

ASHOK
PIRAMAL
GROUP

Corporate Relations Department
BSE Limited,
1st Floor, New Trading Wing,
Rotunda Building, P J Towers,
Dalal Street, Fort,
Mumbai - 400 001.

The Market Operations Department
National Stock Exchange of India Limited,
Exchange Plaza, 5th Floor,
Plot No C/1, G Block,
Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051.

Date: 10th February, 2021

Dear Sir / Madam,

Ref: Morarjee Textiles Limited (Company Code: 532621, NSE: MORARJEE)
Sub: Outcome of the Board Meeting held on 10th February, 2021



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 10th February, 2021 has inter-alia approved the Un-Audited Standalone and Consolidated Financial Results of the Company for the quarter and period ended 31st December, 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 for your record.

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

Request you to kindly take the above on record.

Thanking you

Yours Sincerely,
For **Morarjee Textiles Limited**

Nishthi H Dharmani
Company Secretary

Encl: As stated

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

Morarjee Textiles Limited

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months Ended 31st December, 2020

(Rs. in lakhs except EPS)

	Particulars	Quarter Ended			Nine Month Ended		Year Ended
		31.12.2020 (Unaudited)	30.09.2020 (Unaudited)	31.12.2019 (Unaudited)	31.12.2020 (Unaudited)	31.12.2019 (Unaudited)	31.03.2020 (Audited)
	Income						
1	Revenue from Operations	7,380	4,145	11,081	12,931	29,553	38,204
2	Other Income	29	22	40	86	115	212
3	Total Income (1 + 2)	7,409	4,167	11,121	13,017	29,668	38,416
4	Expenses						
	a) Cost of Materials Consumed	1,969	1,181	3,606	3,516	10,414	13,325
	b) Changes in Inventories of Finished Goods and Work in Progress	1,211	556	992	1,848	196	1,147
	c) Dyes and Chemicals	523	328	1,085	1,011	3,105	3,873
	d) Power and Fuel	809	615	1,037	1,777	2,941	4,036
	e) Employee Benefits Expense	658	536	892	1,676	2,528	3,421
	f) Finance Costs	1,535	1,276	1,442	3,918	4,274	5,720
	g) Depreciation and Amortisation Expense	582	588	612	1,758	1,783	2,372
	h) Other Expenses	1,452	1,324	2,166	3,558	6,323	8,186
	Total Expenses	8,739	6,404	11,832	19,062	31,564	42,080
5	Loss before exceptional items and tax (3 - 4)	(1,330)	(2,237)	(711)	(6,045)	(1,896)	(3,664)
6	Exceptional Item	-	-	-	-	(24)	(24)
7	Loss before tax (5 + 6)	(1,330)	(2,237)	(711)	(6,045)	(1,920)	(3,688)
8	Tax Expense						
	- Current Tax	-	-	-	-	-	-
	- Deferred Tax	-	(451)	(195)	(1,248)	(536)	(1,079)
9	Loss after Tax (7 - 8)	(1,330)	(1,786)	(516)	(4,797)	(1,384)	(2,609)
10	Other Comprehensive Income						
	(i) Items that will not be reclassified to profit or loss	1	1	6	3	17	3
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	(1)	(2)	(1)	(6)	(1)
	Total Other Comprehensive Income	1	-	4	2	11	2
11	Total Comprehensive Income (9 + 10)	(1,329)	(1,786)	(512)	(4,795)	(1,373)	(2,607)
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						3,153
14	Basic and Diluted EPS (Rs.) (Not annualised for the quarters)	(3.66)	(4.92)	(1.42)	(13.20)	(3.81)	(7.18)



Notes:

- 1 The above unaudited financial results for the quarter / Nine Month ended 31st December, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors respectively at their meeting held on 10th February, 2021.
The Statutory auditors of the Company have carried out a limited review of these financial results.
- 2 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 31st December, 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.
- 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 cash losses for the period as also in the previous period owing to high finance cost and debt obligations, resulting from weak demand and growth. There are continues delays in repayment of debt obligation. During previous year, the Company had received export advances of USD 16.15 Million (Rs 11,600 lakhs) against furnishing of equivalent export performance bank guarantee (EPBG) and utilised such advances for repayment of its term loans. During the previous quarter, there has been invocation of EPBG of USD 16.15 Million (Rs. 11,891 lakhs) due to non-payment of service fee and interest against export advances, on account of which, borrowing has been restored. 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.
- 5 Other Current Assets includes an amount of Rs. 3,812 lakhs (P.Y Rs. 3,588 lakhs) as on 31st December, 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.
- 6 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.
- 7 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.
- 8 Corresponding figures of the previous periods have been regrouped wherever necessary.



Mumbai: 10th February, 2021

For Morarjee Textiles Limited

R. K. Rewari
Managing Director
DIN - 00619240

Morarjee Textiles Limited

Statement of Consolidated Unaudited Financial Results for the Quarter and Nine Months Ended 31st December, 2020

(Rs. in lakhs except EPS)

	Particulars	Quarter Ended			Nine Month Ended		Year Ended
		31.12.2020 (Unaudited)	30.09.2020 (Unaudited)	31.12.2019 (Unaudited)	31.12.2020 (Unaudited)	31.12.2019 (Unaudited)	31.03.2020 (Audited)
	Income						
1	Revenue from Operations	7,380	4,145	11,081	12,931	29,553	38,204
2	Other Income	29	22	40	86	115	212
3	Total Income (1 + 2)	7,409	4,167	11,121	13,017	29,668	38,416
	Expenses						
a)	Cost of Materials Consumed	1,969	1,181	3,606	3,516	10,414	13,325
b)	Changes in Inventories of Finished Goods and Work in Progress	1,211	556	992	1,848	196	1,147
c)	Dyes and Chemicals	523	328	1,085	1,011	3,105	3,873
d)	Power and Fuel	809	615	1,037	1,777	2,941	4,036
e)	Employee Benefits Expense	658	536	892	1,676	2,528	3,421
f)	Finance Costs	1,535	1,276	1,442	3,918	4,274	5,720
g)	Depreciation and Amortisation Expense	582	588	612	1,758	1,783	2,372
h)	Other Expenses	1,452	1,324	2,166	3,558	6,323	8,186
	Total Expenses	8,739	6,404	11,832	19,062	31,564	42,080
5	Loss before exceptional items and tax (3 - 4)	(1,330)	(2,237)	(711)	(6,045)	(1,896)	(3,664)
6	Exceptional Item	-	-	-	-	(49)	(49)
7	Loss before tax (5 + 6)	(1,330)	(2,237)	(711)	(6,045)	(1,945)	(3,713)
8	Tax Expense						
	- Current Tax	-	-	-	-	-	-
	- Deferred Tax	-	(451)	(195)	(1,248)	(536)	(1,079)
9	Loss after Tax (7 - 8)	(1,330)	(1,786)	(516)	(4,797)	(1,409)	(2,634)
10	Share in (Loss) of Joint Venture (Refer Note 5)	(1)	(1)	(1)	(3)	(11)	(11)
11	Loss after tax (9 + 10)	(1,331)	(1,787)	(517)	(4,800)	(1,420)	(2,645)
12	Other Comprehensive Income						
	(i) Items that will not be reclassified to profit or loss	1	1	6	3	17	3
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	(1)	(2)	(1)	(6)	(1)
	Total Other Comprehensive Income	1	-	4	2	11	2
13	Total Comprehensive Income (11 + 12)	(1,330)	(1,787)	(513)	(4,798)	(1,409)	(2,643)
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						3,145
16	Basic and Diluted EPS (Rs.) (Not annualised for the quarters)	(3.66)	(4.92)	(1.42)	(13.21)	(3.91)	(7.28)



Notes:

- 1 The above unaudited consolidated financial results for the quarter and Nine months ended 31st December, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors respectively at their meeting held on 10th February, 2021.

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

- 2 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 31st December, 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.

- 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 companies i.e. Morarjee Castiglioni (India) Private Limited.
- 5 The Holding Company has incurred net cash losses for the period as also in the previous period owing to high finance cost and debt obligations, resulting from weak demand and growth. There are continues delays in repayment of debt obligation. During previous year, the Company had received export advances of USD 16.15 Million (Rs 11,600 lakhs) against furnishing of equivalent export performance bank guarantee (EPBG) and utilised such advances for repayment of its term loans. During the previous quarter, there has been invocation of EPBG of USD 16.15 Million (Rs. 11,891 lakhs) due to non-payment of service fee and interest against export advances, on account of which, borrowing has been restored. 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.
- 6 Other Current Assets includes an amount of Rs. 3,812 lakhs (P.Y Rs. 3,588 lakhs) as on 31st December, 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 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.
- 8 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.
- 9 Corresponding figures of the previous periods have been regrouped wherever necessary.



Mumbai: 10th February, 2021

For Morarjee Textiles Limited

A handwritten signature in black ink, appearing to read "R. K. Rewari".

R. K. Rewari
Managing Director
DIN - 00619240