



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: 19th May, 2022

Dear Sir / Madam,

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

Sub: Outcome of the Board Meeting held on 19th May, 2022

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 19th May, 2022, has *inter-alia* approved the following:

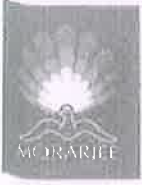
- 1) The audited Standalone and Consolidated Financial Results of the Company for quarter and year ended 31st March, 2022 along with statement of Assets and Liabilities and the Statement of Cash Flows as on that date. Copy of said Financial Results is enclosed herewith.
- 2) The audited Standalone and Consolidated Financial Statements for the financial year ended 31st March, 2022.
- 3) 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 - I**.
- 4) Re-appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 103523W/W100048) as the Statutory Auditors of the Company for the second term of 5 (five) consecutive years, subject to the approval of the members at the ensuing Annual General Meeting of the Company. Details as required under Regulation 30 of the Listing Regulations read along with SEBI circular CIR/CFD/CMD/4/2015 dated 9th September, 2015 is enclosed as **Annexure – II**.

MORARJEE TEXTILES LTD
Peninsula Corporate Park, Unit-5,
Ground Floor, Peninsula Tower-1,
Wing B, Ganpatrao Kadam Marg,
Lower Parcel (W) Mumbai – 400013 India

Tel : 022- 66811600



www.morarjeetextiles.com
CIN: L52322MH1995PLC090643



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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, 2022, with unmodified opinion. The said signed audited Financial Results along with the auditor's report with unmodified opinion are enclosed herewith.

The Board Meeting commenced at 5.15 p.m. and was concluded at 6.30 p.m.

Request you to kindly take the above on record.

Yours Sincerely,
For **Morarjee Textiles Limited**


Amresh Narayan
Whole Time Director & CEO
DIN: 09302625




Naveen Kumar Dadi
Chief Financial Officer

Encl.: as above



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Annexure – I

Details of the Proposed Issue of Non-Convertible Debentures on Private Placement basis during the Financial Year 2022-23

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. 250 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. 250 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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Annexure II

Details under Regulation 30 of Listing Regulations read along with SEBI circular
CIR/CFD/CMD/4/2015 dated 9th September, 2015

Name	M/s. Haribhakti & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 103523W/W100048)
Reason for Change	Re-appointment
Date of Appointment & Term of Appointment	For second term of 5 (five) consecutive years to hold office from the conclusion of the 27 th Annual General Meeting till the conclusion of the 32 nd Annual General Meeting of the Company to be held in the year 2027.
Brief profile	M/s. Haribhakti & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 103523W/W100048). The Firm came into being in 1954 and since then, has expanded to cover a wide array of services. The Firm has vast experience in Audit & Assurance, Risk & Advisory, Corporate Finance Advisory, Tax & Regulatory and Global Knowledge Services.



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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, 2022 ("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, 2022.

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 in the Statement, which indicates that the Company has incurred a net loss after tax of Rs. 8,811 lakhs, including cash losses, during the year ended March 31, 2022 and as of that date, the Company's accumulated losses amount to Rs. 17,489 lakhs resulting in complete erosion of the net worth of the Company. Further, there have been continuous delays and defaults in repayment of debt obligations leading to classification of Company's debt as non performing by the lenders. These conditions along with other matters as set forth in the said note indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The Company has submitted a debt restructuring plan to consortium of lenders and certain other measures have been put in place. With the successful implementation of debt restructuring plan along with other strategic initiatives, the management has a reasonable expectation that the Company would have ability and adequate resources to continue its operational existence for the foreseeable future and therefore, the Statement has been prepared on going concern basis.

Our 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 no 6 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 7 to the statement, regarding carry forward of GST input tax credit amounting to Rs. 4,362 lakhs as on March 31, 2022 for the reason stated in the said note.
3. Note 8 to the statement, regarding MAT Credit Entitlement amounting to Rs. 3,041 lakhs as on March 31, 2022 which is based on the judgment of the management that the MAT credit would be fully utilized against future tax liability.

Our opinion is not modified in respect of these matters.

Board of Directors' Responsibilities 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.
- 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.



HARIBHAKTI & CO. LLP

Chartered Accountants

Other Matter

The Statement includes the results for the quarter ended March 31, 2022, 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 Sakhardande

Partner



Membership No. 034828

UDIN: 22034828AJGQHW4763

Place: Mumbai

Date: May 19, 2022

Morarjee Textiles Limited

Statement of Audited Standalone Financial Results for Quarter and Year Ended 31st March, 2022

(Rs.in lakhs except EPS)

Particulars	Quarter Ended			Year Ended	
	31.03.2022 (Audited)	31.12.2021 (Unaudited)	31.03.2021 (Audited)	31.03.2022 (Audited)	31.03.2021 (Audited)
Income					
1 Revenue from Operations	7,983	7,735	6,458	27,233	19,389
2 Other Income	6	7	30	118	116
3 Total Income (1 + 2)	7,989	7,742	6,488	27,351	19,505
4 Expenses					
a) Cost of Materials Consumed	3,980	3,380	2,232	11,583	5,748
b) Changes in Inventories of Finished Goods and Work in Progress	(445)	(130)	(181)	4	1,667
c) Dyes and Chemicals	673	602	487	2,029	1,498
d) Power and Fuel	1,310	1,004	994	4,033	2,771
e) Employee Benefits Expense	717	720	721	2,821	2,397
f) Finance Costs	1,981	1,858	1,537	7,246	5,455
g) Depreciation and Amortisation Expense	565	573	570	2,288	2,328
h) Other Expenses	1,577	1,717	1,482	6,158	5,040
Total Expenses	10,358	9,724	7,842	36,162	26,904
5 Loss before exceptional items and tax (3 - 4)	(2,369)	(1,982)	(1,354)	(8,811)	(7,399)
6 Exceptional Item	-	-	-	-	-
7 Loss before tax (5 + 6)	(2,369)	(1,982)	(1,354)	(8,811)	(7,399)
8 Tax Expense					
- Current Tax	-	-	-	-	-
- Deferred Tax	-	-	12	-	(1,236)
9 Loss after Tax (7 - 8)	(2,369)	(1,982)	(1,366)	(8,811)	(6,163)
10 Other Comprehensive Income					
(i) Items that will not be reclassified to profit or loss	17	(9)	(42)	(12)	(39)
(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	12	-	11
Total Other Comprehensive Income	17	(9)	(30)	(12)	(28)
11 Total Comprehensive Income (9 + 10)	(2,352)	(1,991)	(1,396)	(8,823)	(6,191)
12 Paid-up Equity Capital (Face value of Equity Shares:- Rs.7/- each)	2,543	2,543	2,543	2,543	2,543
13 Other Equity				(11,861)	(3,037)
14 Basic and Diluted EPS (Rs.) (Not annualised for the quarters)	(6.52)	(5.46)	(3.76)	(24.25)	(16.96)



Notes:

1 Statement of Assets and Liabilities as at 31st March, 2022

(Rs. in lakhs)

Particulars	Standalone	
	31.03.2022 (Audited)	31.03.2021 (Audited)
ASSETS		
1. Non-current Assets		
a) Property, Plant and Equipment	40,865	43,072
b) Right to use assets	13	42
c) Intangible Assets	98	121
d) Investment in Joint Venture	64	64
e) Financial Assets		
- Investments	1	1
- Other Financial Assets	56	37
f) Deferred Tax Assets	3,041	3,041
g) Non-current Tax Assets	77	60
h) Other Non-current Assets	51	51
Total Non-current Assets	44,266	46,489
2. Current Assets		
a) Inventories	6,644	6,398
b) Financial Assets		
i) Trade Receivables	2,094	3,545
ii) Cash and Cash Equivalents	1,674	489
iii) Bank Balances other than (ii) above	159	168
iv) Loans	8	22
c) Other Current Assets	7,866	8,564
Total Current Assets	18,445	19,186
TOTAL ASSETS	62,711	65,675
EQUITY AND LIABILITIES		
1. Equity		
a) Equity Share Capital	2,543	2,543
b) Other Equity	(11,861)	(3,037)
Total Equity	(9,318)	(494)
2. Non-current Liabilities		
a) Financial Liabilities		
- Borrowings	15,579	22,880
- Lease Liabilities	-	16
b) Provisions	419	655
c) Other Non-current Liabilities	1,598	1,688
Total Non-current Liabilities	17,596	25,239
3. Current Liabilities		
a) Financial Liabilities		
i) Borrowings	36,942	28,760
ii) Lease Liabilities	20	33
iii) Trade Payables		
-Total Outstanding dues of Micro Enterprises and Small Enterprises	1,119	1,460
-Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	6,560	6,912
iv) Other Financial Liabilities	9,099	3,316
b) Other Current Liabilities	512	418
c) Provisions	181	31
Total Current Liabilities	54,433	40,930
TOTAL EQUITY AND LIABILITIES	62,711	65,675



Notes:

- 2 The above audited financial results for the year ended 31st March, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors respectively at their meeting held on 19th May, 2022. The financial results for the Quarter ended 31st March, 2022, 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 auditor.
- 3 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.
- 4 The Company has submitted debt restructuring plan to consortium of lenders, in terms of RBI Circular dated June 7, 2019. The plan submitted by the Company envisages several reliefs and concessions from lenders. The Core Committee formed by the lenders consortium has commenced the debt restructuring process and has undertaken several steps in this regard to facilitate the same. As part of the process, the "Inter-Creditor Agreement" has been executed by requisite number of lenders and it is so far progressing satisfactorily. The lenders have decided in the consortium meeting that the resolution plan submitted by the Company would be considered for proceeding further on the resolution as per the aforesaid RBI Circular. Further, the lenders have also indicated to complete the resolution process expeditiously.
- 5 The Company has incurred net loss including cash losses during the year as also in the previous year, owing to high finance cost, weak demand during previous year and in the first half of current financial year coupled with overall impact on account of pandemic conditions. The net worth has completely eroded. There have been continuous delays and defaults in repayment of debt obligations. The loan account of the Company is classified as NPA by lenders and some of the lenders have served notice on / taken legal recourse against the Company, requiring repayment of the loan. The Company is in discussions with them to amicably resolve the same. Further, the Company has, after obtaining the approval of Preference Shareholders, approached NCLT under Section 55 of the Companies Act 2013 for 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 uncertainty on the Company's ability to continue as a going concern. However, having regard to the debt restructuring plan submitted as explained in Note 4 above, the Lenders having indicated that the resolution plan be taken ahead for completion expeditiously and considering various cost control initiatives taken by the company, gradually improving operations of the company, including sale of long held inventory, and other strategic initiatives, the management has a reasonable expectation that the Company would have ability and adequate resources to continue its operational existence for the foreseeable future. Accordingly, the financial results are prepared on a going concern basis.
- 6 The outbreak of COVID-19 pandemic is causing significant disturbance and slowdown of economic activities globally. The nationwide lockdown ordered by the Government of India has resulted in significant reduction in economic activities throughout the country and also impacted the business operations of the Company in terms of production and sales and very low demand and production activity.

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

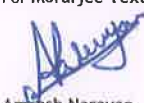
Given the dynamic nature of the pandemic situation, the valuation of Inventory and future profits for adjusting MAT Credit Entitlements as at 31st March, 2022 is subject to evolving uncertainty and may be affected in future by the severity and duration of the outbreak. In the event the impacts are more 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.

- 7 Other Current Assets includes an amount of Rs. 4,362 lakhs (P.Y Rs. 3,577 lakhs) as on 31st March, 2022 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.
- 8 MAT Credit Entitlement of Rs. 3,041 lakhs (P. Y Rs. 3,041 lakhs) is based on future performance and expectation of full utilization of MAT Credit within time frame available as projected by the Management of the Company and based on the outcome of debt restructuring plan submitted to the lenders (refer note no. 4).
- 9 Corresponding figures of the previous periods have been regrouped wherever necessary.

Mumbai: 19th May, 2022



For Morarjee Textiles Limited


Animesh Narayan
Director
DIN - 09302625

MORARJEE TEXTILES LIMITED

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	(8,811)	(7,399)
Adjustments for :		
Depreciation and amortisation	2,288	2,328
Finance costs	7,246	5,455
-- Provision for doubtful debts	145	150
Deferred income	(91)	(91)
Interest income	(27)	(25)
	<u>9,561</u>	<u>7,817</u>
Operating Profit before Working Capital Changes	750	418
Adjustments for Changes in Working Capital		
(Increase)/ Decrease in trade and other receivables	2,009	(50)
(Increase) /Decrease in inventories	(246)	2,147
Increase/(Decrease) in trade payables and other liabilities	(711)	(12,325)
	<u>1,053</u>	<u>(10,228)</u>
Cash Generated From Operations	1,802	(9,810)
Direct taxes paid	(17)	(9)
Net Cash Flow from / (used in) Operating Activities (A)	1,785	(9,819)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of PPE (Including Capital Advances)	(30)	(76)
Interest received	26	16
Maturity of / (Investment in) fixed deposit with banks	(6)	23
	<u>(11)</u>	<u>(37)</u>
Net Cash (Used in) / generated from Investing Activities (B)	(11)	(37)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term borrowings	(179)	(101)
Increase/ (Decrease) in short-term borrowings	351	12,438
Interest paid	(762)	(2,019)
	<u>(590)</u>	<u>10,318</u>
Net Cash Flow from / (Used in) Financing Activities (C)	(590)	10,318
Net Increase / (Decrease) in Cash and Cash Equivalents (A)+(B)+(C)	1,185	462
Cash and Cash Equivalents		
- At the beginning of the year	489	27
- At the end of the year	1,674	489



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 venture for the year ended March 31, 2022 ("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 report of other auditor on separate audited financial statements of joint venture, 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

(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 consolidated net loss and other comprehensive income and other financial information of the Holding Company and its joint venture for the year ended March 31, 2022.

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 venture 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 auditor in terms of their report 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 6 to the Statement, which indicates that the Holding Company has incurred a net loss after tax of Rs. 8,811 lakhs, including cash losses, during the year ended March 31, 2022 and as of that date, the Holding Company's accumulated losses amount to Rs. 17,504 lakhs resulting in complete erosion of the net worth of the Holding Company. 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. These conditions along with other matters as set forth in the said note indicate that a material uncertainty exists that may cast significant doubt on the Holding Company's ability to continue as a going concern. The Holding Company has submitted a debt restructuring plan to consortium of lenders and certain measures have been put in place. With the successful implementation of debt restructuring plan along with other strategic initiatives, the management has a reasonable expectation that the Holding Company would have ability and adequate resources to continue its operational existence for the foreseeable future and therefore, the Statement has been prepared on going concern basis.

Our 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 7 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 8 to the Statement, regarding carry forward of GST input tax credit amounting to Rs. 4,362 lakhs as on March 31, 2022 for the reason stated in the said note.
- (c) Note 9 to the Statement, regarding MAT Credit Entitlement amounting to Rs. 3,041 lakhs as on March 31, 2022 which is based on the judgment of the management that the MAT credit would be fully utilized against future tax liability.

Our opinion is not modified in respect of these matters.

Board of Directors' Responsibilities 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 and its joint venture 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 Holding Company and its joint venture 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 venture 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.



In preparing the Statement, the respective Board of Directors of the Holding Company and its joint venture are responsible for assessing the ability of the Holding Company and its joint venture 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 and its joint venture or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Holding Company and its joint venture are responsible for overseeing the financial reporting process of the Holding Company and its joint venture.

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 venture 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 venture 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.



HARIBHAKTI & CO. LLP

Chartered Accountants

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

We communicate with those charged with governance of the Holding Company 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

The Statement includes Holding Company's share of net loss (including other comprehensive income) of Rs. 0.63 lakhs and Rs. 2.39 lakhs for the quarter and year ended March 31, 2022 respectively, as considered in the Statement, in respect of one joint venture, whose financial statements have been audited by its Independent auditor. The independent auditor's report on financial statements 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 report of the such auditor and the procedures performed by us are as stated in section above.


Our opinion on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

The Statement includes the results for the quarter ended March 31, 2022, 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 Sakhardande
Partner

Membership No.: 034828

UDIN: 22034828AJGQOK1653



Place: Mumbai

Date: May 19, 2022

Morarjee Textiles Limited

Statement of Audited Consolidated Financial Results for Quarter and Year Ended 31st March, 2022

(Rs.in lakhs except EPS)

	Particulars	Quarter Ended			Year Ended	
		31.03.2022 (Audited)	31.12.2021 (Unaudited)	31.03.2021 (Audited)	31.03.2022 (Audited)	31.03.2021 (Audited)
	Income					
1	Revenue from Operations	7,983	7,735	6,458	27,233	19,389
2	Other Income	6	7	30	118	116
3	Total Income (1 + 2)	7,989	7,742	6,488	27,351	19,505
	4 Expenses					
	a) Cost of Materials Consumed	3,980	3,380	2,232	11,583	5,748
	b) Changes in Inventories of Finished Goods and Work in Progress	(445)	(130)	(181)	4	1,667
	c) Dyes and Chemicals	673	602	487	2,029	1,498
	d) Power and Fuel	1,310	1,004	994	4,033	2,771
	e) Employee Benefits Expense	717	720	721	2,821	2,397
	f) Finance Costs	1,981	1,858	1,537	7,246	5,455
	g) Depreciation and Amortisation Expense	565	573	570	2,288	2,328
	h) Other Expenses	1,577	1,717	1,482	6,158	5,040
	Total Expenses	10,358	9,724	7,842	36,162	26,904
5	Loss before exceptional items and tax (3 - 4)	(2,369)	(1,982)	(1,354)	(8,811)	(7,399)
6	Exceptional Item	-	-	-	-	-
7	Loss before tax (5 + 6)	(2,369)	(1,982)	(1,354)	(8,811)	(7,399)
8	Tax Expense					
	- Current Tax	-	-	-	-	-
	- Deferred Tax	-	-	12	-	(1,236)
9	Loss after Tax (7 - 8)	(2,369)	(1,982)	(1,366)	(8,811)	(6,163)
10	Share in (Loss) of Joint Venture (Refer Note 4)	(1)	(1)	(1)	(2)	(4)
11	Loss after Tax (9 - 10)	(2,370)	(1,983)	(1,367)	(8,813)	(6,167)
12	Other Comprehensive Income					
	(i) Items that will not be reclassified to profit or loss	17	(9)	(42)	(12)	(39)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	12	-	11
	Total Other Comprehensive Income	17	(9)	(30)	(12)	(28)
13	Total Comprehensive Income (11 + 12)	(2,353)	(1,992)	(1,397)	(8,825)	(6,195)
14	Paid-up Equity Capital (Face value of Equity Shares:- Rs.7/- each)	2,543	2,543	2,543	2,543	2,543
15	Other Equity				(11,876)	(3,050)
16	Basic and Diluted EPS (Rs.) (Not annualised for the quarters)	(6.52)	(5.46)	(3.76)	(24.26)	(16.97)



Notes:

1. Statement of Assets and Liabilities as at 31st March, 2022

(Rs. in lakhs)

Particulars	Consolidated	
	31.03.2022 (Audited)	31.03.2021 (Audited)
ASSETS		
1. Non-current Assets		
a) Property, Plant and Equipment	40,865	43,072
b) Right to use assets	13	42
c) Intangible Assets	98	121
d) Investment in Joint Venture	49	52
e) Financial Assets		
- Investments	1	1
- Other Financial Assets	56	37
f) Deferred Tax Assets	3,041	3,041
g) Non-current Tax Assets	77	60
h) Other Non-current Assets	51	51
Total Non-current Assets	44,251	46,477
2. Current Assets		
a) Inventories	6,644	6,398
b) Financial Assets		
i) Trade Receivables	2,094	3,545
ii) Cash and Cash Equivalents	1,674	489
iii) Bank Balances other than (ii) above	159	168
iv) Loans	8	22
c) Other Current Assets	7,866	8,564
Total Current Assets	18,445	19,186
TOTAL ASSETS	62,696	65,663
EQUITY AND LIABILITIES		
1. Equity		
a) Equity Share Capital	2,543	2,543
b) Other Equity	(11,876)	(3,049)
Total Equity	(9,333)	(506)
2. Non-current Liabilities		
a) Financial Liabilities		
- Borrowings	15,579	22,880
- Lease Liabilities	-	16
b) Provisions	419	655
c) Other Non-current Liabilities	1,598	1,688
Total Non-current Liabilities	17,596	25,239
3. Current Liabilities		
a) Financial Liabilities		
i) Borrowings	36,942	28,760
ii) Lease Liabilities	20	33
iii) Trade Payables		
-Total Outstanding dues of Micro Enterprises and Small Enterprises	1,119	1,460
-Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	6,560	6,912
iv) Other Financial Liabilities	9,099	3,316
b) Other Current Liabilities	512	418
c) Provisions	181	31
Total Current Liabilities	54,433	40,930
TOTAL EQUITY AND LIABILITIES	62,696	65,663




Notes:

- 2 The above audited financial results for the year ended 31st March, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors respectively at their meeting held on 19th May, 2022. The financial results for the Quarter ended 31st March, 2022, 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 auditor.
- 3 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.
- 4 The consolidated financial results include financial results of one Joint Venture Company i.e. Morarjee Castiglioni (India) Private Limited.
- 5 The Company has submitted debt restructuring plan to consortium of lenders, in terms of RBI Circular dated June 7, 2019. The plan submitted by the Company envisages several reliefs and concessions from lenders. The Core Committee formed by the lenders consortium has commenced the debt restructuring process and has undertaken several steps in this regard to facilitate the same. As part of the process, the "Inter-Creditor Agreement" has been executed by requisite number of lenders and it is so far progressing satisfactorily. The Lenders have decided in the consortium meeting that the resolution plan submitted by the Company would be considered for proceeding further on the resolution as per the aforesaid RBI Circular. Further, the lenders have also indicated to complete the resolution process expeditiously.
- 6 The Company has incurred net loss including cash losses during the year as also in the previous year, owing to high finance cost, weak demand during previous year and in the first half of current financial year coupled with overall impact on account of pandemic conditions. The net worth has completely eroded. There have been continuous delays and defaults in repayment of debt obligations. The loan account of the Company is classified as NPA by lenders and some of the lenders have served notice on / taken legal recourse against the Company, requiring repayment of the loan. The Company is in discussions with them to amicably resolve the same. Further, the Company has, after obtaining the approval of Preference Shareholders, approached NCLT under Section 55 of the Companies Act 2013 for 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 uncertainty on the Company's ability to continue as a going concern. However, having regard to the debt restructuring plan submitted as explained in Note 5 above, the Lenders having indicated that the resolution plan be taken ahead for completion expeditiously and considering various cost control initiatives taken by the company, gradually improving operations of the company, including sale of long held inventory, and other strategic initiatives, the management has a reasonable expectation that the Company would have ability and adequate resources to continue its operational existence for the foreseeable future. Accordingly, the financial results are prepared on a going concern basis.
- 7 The outbreak of COVID-19 pandemic is causing significant disturbance and slowdown of economic activities globally. The nationwide lockdown ordered by the Government of India has resulted in significant reduction in economic activities throughout the country and also impacted the business operations of the Company in terms of production and sales and very low demand and production activity. In preparing the accompanying financial results, the Company's management has been required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, equity, income and expenses. These estimates and associated assumptions, especially for assessing any impairment of PPE, Inventory are based on historical experience and various other factors including the possible effects that may result from the pandemic; and are believed to be reasonable under the current circumstances. Considering the assessment, the Company expects to recover the carrying amount of all these assets. Given the dynamic nature of the pandemic situation, the valuation of Inventory and future profits for adjusting MAT Credit Entitlements as at 31st March, 2022 is subject to evolving uncertainty and may be affected in future by the severity and duration of the outbreak. In the event the impacts are more severe or prolonged than anticipated, this may have a corresponding impact on the carrying value of the Inventory, the financial position and financial performance of the Company. The management would be closely monitoring the situation as it evolves.
- 8 Other Current Assets includes an amount of Rs. 4,362 lakhs (P.Y Rs. 3,577 lakhs) as on 31st March, 2022 towards GST input tax credit on account of higher GST on input (specifically on input services) as compared to output. Though Input GST credits are allowed to be carried indefinitely, the utilisation thereof is generally dependent on various factors including volume and value of output in future, rates of tax on output and changes in government policies. In the opinion of the management, in view of the continuing business of the Company, no provision is considered necessary in this regard.
- 9 MAT Credit Entitlement of Rs. 3,041 lakhs (P.Y Rs. 3,041 lakhs) is based on future performance and expectation of full utilization of MAT Credit within time frame available as projected by the Management of the Company and based on the outcome of debt restructuring plan submitted to the lenders (refer note no. 5).
- 10 Corresponding figures of the previous periods have been regrouped wherever necessary.



Mumbai: 19th May, 2022

For Morarjee Textiles Limited


Anirish Narayan
Director
DIN - 09302625

MORARJEE TEXTILES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. in lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	(8,811)	(7,399)
Adjustments for :		
Depreciation and amortisation	2,288	2,328
Finance costs	7,246	5,455
Provision for doubtful debts	145	150
Deferred income	(91)	(91)
Interest income	(27)	(25)
	<u>9,561</u>	<u>7,817</u>
Operating Profit before Working Capital Changes	750	418
Adjustments for Changes in Working Capital		
(Increase)/ Decrease in trade and other receivables	2,009	(50)
(Increase) /Decrease in inventories	(246)	2,147
Increase/(Decrease) in trade payables and other liabilities	(711)	(12,325)
	<u>1,052</u>	<u>(10,227)</u>
Cash Generated From Operations	1,802	(9,810)
Direct taxes paid	(17)	(9)
Net Cash Flow from / (used in) Operating Activities (A)	1,785	(9,818)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of PPE (Including Capital Advances)	(30)	(76)
Interest received	26	16
Maturity of / (Investment in) fixed deposit with banks	(6)	23
	<u>(11)</u>	<u>(37)</u>
Net Cash (Used in) / generated from Investing Activities (B)	(11)	(37)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term borrowings	(179)	(101)
Increase/ (Decrease) in short-term borrowings	351	12,438
Interest paid	(762)	(2,019)
	<u>(590)</u>	<u>10,318</u>
Net Cash Flow from / (Used in) Financing Activities (C)	(590)	10,318
Net Increase / (Decrease) in Cash and Cash Equivalents (A)+(B)+(C)	1,184	462
Cash and Cash Equivalents		
- At the beginning of the year	489	27
- At the end of the year	1,674	489

