

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.

Date: 12<sup>th</sup> August, 2020

Dear Sir / Madam,

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

**Sub: Outcome of the Board Meeting held on 12<sup>th</sup> August, 2020**

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 12<sup>th</sup> August, 2020 has inter-alia approved the Un-Audited Standalone and Consolidated Financial Results of the Company for the quarter ended 30<sup>th</sup> June, 2020 along with Limited Review Report thereon as submitted by the Statutory Auditors. Copy of said Financial Results along with Limited Review Report is enclosed herewith for your record.

The Board Meeting commenced at 4.00 p.m. and concluded at 5.00 p.m.

Request you to kindly take the above on record.

Thanking you

Yours Sincerely,  
For **Morarjee Textiles Limited**

Digitally signed by Nishthi Haresh Dharmani  
DN: cn=Nishthi Haresh Dharmani, o=Morarjee Textiles Limited, ou=Morarjee Textiles Limited, email=Nishthi.Haresh.Dharmani@morarjeetextiles.com  
NISHTHI HARESH  
DHARMANI

**Nishthi H Dharmani**  
**Company Secretary**

Encl.: as above

**MORARJEE TEXTILES LTD**

2, Peninsula Spenta, Mathuradas Mills,  
Senapati Bapat Marg, Lower Parel,  
Mumbai- 400 013 India

Tel : (+91 - 22) 6615 4651  
(+91 - 22) 6615 4652  
(+91 - 22) 6615 4653

Fax : (+91-22) 6615 4607  
(+91-22) 6615 4653  
[www.morarjeetextiles.com](http://www.morarjeetextiles.com)  
CIN: L52322MH1995PLC090643



Morarjee Textiles Limited

Statement of Standalone Unaudited Financial Results for the Quarter Ended 30<sup>th</sup> June, 2020

(Rs. in lakhs except EPS)

	Particulars	Quarter Ended			Year Ended
		30.06.2020 (Unaudited)	31.03.2020 (Audited) Refer Note 2	30.06.2019 (Unaudited)	31.03.2020 (Audited)
	<b>Income</b>				
1	Revenue from Operations	1,406	8,651	10,031	38,204
2	Other Income	35	97	48	212
3	<b>Total Income (1 + 2)</b>	<b>1,441</b>	<b>8,748</b>	<b>10,079</b>	<b>38,416</b>
4	<b>Expenses</b>				
	a) Cost of Materials Consumed	366	2,911	3,338	13,325
	b) Changes in Inventories of Finished Goods and Work in Progress	81	951	122	1,147
	c) Dyes and Chemicals	160	768	1,006	3,873
	d) Power and Fuel	353	1,095	973	4,036
	e) Employee Benefits Expense	482	893	898	3,421
	f) Finance Costs	1,107	1,446	1,389	5,720
	g) Depreciation and Amortisation Expense	588	589	582	2,372
	h) Other Expenses	782	1,863	2,105	8,186
	<b>Total Expenses</b>	<b>3,919</b>	<b>10,516</b>	<b>10,413</b>	<b>42,080</b>
5	<b>Loss before exceptional items and tax (3 - 4)</b>	<b>(2,478)</b>	<b>(1,768)</b>	<b>(334)</b>	<b>(3,664)</b>
6	Exceptional Item	-	-	-	(24)

**MORARJEE TEXTILES LTD**

2, Peninsula Spenta, Mathuradas Mills,  
Senapati Bapat Marg, Lower Parel,  
Mumbai- 400 013 India

Tel : (+91 - 22) 6615 4651  
(+91 - 22) 6615 4652  
(+91 - 22) 6615 4653

Fax : (+91-22) 6615 4607  
(+91-22) 6615 4653  
www.morarjeetextiles.com  
CIN: L52322MH1995PLC090643



7	Loss before tax (5 + 6)	(2,478)	(1,768)	(334)	(3,688)
8	Tax Expense				
	- Current Tax	-	-	-	-
	- Deferred Tax	(797)	(543)	(79)	(1,079)
9	Loss after Tax (7 - 8)	(1,681)	(1,225)	(255)	(2,609)
10	Other Comprehensive Income				
	(i) Items that will not be reclassified to profit or loss	1	(14)	6	3
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	0	5	(2)	(1)
	<b>Total Other Comprehensive Income</b>	<b>1</b>	<b>(9)</b>	<b>4</b>	<b>2</b>
11	<b>Total Comprehensive Income (9 + 10)</b>	<b>(1,680)</b>	<b>(1,234)</b>	<b>(251)</b>	<b>(2,607)</b>
12	Paid-up Equity Capital	2,543	2,543	2,543	2,543
	(Face value of Equity Shares:- Rs.7/- each)				
13	Other Equity				3,153
14	Basic and Diluted EPS (Rs.)	(4.63)	(3.37)	(0.70)	(7.18)
	( Not annualised for the quarters)				

**MORARJEE TEXTILES LTD**

2, Peninsula Spenta, Mathuradas Mills,  
Senapati Bapat Marg, Lower Parel,  
Mumbai- 400 013 India

Tel : (+91 - 22) 6615 4651  
(+91 - 22) 6615 4652  
(+91 - 22) 6615 4653

Fax : (+91-22) 6615 4607  
(+91-22) 6615 4653  
www.morarjeetextiles.com  
CIN: L52322MH1995PLC090643



**Notes:**

- 1 The above unaudited financial results for the quarter ended 30th June, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors respectively at their meeting held on 12th August, 2020.

The Statutory auditors of the Company have carried out a limited review of these financial results.

- 2 The Financial result for the Quarter ended March 31, 2020, being the balancing figure between audited figures in respect of full financial year 2019-20 and the published year to date figures up to the third quarter of the financial year 2019-20, which were subject to limited review by auditor.
- 3 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 due to lockdown for almost two months 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 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 30th June, 2020 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.

- 4 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.
- 5 The Company has incurred net cash losses for the period owing to high finance cost and debt obligations, resulting from weak demand and growth. There are delays in repayment of debt obligation. Further, the Company has not able to redeem its preference shares of Rs. 10 crores which were due in November 2019. These events/conditions indicate the existence of uncertainty on the Company's ability to continue as going concern. The management is addressing these concerns and is confident that they will be able to arrange sufficient liquidity / find solution to the high debt obligations, increase collections from sale of inventory, mobilisation of additional funds and other strategic initiatives. The Company has also approached NCLT under Section 55 of the Companies Act, 2013, for re-issuance of the said preference shares for a further period of 20 years and approval from such preference shareholders have already been taken. Accordingly, the financial results are prepared on a going concern basis.

**MORARJEE TEXTILES LTD**

2, Peninsula Spenta, Mathuradas Mills,  
Senapati Bapat Marg, Lower Parel,  
Mumbai- 400 013 India

Tel : (+91 - 22) 6615 4651  
(+91 - 22) 6615 4652  
(+91 - 22) 6615 4653

Fax : (+91-22) 6615 4607  
(+91-22) 6615 4653  
[www.morarjeetextiles.com](http://www.morarjeetextiles.com)  
CIN: L52322MH1995PLC090643



**ASHOK  
PIRAMAL  
GROUP**

- 6 Other Current Assets includes an amount of Rs. 3,942 lakhs (P.Y Rs. 4,011 lakhs) as on June 30, 2020 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.

- 7 Corresponding figures of the previous periods have been regrouped wherever necessary.

**For Morarjee Textiles Limited**

RAJENDAR  
KUMAR  
REWARI

**R. K. Rewari**

Managing Director  
DIN - 00619240

Mumbai: 12th August, 2020

**MORARJEE TEXTILES LTD**

2, Peninsula Spenta, Mathuradas Mills,  
Senapati Bapat Marg, Lower Parel,  
Mumbai- 400 013 India

Tel : (+91 - 22) 6615 4651  
(+91 - 22) 6615 4652  
(+91 - 22) 6615 4653

Fax : (+91-22) 6615 4607  
(+91-22) 6615 4653  
[www.morarjeetextiles.com](http://www.morarjeetextiles.com)  
CIN: L52322MH1995PLC090643



## Morarjee Textiles Limited

### Statement of Consolidated Unaudited Financial Results for the Quarter Ended 30<sup>th</sup> June, 2020

(Rs. in lakhs except EPS)

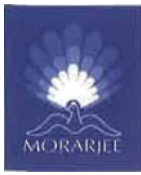
	Particulars	Quarter Ended			Year Ended
		30.06.2020 (Unaudited)	31.03.2020 (Audited) Refer Note 2	30.06.2019 (Unaudited)	31.03.2020 (Audited)
	<b>Income</b>				
1	Revenue from Operations	1,406	8,651	10,031	38,204
2	Other Income	35	97	48	212
3	<b>Total Income (1 + 2)</b>	<b>1,441</b>	<b>8,748</b>	<b>10,079</b>	<b>38,416</b>
4	<b>Expenses</b>				
	a) Cost of Materials Consumed	366	2,911	3,338	13,325
	b) Changes in Inventories of Finished Goods and Work in Progress	81	951	122	1,147
	c) Dyes and Chemicals	160	768	1,006	3,873
	d) Power and Fuel	353	1,095	973	4,036
	e) Employee Benefits Expense	482	893	898	3,421
	f) Finance Costs	1,107	1,446	1,389	5,720
	g) Depreciation and Amortisation Expense	588	589	582	2,372
	h) Other Expenses	782	1,863	2,105	8,186
	<b>Total Expenses</b>	<b>3,919</b>	<b>10,516</b>	<b>10,413</b>	<b>42,080</b>
5	<b>Loss before exceptional items and tax (3 - 4)</b>	<b>(2,478)</b>	<b>(1,768)</b>	<b>(334)</b>	<b>(3,664)</b>
6	Exceptional Item	-	-	-	(49)
7	<b>Loss before tax (5 + 6)</b>	<b>(2,478)</b>	<b>(1,768)</b>	<b>(334)</b>	<b>(3,713)</b>

#### MORARJEE TEXTILES LTD

2, Peninsula Spenta, Mathuradas Mills,  
Senapati Bapat Marg, Lower Parel,  
Mumbai- 400 013 India

Tel : (+91 - 22) 6615 4651  
(+91 - 22) 6615 4652  
(+91 - 22) 6615 4653

Fax: (+91-22) 6615 4607  
(+91-22) 6615 4653  
www.morarjeetextiles.com  
CIN: L52322MH1995PLC090643



<b>8</b>	<b>Tax Expense</b>				
	- Current Tax	-	-	-	-
	- Deferred Tax	(797)	(543)	(79)	(1,079)
<b>9</b>	<b>Loss after Tax (7 - 8)</b>	<b>(1,681)</b>	<b>(1,225)</b>	<b>(255)</b>	<b>(2,634)</b>
10	Share in (Loss) of Joint Venture (Refer Note 5)	(1)	-	(7)	(11)
<b>11</b>	<b>Loss after tax (9 + 10)</b>	<b>(1,682)</b>	<b>(1,225)</b>	<b>(262)</b>	<b>(2,645)</b>
<b>12</b>	<b>Other Comprehensive Income</b>				
	(i) Items that will not be reclassified to profit or loss	1	(14)	6	3
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	0	5	(2)	(1)
	<b>Total Other Comprehensive Income</b>	<b>1</b>	<b>(9)</b>	<b>4</b>	<b>2</b>
<b>13</b>	<b>Total Comprehensive Income (11 + 12)</b>	<b>(1,681)</b>	<b>(1,234)</b>	<b>(258)</b>	<b>(2,643)</b>
<b>14</b>	<b>Paid-up Equity Capital</b>	<b>2,543</b>	<b>2,543</b>	<b>2,543</b>	<b>2,543</b>
	(Face value of Equity Shares:- Rs.7/- each)				
<b>15</b>	<b>Other Equity</b>				<b>3,145</b>
<b>16</b>	<b>Basic and Diluted EPS (Rs.)</b>	<b>(4.63)</b>	<b>(3.37)</b>	<b>(0.72)</b>	<b>(7.28)</b>
	( Not annualised for the quarters)				

**MORARJEE TEXTILES LTD**

2, Peninsula Spenta, Mathuradas Mills,  
Senapati Bapat Marg, Lower Parel,  
Mumbai- 400 013 India

Tel : (+91 - 22) 6615 4651  
(+91 - 22) 6615 4652  
(+91 - 22) 6615 4653

Fax : (+91-22) 6615 4607  
(+91-22) 6615 4653  
www.morarjeetextiles.com  
CIN: L52322MH1995PLC090643



**Notes:**

- 1 The above unaudited consolidated financial results for the quarter ended 30th June, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors respectively at their meeting held on 12th August, 2020.

The statutory auditors of the Company have carried out a limited review of these financial results.

- 2 The Financial result for the Quarter ended March 31, 2020, being the balancing figure between audited figures in respect of full financial year 2019-20 and the published year to date figures up to the third quarter of the financial year 2019-20, which were subject to limited review by auditor.
- 3 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 due to lockdown for almost two months 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 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 30th June, 2020 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.

- 4 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.
- 5 The consolidated financial results include financial results of one Joint Venture companies i.e. Morarjee Castiglioni (India) Private Limited.
- 6 The Company has incurred net cash losses for the period owing to high finance cost and debt obligations, resulting from weak demand and growth. There are delays in repayment of debt obligation. Further, the Company has not able to redeem its preference shares of Rs. 10 crores which were due in November 2019. These events/conditions indicate the existence of uncertainty on the Company's ability to continue as going concern. The management is addressing these concerns and is confident that they will be able to arrange sufficient liquidity / find solution to the high debt obligations, increase collections from sale of inventory, mobilisation of additional funds and other strategic initiatives. The Company has also approached NCLT under Section 55 of the Companies Act, 2013, for re-issuance of the said preference shares for a further period of 20 years and approval from such preference shareholders have already been taken. Accordingly, the financial results are prepared on a going concern basis.

**MORARJEE TEXTILES LTD**

2, Peninsula Spenta, Mathuradas Mills,  
Senapati Bapat Marg, Lower Parel,  
Mumbai- 400 013 India

Tel : (+91 - 22) 6615 4651  
(+91 - 22) 6615 4652  
(+91 - 22) 6615 4653

Fax : (+91-22) 6615 4607  
(+91-22) 6615 4653  
[www.morarjeetextiles.com](http://www.morarjeetextiles.com)  
CIN: L52322MH1995PLC090643





ASHOK  
PIRAMAL  
GROUP

- 7 Other Current Assets includes an amount of Rs. 3,942 lakhs (P.Y Rs. 4,011 lakhs) as on June 30, 2020 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 Corresponding figures of the previous periods have been regrouped wherever necessary.

For **Morarjee Textiles Limited**

RAJENDA  
R KUMAR  
REWARI

**R. K. Rewari**

Managing Director  
DIN - 00619240

Mumbai: 12th August, 2020

**MORARJEE TEXTILES LTD**

2, Peninsula Spenta, Mathuradas Mills,  
Senapati Bapat Marg, Lower Parel,  
Mumbai- 400 013 India

Tel : (+91 - 22) 6615 4651  
(+91 - 22) 6615 4652  
(+91 - 22) 6615 4653

Fax : (+91-22) 6615 4607  
(+91-22) 6615 4653  
[www.morarjeetextiles.com](http://www.morarjeetextiles.com)  
CIN: L52322MH1995PLC090643

**Independent Auditor's Review Report on quarterly Unaudited Standalone Financial Results of Morarjee Textiles Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015**

**To the Board of Directors  
Morarjee Textiles Limited**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Morarjee Textiles Limited** ("the Company") for the quarter ended June 30, 2020 ("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 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 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.



# HARIBHAKTI & CO. LLP

Chartered Accountants

## 5. 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 1,680 lakhs during the quarter ended June 30, 2020 and has incurred cash losses in the previous year. Further, there are delays in repayment of debt obligation. These conditions along with other matters as set forth in the said note indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern. Based on the favourable factors mentioned in the said note, the management has a reasonable expectation that the Company has 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.

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

1. As stated in Note 3 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. As stated in Note 6 to the statement, regarding carry forward of GST input tax credit amounting to Rs 3,942 lakhs as on June 30, 2020 for the reason stated in the said note.

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: 20034828AAAAEV3535

Mumbai

August 12, 2020



**Independent Auditor's Review Report on quarterly Unaudited Consolidated Financial Results of Morarjee Textiles Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015**

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 income of its joint venture for the quarter ended June 30, 2020 ("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" prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder 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 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.



# HARIBHAKTI & CO. LLP

Chartered Accountants

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, 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 of Rs 1,680 lakhs during the quarter ended June 30, 2020 and has incurred cash losses in the previous year. Further, there are delays in repayment of debt obligation. These conditions along with other matters as set forth in the said note indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern. Based on the favourable factors mentioned in the said note, the management has a reasonable expectation that the Holding Company has 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:

1. As stated in Note 3 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. As stated in Note 7 to the statement, regarding carry forward of GST input tax credit amounting to Rs 3,942 lakhs as on June 30, 2020 for the reason stated in the said note.

Our report is not modified in respect of this matter.



Continuation Sheet

# HARIBHAKTI & CO. LLP

Chartered Accountants

8. The unaudited consolidated financial results includes the Group's share of net (loss) after tax of Rs. 0.93 lakhs and total comprehensive income of Rs. 0.93 lakhs for the quarter ended June 30, 2020, as considered in the unaudited consolidated financial results, in respect of one joint venture, based on their interim financial information / results which have not been reviewed/audited by their auditors. According to the information and explanations given to us by the Management, these interim financial information / 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: 20034828AAAAEW2706

Mumbai

August 12, 2020

