



ASHOK  
PIRAMAL  
GROUP

1

Corporate Relations Department  
**BSE Limited**  
1<sup>st</sup> 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, 5<sup>th</sup> Floor  
Plot No C/1, G Block  
Bandra-Kurla Complex  
Bandra (E), Mumbai 400 051

**Company Code: 532621**

**Company Symbol: MORARJEE**

Date: 4<sup>th</sup> November, 2022

Dear Sir / Madam,

**Ref: Morarjee Textiles Limited [Company Code: 532621 (BSE), MORARJEE (NSE)]**

**Sub: Outcome of the Board Meeting held on 4<sup>th</sup> November, 2022**

Pursuant to Regulation 30 and 33 of 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 Friday, 4<sup>th</sup> November, 2022 has inter alia, approved the following:-

1. The Un-Audited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended 30<sup>th</sup> September, 2022 of F.Y. 2022-23 along with the Statement of Assets and Liabilities and Limited Review Report thereon as submitted by the Statutory Auditors of the Company. Copy of the said Financial Results along with the Limited Review Report is enclosed herewith for your record.
2. Extension of the term of redemption of the 15,00,000 - 9% Redeemable Cumulative Non - Convertible Preference shares of Rs. 100/- each aggregating to Rs. 15 Crore, issued earlier, by 4 (four) years from 3<sup>rd</sup> December, 2022 with an option to the Company to redeem at such earlier date as may be decided by the Board. All the other terms shall remain the same.

The Board Meeting commenced at ~~4:30~~ 4:30 p.m. and concluded at ~~5:50~~ 5:50 p.m.

Kindly take the above on record.

Thanking you,

Yours Sincerely,  
For **Morarjee Textiles Limited**

*Nishthi Dharmani*



**Nishthi Dharmani**  
**Company Secretary & Compliance Officer**

Encl: a/a

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

Tel : 022- 66811600

[www.morarjee.com](http://www.morarjee.com)  
CIN: L52322MH1995PLC090643



**Morarjee Textiles Limited**

Statement of Unaudited Standalone Financial Results for the Quarter and Half Year Ended 30th September, 2022

(Rs. in lakhs except EPS)

	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2022 (Unaudited)	30.06.2022 (Unaudited)	30.09.2021 (Unaudited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)
	<b>Income</b>						
1	Revenue from Operations	5,199	4,451	5,813	9,650	11,515	27,233
2	Other Income	34	31	12	65	105	118
3	<b>Total Income (1 + 2)</b>	<b>5,233</b>	<b>4,482</b>	<b>5,825</b>	<b>9,715</b>	<b>11,620</b>	<b>27,351</b>
4	<b>Expenses</b>						
	a) Cost of Materials Consumed	2,637	1,584	1,966	4,221	4,223	11,583
	b) Changes in Inventories of Finished Goods and Work in Progress	173	1,195	720	1,368	579	4
	c) Dyes and Chemicals	476	425	414	901	754	2,029
	d) Power and Fuel	1,103	786	842	1,889	1,719	4,033
	e) Employee Benefits Expense	712	681	699	1,393	1,384	2,821
	f) Finance Costs	2,061	2,010	1,701	4,071	3,407	7,246
	g) Depreciation and Amortisation Expense	564	566	577	1,130	1,150	2,288
	h) Other Expenses	1,364	1,283	1,433	2,647	2,864	6,158
	<b>Total Expenses</b>	<b>9,090</b>	<b>8,530</b>	<b>8,352</b>	<b>17,620</b>	<b>16,080</b>	<b>36,162</b>
5	<b>Loss before exceptional items and tax (3 - 4)</b>	<b>(3,857)</b>	<b>(4,048)</b>	<b>(2,527)</b>	<b>(7,905)</b>	<b>(4,460)</b>	<b>(8,811)</b>
6	Exceptional Item	-	-	-	-	-	-
7	<b>Loss before tax (5 + 6)</b>	<b>(3,857)</b>	<b>(4,048)</b>	<b>(2,527)</b>	<b>(7,905)</b>	<b>(4,460)</b>	<b>(8,811)</b>
8	<b>Tax Expense</b>						
	- Current Tax	-	-	-	-	-	-
	- Deferred Tax	-	-	-	-	-	-
9	<b>Loss after Tax (7 - 8)</b>	<b>(3,857)</b>	<b>(4,048)</b>	<b>(2,527)</b>	<b>(7,905)</b>	<b>(4,460)</b>	<b>(8,811)</b>
10	<b>Other Comprehensive Income</b>						
	(i) Items that will not be reclassified to profit or loss	(3)	(3)	(10)	(6)	(20)	(12)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	<b>Total Other Comprehensive Income</b>	<b>(3)</b>	<b>(3)</b>	<b>(10)</b>	<b>(6)</b>	<b>(20)</b>	<b>(12)</b>
11	<b>Total Comprehensive Income (9 + 10)</b>	<b>(3,860)</b>	<b>(4,051)</b>	<b>(2,537)</b>	<b>(7,911)</b>	<b>(4,480)</b>	<b>(8,823)</b>
12	Paid-up Equity Capital (Face value of Equity Shares:- Rs.7/- each)	2,543	2,543	2,543	2,543	2,543	2,543
13	Other Equity						(11,861)
14	Basic and Diluted EPS (Rs.) (Not annualised for the quarters)	(10.62)	(11.14)	(6.96)	(21.76)	(12.28)	(24.25)



**MORARJEE TEXTILES LTD**

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Tel : 022 - 66811600

www.morarjeetextiles.com  
CIN: L52322MH1995PLC090643



**Notes:**

**1 Statement of Assets and Liabilities as at 30th September, 2022**

(Rs. in lakhs)

Particulars	Standalone	
	30.09.2022 (Unaudited)	31.03.2022 (Audited)
<b>ASSETS</b>		
<b>1. Non-current Assets</b>		
a) Property, Plant and Equipment	39,762	40,865
b) Right to use assets	2	13
c) Intangible Assets	85	98
d) Investment in Joint Venture	64	64
e) Financial Assets		
- Investments	1	1
- Other Financial Assets	54	56
f) Deferred Tax Assets	3,041	3,041
g) Non-current Tax Assets	92	77
h) Other Non-current Assets	51	51
<b>Total Non-current Assets</b>	<b>43,152</b>	<b>44,266</b>
<b>2. Current Assets</b>		
a) Inventories	5,104	6,644
b) Financial Assets		
i) Trade Receivables	1,368	2,094
ii) Cash and Cash Equivalents	1,636	1,674
iii) Bank Balances other than (ii) above	160	159
iv) Loans	18	8
c) Other Current Assets	7,777	7,866
<b>Total Current Assets</b>	<b>16,063</b>	<b>18,445</b>
<b>TOTAL ASSETS</b>	<b>59,215</b>	<b>62,711</b>
<b>EQUITY AND LIABILITIES</b>		
<b>1. Equity</b>		
a) Equity Share Capital	2,543	2,543
b) Other Equity	(19,772)	(11,861)
<b>Total Equity</b>	<b>(17,229)</b>	<b>(9,318)</b>
<b>2. Non-current Liabilities</b>		
a) Financial Liabilities		
- Borrowings	6,749	15,579
b) Provisions	480	419
c) Other Non-current Liabilities	1,552	1,598
<b>Total Non-current Liabilities</b>	<b>8,781</b>	<b>17,596</b>
<b>3. Current Liabilities</b>		
a) Financial Liabilities		
i) Borrowings	45,882	36,942
ii) Lease Liabilities	5	20
iii) Trade Payables		
- Total Outstanding dues of Micro Enterprises and Small Enterprises	1,380	1,193
- Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	6,801	6,486
iv) Other Financial Liabilities	12,667	9,099
b) Other Current Liabilities	763	512
c) Provisions	165	181
<b>Total Current Liabilities</b>	<b>67,663</b>	<b>54,433</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>59,215</b>	<b>62,711</b>



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Notes:

- 2 The above unaudited standalone financial results for the quarter and half year ended 30th September, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors respectively at their meeting held on 4th November, 2022. The Statutory auditors of the Company have carried out a limited review of these standalone financial results.
- 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. As part of the process, the "Inter-Creditor Agreement" has been executed. 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. The Company is also simultaneously exploring alternative solution to settle the lender obligations/ debt in a manner acceptable to all. In this regard it is in active discussion with various parties to facilitate an amicable settlement with lenders.
- 5 The Company has incurred net loss including cash losses during the quarter as also in the previous years, owing to high finance cost, 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 and considering that the management is also working towards an acceptable alternative solution in the interest of all stake holders, 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 standalone financial results are prepared on a going concern basis.
- 6 The Company has assessed the possible impact of COVID-19 on its standalone financial results based on the internal and external information available up to the date of approval of these standalone financial results and concluded that no adjustment is required in these standalone financial results. The Company continues to monitor the future economic conditions.
- 7 The operations of the Company were affected due to strike by workers union at the plant at Nagpur during the immediately preceding quarter, due to pendency of revision of long term wage agreement. After continuous discussion by the management, strike was called off and work was resumed w.e.f. May 02, 2022.
- 8 Other Current Assets includes an amount of Rs. 4,624 lakhs (P.Y. Rs. 4,362 lakhs) as on September 30, 2022 towards GST input tax credit on account of higher GST on inputs (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. 4).
- 10 Corresponding figures of the previous periods have been regrouped wherever necessary.

For Morarjee Textiles Limited

  
Amresh Narayan  
Director  
DIN - 09302625



Mumbai: 4th November, 2022

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**MORARJEE TEXTILES LIMITED**  
**STANDALONE STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2022**

(Rs. in lakhs)

Particulars	Half Year Ended 30.09.2022	Half Year Ended 30.09.2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	(7,905)	(4,460)
Adjustments for :		
Depreciation and amortisation	1,130	1,150
Finance costs	4,071	3,407
Provision for doubtful debts	50	100
Deferred income	(45)	(45)
Interest income	(6)	(15)
	<u>5,200</u>	<u>4,597</u>
<b>Operating Profit before Working Capital Changes</b>	<b>(2,705)</b>	<b>137</b>
<b>Adjustments for Changes in Working Capital</b>		
(Increase)/ Decrease in trade and other receivables	759	2,050
(Increase) /Decrease in inventories	1,539	581
Increase/(Decrease) in trade payables and other liabilities	767	(1,315)
	<u>3,065</u>	<u>1,316</u>
<b>Cash Generated From Operations</b>	<b>360</b>	<b>1,453</b>
Direct taxes paid	(15)	(6)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>345</b>	<b>1,447</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of PPE (Including Capital Advances)	(3)	(4)
Interest received	1	9
Maturity of / (Investment in) fixed deposit with banks	2	(14)
	<u>-</u>	<u>(9)</u>
<b>Net Cash (Used in) / generated from Investing Activities (B)</b>	<b>-</b>	<b>(9)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long-term borrowings	(60)	(59)
Increase/ (Decrease) in short-term borrowings	134	185
Interest paid	(457)	(334)
	<u>(383)</u>	<u>(208)</u>
<b>Net Cash Flow from / (Used in) Financing Activities (C)</b>	<b>(383)</b>	<b>(208)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A)+(B)+(C)</b>	<b>(38)</b>	<b>1,230</b>
Cash and Cash Equivalents :-		
- At the beginning of the year	1,674	489
- At the end of the year	1,636	1,719



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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 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 September 30, 2022 and for the period from April 01, 2022 to September 30, 2022 ("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. Based on our review conducted as stated in paragraph 3 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.



## Material Uncertainty Related to Going Concern

We draw attention to Note 5 to the Statement, which indicates that the Company has incurred a net loss after tax of Rs. 7,905 lakhs, including cash losses, during the period from April 01, 2022 to September 30, 2022 and as of that date, the Company has accumulated losses amounting to Rs. 25,401 lakhs resulting in complete erosion of its net worth. 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 measures have been put in place. With the successful implementation of debt restructuring plan as also alternative solution towards settlement of debt being actively explored, 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 report is not modified in respect of this matter.

## 5. We draw attention to the following matters:

- a. 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.
- b. Note 8 to the Statement, regarding carry forward of GST input tax credit amounting to Rs. 4,624 lakhs as on September 30, 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 September 30, 2022 which is based on the judgment of the management that the MAT credit would be fully utilized against future tax liability.

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: 22034828BCCGMN3813

Place: Mumbai

Date: November 04, 2022





## Morarjee Textiles Limited

Statement of Unaudited Consolidated Financial Results for Quarter and Half Year Ended 30th September, 2022

(Rs. in lakhs except EPS)

	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2022 (Unaudited)	30.06.2022 (Unaudited)	30.09.2021 (Unaudited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)
	<b>Income</b>						
1	Revenue from Operations	5,199	4,451	5,813	9,650	11,515	27,233
2	Other Income	34	31	12	65	105	118
3	<b>Total Income (1 + 2)</b>	<b>5,233</b>	<b>4,482</b>	<b>5,825</b>	<b>9,715</b>	<b>11,620</b>	<b>27,351</b>
	<b>4 Expenses</b>						
	a) Cost of Materials Consumed	2,637	1,584	1,966	4,221	4,223	11,583
	b) Changes in Inventories of Finished Goods and Work in Progress	173	1,195	720	1,368	579	4
	c) Dyes and Chemicals	476	425	414	901	754	2,029
	d) Power and Fuel	1,103	786	842	1,889	1,719	4,033
	e) Employee Benefits Expense	712	681	699	1,393	1,384	2,821
	f) Finance Costs	2,061	2,010	1,701	4,071	3,407	7,246
	g) Depreciation and Amortisation Expense	564	566	577	1,130	1,150	2,288
	h) Other Expenses	1,364	1,283	1,433	2,647	2,864	6,158
	<b>Total Expenses</b>	<b>9,090</b>	<b>8,530</b>	<b>8,352</b>	<b>17,620</b>	<b>16,080</b>	<b>36,162</b>
5	<b>Loss before exceptional items and tax (3 - 4)</b>	<b>(3,857)</b>	<b>(4,048)</b>	<b>(2,527)</b>	<b>(7,905)</b>	<b>(4,460)</b>	<b>(8,811)</b>
6	Exceptional Item	-	-	-	-	-	-
7	<b>Loss before tax (5 + 6)</b>	<b>(3,857)</b>	<b>(4,048)</b>	<b>(2,527)</b>	<b>(7,905)</b>	<b>(4,460)</b>	<b>(8,811)</b>
8	<b>Tax Expense</b>						
	- Current Tax	-	-	-	-	-	-
	- Deferred Tax	-	-	-	-	-	-
9	<b>Loss after Tax (7 - 8)</b>	<b>(3,857)</b>	<b>(4,048)</b>	<b>(2,527)</b>	<b>(7,905)</b>	<b>(4,460)</b>	<b>(8,811)</b>
10	Share in (Loss) of Joint Venture (Refer Note 4)	(0)	(1)	-	(1)	(1)	(2)
11	<b>Loss after Tax (9 + 10)</b>	<b>(3,857)</b>	<b>(4,049)</b>	<b>(2,527)</b>	<b>(7,906)</b>	<b>(4,461)</b>	<b>(8,813)</b>
12	<b>Other Comprehensive Income</b>						
	(i) Items that will not be reclassified to profit or loss	(3)	(3)	(10)	(6)	(20)	(12)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	<b>Total Other Comprehensive Income</b>	<b>(3)</b>	<b>(3)</b>	<b>(10)</b>	<b>(6)</b>	<b>(20)</b>	<b>(12)</b>
13	<b>Total Comprehensive Income (11 + 12)</b>	<b>(3,860)</b>	<b>(4,052)</b>	<b>(2,537)</b>	<b>(7,912)</b>	<b>(4,481)</b>	<b>(8,825)</b>
14	Paid-up Equity Capital (Face value of Equity Shares:- Rs.7/- each)	2,543	2,543	2,543	2,543	2,543	2,543
15	Other Equity						(11,876)
16	Basic and Diluted EPS (Rs.) (Not annualised for the quarters)	(10.62)	(11.14)	(6.96)	(21.76)	(12.28)	(24.26)

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## Notes:

## 1 Statement of Assets and Liabilities as at 30th September, 2022

(Rs. in lakhs)

Particulars	Consolidated	
	30.09.2022 (Unaudited)	31.03.2022 (Audited)
<b>ASSETS</b>		
<b>1. Non-current Assets</b>		
a) Property, Plant and Equipment	39,762	40,865
b) Right to use assets	2	13
c) Intangible Assets	85	98
d) Investment in Joint Venture	48	49
e) Financial Assets		
- Investments	1	1
- Other Financial Assets	54	56
f) Deferred Tax Assets	3,041	3,041
g) Non-current Tax Assets	92	77
h) Other Non-current Assets	51	51
<b>Total Non-current Assets</b>	<b>43,136</b>	<b>44,251</b>
<b>2. Current Assets</b>		
a) Inventories	5,104	6,644
b) Financial Assets		
i) Trade Receivables	1,368	2,094
ii) Cash and Cash Equivalents	1,636	1,674
iii) Bank Balances other than (ii) above	160	159
iv) Loans	18	8
c) Other Current Assets	7,777	7,866
<b>Total Current Assets</b>	<b>16,063</b>	<b>18,445</b>
<b>TOTAL ASSETS</b>	<b>59,199</b>	<b>62,696</b>
<b>EQUITY AND LIABILITIES</b>		
<b>1. Equity</b>		
a) Equity Share Capital	2,543	2,543
b) Other Equity	(19,788)	(11,876)
<b>Total Equity</b>	<b>(17,245)</b>	<b>(9,333)</b>
<b>2. Non-current Liabilities</b>		
a) Financial Liabilities		
- Borrowings	6,749	15,579
b) Provisions	480	419
c) Other Non-current Liabilities	1,552	1,598
<b>Total Non-current Liabilities</b>	<b>8,781</b>	<b>17,596</b>
<b>3. Current Liabilities</b>		
a) Financial Liabilities		
i) Borrowings	45,882	36,942
ii) Lease Liabilities	5	20
iii) Trade Payables		
-Total Outstanding dues of Micro Enterprises and Small Enterprises	1,380	1,193
-Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	6,801	6,486
iv) Other Financial Liabilities	12,667	9,099
b) Other Current Liabilities	763	512
c) Provisions	165	181
<b>Total Current Liabilities</b>	<b>67,663</b>	<b>54,433</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>59,199</b>	<b>62,696</b>

**MORARJEE TEXTILES LTD**

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Lower Parel (W), Mumbai - 400013 India

Tel : 022 - 66811600

www.morarjeetextiles.com  
CIN: L52322MH1995PLC090643



Notes:

- 2 The above unaudited consolidated financial results for the quarter and half year ended 30th September, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors respectively at their meeting held on 4th November, 2022. The Statutory auditors of the Company have carried out a limited review of these consolidated financial results.
- 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. As part of the process, the "Inter-Creditor Agreement" has been executed. 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. The Company is also simultaneously exploring alternative solution to settle the lender obligations/ debt in a manner acceptable to all. In this regard it is in active discussion with various parties to facilitate an amicable settlement with lenders.
- 6 The Company has incurred net loss including cash losses during the quarter as also in the previous years, owing to high finance cost, 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 and considering that the management is also working towards an acceptable alternative solution in the interest of all stake holders, 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 consolidated financial results are prepared on a going concern basis.
- 7 The Company has assessed the possible impact of COVID-19 on its standalone financial results based on the internal and external information available up to the date of approval of these standalone financial results and concluded that no adjustment is required in these standalone financial results. The Company continues to monitor the future economic conditions.
- 8 The operations of the Company were affected due to strike by workers union at the plant at Nagpur during the immediately preceding quarter, due to pendency of revision of long term wage agreement. After continuous discussion by the management, strike was called off and work was resumed w.e.f. May 02, 2022.
- 9 Other Current Assets includes an amount of Rs. 4,624 lakhs (P.Y. Rs. 4,362 lakhs) as on September 30, 2022 towards GST input tax credit on account of higher GST on inputs (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.
- 10 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).
- 11 Corresponding figures of the previous periods have been regrouped wherever necessary.

For Morarjee Textiles Limited

  
Amresh Narayan  
Director  
DIN - 09302625



Mumbai: 4th November, 2022

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**MORARJEE TEXTILES LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2022**

(Rs. in lakhs)

Particulars	Half Year Ended 30.09.2022	Half Year Ended 30.09.2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	(7,905)	(4,460)
Adjustments for :		
Depreciation and amortisation	1,130	1,150
Finance costs	4,071	3,407
Provision for doubtful debts	50	100
Deferred income	(45)	(45)
Interest income	(6)	(15)
	5,200	4,597
<b>Operating Profit before Working Capital Changes</b>	(2,705)	137
<b>Adjustments for Changes in Working Capital</b>		
(Increase)/ Decrease in trade and other receivables	759	2,050
(Increase) /Decrease in inventories	1,539	581
Increase/(Decrease) in trade payables and other liabilities	767	(1,315)
	3,065	1,316
<b>Cash Generated From Operations</b>	360	1,453
Direct taxes paid	(15)	(6)
<b>Net Cash Flow from Operating Activities (A)</b>	345	1,447
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of PPE (Including Capital Advances)	(3)	(4)
Interest received	1	9
Maturity of / (Investment in) fixed deposit with banks	2	(14)
	-	-
<b>Net Cash (Used in) / generated from Investing Activities (B)</b>		(9)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long-term borrowings	(60)	(59)
Increase/ (Decrease) in short-term borrowings	134	185
Interest paid	(457)	(334)
<b>Net Cash Flow from / (Used in) Financing Activities (C)</b>	(383)	(208)
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A)+(B)+(C)</b>	(38)	1,230
Cash and Cash Equivalents :-		
- At the beginning of the year	1,674	489
- At the end of the year	1,636	1,719



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# HARIBHAKTI & CO. LLP

Chartered Accountants

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 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 September 30, 2022 and for the period from April 01, 2022 to September 30, 2022 ("the Statement"), being submitted by the Holding 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 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. Based on our review conducted and procedures performed as stated in paragraph 3 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.

6. **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 7,905 lakhs, including cash losses, during the period from April 01, 2022 to September 30, 2022 and as of that date, the Holding Company has accumulated losses amounting to Rs. 25,417 lakhs resulting in complete erosion of its net worth. 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 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 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 as also alternative solution towards settlement of debt being actively explored, 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 report is not modified in respect of this matter.



7. We draw attention to the following matters:

- a. 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.
- b. Note 9 to the Statement, regarding carry forward of GST input tax credit amounting to Rs. 4,624 lakhs as on September 30, 2022 for the reason stated in the said note.
- c. Note 10 to the Statement, regarding MAT Credit Entitlement amounting to Rs 3,041 lakhs as on September 30, 2022 which is based on the judgment of the management that the MAT credit would be fully utilized against future tax liability.

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. 0.57 lakhs and Rs. 1.14 lakhs for the quarter ended September 30, 2022 and for the period from April 01, 2022 to September 30, 2022, 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 its 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: 22034828BCCGX04379

Place: Mumbai

Date: November 04, 2022

