



ASHOK  
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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: 10<sup>th</sup> November, 2023

Dear Sir / Madam,

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

**Sub: Outcome of the Board Meeting held on 10<sup>th</sup> November, 2023**

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, 10<sup>th</sup> November, 2023 has inter alia, approved the following:-

The Un-Audited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended 30<sup>th</sup> September, 2023 of F.Y. 2023-24 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.

The Board Meeting commenced at 12.40 p.m. and concluded at 3.30 p.m.

Kindly take the above on record.

Thanking you,

Yours Sincerely,  
For **Morarjee Textiles Limited**

**Harshvardhan A. Piramal**  
Executive Vice Chairman



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 : 8657720751

[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 September 30, 2023

(Rs. In lakhs except EPS)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2023 (Unaudited)	30.06.2023 (Unaudited)	30.09.2022 (Unaudited)	30.09.2023 (Unaudited)	30.09.2022 (Unaudited)	31.03.2023 (Audited)
<b>Income</b>						
1 Revenue from Operations	-	1,054	5,199	1,054	9,650	20,687
2 Other Income	24	863	34	887	65	130
3 <b>Total Income (1 + 2)</b>	<b>24</b>	<b>1,917</b>	<b>5,233</b>	<b>1,941</b>	<b>9,715</b>	<b>20,817</b>
<b>Expenses</b>						
a) Cost of Materials Consumed	79	167	2,637	246	4,221	8,635
b) Changes in Inventories of Finished Goods and Work in Progress	-	944	173	944	1,368	3,159
c) Dyes and Chemicals	-	25	476	25	901	1,762
d) Power and Fuel (Refer Note 7)	(947)	275	1,103	(672)	1,889	4,166
e) Employee Benefits Expenses	207	395	712	602	1,393	3,380
f) Finance Costs	2,223	2,070	2,061	4,293	4,071	7,960
g) Depreciation and Amortisation Expense	533	544	564	1,077	1,130	2,233
h) Other Expenses	80	252	1,364	332	2,647	4,785
<b>Total Expenses</b>	<b>2,175</b>	<b>4,672</b>	<b>9,090</b>	<b>6,847</b>	<b>17,620</b>	<b>36,080</b>
5 <b>Loss before exceptional items and tax (3 - 4)</b>	<b>(2,151)</b>	<b>(2,755)</b>	<b>(3,857)</b>	<b>(4,906)</b>	<b>(7,905)</b>	<b>(15,263)</b>
6 <b>Exceptional Items (Refer Note 10)</b>	<b>645</b>	<b>933</b>	<b>-</b>	<b>1,578</b>	<b>-</b>	<b>3,274</b>
7 <b>Loss before tax (5 + 6)</b>	<b>(2,796)</b>	<b>(3,688)</b>	<b>(3,857)</b>	<b>(6,484)</b>	<b>(7,905)</b>	<b>(18,537)</b>
8 <b>Tax Expense</b>						
- Current Tax	-	-	-	-	-	-
- MAT / Deferred Tax	-	-	-	-	-	-
- Tax (earlier years)	18	-	-	18	-	5
9 <b>Loss after Tax (7 - 8)</b>	<b>(2,814)</b>	<b>(3,688)</b>	<b>(3,857)</b>	<b>(6,502)</b>	<b>(7,905)</b>	<b>(18,542)</b>
10 <b>Other Comprehensive Income</b>						
(i) Items that will not be reclassified to profit or loss	7	6	(3)	13	(6)	26
(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
<b>Total Other Comprehensive Income</b>	<b>7</b>	<b>6</b>	<b>(3)</b>	<b>13</b>	<b>(6)</b>	<b>26</b>
11 <b>Total Comprehensive Income (9 + 10)</b>	<b>(2,807)</b>	<b>(3,682)</b>	<b>(3,860)</b>	<b>(6,489)</b>	<b>(7,911)</b>	<b>(18,516)</b>
12 <b>Paid-up Equity Capital</b> (Face value of Equity Share:- Rs. 7/- each)	<b>2,543</b>	<b>2,543</b>	<b>2,543</b>	<b>2,543</b>	<b>2,543</b>	<b>2,543</b>
13 <b>Other Equity</b>						<b>(30,377)</b>
14 <b>Basic and Diluted EPS (Rs.)</b> (Not annualised for the quarters)	<b>(7.75)</b>	<b>(10.15)</b>	<b>(10.62)</b>	<b>(17.90)</b>	<b>(21.76)</b>	<b>(51.03)</b>





Notes:

1 Statement of Assets and Liabilities as at September 30, 2023

(Rs. in lakhs)

Particulars	Standalone	
	30.09.2023 (Unaudited)	31.03.2023 (Audited)
<b>ASSETS</b>		
<b>1. Non-current Assets</b>		
a) Property, Plant and Equipment	37,613	38,679
b) Right of use assets	-	-
c) Intangible Assets	62	73
d) Investment in Joint Venture	44	44
e) Financial Assets		
- Investments	1	1
- Other Financial Assets	44	44
f) Deferred Tax Assets	3,023	3,041
g) Non-current Tax Assets	114	109
h) Other Non-current Assets	51	51
<b>Total Non-current Assets</b>	<b>40,952</b>	<b>42,042</b>
<b>2. Current Assets</b>		
a) Inventories	2,239	3,252
b) Financial Assets		
i) Trade Receivables	361	523
ii) Cash and Cash Equivalents	209	239
iii) Bank Balances other than (ii) above	4	178
iv) Loans	6	3
c) Other Current Assets	2,506	4,145
<b>Total Current Assets</b>	<b>5,325</b>	<b>8,340</b>
<b>TOTAL ASSETS</b>	<b>46,277</b>	<b>50,382</b>
<b>EQUITY AND LIABILITIES</b>		
<b>1. Equity</b>		
a) Equity Share Capital	2,543	2,543
b) Other Equity	(36,866)	(30,377)
<b>Total Equity</b>	<b>(34,323)</b>	<b>(27,834)</b>
<b>2. Non-current Liabilities</b>		
a) Financial Liabilities		
- Borrowings	5,249	5,999
b) Provisions	571	551
c) Other Non-current Liabilities	1,462	1,507
<b>Total Non-current Liabilities</b>	<b>7,282</b>	<b>8,057</b>
<b>3. Current Liabilities</b>		
a) Financial Liabilities		
i) Borrowings	46,955	45,514
ii) Trade Payables		
-Total Outstanding dues of Micro Enterprises and Small Enterprises	1,646	1,496
-Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	5,394	6,533
iii) Other Financial Liabilities	18,607	15,885
b) Other Current Liabilities	690	705
c) Provisions	26	26
<b>Total Current Liabilities</b>	<b>73,318</b>	<b>70,159</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>46,277</b>	<b>50,382</b>





**Notes:**

- 2 The above unaudited standalone financial results for the quarter and half year ended September 30, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on November 10, 2023. 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 incurred net loss including cash losses during the half year 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 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 had, after obtaining the approval of Preference Shareholders, approached NCLT under Section 55 of the Companies Act 2013 for issue of further Redeemable Cumulative Non-Convertible Preference Shares against the existing Preference Shares of Rs. 10 Crores which were due for redemption on November 15, 2019 for a further period of 20 years. The approval of NCLT is awaited.

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

- 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 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.

After continuous dialogue with the labour union, the strike has finally been called off w.e.f. October 26, 2023 and partially operations have started and with the restoration of power supply on November 9, 2023, the manufacturing activities will gain momentum.

- 6 During the quarter an incidence of theft was reported at Nagpur Plant of the Company and cotton bales and certain machinery parts were found stolen. A complaint has been lodged with police station and FIR is awaited. The Company has quantified the estimated value of stolen cotton bales, which has been adjusted in the consumption and adjustment for machinery parts stolen is being evaluated and would be adjusted upon completion of process.

**MORARJEE TEXTILES LTD**

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

Tel : 8657720751





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- 7 Power and fuel expense for the quarter and half year ended September 30, 2023 is net of Rs. 1,040 lakhs, on account of textile subsidy pertaining to earlier years and adjusted against electricity bills by Maharashtra State Electricity Distribution Company Limited during the current quarter.
- 8 Other Current Assets includes an amount of Rs.1,466 lakhs (net of provision of Rs. 3,371 lakhs) as on September 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.
- 9 MAT Credit Entitlement of Rs. 3,023 lakhs (P.Y Rs. 3,041 lakhs) is based on future performance and expectation of full utilization of MAT Credit within time frame available as projected by the Management of the Company.
- 10 Exceptional items for the half year ended September, 2023 and Year Ended March 31, 2023 represents:  
(A) provisioning of Rs. 1,578 lakhs (previous year Rs. 1,792 lakhs) on account of uncertainty of full utilisation of accumulated Goods and Services Tax (GST);  
(B) provisioning in previous year of Rs. 1,482 lakhs on account of long outstanding subsidies receivable;
- 11 Corresponding figures of the previous periods have been regrouped wherever necessary. The operations of the Company were affected due to power disconnection and strike as mentioned in Note 4 and 5 above, and therefore, the figures in corresponding quarter and half year of previous financial year are not comparable.

For Morarjee Textiles Limited

Harshvardhan A. Piramal  
Executive Vice Chairman  
DIN - 00044972



Place: Mumbai  
Date: November 10, 2023



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MORARJEE TEXTILES LIMITED  
STANDALONE STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2023

(Rs. in lakhs)

Particulars	Half Year Ended 30.09.2023	Half Year Ended 30.09.2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before Tax	(6,484)	(7,905)
Adjustments for :		
Depreciation and amortisation	1,077	1,130
Finance costs	4,293	4,071
Provision for expected credit loss on trade receivables and other financial assets	21	50
Balances no longer payable written back	(838)	-
Provision for GST Receivable and Interest subsidy	1,578	-
Deferred income	(45)	(45)
Interest income	-	(6)
	6,086	5,200
<b>Operating Loss before Working Capital Changes</b>	<b>(398)</b>	<b>(2,705)</b>
<b>Adjustments for Changes in Working Capital</b>		
(Increase)/ Decrease in trade and other receivables	198	759
(Increase) /Decrease in inventories	1,013	1,539
Increase/(Decrease) in trade payables and other liabilities	(971)	767
	240	3,065
<b>Cash Generated From/ (Used in) Operations</b>	<b>(158)</b>	<b>360</b>
Taxes paid	(5)	(15)
<b>Net Cash (used in) / from Operating Activities (A)</b>	<b>(163)</b>	<b>345</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment (Including Capital Advances)	-	(3)
Interest received	-	1
Maturity of / (Investment in) fixed deposit with banks	171	2
	171	-
<b>Net Cash from / (used in) Investing Activities (B)</b>	<b>171</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long-term borrowings	-	(60)
Increase/ (Decrease) in short-term borrowings	794	134
Interest paid	(832)	(457)
	(38)	(383)
<b>Net Cash used in Financing Activities (C)</b>	<b>(38)</b>	<b>(383)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A)+(B)+(C)</b>	<b>(30)</b>	<b>(38)</b>
Cash and Cash Equivalents		
- At the beginning of the year	239	1,674
- At the end of the year	209	1,636

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CIN: L52322MH1995PLC090643

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, 2023 and for the period from April 1, 2023 to September 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 4 to the statement, which indicates that the Company has incurred net loss after tax of Rs. 6,502 lakhs including cash losses, during the period from April 1, 2023 to September 30, 2023 and as of that date, the Company's accumulated losses amount to Rs. 42,495 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 and half yearly 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 matter described in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the said Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure 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 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 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 8 to the Statement, regarding carry forward of GST input tax credit amounting to Rs. 1,466 Lakhs (net of provision of Rs. 3,371 lakhs) as on September 30, 2023 for the reasons stated in the said note.
- c. Note 9 to the Statement, regarding MAT Credit Entitlement amounting to Rs. 3,023 lakhs as on September 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: 23034828BGWUIN3152

Place: Mumbai

Date: November 10, 2023





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Morarjee Textiles Limited  
Statement of Unaudited Consolidated Financial Results for the Quarter and Half Year Ended September 30, 2023

(Rs. In lakhs except EPS)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2023 (Unaudited)	30.06.2023 (Unaudited)	30.09.2022 (Unaudited)	30.09.2023 (Unaudited)	30.09.2022 (Unaudited)	31.03.2023 (Audited)
<b>Income</b>						
1 Revenue from Operations	-	1,054	5,199	1,054	9,650	20,687
2 Other Income	24	863	34	887	65	130
3 <b>Total Income (1 + 2)</b>	24	1,917	5,233	1,941	9,715	20,817
<b>4 Expenses</b>						
a) Cost of Materials Consumed	79	167	2,637	246	4,221	8,635
b) Changes in Inventories of Finished Goods and Work in Progress	-	944	173	944	1,368	3,159
c) Dyes and Chemicals	-	25	476	25	901	1,762
d) Power and Fuel (Refer Note 8)	(947)	275	1,103	(672)	1,889	4,166
e) Employee Benefits Expenses	207	395	712	602	1,393	3,380
f) Finance Costs	2,223	2,070	2,061	4,293	4,071	7,960
g) Depreciation and Amortisation Expense	533	544	564	1,077	1,130	2,233
h) Other Expenses	80	252	1,364	332	2,647	4,768
<b>Total Expenses</b>	2,175	4,672	9,090	6,847	17,620	36,063
5 <b>Loss before exceptional items and tax (3 - 4)</b>	(2,151)	(2,755)	(3,857)	(4,906)	(7,905)	(15,246)
6 Exceptional Items (Refer Note 11)	645	933	-	1,578	-	3,274
7 <b>Loss before tax (5 + 6)</b>	(2,796)	(3,688)	(3,857)	(6,484)	(7,905)	(18,520)
8 <b>Tax Expense</b>						
- Current Tax	-	-	-	-	-	-
- MAT / Deferred Tax	-	-	-	-	-	-
- Tax (earlier years)	18	-	-	18	-	5
9 <b>Loss after Tax (7 - 8)</b>	(2,814)	(3,688)	(3,857)	(6,502)	(7,905)	(18,525)
10 Share in Loss of Joint Venture	-	(1)	-	(1)	(1)	(3)
11 <b>Loss for the year</b>	(2,814)	(3,689)	(3,857)	(6,503)	(7,906)	(18,528)
12 <b>Other Comprehensive Income</b>						
(i) Items that will not be reclassified to profit or loss	7	6	(3)	13	(6)	26
(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
<b>Total Other Comprehensive Income</b>	7	6	(3)	13	(6)	26
13 <b>Total Comprehensive Income (11 + 12)</b>	(2,807)	(3,683)	(3,860)	(6,490)	(7,912)	(18,502)
14 Paid-up Equity Capital (Face value of Equity Share:- Rs. 7/- each)	2,543	2,543	2,543	2,543	2,543	2,543
15 Other Equity						(30,377)
16 <b>Basic and Diluted EPS (Rs.)</b> (Not annualised for the quarters)	(7.75)	(10.15)	(10.62)	(17.90)	(21.76)	(51.00)

**MORARJEE TEXTILES LTD**  
The New Mahalaxmi Silk Mills Pvt. Ltd.,  
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CIN: L52322MH1995PLC090643



Notes:

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## 1 Statement of Assets and Liabilities as at September 30, 2023

(Rs. in lakhs)

Particulars	Consolidated	
	30.09.2023 (Unaudited)	31.03.2023 (Audited)
<b>ASSETS</b>		
<b>1. Non-current Assets</b>		
a) Property, Plant and Equipment	37,613	38,679
b) Right of use assets	-	-
c) Intangible Assets	62	73
d) Investment in Joint Venture	43	44
e) Financial Assets		
- Investments	1	1
- Other Financial Assets	44	44
f) Deferred Tax Assets	3,023	3,041
g) Non-current Tax Assets	114	109
h) Other Non-current Assets	51	51
<b>Total Non-current Assets</b>	<b>40,951</b>	<b>42,042</b>
<b>2. Current Assets</b>		
a) Inventories	2,239	3,252
b) Financial Assets		
i) Trade Receivables	361	523
ii) Cash and Cash Equivalents	209	239
iii) Bank Balances other than (ii) above	4	178
iv) Loans	6	3
c) Other Current Assets	2,506	4,145
<b>Total Current Assets</b>	<b>5,325</b>	<b>8,340</b>
<b>TOTAL ASSETS</b>	<b>46,276</b>	<b>50,382</b>
<b>EQUITY AND LIABILITIES</b>		
<b>1. Equity</b>		
a) Equity Share Capital	2,543	2,543
b) Other Equity	(36,867)	(30,377)
<b>Total Equity</b>	<b>(34,324)</b>	<b>(27,834)</b>
<b>2. Non-current Liabilities</b>		
a) Financial Liabilities		
- Borrowings	5,249	5,999
b) Provisions	571	551
c) Other Non-current Liabilities	1,462	1,507
<b>Total Non-current Liabilities</b>	<b>7,282</b>	<b>8,057</b>
<b>3. Current Liabilities</b>		
a) Financial Liabilities		
i) Borrowings	46,955	45,514
ii) Trade Payables		
-Total Outstanding dues of Micro Enterprises and Small Enterprises	1,646	1,496
-Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	5,394	6,533
iii) Other Financial Liabilities	18,607	15,885
b) Other Current Liabilities	690	705
c) Provisions	26	26
<b>Total Current Liabilities</b>	<b>73,318</b>	<b>70,159</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>46,276</b>	<b>50,382</b>

MORARJEE TEXTILES LTD

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

Tel : 8657720751

www.morarjee.com  
CIN: L52322MH1995PLC090643



Notes:

- 2 The above unaudited consolidated financial results for the quarter and half year ended September 30, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on November 10, 2023. 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 incurred net loss including cash losses during the half year 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 and operations of the Company have been adversely affected (refer Note 6 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 had, after obtaining the approval of Preference Shareholders, approached NCLT under Section 55 of the Companies Act 2013 for issue of further Redeemable Cumulative Non-Convertible Preference Shares against the existing Preference Shares of Rs. 10 Crores which were due for redemption on November 15, 2019 for a further period of 20 years. The approval of NCLT is awaited.

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

- 6 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 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.

After continuous dialogue with the labour union, the strike has finally been called off w.e.f. October 26, 2023 and partially operations have started and with the restoration of power supply on November 9, 2023, the manufacturing activities will gain momentum.

- 7 During the quarter an incidence of theft was reported at Nagpur Plant of the Company and cotton bales and certain machinery parts were found stolen. A complaint has been lodged with police station and FIR is awaited. The Company has quantified the estimated value of stolen cotton bales, which has been adjusted in the consumption and adjustment for machinery parts stolen is being evaluated and would be adjusted upon completion of process.





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- 8 Power and fuel expense for the quarter and half year ended September 30, 2023 is net of Rs. 1,040 lakhs, on account of textile subsidy pertaining to earlier years and adjusted against electricity bills by Maharashtra State Electricity Distribution Company Limited during the current quarter.
- 9 Other Current Assets includes an amount of Rs. 1,466 lakhs (net of provision of Rs. 3,371 lakhs) as on September 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.
- 10 MAT Credit Entitlement of Rs. 3,023 lakhs (P.Y Rs. 3,041 lakhs) is based on future performance and expectation of full utilization of MAT Credit within time frame available as projected by the Management of the Company.
- 11 Exceptional items for the half year ended September 30, 2023 and Year Ended March 31, 2023 represents:  
(A) provisioning of Rs. 1,578 lakhs (P.Y. Rs. 1,792 lakhs) on account of uncertainty of full utilisation of accumulated Goods and Services Tax (GST);  
(B) provisioning in previous year of Rs. 1,482 lakhs on account of long outstanding subsidies receivable;
- 12 Corresponding figures of the previous periods have been regrouped wherever necessary. The operations of the Company were affected due to power disconnection and strike as mentioned in Note 5 and 6 above, and therefore, the figures in corresponding quarter and half year of previous financial year are not comparable.

For Morarjee Textiles Limited

Harshvardhan A. Piramal  
Executive Vice Chairman  
DIN - 00044972



Place: Mumbai  
Date: November 10, 2023



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MORARJEE TEXTILES LIMITED  
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2023

(Rs. in lakhs)

Particulars	Half Year Ended 30.09.2023	Half Year Ended 30.09.2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before Tax	(6,484)	(7,905)
Adjustments for :		
Depreciation and amortisation	1,077	1,130
Finance costs	4,293	4,071
Provision for expected credit loss on trade receivables and other financial assets	21	50
Balances no longer payable written back	(838)	-
Provision for GST Receivable and Interest subsidy	1,578	-
Deferred income	(45)	(45)
Interest income	-	(6)
	6,086	5,200
<b>Operating Loss before Working Capital Changes</b>	<b>(398)</b>	<b>(2,705)</b>
<b>Adjustments for Changes in Working Capital</b>		
(Increase)/ Decrease in trade and other receivables	198	759
(Increase) /Decrease in inventories	1,013	1,539
Increase/(Decrease) in trade payables and other liabilities	(971)	767
	240	3,065
<b>Cash Generated From / (Used in) Operations</b>	<b>(158)</b>	<b>360</b>
Taxes paid	(5)	(15)
<b>Net Cash (used in) / from Operating Activities (A)</b>	<b>(163)</b>	<b>345</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment (Including Capital Advances)	-	(3)
Interest received	-	1
Maturity of / (Investment in) fixed deposit with banks	171	2
	171	-
<b>Net Cash from / (used in) Investing Activities (B)</b>	<b>171</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long-term borrowings	-	(60)
Increase/ (Decrease) in short-term borrowings	794	134
Interest paid	(832)	(457)
	(38)	(383)
<b>Net Cash used in Financing Activities (C)</b>	<b>(38)</b>	<b>(383)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A)+(B)+(C)</b>	<b>(30)</b>	<b>(38)</b>
Cash and Cash Equivalents		
- At the beginning of the year	239	1,674
- At the end of the year	209	1,636

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CIN: L52322MH1995PLC090643

**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, 2023 and for the period from April 1, 2023 to September 30, 2023 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Sr. No	Name of the Entity	Relationship
1	Morarjee Textiles Limited	Holding Company
2	Morarjee Castiglioni (India) Private Limited	Joint Venture

5. **Qualified Conclusion**

We draw attention to Note 5 to the statement, which indicates that the Holding Company has incurred consolidated net loss after tax of Rs. 6,503 lakhs including cash losses during the period from April 1, 2023 to September 30, 2023 and as of that date, the Company's accumulated consolidated losses amount to Rs. 42,496 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 and half yearly 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 matter described in paragraph 5 above and based on the consideration of the review report of the other auditor referred to in paragraph 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. We draw attention to the following matters:
- a. Note 6 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 9 to the Statement, regarding carry forward of GST input tax credit amounting to Rs. 1,466 Lakhs (net of provision of Rs. 3,371 lakhs) as on September 30, 2023 for the reasons stated in the said note.
  - c. Note 10 to the Statement, regarding MAT Credit Entitlement amounting to Rs. 3,023 lakhs as on September 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.



# HARIBHAKTI & CO. LLP

Chartered Accountants

8. The unaudited consolidated financial results includes the Holding Company's share of net loss of Rs. 0.45 lakhs and Rs. 0.98 lakhs for the quarter ended September 30, 2023 and for the period from April 01, 2023 to September 30, 2023, as considered in the unaudited consolidated financial results, in respect of one joint venture, based on its interim financial results which has not been reviewed/audited by their auditor. According to the information and explanations given to us by the Management, these interim financial results are not material to the Holding Company and its joint venture.

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: 23034828BGWUIO6515

Place: Mumbai

Date: November 10, 2023

