



Chairperson’s Speech AGM-2022

A very good afternoon to all my dear shareholders! I hope that you and your families are keeping safe. Welcome to your Company’s 27th Annual General Meeting.

The Annual Report and audited financial statements of the Company for the year ended 31st March, 2022 have been with you for some time and I am sure you have gone through the same. I take this opportunity to share your Company’s performance during the year under review and some of the observations and the plans for the current financial year.

After nearly two years of disruption, the global fashion industry is once again finding its feet. Companies are adapting to new consumer priorities, with a focus on sustainability and quality. Still, the industry faces significant challenges amid supply-chain disruption, high input costs and persistent pressure on the bottom line.

Morarjee has consistently invested in its manufacturing plant to bring them in line with the latest technology. This is reflected in the enhanced market presence due to higher production and improved quality at a lower cost of production.



27th Annual General Meeting – 25th August, 2022

However, the COVID-19 pandemic has caused significant disturbance and slowdown of activities in the Company. 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.

Procurement of raw cotton at the right price remains crucial. The Company covers its cotton requirements from time to time through the domestic and international markets. The Company also seeks out alternative cotton varieties and blends to increase its raw material basket. Thus, this enables an in built risk mitigation for cotton price fluctuation. During the past year cotton prices have continued to rise and have put pressure on the bottom line.

The company specialises in producing the best quality cotton shirting and printed fabrics, which are at par with the highest global quality standards and has created a niche positioning with products which cater to high-end customers.

Domestic Business of the Company has shown significant growth post second wave of covid-19 which resulted in recovery in domestic market. However, Exports have reduced in FY22 . As part of alignment to derisking and growth strategy, there will be increased focus on recovering exports, especially to Europe, the Americas and the Middle East. The Company is also focusing on the



27th Annual General Meeting – 25th August, 2022

high end domestic market in order to take advantage of its high quality products and positioning.

The Company during the past few years has been incurring losses impacted by Covid-19 pandemic and geopolitical reasons. This has resulted in the Company's inability to meet lender obligations and in delayed supplier payments. Consequently the Company's account has been classified as NPA by its lenders.

The Company has initiated a comprehensive debt restructuring exercise with the lenders' consortium to align loan servicing terms with the projected cash flows of the Company going forward. We are confident of finding a solution to put the Company on a financially sustainable footing.

I extend my sincere thanks to all our stakeholders, including our customers, suppliers, our loyal, hardworking and committed employees, lending banks and financial institutions, and most importantly you the shareholders for your unstinted support and co-operation.

Thank you once again. Stay healthy, stay safe.

Mumbai

August 25, 2022

Urvi A. Piramal

Chairperson