impact on profitability will depend on the nature and time taken for recovery of business.</p> <p>The company is facing liquidity concerns owing to delay in receivable collections. The Company has been focussing on collections of the receivables to meet the operating payments. The Company has implemented very strict cost control measures to conserve liquidity.</p> <p>The moratorium period of six months on servicing of loans, enabled by RBI has greatly helped the Company in managing the liquidity situation. The existing financing arrangements may need to be reworked based on evolving business situation to support liquidity needs.</p> <p>The Company sees no immediate impairment on any of its assets due to Covid-19 and it will incur only critical maintenance related capital expenditures, to conserve cash. The Company doesn't have any major capital expenditure plans.</p> <p>The Internal financial reporting and control have been maintained during the Covid 19 period. With the emerging</p>

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		<p>concept of work from home, various Information Technology and Cyber Security measures have been taken for data protection.</p> <p>After easing down of lockdown the Company has not faced any major supply chain problem. Outbound supply chain continues to be marginally affected due to many localised lockdowns in many parts of the country. The movement of goods was impacted during lockdown period creating disruptions on the supply side. In addition, many of the manufacturing units from whom the Company sources its raw material were closed. While there may be some difficulties in sourcing the raw-materials in a timely manner, the Company has been carrying Inventory of raw-materials just before announcement of lockdown that will take care for couple of months.</p> <p>Due to Covid-19 the overall demand for fabric and apparel has decreased substantially due to slow down of retail activities and cut back by end consumers in discretionary spending. The demand is expected to revive towards end of FY20-21.</p>
7	Existing contracts agreements non-fulfilment obligations by any party will have significant impact on the listed —entity’s business	There have been delays in meeting payments to suppliers, service providers of the Company. Many of the customers have kept contracts on hold/cancelled orders due to the Covid 19 pandemic. The Company is closely working with suppliers and customers to manage the situation.
8	Other relevant material updates about the business of the Company	All material updates about the Company’s business have been mentioned in above paragraphs. The Covid situation is evolving and is still uncertain from demand point of view.