

**ASHOK
PIRAMAL
GROUP**

Corporate Relations Department
BSE Limited
1st Floor, New Trading Wing
Rotunda Building, P J Towers
Dalal Street, Fort
Mumbai 400 001

The Market Operations Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No C/1, G Block
Bandra-Kurla Complex
Bandra (E), Mumbai 400 051

Date: 20th October, 2023

Dear Sir / Madam,

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

Sub: Outcome of the Board Meeting held on 20th October, 2023.

Pursuant to Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company at its meeting held on 20th October, 2023 has inter-alia approved the Un-Audited Standalone and Consolidated Financial Results of the Company for the quarter ended 30th June, 2023 of FY 2023-24, along with Limited Review Report thereon as submitted by the Statutory Auditors of the Company.

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

The Board Meeting commenced at 12.30 p.m. and concluded at 4.30 p.m.

Request you to kindly take the above on record.

Yours Sincerely,
For **Morarjee Textiles Limited**



Nishthi H Dharmani
Company Secretary and Compliance Officer

Encl: a/a

MORARJEE TEXTILES LTD

The New Mahalaxmi Silk Mills Pvt. Ltd.,
Mathuradas Mills Compound,
N. M. Joshi Marg, Lower Parel (W)
Mumbai – 400013 India

Tel : 022- 66811600

www.morarjee.com
CIN: L52322MH1995PLC090643



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Morarjee Textiles Limited
Statement of Unaudited Standalone Financial Results for the Quarter Ended June 30, 2023

(Rs. In lakhs except EPS)

| Particulars | Quarter Ended | | | Year Ended |
|---|---------------------------|---------------------------|---------------------------|-------------------------|
| | 30.06.2023 (Unaudited) | 31.03.2023 (Unaudited) | 30.06.2022 (Unaudited) | 31.03.2023 (Audited) |
| Income | | | | |
| 1 Revenue from Operations | 1,054 | 5,125 | 4,451 | 20,687 |
| 2 Other Income | 863 | 27 | 31 | 130 |
| 3 Total Income (1 + 2) | 1,917 | 5,152 | 4,482 | 20,817 |
| 4 Expenses | | | | |
| a) Cost of Materials Consumed | 167 | 2,103 | 1,584 | 8,635 |
| b) Changes in Inventories of Finished Goods and Work in Progress | 944 | 544 | 1,195 | 3,159 |
| c) Dyes and Chemicals | 25 | 387 | 425 | 1,762 |
| d) Power and Fuel | 275 | 1,360 | 786 | 4,166 |
| e) Employee Benefits Expense | 395 | 1,270 | 681 | 3,380 |
| f) Finance Costs | 2,070 | 1,661 | 2,010 | 7,960 |
| g) Depreciation and Amortisation Expense | 544 | 536 | 566 | 2,233 |
| h) Other Expenses | 252 | 787 | 1,283 | 4,785 |
| Total Expenses | 4,672 | 8,648 | 8,530 | 36,080 |
| 5 Loss before exceptional items and tax (3 - 4) | (2,755) | (3,496) | (4,048) | (15,263) |
| 6 Exceptional Items (Refer Note 7) | 933 | 3,274 | - | 3,274 |
| 7 Loss before tax (5 + 6) | (3,688) | (6,770) | (4,048) | (18,537) |
| 8 Tax Expense | | | | |
| - Current Tax | - | - | - | - |
| - MAT / Deferred Tax | - | - | - | - |
| - Tax (earlier years) | - | 5 | - | 5 |
| 9 Loss after Tax (7 - 8) | (3,688) | (6,775) | (4,048) | (18,542) |
| 10 Other Comprehensive Income | | | | |
| (i) Items that will not be reclassified to profit or loss - Actuarial gain/ (loss) on defined benefit obligation | 6 | 35 | (3) | 26 |
| (ii) Income Tax relating to items that will not be reclassified to profit or loss | - | - | - | - |
| Total Other Comprehensive Income | 6 | 35 | (3) | 26 |
| 11 Total Comprehensive Income (9 + 10) | (3,682) | (6,740) | (4,051) | (18,516) |
| 12 Paid-up Equity Capital (Face value of Equity Share:- Rs.7/- each) | 2,543 | 2,543 | 2,543 | 2,543 |
| 13 Other Equity | | | | (30,377) |
| 14 Basic and Diluted EPS (Rs.) (Not annualised for the quarters) | (10.15) | (18.65) | (11.14) | (51.03) |

MORARJEE TEXTILES LTD

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Mumbai - 400013 India

Tel: 022- 66811600



www.morarjee.com

CIN: L52322MH1995PLC090643



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Notes:

- 1 The above unaudited standalone financial results for the quarter ended June 30, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors respectively at their meeting held on October 20, 2023. The standalone financial results for the Quarter ended March 31, 2023, being the balancing figure between audited figures in respect of previous financial year and the published year to date figures up to the third quarter of the previous financial year which were subject to limited review by statutory auditors.
- 2 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.
- 3 The Company has incurred net loss including cash losses during the quarter 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. At the beginning of the financial year, the workers at plant resorted to strike which is still on going and operations of the Company have been adversely affected (refer note 4 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 some of the lenders have served notice for recall / taken legal recourse against the Company, requiring repayment of the loan. One of the financial creditor has filed an application before National Company Law Tribunal ("NCLT"), Mumbai under Section 7 of Insolvency and Bankruptcy Code, 2016 for Initiating Corporate Insolvency Resolution Process against the Company. Application for hearing before NCLT has taken place and order has been reserved. Further, two of the operational creditors have also submitted applications under Section 9 of Insolvency and Bankruptcy Code, 2016 before NCLT, Mumbai. All the applications are pending before NCLT.

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

Subsequent to the end of reporting Quarter, some of the key managerial personnel have resigned. The Company is in the process of finding suitable replacements, which it expects to fill in due course.

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

The Company's product is well accepted in market and the Company would be able to cater to its customers, once the normalcy is restored.

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.

- 4 The operations of the Company were affected due to strike by labour union at the plant at Nagpur from April 17, 2023. Their representatives were making various demands, mainly with regard to balance March 2023 wages and balance bonus payment, which the management put forth that the same would be paid at the earliest, once they resume work. As the workers did not respond favourably to amicably discuss and find a solution, the management later approached Industrial Court at Nagpur which granted interim reliefs and measures, pending final hearing. Despite trying to reason with the labour union, the workers have continued to abstain from work and in such circumstances, no wages for the strike period have been provided in the books of accounts; there being no contractual obligation, as the strike being illegal. Further the revision of long term wage agreement with workers is pending which expired in earlier years.
- 5 Other Current Assets includes an amount of Rs. 2,100 lakhs (net of provision of Rs. 2,725 lakhs) as on June 30, 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.
- 6 MAT Credit Entitlement of Rs. 3,041 lakhs (P.Y Rs. 3,041 lakhs) is based on future performance and expectation of full utilization of MAT Credit within time frame available as projected by the Management of the Company.
- 7 Exceptional Items for the Quarter ended June, 2023 and Quarter and Year Ended March 31, 2023 represents:
(A) provisioning of Rs. 933 lakhs (previous year 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;
- 8 Corresponding figures of the previous periods have been regrouped wherever necessary. The operations of the Company were affected due to the power disconnection and strike as mentioned in note 3 and 4 above, and therefore, the figures in corresponding quarter of previous year are not comparable.

For Morarjee Textiles Limited

Harshvardhan A. Piramal
Executive Vice Chairman
DIN - 00044972

Mumbai

October 20, 2023

MORARJEE TEXTILES LTD

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Tel : 022- 66811600



www.morarjee.com

CIN: L52322MH1995PLC090643

Independent Auditor's Review Report on quarterly 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 the Board of Directors

Morarjee Textiles Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Morarjee Textiles Limited** ("the Company") for the quarter ended June 30, 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 3 to the statement, which indicates that the Company has incurred net loss after tax of Rs. 3,688 lakhs including cash losses during the quarter and as of that date, the Company's accumulated losses amount to Rs. 34,059 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 some of the lenders have served notice for recall / taken legal recourse against the Company, requiring repayment of the loan. Also one of the financial creditor and certain financial creditors have filed an application before National Company Law Tribunal ("NCLT") for initiating Corporate Insolvency Resolution Process against the Company. Application for hearing before NCLT has taken place and order has been reserved. The quarterly standalone financial results, however for the reason stated in the aforesaid note have been prepared by the Management on going concern basis. The Company's ability to continue as Going Concern is dependent on debt resolution including identifying strategic investor for one time settlement with lenders, though it is yet to receive a definitive proposal. These conditions along with other matters as set forth in the said note indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and therefore the Company may not be able to realise its assets and meet with liabilities in the normal course of business. The standalone financial results does not include any adjustment in this respect. We 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.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and subject to the possible effects of the matters 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 Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



HARIBHAKTI & CO. LLP

Chartered Accountants

6. We draw attention to the following matters:

- a. Note 4 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 and no provision has been made for wages pertaining to balance period considering the strike being not legal
- b. Note 5 to the Statement, regarding carry forward of GST input tax credit amounting to Rs. 2,100 Lakhs (net of provision of Rs. 2,725 lakhs) as on June 30, 2023 for the reasons stated in the said note.
- c. Note 6 to the Statement, regarding MAT Credit Entitlement amounting to Rs. 3,041 lakhs as on June 30, 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: 23034828BGWUHS2222

Place: Mumbai

Date: October 20, 2023



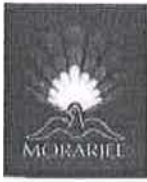


Morarjee Textiles Limited
Statement of Unaudited Consolidated Financial Results for the Quarter Ended June 30, 2023

(Rs. In lakhs except EPS)

| | Particulars | Quarter Ended | | Year Ended | |
|----|---|---------------------------|---------------------------|---------------------------|-------------------------|
| | | 30.06.2023 (Unaudited) | 31.03.2023 (Unaudited) | 30.06.2022 (Unaudited) | 31.03.2023 (Audited) |
| | Income | | | | |
| 1 | Revenue from Operations | 1,054 | 5,125 | 4,451 | 20,687 |
| 2 | Other Income | 863 | 27 | 31 | 130 |
| 3 | Total Income (1 + 2) | 1,917 | 5,152 | 4,482 | 20,817 |
| | Expenses | | | | |
| 4 | a) Cost of Materials Consumed | 167 | 2,103 | 1,584 | 8,635 |
| | b) Changes in Inventories of Finished Goods and Work in Progress | 944 | 544 | 1,195 | 3,159 |
| | c) Dyes and Chemicals | 25 | 387 | 425 | 1,762 |
| | d) Power and Fuel | 275 | 1,360 | 786 | 4,166 |
| | e) Employee Benefits Expense | 395 | 1,270 | 681 | 3,380 |
| | f) Finance Costs | 2,070 | 1,661 | 2,010 | 7,960 |
| | g) Depreciation and Amortisation Expense | 544 | 536 | 566 | 2,233 |
| | h) Other Expenses | 252 | 770 | 1,283 | 4,768 |
| | Total Expenses | 4,672 | 8,631 | 8,530 | 36,063 |
| 5 | Loss before exceptional items and tax (3 - 4) | (2,755) | (3,479) | (4,048) | (15,246) |
| 6 | Exceptional Items (Refer Note 8) | 933 | 3,274 | - | 3,274 |
| 7 | Loss before tax (5 + 6) | (3,688) | (6,753) | (4,048) | (18,520) |
| 8 | Tax Expense | | | | |
| | - Current Tax | - | - | - | - |
| | - MAT / Deferred Tax | - | - | - | - |
| | - Tax (earlier years) | - | 5 | - | 5 |
| 9 | Loss after Tax (7 - 8) | (3,688) | (6,758) | (4,048) | (18,525) |
| 10 | Share in Loss of Joint Venture | (1) | (1) | (1) | (3) |
| 11 | Loss after Tax (9 - 10) | (3,689) | (6,759) | (4,049) | (18,528) |
| 12 | Other Comprehensive Income | | | | |
| | (i) Items that will not be reclassified to profit or loss - Actuarial gain/ (loss) on defined benefit obligation | 6 | 35 | (3) | 26 |
| | (ii) Income Tax relating to Items that will not be reclassified to profit or loss | - | - | - | - |
| | Total Other Comprehensive Income | 6 | 35 | (3) | 26 |
| 13 | Total Comprehensive Income (11 + 12) | (3,683) | (6,724) | (4,052) | (18,502) |
| 14 | Paid-up Equity Capital (Face value of Equity Share:- Rs.7/- each) | 2,543 | 2,543 | 2,543 | 2,543 |
| 15 | Other Equity | | | | (30,377) |
| 16 | Basic and Diluted EPS (Rs.) (Not annualised for the quarters) | (10.15) | (18.60) | (11.14) | (51.00) |





Notes:

- 1 The above unaudited consolidated financial results for the quarter ended June 30, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors respectively at their meeting held on October 20, 2023. The consolidated financial results for the Quarter ended March 31, 2023, being the balancing figure between audited figures in respect of previous financial year and the published year to date figures up to the third quarter of the previous financial year which were subject to limited review by statutory auditors.
- 2 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.
- 3 The consolidated financial results include financial results of one Joint Venture Company i.e. Morarjee Castiglioni (India) Private Limited.
- 4 The Company has incurred net loss including cash losses during the quarter 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. At the beginning of the financial year, the workers at plant resorted to strike which is still on going and operations of the Company have been adversely affected (refer note 5 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 some of the lenders have served notice for recall / taken legal recourse against the Company, requiring repayment of the loan. One of the financial creditor has filed an application before National Company Law Tribunal ("NCLT"), Mumbai under Section 7 of Insolvency and Bankruptcy Code, 2016 for initiating Corporate Insolvency Resolution Process against the Company. Application for hearing before NCLT has taken place and order has been reserved. Further, two of the operational creditors have also submitted applications under Section 9 of Insolvency and Bankruptcy Code, 2016 before NCLT, Mumbai. All the applications are pending before NCLT.

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

Subsequent to the end of reporting Quarter, some of the key managerial personnel have resigned. The Company is in the process of finding suitable replacements, which it expects to fill in due course.

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

The Company's product is well accepted in market and the Company would be able to cater to its customers, once the normalcy is restored.

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 The operations of the Company were affected due to strike by labour union at the plant at Nagpur from April 17, 2023. Their representatives were making various demands, mainly with regard to balance March 2023 wages and balance bonus payment, which the management put forth that the same would be paid at the earliest, once they resume work. As the workers did not respond favourably to amicably discuss and find a solution, the management later approached Industrial Court at Nagpur which granted interim reliefs and measures, pending final hearing. Despite trying to reason with the labour union, the workers have continued to abstain from work and in such circumstances, no wages for the strike period have been provided in the books of accounts; there being no contractual obligation, as the strike being illegal. Further the revision of long term wage agreement with workers is pending which expired in earlier years.
- 6 Other Current Assets includes an amount of Rs. 2,100 lakhs (net of provision of Rs. 2,725 lakhs) as on June 30, 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.
- 7 MAT Credit Entitlement of Rs. 3,041 lakhs (P.Y Rs. 3,041 lakhs) is based on future performance and expectation of full utilization of MAT Credit within time frame available as projected by the Management of the Company.
- 8 Exceptional items for the Quarter ended June, 2023 and Quarter and Year Ended March 31, 2023 represents:
(A) provisioning of Rs. 933 lakhs (previous year 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;
- 9 Corresponding figures of the previous periods have been regrouped wherever necessary. The operations of the Company were affected due to the power disconnection and strike as mentioned in note 4 and 5 above, and therefore, the figures in corresponding quarter of previous year are not comparable.

For Morarjee Textiles Limited

Harshvardhan A. Piramal
Executive Vice Chairman
DIN - 00044972

Mumbai
October 20, 2023



MORARJEE TEXTILES LTD
The New Mahalaxmi Silk Mills Pvt. Ltd.,
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Tel : 022- 66811600

Independent Auditor's Review Report on quarterly 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 The Board of Directors
Morarjee Textiles Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Morarjee Textiles Limited ("the holding Company") and its share of the net loss after tax and total comprehensive loss of its joint venture for the quarter ended June 30, 2023 ("the Statement"), being submitted by the Parent 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. 3,689 lakhs including cash losses during the quarter and as of that date, the Company's accumulated losses amount to Rs. 34,059 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 some of the lenders have served notice for recall / taken legal recourse against the Company, requiring repayment of the loan. Also one of the financial creditor and certain financial creditors have filed an application before National Company Law Tribunal ("NCLT") for initiating Corporate Insolvency Resolution Process against the Holding Company. Application for hearing before NCLT has taken place and order has been reserved. The quarterly consolidated financial results, however for the reason stated in the aforesaid note have been prepared by the Management on going concern basis. The Holding Company's ability to continue as Going Concern is dependent on debt resolution including identifying strategic investor for one time settlement with lenders, though it is yet to receive a definitive proposal. These conditions along with other matters as set forth in the said note indicates that a material uncertainty exists that may cast significant doubt on the 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.



6. Based on our review conducted and procedures performed as stated in paragraph 3 above, subject to the possible effects of the matters 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:
- a. Note 5 to the Statement, regarding pending revision of long term wage agreement for which the management is in discussion with the workers and impact, if any, on the consolidated financial results is not presently ascertainable and no provision has been made for wages pertaining to balance period considering the strike being not legal.
 - b. Note 6 to the Statement, regarding carry forward of GST input tax credit amounting to Rs. 2,100 Lakhs (net of provision of Rs. 2,725 lakhs) as on June 30, 2023 for the reasons stated in the said note.
 - c. Note 7 to the Statement, regarding MAT Credit Entitlement amounting to Rs. 3,041 lakhs as on June 30, 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. 0.53 lakhs for the quarter ended June 30, 2023, as considered in the unaudited consolidated financial results, in respect of one joint venture, based on their interim financial results which have 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.

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: 23034828BGWUHT4902

Place: Mumbai

Date: October 20, 2023

