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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: 14th February, 2024

Dear Sir /Madam,

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

Sub: Outcome of the Board Meeting held on 14th February, 2024

Pursuant to Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company at its meeting held on 14th February, 2024, has *inter-alia* approved the Un-Audited Standalone and Consolidated Financial Results of the Company for the quarter and nine months ended 31st December, 2023 together with Limited Review Report, as submitted by the Statutory Auditors, pursuant to regulation 33 of the SEBI (LODR) Regulations, 2015.

Copy of said Financial Results along with Limited Review Report is enclosed for your record.

The Board Meeting commenced at 4:15 p.m. and concluded at 8:15 p.m.

Request you to take the same on record.

Thanking You,

Yours truly,

For **Morarjee Textiles Limited**


Kishor Dhage

CEO, Whole Time Director & Compliance Officer



Encl: as above

MORARJEE TEXTILES LTD.

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

Tel : 86577 20751
Website : www.morarjee.com
CIN : L52322MH1995PLC090643

Registered Office:

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



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Morarjee Textiles Limited
Statement of Unaudited Standalone Financial Results for the Quarter and Nine Months Ended December 31, 2023

(Rs. in lakhs except EPS)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2023 (Unaudited)	30.09.2023 (Unaudited)	31.12.2022 (Unaudited)	31.12.2023 (Unaudited)	31.12.2022 (Unaudited)	31.03.2023 (Audited)
Income						
1 Revenue from Operations	907	-	5,912	1,961	15,562	20,687
2 Other Income	25	24	38	912	103	130
3 Total Income (1 + 2)	932	24	5,950	2,873	15,665	20,817
Expenses						
a) Cost of Materials Consumed	222	79	2,311	468	6,532	8,635
b) Changes in Inventories of Finished Goods and Work in Progress	444	-	1,247	1,388	2,615	3,159
c) Dyes and Chemicals	55	-	474	80	1,375	1,762
d) Power and Fuel (Refer Note 9)	179	(947)	917	(493)	2,806	4,166
e) Employee Benefits Expenses	269	207	717	871	2,110	3,380
f) Finance Costs	1,987	2,223	2,228	6,280	6,299	7,960
g) Depreciation and Amortisation Expense	533	533	567	1,610	1,697	2,233
h) Other Expenses	310	80	1,351	642	3,998	4,785
Total Expenses	3,999	2,175	9,812	10,846	27,432	36,080
5 Loss before exceptional items and tax (3 - 4)	(3,067)	(2,151)	(3,862)	(7,973)	(11,767)	(15,263)
6 Exceptional Items (Refer Note 12)	-	645	-	1,578	-	3,274
7 Loss before tax (5 + 6)	(3,067)	(2,796)	(3,862)	(9,551)	(11,767)	(18,537)
8 Tax Expense						
- Current Tax	-	-	-	-	-	-
- MAT / Deferred Tax	-	-	-	-	-	-
- Tax (earlier years)	-	18	-	18	-	5
9 Loss after Tax (7 - 8)	(3,067)	(2,814)	(3,862)	(9,569)	(11,767)	(18,542)
10 Other Comprehensive Income						
(i) Items that will not be reclassified to profit or loss	6	7	(3)	19	(9)	26
(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
Total Other Comprehensive Income	6	7	(3)	19	(9)	26
11 Total Comprehensive Income (9 + 10)	(3,061)	(2,807)	(3,865)	(9,550)	(11,776)	(18,516)
12 Paid-up Equity Capital (Face value of Equity Share:- Rs. 7/- each)	2,543	2,543	2,543	2,543	2,543	2,543
13 Other Equity						(30,377)
14 Basic and Diluted EPS (Rs.) (Not annualised for the quarters)	(8.44)	(7.75)	(10.63)	(26.34)	(32.39)	(51.03)

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Notes:

1. Pursuant to the application under section 7 of Insolvency and Bankruptcy Act, 2016 filed by one of the Financial Creditors, being CP(IB) No. 1318/MB-VI/2022, the National Company Law Tribunal (NCLT), Mumbai Bench, admitted the application vide order dated 09.02.2024 and directed to initiate Corporate Insolvency Resolution Process (CIRP) against the Company. Ravi Sethia (IBBI/IPA-001/IP-P01305/2018-2019/12052) has been appointed as the Interim Resolution Professional (IRP). Upon commencement of CIRP, the powers of the Board of Directors of the Company stand suspended and management of the Company vest in the Interim Resolution Professional (IRP).
2. The IRP has made the public announcement on 09 February 2024, Committee of Creditors (COC) shall be constituted based on collation of all claims by the IRP.
3. The above standalone financial results which are in accordance with Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 read with SEBI circular dated July 05, 2016, have been prepared by the management, reviewed by the Audit Committee and approved in the meeting of Directors chaired by IRP held on 14 February 2024. The IRP has relied upon the assistance provided by the members of the Audit Committee in review of financial results and certifications, representations and statements made by Directors, Compliance Officer of the Company and taken on record only to the limited extent of discharging the powers of the Board of Directors of the Company which has been conferred upon him in terms of the provisions of section 17 of the Insolvency and Bankruptcy Code, 2016. The Statutory auditors of the Company have carried out a limited review of these standalone financial results.
4. The Company has incurred net loss including cash losses during the nine months period and as also in previous years, owing to high input and finance cost, coupled with sub-optimal utilization of the manufacturing facilities due to severe working capital constraints. The net worth has completely eroded and current liabilities are in excess of current assets. For major part of the financial year, the workers at plant resorted to strike and operations of the Company was adversely affected (refer Note 7 below). There have been continuous delays and defaults in repayment of debt obligations as well as delay in statutory and other payments. The loan account of the Company was classified as NPA by lenders and the lenders have served notice for recall / taken legal recourse against the Company, requiring repayment of the loan.

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Further, the Company had, after obtaining the approval of Preference Shareholders, approached NCLT under Section 55 of the Companies Act 2013 for issue of further Redeemable Cumulative Non-Convertible Preference Shares against the existing Preference Shares of Rs. 10 Crores which were due for redemption on November 15, 2019 for a further period of 20 years. The approval of NCLT is awaited.

These events / conditions indicate the existence of material uncertainty on the Company's ability to continue as a going concern.

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

The Company's ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors, customers and submission of viable resolution plan by the prospective investor. Under the CIRP, a resolution plan needs to be presented to and approved by the COC and thereafter will need to be approved by the NCLT to keep the Company as going concern. In view of the opinion of the Directors and KMPs, resolution and revival of the Company is possible in the foreseeable future. The IRP/RP is expected to make every endeavour to protect and preserve the value of the property of the corporate debtor and manage the operations of the corporate debtor as going concern.

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

5. a) There shall be moratorium under section 14 of the Insolvency and Bankruptcy Code, 2016 till the completion of the CIRP or until the Adjudicating Authority approves the resolution plan under sub section (1) of section 31 of the IBC or pass an order for liquidation of Corporate Debtors under section 33 of the IBC, as the case may be.
- b) The Company had received regulatory Enquiries /Notices/ Summons /Show-Cause/Cause/Demand/ Orders from various government authorities. In view of Company's admission under CIRP all existing civil legal proceedings will be kept in abeyance as moratorium u/s 14 of the Insolvency and Bankruptcy Code, 2016 is applicable on the Company till the conclusion of CIRP. Therefore, no impact has been considered in these standalone results as of now.

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6. 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.
7. The operations of the Company were affected due to strike by labour union at the plant at Nagpur from April 17, 2023. After continuous dialogue with the labour union, the strike has finally been called off w.e.f. October 26, 2023 and partially operations have started and with the restoration of power supply on November 09, 2023, the manufacturing activities is gradually gaining momentum. Further the Revision of Long Term wage agreement with Workers is pending which expired in earlier years.
8. During the previous quarter an incidence of theft was reported at Nagpur Plant of the Company and bales of cotton and certain machinery parts were found stolen. A complaint was lodged with police station and the FIR has been subsequently registered. The Company has quantified the estimated value of stolen cotton bales, which has been adjusted in the consumption and adjustment for machinery parts is being evaluated and would be adjusted upon completion of process.
9. Power and fuel expense for the previous quarter and nine months ended December 31, 2023 is net of Rs. 1,040 lakhs, on account of textile subsidy pertaining to earlier years and adjusted against electricity bills by Maharashtra State Electricity Distribution Company Limited during the previous quarter.
10. Other Current Assets includes an amount of Rs. 1,437 lakhs (net of provision of Rs. 3,371 lakhs) as on December 31, 2023 (P.Y Rs. 3,034 lakhs (net of provision of Rs. 1,792 lakhs)) towards GST input tax credit on account of higher GST on input (specifically on input services) as compared to output. Though Input GST credits are allowed to be carried indefinitely, the utilisation thereof is generally dependent on various factors including volume and value of output in future, rates of tax on output and changes in government policies.
11. MAT Credit Entitlement of Rs. 3,023 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.

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12. Exceptional items for the nine months ended December 31, 2023 and the Year Ended March 31, 2023 represents:
- (a) provisioning of Rs. 1,578 lakhs (P. Y Rs. 1,792 lakhs) on account of uncertainty of full utilisation of accumulated Goods and Services Tax (GST);
 - (b) provisioning in previous year of Rs. 1,482 lakhs on account of long outstanding subsidies receivable;
13. Corresponding figures of the previous period/ quarter have been regrouped wherever necessary. The operations of the Company were affected due to power disconnection and strike as mentioned in Note 4 and 7 above, and therefore, the figures in the corresponding quarter and the period of nine months of the previous financial year are not comparable.

For Morarjee Textiles Limited

Kishor Dhage
CEO, Whole Time Director & Compliance
Officer

DIN: 10349307

Place: Nagpur

Date: February 14, 2024



Ravi Sethia

(Taken on Record)

IBBI/IPA-001/IP-P01305/2018-2019/12052

Interim Resolution Professional

Place: Kolkata

Date: February 14, 2024

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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 (as amended)

To Interim Resolution Professional of Morarjee Textiles Limited

IBBI/IPA-001/IP-P01305/2018- 2019/12052

AND

To The Board of Directors of 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 December 31, 2023 and for the period from April 1, 2023 to December 31, 2023 ("the Statement"), being submitted by the Company pursuant to the requirements 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 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" prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder (hereinafter referred to as "the said Indian Accounting Standard") 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 Engagements (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. Qualified Conclusion

We draw attention to Note 4 to the statement, which indicates that the Company has incurred net loss after tax of Rs. 9,569 lakhs including cash losses, during the period from April 1, 2023 to December 31, 2023 and as of that date, the Company's accumulated losses amount to Rs. 45,555 lakhs resulting in complete erosion of its net worth and its current liabilities are in excess of current assets. Further, there have been continuous delays and defaults in repayment of debt obligations leading to classification of Company's debt as non performing by lenders and the lenders have served notice for recall / taken legal recourse against the Company, requiring repayment of the loan. Pursuant to an application filed by one of the financial creditor before National Company Law Tribunal ("NCLT"), Mumbai under Section 7 of Insolvency and Bankruptcy Code, 2016 ("IBC") for initiating Corporate Insolvency Resolution Process against the Company, the Hon'ble NCLT passed an order dated February 9, 2024 admitting the application and has appointed Interim Resolution Professional to carry out the functions under IBC and moratorium u/s 14 of IBC has been declared with other consequential directions. The quarterly and year to date standalone financial results, however for the reason stated in the aforesaid note have been prepared by the Management on going concern basis. These conditions along with other matters as set forth in the said note indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and therefore the Company may not be able to realise its assets and meet with liabilities in the normal course of business. The standalone financial results does not include any adjustment in this respect. We however are unable to obtain sufficient and appropriate audit evidence regarding management's use of the going concern basis of accounting in the preparation of the standalone financial results.

The opinion expressed by us on the standalone financial statements of the Company for the year ended March 31, 2023 vide our report dated May 29, 2023 as well as the conclusion expressed by us on the standalone financial results of the Company for the quarter ended June 30, 2023 and September 30, 2023 vide our report dated October 20, 2023 and November 10, 2023 respectively was also qualified in respect of the matter referred in paragraph 4 above.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and subject to the possible effects of the matter described in paragraph 4 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 said 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



HARIBHAKTI & CO. LLP

Chartered Accountants

Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to the following matters:

- a. Note 1 to the statement, regarding appointment of Interim Resolution Professional by NCLT vide order dated February 09, 2024 to initiate Corporate Insolvency Resolution Process (CIRP) against the Company.
- b. Note 7 to the Statement, regarding pending revision of long term wage agreement for which the management is in discussion with the workers and impact, if any, on the standalone financial results is not presently ascertainable.
- c. Note 10 to the Statement, regarding carry forward of GST input tax credit amounting to Rs. 1,437 Lakhs (net of provision of Rs. 3,371 lakhs) as on December 31, 2023 for the reasons stated in the said note.
- d. Note 11 to the Statement, regarding MAT Credit Entitlement amounting to Rs. 3,023 lakhs as on December 31, 2023 which is carried based on the judgment of the management that the MAT credit would be fully utilized.

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: 24034828BKCALU5846

Place: Mumbai

Date: February 14, 2024





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Morarjee Textiles Limited
Statement of Unaudited Consolidated Financial Results for the Quarter and Nine Months Ended December 31, 2023

(Rs. in lakhs except EPS)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2023 (Unaudited)	30.09.2023 (Unaudited)	31.12.2022 (Unaudited)	31.12.2023 (Unaudited)	31.12.2022 (Unaudited)	31.03.2023 (Audited)
Income						
1 Revenue from Operations	907	-	5,912	1,961	15,562	20,687
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3 Total Income (1 + 2)	932	24	5,950	2,873	15,665	20,817
Expenses						
a) Cost of Materials Consumed	222	79	2,311	468	6,532	8,635
b) Changes in Inventories of Finished Goods and Work in Progress	444	-	1,247	1,388	2,615	3,159
c) Dyes and Chemicals	55	-	474	80	1,375	1,762
d) Power and Fuel (Refer Note 10)	179	(947)	917	(493)	2,806	4,166
e) Employee Benefits Expenses	269	207	717	871	2,110	3,380
f) Finance Costs	1,987	2,223	2,228	6,280	6,299	7,960
g) Depreciation and Amortisation Expense	533	533	567	1,610	1,697	2,233
h) Other Expenses	308	80	1,351	640	3,998	4,768
Total Expenses	3,997	2,175	9,812	10,844	27,432	36,063
5 Loss before exceptional items and tax (3 - 4)	(3,065)	(2,151)	(3,862)	(7,971)	(11,767)	(15,246)
6 Exceptional Items (Refer Note 13)	-	645	-	1,578	-	3,274
7 Loss before tax (5 + 6)	(3,065)	(2,796)	(3,862)	(9,549)	(11,767)	(18,520)
8 Tax Expense						
- Current Tax	-	-	-	-	-	-
- MAT / Deferred Tax	-	-	-	-	-	-
- Tax (earlier years)	-	18	-	18	-	5
9 Loss after Tax (7 - 8)	(3,065)	(2,814)	(3,862)	(9,567)	(11,767)	(18,525)
10 Share in Loss of Joint Venture (Refer Note 7)	(1)	-	(1)	(2)	(2)	(3)
11 Loss After Tax (9 + 10)	(3,066)	(2,814)	(3,863)	(9,569)	(11,769)	(18,528)
12 Other Comprehensive Income						
(i) Items that will not be reclassified to profit or loss	6	7	(3)	19	(9)	26
(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
Total Other Comprehensive Income	6	7	(3)	19	(9)	26
13 Total Comprehensive Income (9 + 10)	(3,060)	(2,807)	(3,866)	(9,550)	(11,778)	(18,502)
14 Paid-up Equity Capital (Face value of Equity Share:- Rs. 7/- each)	2,543	2,543	2,543	2,543	2,543	2,543
15 Other Equity						(30,377)
16 Basic and Diluted EPS (Rs.) (Not annualised for the quarters)	(8.44)	(7.75)	(10.63)	(26.34)	(32.39)	(51.00)

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1. Pursuant to the application under section 7 of Insolvency and Bankruptcy Act, 2016 filed by one of Financial Creditors, being CP(IB) No. 1318/MB-VI/2022, the National Company Law Tribunal (NCLT), Mumbai Bench, admitted the application vide order dated 09.02.2024 and directed to initiate Corporate Insolvency Resolution Process (CIRP) against the Company. Ravi Sethia (IBBI/IPA-001/IP-P01305/2018-2019/12052) has been appointed as the Interim Resolution Professional (IRP). Upon commencement of CIRP, the powers of the Board of Directors of the Company stand suspended and management of the Company vest in the Interim Resolution Professional (IRP).
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In the circumstances mentioned above, the consolidated financial results have been prepared on a going concern basis and does not include any adjustment to the carrying value of assets and liabilities.

5. a) There shall be moratorium under section 14 of the Insolvency and Bankruptcy Code, 2016 till the completion of the CIRP or until the Adjudicating Authority approves the resolution plan under sub section (1) of section 31 of the IBC or pass an order for liquidation of Corporate Debtors under section 33 of the IBC, as the case may be.
- b) The Company had received regulatory Enquiries /Notices/ Summons /Show-Cause/Cause/Demand/ Orders from various government authorities. In view of Company's admission under CIRP all existing civil legal proceedings will be kept in abeyance as moratorium u/s 14 of the Insolvency and Bankruptcy Code, 2016 is applicable on the Company till the conclusion of CIRP. Therefore, no impact has been considered in these consolidated results as of now.



MORARJEE TEXTILES LTD.

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

Tel : 86577 20751
Website : www.morarjee.com
CIN : L52322MH1995PLC090643

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



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6. 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.
7. The consolidated financial results include financial results of one Joint Venture Company i.e. Morarjee Castiglioni (India) Private Limited.
8. The operations of the Company were affected due to strike by labour union at the plant at Nagpur from April 17, 2023. After continuous dialogue with the labour union, the strike has finally been called off w.e.f. October 26, 2023 and partially operations have started and with the restoration of power supply on November 09, 2023, the manufacturing activities is gradually gaining momentum. Further the Revision of Long Term wage agreement with Workers is pending which expired in earlier years.
9. During the previous quarter an incidence of theft was reported at Nagpur Plant of the Company and bales of cotton and certain machinery parts were found stolen. A complaint was lodged with police station and the FIR has been subsequently registered. The Company has quantified the estimated value of stolen cotton bales, which has been adjusted in the consumption and adjustment for machinery parts is being evaluated and would be adjusted upon completion of process.
10. Power and fuel expense for the previous quarter and nine months ended December 31, 2023 is net of Rs. 1,040 lakhs, on account of textile subsidy pertaining to earlier years and adjusted against electricity bills by Maharashtra State Electricity Distribution Company Limited during the previous quarter.
11. Other Current Assets includes an amount of Rs. 1,437 lakhs (net of provision of Rs. 3,371 lakhs) as on December 31, 2023 (P.Y Rs. 3,034 lakhs (net of provision of Rs. 1,792 lakhs)) towards GST input tax credit on account of higher GST on input (specifically on input services) as compared to output. Though Input GST credits are allowed to be carried indefinitely, the utilisation thereof is generally dependent on various factors including volume and value of output in future, rates of tax on output and changes in government policies.



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12. MAT Credit Entitlement of Rs. 3,023 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.
13. Exceptional items for the nine months ended December 31, 2023 and the Year Ended March 31, 2023 represents:
- (a) provisioning of Rs. 1,578 lakhs (P.Y Rs. 1,792 lakhs) on account of uncertainty of full utilisation of accumulated Goods and Services Tax (GST);
 - (b) provisioning in previous year of Rs. 1,482 lakhs on account of long outstanding subsidies receivable;
14. Corresponding figures of the previous period/ quarter have been regrouped wherever necessary. The operations of the Company were affected due to power disconnection and strike as mentioned in Note 4 and 8 above, and therefore, the figures in the corresponding quarter and the period of nine months of the previous financial year are not comparable.

For Morarjee Textiles Limited

Kishor Dhage
CEO, Whole Time Director & Compliance
Officer

DIN: 10349307

Place: Nagpur

Date: February 14, 2024



Ravi Sethia

(Taken on Record)

IBBI/IPA-001/IP-P01305/2018-2019/12052

Interim Resolution Professional

Place: Kolkata

Date: February 14, 2024

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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 (as amended)

To Interim Resolution Professional of Morarjee Textiles Limited

IRP Registration No. IBBI/IPA-001/IP-P01305/2018- 2019/12052

AND

To The Board of Directors of 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 loss of its joint venture for the quarter ended December 31, 2023 and for the period from April 1, 2023 to December 31, 2023 ("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. **Qualified Conclusion**

We draw attention to Note 4 to the statement, which indicates that the Holding Company has incurred consolidated net loss after tax of Rs. 9,569 lakhs including cash losses during the period from April 1, 2023 to December 31, 2023 and as of that date, the Company's accumulated consolidated losses amount to Rs. 45,555 lakhs resulting in complete erosion of its net worth and its current liabilities are in excess of current assets. Further, there have been continuous delays and defaults in repayment of debt obligations leading to classification of Holding Company's debt as non performing by lenders and the lenders have served notice for recall / taken legal recourse against the Company, requiring repayment of the loan. Pursuant to an application filed by one of the financial creditor before National Company Law Tribunal ("NCLT"), Mumbai under Section 7 of Insolvency and Bankruptcy Code, 2016 ("IBC") for initiating Corporate Insolvency Resolution Process against the Holding Company, the Hon'ble NCLT passed an order dated February 9, 2024 admitting the application and has appointed Interim Resolution Professional to carry out the functions under IBC and moratorium u/s 14 of IBC has been declared with other consequential directions. The quarterly and year to date consolidated financial results, however for the reason stated in the aforesaid note have been prepared by the Management on going concern basis. These conditions along with other matters as set forth in the said note indicates that a material uncertainty exists that may cast significant doubt on the Holding Company's ability to continue as a going concern and therefore the Holding Company may not be able to realise its assets and meet with liabilities in the normal course of business. The consolidated financial results does not include any adjustment in this respect. We however are unable to obtain sufficient and appropriate audit evidence regarding management's use of the going concern basis of accounting in the preparation of the consolidated financial results.

The opinion expressed by us on the consolidated financial statements of the Company for the year ended March 31, 2023 vide our report dated May 29, 2023 as well as the conclusion expressed by us on the consolidated financial results of the Company for the quarter ended June 30, 2023 and September 30, 2023 vide our report dated October 20, 2023 and November 10, 2023 respectively was also qualified in respect of the matter referred in paragraph 5 above.



6. Based on our review conducted and procedures performed as stated in paragraph 3 above, subject to the possible effects of the matter described in paragraph 5 above and based on the consideration of the review report of the other auditor referred to in paragraph 8 below, 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.
7. We draw attention to the following matters:
- Note 1 to the statement, regarding appointment of Interim Resolution Professional by NCLT vide order dated February 09, 2024 to initiate Corporate Insolvency Resolution Process (CIRP) against the Company.
 - Note 8 to the Statement, regarding pending revision of long term wage agreement for which the management is in discussion with the workers and impact, if any, on the consolidated financial results is not presently ascertainable.
 - Note 11 to the Statement, regarding carry forward of GST input tax credit amounting to Rs. 1,437 Lakhs (net of provision of Rs. 3,371 lakhs) as on December 31, 2023 for the reasons stated in the said note.
 - Note 12 to the Statement, regarding MAT Credit Entitlement amounting to Rs. 3,023 lakhs as on December 31, 2023 which is carried based on the judgment of the management that the MAT credit would be fully utilized.

Our report is not modified in respect of these matters.

8. The unaudited consolidated financial results includes the Holding Company's share of net loss of Rs. 0.65 lakhs and Rs. 1.63 lakhs for the quarter ended December 31, 2023 and for the period from April 01, 2023 to December 31, 2023, 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 their 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.



HARIBHAKTI & CO. LLP

Chartered Accountants

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: 24034828BKCALV5452

Place: Mumbai

Date: February 14, 2024

