





## FORM A

### Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	Morarjee Textiles Limited
2.	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	<p>To be signed by-</p> <ul style="list-style-type: none"> <li>Mr. R. K. Rewari ▪ <b>Managing Director</b></li>   <li>Mr. S. C. Kashimpuria ▪ <b>CFO</b></li>   <li>M/s Manubhai &amp; Shah ▪ <b>Auditor of the company</b></li>   <li>Mr. Ranjan Sanghi ▪ <b>Audit Committee Chairman</b></li> </ul>	      





ASHOK  
PIRAMAL  
GROUP



20<sup>TH</sup>  
ANNUAL REPORT  
2014-15

MORARJEE TEXTILES LTD.





**BOARD OF DIRECTORS**

Ms. Urvi A. Piramal	<i>Chairperson</i>
Mr. Harsh A. Piramal	<i>Executive Vice Chairman</i>
Mr. Mahesh S. Gupta	
Mr. Ranjan Sanghi	
Mr. Shobhan Thakore	
Mr. Aditya Mangaldas	
Mr. Ranjan Pant	

**MANAGING DIRECTOR**

Mr. R. K. Rewari

**CFO & COMPLIANCE OFFICER**

Mr. S. C. Kashimpuria

**STATUTORY AUDITORS**

**M/s. Manubhai & Shah**  
*Chartered Accountants*

**BANKERS**

Allahabad Bank  
Saraswat Co-op. Bank Limited  
IDBI Bank Limited  
ICICI Bank  
Kotak Bank

**SECURITY TRUSTEE**

Allbank Finance Ltd.

**REGISTERED OFFICE**

Peninsula Spenta,  
Mathuradas Mills Compound,  
Senapati Bapat Marg,  
Lower Parel, Mumbai - 400 013.

**SHARE TRANSFER AGENT****Freedom Registry Limited**

**Registered Office**  
Plot No. 101/102, 19<sup>th</sup> Street, MIDC Area,  
Satpur, Nasik - 422 007.

Email : support@freedomregistry.in

**Mumbai Liaisoning Office**

104, Bayside Mall,  
35, C.M.M. Malviya Marg,  
Tardeo Road, Haji Ali,  
Mumbai 400 034.

**CONTENTS**

	Page Nos.
Notice.....	02
Directors' Report .....	10
Management Discussion & Analysis.....	33
Corporate Governance .....	37
Auditor's Report .....	68
Balance Sheet .....	72
Profit & Loss Account.....	73
Notes on Financial Statement.....	74
Cash Flow Statement .....	96
Consolidated Results .....	98
Financial Highlights .....	126

**20<sup>th</sup> Annual General Meeting** of the Company will be held on **Wednesday, 26<sup>th</sup> August 2015**, at 11.00 a.m. at Hall of Culture", Nehru Centre, Dr. Annie Beasant Road, Worli, Mumbai-400 018

# NOTICE

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting (AGM) of the members of Morarjee Textiles Limited will be held at "Hall of Culture", Nehru Centre, Dr. Annie Beasant Road, Worli, Mumbai-400 018 on Wednesday, 26<sup>th</sup> August, 2015 at 11.00 a.m. to transact the following business:

## Ordinary Business:

1. To receive, consider and adopt the Standalone and Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2015 and the Reports of the Directors' and Auditor's thereon.
2. To declare dividend on preference and equity shares of the Company, for the Financial Year 2014-2015.
3. To appoint a Director in place of Ms. Urvi A. Piramal (holding DIN : 00044954), who retires by rotation and is eligible for re-appointment.
4. To re-appoint M/s. Manubhai & Shah, Chartered Accounts (Registration number 106041W) the retiring auditors, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

## Special Business:

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013, the Company do hereby approve the payment of remuneration by way of commission to the Directors (Including independent and Non-Independent Directors) of the Company not exceeding the limits as prescribed by law for the time being in force, if and to the extent necessary, with the approval of the Central Government and such commission be paid to and distributed amongst such directors or some or any of them and in such amounts or proportions and in such manner as may be directed by the Board of Directors ("which term shall include any Committee formed thereof") and

such payment may be made for each year of the period of five years with effect from Financial Year 2014-2015."

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203, Schedule V and any other applicable provisions of the Companies Act, 2013 read with Rules made thereunder (including any statutory modification(s) or re-enactments thereof), the Articles of Association of the Company and subject to such approvals, permissions and sanctions as may be required in this regard, Mr. R. K. Rewari (DIN: 00619240) be and is hereby re-designated as the Managing Director of the Company for the remaining term of his tenure with effect from 1<sup>st</sup> April, 2015 till 31<sup>st</sup> January, 2016.

**RESOLVED FURTHER THAT** the other terms and conditions of appointment including the Remuneration as approved by the shareholders vide their resolution dated 18<sup>th</sup> September 2012 stands unaltered.

**RESOLVED FURTHER THAT** the terms and conditions, including remuneration of Mr. R. K. Rewari's appointment as Managing Director may be varied and altered from time to time by the Board of Directors (including committee appointed for the purpose) as it may in its discretion deem fit as approved by the shareholders and in accordance with the provisions of the Companies Act, 2013 or any amendments made hereafter in this regard.

**RESOLVED FURTHER THAT** any of the Directors and/or Company Secretary be and is hereby authorized to obtain the required approvals, to sign, execute, file necessary documents, writings, undertakings, returns, intimations etc. to the Ministry of Corporate Affairs or any such Statutory Authorities as may be necessary and further to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable or expedient and to settle any questions, difficulty or doubt that may arise in this regard."



7. To consider and if, thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the payment of ₹ 1,35,000/- as remuneration to M/s Phatak Paliwal & Co., Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ended 31<sup>st</sup> March, 2016;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

By Order of the Board

**R. K. Rewari**  
Managing Director

**Registered Office :**

Peninsula Spenta,  
Mathuradas Mills Compound,  
Senapati Bapat Marg,  
Lower Parel, Mumbai - 400 013.

Mumbai, 8<sup>th</sup> May, 2015

**NOTES:**

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.

- 2) The instrument appointing the proxy (as per the format provided hereinafter), in order to be effective, should be duly stamped, completed and signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- 3) **MEMBER/PROXY SHOULD BRING THE ATTENDANCE SLIP SENT HERewith, DULY FILLED IN, FOR ATTENDING THE MEETING.**
- 4) An Explanatory Statement required under Section 102(1) of the Companies Act, 2013 in respect of the special businesses to be transacted at the meeting is annexed hereto.
- 5) Pursuant to Clause 49 of the Listing Agreement, the details of Directors proposed to be re-appointed are annexed to this notice.
- 6) The Register of Members and Share Transfer Books of the Company will remain closed from 20<sup>th</sup> August, 2015 to 26<sup>th</sup> August, 2015 (both days inclusive).
- 7) Members holding shares in physical form are requested to address all their correspondence including change of address, mandates etc. to the Registrar and Transfer Agents (RTA) viz. M/s. Freedom Registry Limited, Plot No. 101/102, 19<sup>th</sup> Street, MIDC Area, Satpur, Nashik 422007 and Members holding shares in dematerialized form should approach their respective Depository Participants for the same.
- 8) Since shares of the Company are traded on the stock exchange compulsorily in demat mode, shareholders holding shares in physical mode are strongly advised to get their shares dematerialized.

- 9) The shareholders who are holding shares in demat form and have not yet registered their e-mail IDs, are requested to register their e-mail IDs with their Depository Participant at the earliest, to enable the Company to use the same for serving documents to them electronically, hereinafter. Shareholders holding shares in physical form may kindly register their e-mail IDs to the RTA sending an e-mail at support@freedomregistry.in. The Annual Report of the Company and other documents proposed to be sent through e-mail would also be made available on the Company's website i.e. www.morarjeetextiles.com.
- 10) After the declaration of the dividend at the Annual General Meeting, the same will be paid to those Members of the Company whose names stand on the Register of Members of the Company on 19<sup>th</sup> August, 2015. The dividend will be paid on and before 24<sup>th</sup> September, 2015.
- 11) E-Voting:
  - a) In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended, and Clause 35B of the Listing Agreement, the Company is pleased to provide the e-voting (the "Remote e-voting") and ballot facility to its Members holding shares in physical or dematerialized form, as on the cut-off date, being Wednesday, 19<sup>th</sup> August, 2015, to exercise their right to vote by electronic and ballot means on any or all of the businesses specified in the accompanying Notice.
  - b) In terms of the recent amendment to the Companies (Management and Administration) Rules, 2014 with respect to the Voting through electronic means, the Company is also offering the facility for voting by way of physical ballot at the AGM. The Members attending the meeting should note that those who are entitled to vote but have not exercised their right to vote by Remote e-voting, may vote at the AGM through ballot for all businesses specified in the accompanying Notice. The Members who have exercised their right to vote by Remote e-voting may attend the AGM but shall not be entitled to vote at the AGM. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date being Wednesday, 19<sup>th</sup> August, 2015.
  - c) The Company has appointed Ms. Kala Agarwal, Practicing Company Secretary, as the Scrutinizer for conducting the remote e-voting or through ballot paper and the voting process at the AGM in a fair and transparent manner and she has communicated her willingness to be appointed for the same purpose.
  - d) Members who do not have access to remote e-voting facility may send duly completed Ballot form annexed hereto so as to reach the Scrutinizer at her Office address at K D Enterprise, 2, Swami Sadan, M G Road, Kandivali (West), Near Swimming Pool Bus Stop, Mumbai 400 067 not later than Tuesday, 25<sup>th</sup> August, 2015 (5.00 p.m. IST). Ballot form received after Tuesday, 25<sup>th</sup> August, 2015 (5.00 p.m. IST) will be treated as invalid. A member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot. If a member casts vote by both modes, then voting done through remote e-voting shall prevail and the Ballot form shall be treated as invalid.
  - e) Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.
  - f) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
  - g) The Company has engaged the services of Central Depository Services Limited ("CDSL") as the Agency to provide e-voting facility.
  - h) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner as on the cut-off date i.e. 19<sup>th</sup> August, 2015.



- i) The remote e-voting will not be allowed beyond the date and time given below for remote e-voting and the e-voting module shall be disabled by CDSL upon expiry of said period.
- j) The Scrutinizer will, after scrutinizing the votes cast at the meeting and through remote e-voting and ballot, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairperson/Managing Director. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.morarjeetextiles.com](http://www.morarjeetextiles.com). The results shall simultaneously be communicated to the Stock Exchanges.
- k) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 26<sup>th</sup> August, 2015.
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (ix) If you are a first time user follow the steps given below:

**The instructions for shareholders voting electronically are as under:**

- (i) The remote e-voting period begins on 23<sup>rd</sup> August, 2015 at 10.00 a.m. (IST) and ends on 25<sup>th</sup> August, 2015 at 5.00 p.m (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 19<sup>th</sup> August, 2015 may cast their votes electronically. The remote e-voting module shall be disabled by CDSL for voting after 5.00 p.m (IST) on 25<sup>th</sup> August, 2015.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

**For Members holding shares in Demat Form and Physical Form**

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> </ul> <p>The sequence no. is printed on the Ballot Paper/address label affixed to the annual report.</p> <ul style="list-style-type: none"> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
-----	--



Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to log in.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>	<p>will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.</p>
(x) After entering these details appropriately, click on "SUBMIT" tab.	(xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.	(xviii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
(xi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.	(xix) If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.	(xx) Note for Non – Individual Shareholders and Custodians
(xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.	<ul style="list-style-type: none"> <li>Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <a href="http://www.evotingindia.com">www.evotingindia.com</a> and register themselves as Corporates.</li> </ul>	<ul style="list-style-type: none"> <li>A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>.</li> </ul>
(xiii) Click on the EVSN for MORARJEE TEXTILES LIMITED.	<ul style="list-style-type: none"> <li>After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.</li> </ul>	<ul style="list-style-type: none"> <li>The list of accounts should be mailed to <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> and on approval of the accounts they would be able to cast their vote.</li> </ul>
(xiv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.	<ul style="list-style-type: none"> <li>A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.</li> </ul>	(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at <a href="http://www.evotingindia.com">www.evotingindia.com</a> , under help section or write an email to <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> .
(xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.		
(xvi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box		



## EXPLANATORY STATEMENT

### Item No: 5

Section 197 of the Companies Act, 2013 provides that directors may be paid remuneration by way of commission, if the Company by ordinary resolution, authorized such payment.

The proposed resolution would allow the Company to make payment by way of commission to all the Directors for a period of five years with effect from the financial year 2014-2015 in accordance with section 197.

None of the key managerial personnel or their relatives is concerned/interested in the said resolution but all the Directors of the Company are Concerned/interested in the resolution set out at item No. 5 of the Notice to the extent of the remuneration that may be received by them.

The Board recommends the resolution set forth in item No. 5 of the accompanying Notice for the approval of the members.

### Item No: 6

The members of the Company had appointed Mr. R. K. Rewari as the CEO and Executive Director of the company for a period of 3 years with effect from 1<sup>st</sup> February, 2013 by way of a special resolution passed by the members of the Company in the Annual General Meeting held on 18<sup>th</sup> September, 2012. In recognition of his efforts and of the company's performance since his joining, it is proposed to re-designate Mr. R. K. Rewari as Managing Director with effect from 1<sup>st</sup> April, 2015 till 31<sup>st</sup> January, 2016. All other terms and conditions of the appointment of Mr. R. K. Rewari will remain unchanged.

The Board recommends the resolution for the approval of the members as an Ordinary Resolution

Mr. R. K. Rewari, as it concerns himself, is deemed to be concerned or interested in this resolution. None of

the other directors, key managerial personnel and their relatives is concerned/interested in the said resolution.

### Item No: 7

As per the provision of section 148 of the Companies Act, 2013 the Company is required to appoint Cost Auditor. The Board of Directors appointed M/s. Pathak Paliwal & Co. as the Cost Auditor for the year 2015-2016. M/s. Pathak Paliwal & Co. have given their consent for re-appointment as cost Auditor of the Company for the year 2015-2016.

The Audit Committee also approved the said appointment of the Cost Auditors in their meeting held on 8<sup>th</sup> May, 2015. As per the recommendation of Audit Committee the Board has fixed the remuneration of the Cost Auditor at ₹ 1,35,000/-.

As per the provision of sub section (3) of section 148 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration paid to the Cost Auditor requires ratification by the members.

The Directors, therefore, recommend the resolution appearing under the item no. 7 of the accompanying Notice for your ratification.

None of the Directors, Key Managerial Personnel and their relatives thereof, have any concern or interest in the resolution at Item No. 7 of the Notice.

By Order of the Board

**R. K. Rewari**

Managing Director

### Registered Office :

Peninsula Spenta,  
Mathuradas Mills Compound,  
Senapati Bapat Marg,  
Lower Parel, Mumbai - 400 013.  
Mumbai, 8<sup>th</sup> May, 2015

**Details of the directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement).**

**1. Ms. Urvi A. Piramal**

**Date of Birth**

19<sup>th</sup> July, 1952

**Date of Appointment**

1<sup>st</sup> February, 2005

**Professional and Educational Qualification**

B. Sc. Advanced Management Program from Harvard Business School, USA, Excellent managerial and leadership skills. Spearheading the Group in its real estate, textiles, engineering, entertainment and sports business.

**Profile and Experience**

Ms. Piramal oversees a professionally managed business conglomerate with business interest in real estate, textiles, engineering, renewable energy and sports.

She is the guiding force behind the Group's sustained and profitable growth, which is bringing the Group companies closer to realizing her vision of touching the lives of one in five people across the globe.

Ms. Piramal is a member of Technology and Quality Improvement Committee of IMC since its inception in 1994, and also the Chairperson of Supply Chain & Retail Business (Internal Trade) Committee (2004-05).

Ms. Piramal has received a number of awards for her contribution to business. She was awarded the Qimpro Gold Standard Award for excellence in Managing Quality Improvement programmes across the Group. She has won the Outstanding Woman Industrialist Award presented by the Marinelines Junior Chamber and the Yami Woman Award for her outstanding contribution to business by The ITC Grand Central. She also has to her credit the Cheminor Award from the Indian Institute

of Materials Management. Recently, she was honored with the Giants International Award in recognition of her outstanding contribution to business.

She is a Trustee of the Piramal Education Trust, Ashok G. Piramal Trust and Urvi Ashok Piramal Foundation (UAPF) which has been set up for the underprivileged. Through these trusts, Ms. Piramal has initiated social projects within the Group.

UAPF operates a 25-bed maternity hospital at Bagar catering to over 30 villages in and around Bagar. The Foundation runs 6 mobile health vans at Bagar in Rajasthan, Ankleshwar in Gujarat and Nagpur in Maharashtra, providing quality health-care at peoples' doorstep.

She is on the board of Population First, an NGO working on creating awareness for the girl child.

**Shareholding in the Company**

Ms. Urvi A. Piramal hold 49,566 equity shares of the Company.

**List of Directorships held in other Companies (excluding foreign, private companies other than subsidiaries of public company, Section 8 Companies and Morarjee Textiles limited)**

- Ashok Piramal Management Corporation Limited
- Goodtime Real Estate Development Private Limited
- Peninsula Trustee Limited
- Peninsula Land Limited
- Peninsula Holdings and Investments Private Limited
- RR Real Estate Development Private Limited

**Memberships/Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies**

**Chairperson of Committees**

Nil

**Member of Committees**

None



## 2. Mr. R. K. Rewari

### Date of Birth

11<sup>th</sup> November, 1956

### Date of Appointment

1<sup>st</sup> February, 2013

### Professional and Educational Qualification

Mr. R. K. Rewari is a Science Graduate and has completed his LLB and Post-Graduate Degree in Business Management from Kurukshetra University in Haryana.

### Profile and Experience

Mr. R. K. Rewari, CEO & Executive Director of the Company is 55 years of age. Mr. Rewari is a B.Sc., LLB, PGDPM & MEP from Indian Institute of Management, Ahmedabad. Mr. Rewari started his career as an Executive Trainee in Vardhman Textiles Limited and rose to the level of Chief Executive (Fabric Marketing) before he left on 30<sup>th</sup> January, 2010.

While having a vast experience of working in various leadership positions in Vardhman Textiles Limited, Mr. Rewari also remained President of BBN Industrial Association of Himachal Pradesh. Mr. Rewari is a Director in Cotton Association of India (CAI) and a member of Confederation of India Textile Industry (CITI).

### Shareholding in the Company

Mr. R K Rewari does not hold any equity shares of the Company.

### List of Directorships held in other Companies (excluding foreign, private companies other than subsidiaries of public company, Section 8 Companies and Morarjee Textiles limited)

- Goodhome Realty Limited
- Goodtime Real Estate Development Private Limited
- Inox Mercantile Company Pvt. Ltd
- Integra Garments and Textiles Limited

- Just Textiles Limited
- Peninsula Holdings and Investments Private Limited
- Rockfirst Real Estate Limited
- RR Megacity Builders Limited
- Top Value Real Estate Development Limited

### Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies

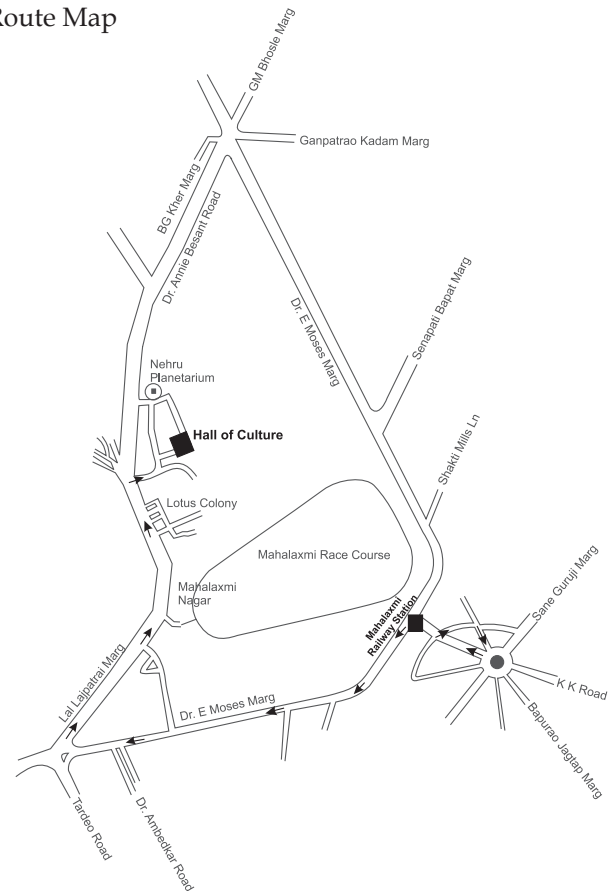
#### Chairman of Committees

Nil

#### Member of Committees

One

### Route Map



# DIRECTORS' REPORT

Dear Shareholders,

The Directors have pleasure in presenting their 20<sup>th</sup> Annual Report and the Audited Accounts for the year ended 31<sup>st</sup> March, 2015 together with the Auditor's Report thereon.

## 1) FINANCIAL RESULTS

(₹ in Lacs)		
Particulars	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
Total Income	36,558	39,198
PBDIT	6,101	7,582
Interest and Finance Expenses	1,905	2,549
Depreciation	956	1,593
Profit Before Tax	3,240	3,440
Provision for Tax (MAT)	715	761
Deferred Tax	1,168	621
MAT Credit Entitlement	(715)	(761)
Profit After Tax	2,072	2,819

## 2) OPERATIONS HIGHLIGHTS

On a Standalone basis the Total Income for the year ended 31<sup>st</sup> March, 2015 was ₹ 36,558 lacs as against ₹ 39,198 lacs for the corresponding year ended 31<sup>st</sup> March, 2014. The Company had earned a profit from ordinary activities before tax of ₹ 3,240 lacs for the year ended 31<sup>st</sup> March, 2015 as against profit of ₹ 3,440 lacs for the year ended 31<sup>st</sup> March, 2014. After providing for tax, the Company reported a net profit of ₹ 2,072 lacs for the year ended 31<sup>st</sup> March, 2015 as against profit of ₹ 2,819 lacs for the year ended 31<sup>st</sup> March, 2014.

On a Consolidated basis the Income from Operations for the year ended 31<sup>st</sup> March, 2015 was ₹ 36,571 lacs as against ₹ 39,199 lacs for the corresponding year ended 31<sup>st</sup> March, 2014. The Company had earned a profit from ordinary activities before tax of ₹ 3,252 lacs for the year ended 31<sup>st</sup> March, 2015 as against profit of ₹ 3,441 lacs for the year ended 31<sup>st</sup> March, 2014. After providing for tax, the Company reported a net profit of ₹ 2,084 lacs for the year ended 31<sup>st</sup>

March, 2015 as against profit of ₹ 2,820 lacs for the year ended 31<sup>st</sup> March, 2014.

## 3) SHARE CAPITAL

The paid up Equity Share Capital of the company is ₹ 25.43 Crore. During the year under review, the Company has not issued shares with differential voting rights not granted any Stock Option nor any Sweat Equity Shares.

## 4) DIVIDEND

Your directors are pleased to recommend dividend on the shares of the Company, as per the details given below, for the financial year ended 31<sup>st</sup> March, 2015.

### Preference Shares

Amount in ₹	
Particulars	Dividend F.Y 2014-2015
5% Redeemable Cumulative Non-Convertible Preference Share	50,00,000
9% Redeemable Cumulative Non-Convertible Preference Share	1,35,00,000

### Equity Shares

The Board of Directors have recommended dividend of ₹ 1.75/- per Equity Share of ₹ 7/- each for the year ended 31<sup>st</sup> March, 2015.

## 5) FIXED DEPOSITS

During the year under review, the Company has not accepted or renewed any deposits.

## 6) PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS

In the year under review, the Company has not made any investments, advanced any loans or provided any guarantee under the provisions Section 186 of the Companies Act, 2013.

## 7) STATE OF COMPANY'S AFFAIRS AND Buisness REVIEW

The details of the Company's affairs including its operations and projects are more specifically given in the Management Discussion and Analysis Report, which is appended to this report.



## 8) CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility has been an integral part of the way in which your company does business. Your Company has made conscious efforts to involve communities in its development journey and has received appreciations from the stakeholders, which gives a sense of pride and an encouragement to continue this resolve further and better. An amount of ₹ 42.00/- Lacs was allocated as mandated by the provisions of the Companies Act, 2013 towards CSR activities.

In accordance with the provisions of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 made thereunder, an Annual report on the CSR activities of the Company alongwith the CSR initiatives undertaken during the financial year 2014-2015 is enclosed to this report as "Annexure-A".

## 9) BUSINESS RISK MANAGEMENT

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report.

The Company has a robust Risk Management (RM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level.

## 10) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity

of its operations. The scope of the Internal Audit is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

## 11) VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a vigil mechanism for Directors and Employees to report their genuine concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct. The mechanism provides for adequate safeguards against victimization of Director(s) and Employee(s) who avail of the mechanism. In all cases, Directors and Employees have direct access to the Chairman of the Audit Committee. Further no personnel have been denied access to the Chairman of the Audit Committee.

The Whistle Blower Policy is available on Company's website i.e [www.morarjeetextiles.com](http://www.morarjeetextiles.com)

## 12) SUBSIDIARY COMPANIES

With effect from 23<sup>rd</sup> February, 2015 Morarjee International s.r.l., the Company's 100% subsidiary has been liquidated.

The summary of the financial performance of Morarjee Castiglioni (India) Private Limited, a Joint Venture of the Company is as below:

(₹ in Lacs)

Particulars	2014-2015	2013-2014
Income	0.87	0.81
Profit/(loss)	(2.20)	(2.13)



### **13) DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr. Ranjan Sanghi, Mr. Shobhan Thakore, Mr. Aditya Mangaldas and Mr. Ranjan Pant were appointed as Independent Directors of the Company at the Annual General Meeting of the Company held on 29<sup>th</sup> September, 2014 for a period of 5 years, with effect from 29<sup>th</sup> September, 2014.

All independent directors of the company have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Mr. Pradipta Mohapatra ceased to be a Director of the company with effect from 2<sup>nd</sup> August, 2014. The Board wishes to place on record its sincere appreciation and gratitude for the invaluable contribution made by him, during his tenure with the company.

The company has complied with the requirements of having Key Managerial Personnel as per the provisions of Section 203 of the Companies Act, 2013.

Ms. Urvi A. Piramal is liable to retire by rotation and being eligible, offers herself for re appointment.

Mr. R.K. Rewari ( DIN No: 00619240) was appointed as CEO and Executive Director on 1<sup>st</sup> February, 2013 for a period of 3 years and was re-designated as Managing Director with effect from 1<sup>st</sup> April, 2015 for the remaining part of his tenure.

### **14) BOARD EVALUATION**

During the year, pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairperson of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance

of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairperson who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairperson and the Non-Independent Directors was carried out by the Independent Directors. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees.

### **15) REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

### **16) COMMITTEES AND MEETINGS OF THE BOARD**

During the year under review five Board Meetings, Four Audit Committee meetings and Five Nomination and Remuneration Committee meetings were held and the gap between two consecutive Board Meetings and Audit Committee Meetings was within the limits prescribed by the Companies Act, 2013 and Listing Agreement, as the case may be. The details are more specifically given in the Corporate Governance Report, which is a part of the Annual report

### **17) DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134 (5) of the Companies Act, 2013 ("the Act"), we hereby state that :

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed
- ii) your Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and



prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2015 and its profit for the year ended on that date;

- iii) your Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) your Directors had prepared the Annual Accounts for the year ended 31<sup>st</sup> March, 2015 on a going concern basis;
- v) the Directors had laid down internal financial controls which are followed by the Company and that such internal financial controls are adequate and are operating effectively.
- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 18) RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions were placed before the Audit Committee and also the Board for approval, wherever required. Prior omnibus approval of the Audit Committee was obtained for the transactions of repetitive nature. The transactions entered into pursuant to the omnibus approval of the Audit Committee were placed before the Audit Committee for its review on a quarterly basis. The Company had framed a policy on Related Party Transactions for purpose of identification and monitoring of such transactions.

The policy on Related Party Transactions as approved by the Board was uploaded on the Company's website at [www.morarjeetextiles.com](http://www.morarjeetextiles.com). None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

## 19) AUDITORS

### 19.1 Statutory Auditors and Audit Reports

The Company's Auditors i.e. M/s. Manubhai & Shah, Chartered Accountants, Mumbai, have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder. As required under Clause 49 of the Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Audit Report to the shareholders for the year under review does not contain any qualifications.

### 19.2 Cost Auditors And Cost Audit Reports

Pursuant to section 148 of the Companies Act, 2013, the Board of Directors on the recommendation of the Audit Committee appointed M/s. Phatak Paliwal & Co., as the Cost Auditors of the company for the Financial Year 2015-2016 and has recommended their remuneration to the Shareholders for their ratification at the ensuing Annual General Meeting. M/s. Phatak Paliwal & Co. have confirmed that their appointment is within the limits as prescribed under the Companies Act, 2013.

### 19.3 Secretarial Audit and Secretarial Audit Report

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Kala Agarwal, a proprietary concern of company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as "Annexure B"

The report does not contain any qualification.

## **20) CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION ANALYSIS**

The Corporate Governance Report and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexures, together with the Certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

## **21) EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as “Annexure C” to this report.

## **22) PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided on request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the said information which is available for inspection by the members at the Registered office of the company during business hours on working days of the company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the Compliance Officer in advance.

## **23) ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION**

The information on Conservation of Energy and Technology absorption under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is Annexed herewith as “Annexure D”

## **24) FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year under review, foreign exchange

earnings were ₹ 16,878.41 lacs and outgoings were ₹ 2,142.73 lacs making the Company a net foreign exchange earner with net inflow of ₹ 14,735.68 lacs

## **25) SIGNIFICANT AND MATERIAL ORDERS**

There were no significant and material orders passed by any Regulators or Courts or Tribunals during the year ended 31<sup>st</sup> March, 2015 impacting the going concern status and company's operations in future.

## **26) PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has constituted Internal Complaints Committees (ICC) to redress the complaints received regarding sexual harassment. During the year under review, no complaints were received by the Committees for Redressal.

## **27) PREVENTION OF INSIDER TRADING**

Your Company has adopted the Code of Fair Disclosure and Code of Conduct for regulating the dissemination of Unpublished Price Sensitive Information and trading in securities by promoters, Directors and designated employees.

## **28) ACKNOWLEDGEMENTS**

Your Company and its Directors wish to extend their sincerest thanks to the Members of the Company, Bankers, State Government, Local Bodies, Customers, Suppliers, Executives, Staff and workers at all levels for their continuous cooperation and assistance.

For and on behalf of the Board of Directors

**Urvi A. Piramal**  
Chairperson  
Morarjee Textiles Limited

Mumbai  
8<sup>th</sup> May, 2015





## ANNEXTURE A

### Annual Report on CSR Activities of the Company

1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	<p>CSR activities at Morarjee are carried out through:- Urvi Ashok Piramal Foundation.</p> <p>The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Companies website and the web link for the same is <a href="http://www.morarjeetextiles.com">www.morarjeetextiles.com</a></p>
2	The composition of the CSR Committee	<p>Ms. Urvi Piramal, Chairperson (Non-Executive)</p> <p>Mr. Harshvardhan A. Piramal (Executive Vice – Chairman)</p> <p>Mr. Ranjan Sanghi (Independent Director)</p>
3	Average Net profit of the Company for the last three financial years	₹ 2099.95/- (₹ In Lakhs)
4	Prescribed CSR Expenditure (two per cent of the amount as mentioned in item 3 above)	₹ 42.00/- (₹ In Lakhs)
5	<p>Details of the CSR spent during the financial year:</p> <p>Total Amount spent during the Financial year ended 31<sup>st</sup> March, 2015.</p> <p>Amount unspent, if any;</p>	<p>₹ 33.70/- (₹ In Lakhs)</p> <p>₹ 8.29/- (₹ In Lakhs)</p>

### Details of Expenditure on CSR Activities.

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise	Amount spent projects or programs Sub-heads (1) Direct expenditure on projects or programs. (2) Overheads.	Cumulative expenditure upto to the reporting period April to March	Amount Spent: Direct or through implementing agency
1	Health	1. Mobile Health Unit	Dist: Nagpur State: Maharashtra	1,648,000	1,657,217	1,657,217	Urvi Ashok Piramal Foundation
		2. Site Clinic	Dist: Nagpur State: Maharashtra	312,000	389,816	389,816	
2	Education	1. Supplimentary Education - (Path-shala)	Dist: Nagpur State: Maharashtra	128,000	93,830	93,830	Urvi Ashok Piramal Foundation
		2. Scholarship	Dist: Nagpur State: Maharashtra	350,000	142,741	142,741	
3	Livelihood	1. Invest - Vocational Skill Training	Dist: Nagpur State: Maharashtra	1,731,000	906,862	906,862	Urvi Ashok Piramal Foundation
4	Administration			64,000	180,475	180,475	Urvi Ashok Piramal Foundation
			<b>Total</b>	<b>4,233,000</b>	<b>3,370,941</b>	<b>3,370,941</b>	

The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR Objectives and Policy of the Company.

Sd/-  
Urvi A. Piramal

Sd/-  
Harsh A. Piramal



## Corporate Social Responsibility Initiatives

### Health:

The company as part of its social initiatives has initiated various projects many independently and some in partnership in the area of health, education, environment and livelihood. The group company in the last financial year reached out by way of health services through 25 bedded General and Maternity hospital at Bagar, Rajasthan. Publicity and development of “**Aayushi**” **General and Maternity hospital**, Bagar has been the focus in the last six months. Campaigning in the nearby communities, house to house visits and pamphlet distribution lead to increase in the flow of patients from 132 in September 2014 to 513 in March 2015. Appointment of new Gynaecologist, more trained nurses, close monitoring and demonstration of best practices has lead to improvement in service standards at the hospital.

### Mobile Health Units:

(MHU) is a very successful model of providing health services at the door step for the poorest of poor. All the vans have doctor, nurse, medicines and sometimes mobilisers too. Through the MHUs in various locations over 4,50,000 people in 175 villages in Maharashtra, Gujarat and Rajasthan. The focus has changed from merely giving symptomatic treatment to looking at holistic health. Regular medical need based camps, hemoglobin checkups and a basic blood test service has been incorporated.

### Site clinics:

There are 5 site clinics which run twice a week with the help of MBBS/MD physician's consultation and has treated 6000 patients in the last financial year. These site clinics take care of basic health care of workers with some medications. Health checkup camps are conducted on monthly basis with the aim of detecting anemia among female workers, assess general health condition & provide referral services for the same.

### Education:

**Pathshala, Scholarship and Creche:** UAPF runs a Pathshala for the children's of MTL employees as well

as for in general nearby community students. In FY 2014-15, in Pathshala 43 students were admitted. In FY 2014-15, nine scholarships were given to children of Morarjee Textiles Ltd. (MTL) employees & two scholarships to children of Urvi Ashok Piramal Foundation (UAPF) employees..

### Livelihood:

At location Bagar, we have recently partnered and registered under Rajasthan State Skill and Livelihoods Development Corporation (RSLDC). The initiative now is on partnership approach with government and private institutions to initiate local area specific skill trainings. Skill development at Mumbai, Nagpur and Bagar has benefitted 500 youth. Tailoring, beautician, computer training has been initiated. The focus will now be to further streamline the entire livelihood programme by partnering with government and NGOs in the local area.

### Environment:

Conservation Wildlands Trust is a philanthropic organization working with a mission to protect and conserve in perpetuity sensitive habitats through community participation. CWT works in the central India landscape after Pench Tiger reserve in Maharashtra and Madhya Pradesh (MP) working in 9 villages, 6 In Maharashtra and 3 in MP in the area of health, education and livelihood. CWT has an E-base establishment at the Turia gate of PTR MP. It is the second E- Base in the world and runs entirely on clean energy through solar power. Over 1300 students across 8 schools have been sensitized through various programmes through E-base.

### Awards n Achievements:

- Integrated Child development Scheme (ICDS), Jhunjhunu District has felicitated UAPF on the 8<sup>th</sup> March 2015 for exemplary work in the area of women's empowerment.
- UAPF has been appointed recently in the monitoring committee at Jhunjhunu to monitor the midday meal.



## Annexure B

### Form MR-3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**MORARJEE TEXTILES LIMITED**  
Peninsula Spenta, Mathuradas Mills Compound,  
Senapati Bapat Marg, Lower Parel,  
Mumbai- 400013.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Morarjee Textiles Limited** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Morarjee Textiles Limited for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other applicable laws specifically to the company, namely:
  1. Contract Labour (Regulation and Abolition) Act, 1970



2. Maharashtra Fire Prevention and Life Safety Measures Act, 2006
3. Private Security Agencies (Regulation) Act, 2005
4. The Maharashtra Private Security Guards (Regulation of Employment and Welfare) Act, 1981
5. The Maharashtra Shops & Establishment Act, 1948
6. Contract Labour (Regulation and Abolition) Central Rules, 1971
7. Maharashtra Contract Labour (Regulation and Abolition) Rules, 1971
8. Income Tax Act, 1961
9. Wealth Tax Act, 1957
10. Hank Yarn Packing Notification, 2000
11. Air (Prevention and Control of Pollution) Act, 1981
12. Batteries (Management and Handling) Rules, 2001
13. E - waste (Management and Handling) Rules, 2011
14. Environment (Protection) Act, 1986
15. Environment (Protection) Rules, 1986
16. Environment (Protection) second Amendment Rules, 2002 - Diesel Generator (DG) Sets Rules
17. Hazardous wastes (Management, Handling and Transboundary Movement) Rules, 2008
18. Maharashtra Air (Prevention and Control of Pollution) Rules, 1983
19. Maharashtra Plastic Carry Bags Rules, 2006
20. Maharashtra Water (Prevention and Control of Pollution) Rules, 1983
21. Manufacture, Storage and import of Hazardous Chemical Rules, 1981
22. Pollution Control Consent
23. Water (Prevention and Control of Pollution) Act, 1974
24. Water (Prevention and Control of Pollution) Cess Rules, 1978
25. Master Circular on Direct Investment by Residents in Joint Venture (JV) / Wholly Owned Subsidiary (WOS) Abroad (Master Circular Number 11/ 2013-2014)
26. Master Circular on External Commercial borrowings and trade credits (Master Circular Number 12/2013-2014)
27. Central Excise Act, 1944
28. Central Excise Rules, 2002
29. Central Sales Act, 1956
30. Cenvat Credit Rules, 2004
31. Custom Act, 1962
32. Maharashtra Value Added Tax, 2002
33. Service Tax Rules, 1994
34. Boiler Act, 1923
35. Boiler Regulation, 1950
36. Explosives Act, 1884
37. Explosives Rules, 2008
38. Gas Cylinder Rules, 2004
39. Indian Electricity Rules, 1956
40. Legal Metrology Act, 2009
41. Maharashtra Fire Prevention and Life Safety Measures Act, 2006
42. Petroleum Act, 1934
43. Petroleum Rules, 2002
44. The Solvent, Raffinate and Slop (Acquisition, sale, storage and Prevention of use in Automobile) Order, 2000
45. Trade Marks Act, 1999
46. Apprentices Act, 1961
47. Child labour (Prohibition and Regulation) Act, 1986
48. Employees' State Insurance Act, 1948
49. The Employees' Compensation Act, 1923
50. Employees' State Insurance (General) Regulations, 1950
51. Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
52. Equal Remuneration Act, 1976
53. Factories Act, 1948
54. Maharashtra Factories Rules, 1963

55. Maharashtra Labour Welfare Fund Act, 1953
56. Maharashtra State Tax on Professions, Trades, Calling and Employments Rules, 1975.
57. Maharashtra Workmen's Minimum House Rent Allowance Act, 1983
58. Maternity Benefit Act, 1961
59. Minimum Wages Act, 1948
60. Payment of Bonus Act, 1965
61. The Employees' Provident Fund Scheme, 1952
62. The Payment of Bonus Rules, 1975
63. The Payment of Gratuity Act, 1972
64. Weekly Holidays Act, 1942

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors,

Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the Board/Committee decisions are taken unanimously.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Ms. Kala Agarwal  
Practising Company Secretary  
C P No.: 5356

Place: Mumbai

Date: 08<sup>th</sup> May, 2015

**Note:** This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

**‘ANNEXURE A’**

To,  
The Members,  
**MORARJEE TEXTILES LIMITED**  
Peninsula Spenta, Mathuradas Mills Compound,  
Senapati Bapat Marg, Lower Parel,  
Mumbai- 400013.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Ms. Kala Agarwal  
Practising Company Secretary  
C P No.: 5356

Place: Mumbai

Date: 08<sup>th</sup> May, 2015



## Annexure C

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- L52322MH1995PLC090643
- ii) Registration Date:- 7/14/1995
- iii) Name of the Company MORARJEE TEXTILES LIMITED
- iv) Category / Sub-Category of the Company:- Public Company/Company Limited by shares
- v) Address of Registered Office and Contact details:- Peninsula Spenta, Mathuradas Mills Compound, Senapati Bapat Marg, Lower Parel. Mumbai 400013.
- vi) Whether Listed Company:- Yes
- vii) Name of Registrar and Transfer Agent, if any:- Freedom Registry Limited
- Address:- Plot No: 101/102,  
19<sup>th</sup> Street, MIDC Area Satpur,  
Nashik 422007.  
Contact Detail:-  
Fax No: 0253-2351126  
Email Id: support@freedomregistry.in

#### II. PRINCIPAL Business ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of main Product/Service	NIC Code of the Product/Service	% of total turnover of the company
1	Cotton Fabrics	17115	above 90%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY -

Sr.No.	Name and Address of The Company	CIN/GLN	% of Share held	Applicable Section
1	Morarjee Castiglioni (India) Private Limited	U17110MH1997PTC110278	50%	2(6) Associate Company



#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during year
	Demat	Phys-ical	Total	% of Total shares	Demat	Phys-ical	Total	% of Total shares	
<b>Promoters</b>									
<b>Indian</b>									
Individual/HUF	105529	0	105529	0.29	104551	0	104551	0.29	0
Central Govt	0	0	0	0	0	0	0	0	0
State Govt (s)	0	0	0	0	0	0	0	0	0
Bodies Corp.	0	0	0	0	0	0	0	0	0
Banks/ FI	0	0	0	0	0	0	0	0	0
Any Other	23102106	0	23102106	63.59	23102106	0	23102106	63.59	0
Ashok Piramal Group Real Estate Trust through its Trustee Ms Urvi A Piramal	21590112	0	21590112	59.42	21590112	0	21590112	59.42	0
Morarjee Goculdas Spinning & Weaving Co. Ltd Senior Employee Stock Option Scheme through its trustee Urvi Piramal & Mahesh Gupta	1511994	0	1511994	4.16	1511994	0	1511994	4.16	0
<b>Sub-total (A) (1):-</b>	23207635	0	23207635	63.88	23206657	0	23206657	63.87	-0.01
<b>Foreign</b>									0
NRIs- Individuals	0	0	0	0	0	0	0	0	0
Other- Individuals	0	0	0	0	0	0	0	0	0
Bodies Corp.	0	0	0	0	0	0	0	0	0
Banks/ FI	0	0	0	0	0	0	0	0	0
Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	0	0	0	0	0	0	0	0	0
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	23207635	0	23207635	63.88	23206657	0	23206657	63.87	-0.01
<b>Public Shareholding</b>									0
<b>Institutions</b>									0
Mutual Funds / UTI	0	2711	2711	0.01	0	2711	2711	0.01	0

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
Banks / FI	1015	2046	3061	0.01	1015	2046	3061	0.01	0
Central Govt.	0	0	0	0	0	0	0	0	0
State Govt.(s)	0	0	0	0	0	0	0	0	0
Venture Capital Funds	0	0	0	0	0	0	0	0	0
Insurance Companies	1913438	0	1913438	5.27	1836258	0	1836258	5.05	-0.22
FIIIs	0	1135	1135	0	0	1135	1135	0	0
Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(1):</b>	1914453	5892	1920345	5.29	1837273	5892	1843165	5.07	-0.22
<b>Non-Institutions</b>									0
<b>Bodies Corporate</b>	1759598	46833	1806431	4.97	1598743	46833	1645576	4.53	-0.44
<b>Individuals</b>									0
Individual Shareholders holding nominal share capital upto share capital upto Rs 1 lakh	4755733	344692	5100425	14.04	4435670	339256	4774926	13.14	-0.9
Individual Shareholders holding nominal share capital in excess of Rs 1 lakh	3997531	27736	4025267	11.08	4330194	27736	4357930	11.99	0.91
<b>Others (specify)</b>	247867	24379	272246	0.75	479716	24379	504095	1.39	0.64
Clearing Member	7189	0	7189	0.02	247339	0	247339	0.68	0.66
NRIs	240678	24379	265057	0.73	232377	24379	256756	0.71	-0.02
<b>Sub-Total (B)(2):</b>	10760729	443640	11204369	30.84	10844323	438204	11282527	31.05	0.21
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	12675182	449532	13124714	36.12	12681596	444096	13125692	36.13	0.01
<b>Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	35882817	449532	36332349	100	35888253	444096	36332349	100	0



## ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	
Urvi A Piramal	49566	0.14	0	49566	0.14	0	0
Harshvardhan A. Piramal	16522	0.05	0	16522	0.05	0	
Rajeev A. Piramal	16522	0.05	0	16522	0.05	0	0
Nandan A. Piramal	16522	0.05	0	16522	0.05	0	0
Jaydev Mody	978	0	0	0	0	0	100
Kalpana Singhania	5419	0.01	0	5419	0.01	0	0
Ashok Piramal Group Textiles Trust through its trustee Ms.Urvi A Piramal	21590112	59.42	0	21590112	59.42	0	0
Morarjee Goculdas Spining and Weaving Co. Ltd. Senior Employees Stock Option Scheme through its trustees Ms. Urvi A. Piramal	1511994	4.16	0	1511994	4.16	0	0

## iii) Change in Promoters' Shareholding

Shareholding at the beginning of the year			
Name of the shareholder: Jaydev Mukund Mody	No of Shares	% of total shares of the Company	% of total shares of the Company
At the beginning of the year	978	0	NA
Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	Sold 978 shares	0	
At the end of the year	NIL	0	



**iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr No.	For Each Of The Top 10 Shareholders	Date	Transaction	Shareholding at the Beginning of the year - 1st April, 2014		Cumulative Shareholding during the year - 31st March, 2015	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Life Insurance Corporation of India	—	—	1,644,972.00	4.53	1,644,972.00	4.53
2	Minal Bharat Patel	—	—	—	—	—	—
		21.11.2014	Transferred from Bharat Patel	1,035,607.00	2.85	1,035,607.00	2.85
3	Blossom Mercantile Private Limited	—	—	617,651.00	1.70	617,651.00	1.70
4	Santosh Murarilal Gupta	—	—	347,659.00	0.96		
		19.09.2014	Market Purchase	177.00	-	347,836.00	0.96
5	Hardik Bharat Patel			7,995.00	0.02		
		22.08.2014	Market Purchase	300,327.00	0.82	308,322.00	0.85
6	Hitesh Ramji Javeri			225,000.00	0.61		
		09.05.2014	Market Purchase	25,000.00	0.06	250,000.00	0.69
		16.05.2014	Market Purchase	11,284.00	0.03	261,284.00	0.72
		23.05.2014	Market Purchase	33,716.00	0.09	295,000.00	0.81
		30.06.2014	Market Purchase	5,000.00	0.01	300,000.00	0.83
7	Pat Financial Consultants Pvt. Ltd.	05.09.2014	Market Purchase	192,225.00	0.52		
		28.11.2014	Market Purchase	19,777.00	0.05	212,002.00	0.58
		05.12.2014	Market Purchase	528.00	—	212,530.00	0.58
		12.12.2014	Market Purchase	800.00	—	213,330.00	0.59
		19.12.2014	Market Purchase	6,557.00	0.02	219,887.00	0.61



Sr No.	For Each Of The Top 10 Shareholders	Date	Transaction	Shareholding at the Beginning of the year – 1st April, 2014		Cumulative Shareholding during the year – 31st March, 2015	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
		31.12.2014	Market Purchase	22,671.00	0.06	242,558.00	0.67
		16.01.2015	Market Purchase	5,415.00	0.01	247,973.00	0.68
		23.01.2015	Market Purchase	30,545.00	0.08	278,518.00	0.77
		30.01.2015	Market Purchase	2,603.00	0.01	281,121.00	0.77
		27.02.2015	Market Purchase	322.00	—	281,443.00	0.77
		06.03.2015	Market Purchase	6,564.00	0.02	288,007.00	0.79
		13.03.2015	Market Purchase	15,035.00	0.04	303,042.00	0.83
		20.03.2015	Market Purchase	2,106.00	0.01	305,148.00	0.84
8	The Oriental Insurance Company Limited			268,466.00	0.74		
		08.08.2014	Market Sale	(40,725.00)	0.11	227,741.00	0.63
		14.08.2014	Market Sale	(10,000.00)	0.02	217,741.00	0.60
		22.08.2014	Market Sale	(15,758.00)	0.04	201,983.00	0.56
		29.08.2014	Market Sale	(10,013.00)	0.02	191,970.00	0.53
		05.09.2014	Market Sale	(684.00)	—	191,286.00	0.53
9	Lal Tolani			163,910.00	0.45		
		02.05.2014	Market Purchase	6,076.00	0.01	169,986.00	0.47
10	V. Vaidyanathan			—	—		
		11.04.2014	Market Purchase	28,200.00	0.08	28,200.00	0.08
		18.04.2014	Market Purchase	9,889.00	0.03	38,089.00	0.10
		25.04.2014	Market Purchase	1,600.00	—	39,689.00	0.11
		02.05.2014	Market Purchase	6,710.00	0.02	46,399.00	0.13
		09.05.2014	Market Purchase	11,764.00	0.03	58,163.00	0.16

Sr No.	For Each Of The Top 10 Shareholders	Date	Transaction	Shareholding at the Beginning of the year – 1st April, 2014		Cumulative Shareholding during the year – 31st March, 2015	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
		16.05.2014	Market Purchase	9,449.00	0.03	67,612.00	0.19
		23.05.2014	Market Purchase	3,000.00	0.01	70,612.00	0.19
		13.06.2014	Market Purchase	4,000.00	0.01	74,612.00	0.21
		01.08.2014	Market Purchase	30,000.00	0.08	104,612.00	0.29
		08.08.2014	Market Purchase	20,388.00	0.06	125,000.00	0.34
		21.11.2014	Market Purchase	1,000.00	-	126,000.00	0.35
		30.01.2015	Market Purchase	14,434.00	0.04	140,434.00	0.39
		06.02.2015	Market Purchase	5,000.00	0.01	145,434.00	0.40
		20.02.2015	Market Purchase	5,500.00	0.02	150,934.00	0.42
		27.02.2015	Market Purchase	26,941.00	0.07	177,875.00	0.49
		06.03.2015	Market Purchase	36,775.00	0.10	214,650.00	0.59
		13.03.2015	Market Purchase	11,600.00	0.03	226,250.00	0.62
		20.03.2015	Market Purchase	8,000.00	0.02	234,250.00	0.64
11	Kalpana S Khandelwal			130,233.00	0.35		
		11.04.2014	Market Sale	(5,000.00)	0.01	125,233.00	0.34
		13.06.2014	Market Sale	(23,000.00)	0.06	102,233.00	0.28
		11.07.2014	Market Sale	(2,000.00)	0.01	100,233.00	0.28
12	Finquest Securities Pvt. Ltd	-	-	300,327.00	0.83		
		22.08.2014	Market Sale	(300,327.00)	0.83	Nil	Nil
13	Bharat Jayantilal Patel	-	-	1,035,607.00	2.85		
		21.11.2014	Transfer to Minal Patel	(1,035,607.00)	2.85	Nil	Nil


**v) Shareholding of Directors and Key Managerial Personnel**

For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Urvi A Piramal	49566	0.14	49566	0.14
Harshvardhan Piramal	16522	0.05	16522	0.05
Mahesh S Gupta	NIL	0.00	NIL	0.00
Mr. R.K. Rewari	NIL	0.00	NIL	0.00
Mr. Ranjan Sanghi	4000	0.01	4000	0.01
Shobhan Thakore	NIL	0.00	NIL	0.00
Aditya Mangaldas	NIL	0.00	NIL	0.00
Pradipta Mohapatra	NIL	0.00	NIL	0.00
S.C. Kashimpuria	850	0.00	850	0.00
Karina Vaz	0	0	0	0

**V. INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>A Indebtedness at the beginning of the financial year</b>				
i Principal Amount	10434.02	9524.63	—	19958.65
ii Interest due but not paid	—	—	—	—
iii Interest accrued but not due	69.55	55.11	—	124.66
<b>Total (i+ii+iii)</b>	10503.57	9579.74	—	20083.31
<b>B Change in Indebtedness during the financial year</b>				
Addition	4513.51	—	—	4513.51
Reduction	—	(5097.90)	—	(5097.90)
Net Change	4513.51	(5097.90)	—	(584.39)
<b>C Indebtedness at the end of the financial year</b>				
i Principal Amount	14992.68	4459.33	—	19452.01
ii Interest due but not paid	—	—	—	—
iii Interest accrued but not due	24.40	22.51	—	46.91
<b>Total (i+ii+iii)</b>	15017.08	4481.84	—	19498.92



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Particulars of Remuneration	Mr. Harsh A Piramal	*Mr. R K Rewari
	(₹ in lakhs)	(₹ in Lakhs)
Gross Salary	140.57	136.51
(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	140.57	135.74
(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0	0.77
(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	0	0
Stock Options	0	0
Sweat Equity	0	0
Commission	37	0
as % of profit (under Section 198 of the Companies Act, 2013)	4.99	3.84
Others, please specify	0	0
<b>Total (A)</b>	<b>177.57</b>	<b>136.51</b>

\* Re-designated as Managing Director with effect from 1<sup>st</sup> April, 2015

### B. Remuneration to Other Directors

Sr. No	Particulars of Remuneration	Urvi A Piramal	Mahesh S. Gupta	Ranjan Sanghi	Shobhan Thakore	Aditya Mangaldas	Pradipta Mohapatra (Ceased to be director w.e.f. 2/08/2014)	Ranjan Pant (Appointed as director w.e.f. 1/08/2014)
<b>A</b>	<b>INDEPENDENT DIRECTORS</b>							
1)	For attending Board/ Committee meetings			3,35,000	2,50,000	3,35,000	70,000	2,00,000
2)	Commission			4,00,000	4,00,000	4,00,000	2,50,000	1,50,000
3)	Others							
4)	<b>TOTAL (A)</b>			7,35,000	6,50,000	7,35,000	3,20,000	3,50,000
<b>B)</b>	<b>NON-EXECUTIVE DIRECTORS</b>							
1)	For attending Board/ Committee meetings	2,40,000	2,20,000					
2)	Commission	8,00,000	4,00,000					
3)	Others							
4)	<b>TOTAL (B)</b>	10,40,000	6,20,000					
<b>C</b>	<b>TOTAL A+B</b>	10,40,000	6,20,000	7,35,000	6,50,000	7,35,000	3,20,000	3,50,000



### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTM

Particulars of Remuneration		Key Managerial Personnel
	S C Kashimpuria	Karina Vaz
	(₹ in Lakhs)	(₹ in Lakhs)
	Chief Financial Officer	Company Secreatry (resigned w.e.f. 01.04.2015)
Gross Salary	47.64	11.47
(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	46.20	11.47
(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	1.44	—
(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	0	0
Stock Options	Nil	Nil
Sweat Equity	Nil	Nil
Commission	Nil	Nil
as % of profit	1.34	0.32
Others, please specify	Nil	Nil
Total	47.64	11.47

### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>		NIL		
Penalty				
Punishment None				
Compounding				
<b>B. DIRECTORS</b>				
Penalty				
Punishment None				
Compounding				
<b>C. OTHER OFFICERS IN DEFAULT</b>				
Penalty				
Punishment None				
Compounding				

## Annexure D

Form of disclosure of particulars with respect to conservation of energy

	Units	Current Year 31 <sup>st</sup> March, 2015	Previous Year 31 <sup>st</sup> March, 2014
<b>A) Power &amp; Fuel consumption</b>			
1 Electricity			
a) Purchased Units	Lacs Kwhs.	404.07	415.79
Total Cost	₹ Lakhs	2574.40	2517.90
Rate/Unit	₹	6.37	6.06
b) Own Generation			
Through Diesel Generator Units	Lacs Kwhs.	0.89	0.93
Unit per litre of Diesel oil	Kwhs.	2.91	2.50
Cost/Unit (Diesel Oil Only)	₹	21.18	25.37
Total Cost of Diesel	₹ Lakhs	18.80	23.51
2 Coal (slack coal for Boiler)			
Quantity	M.T.	22722.19	21112.09
Total Cost	₹ lacs	1076.60	841.07
Average rate per M.T.	₹	4738.11	3983.84
3 Furnace Oil			
Quantity	K.ltrs.	114.11	-
Total Amount	₹ Lacs	42.16	-
Average rate per K.Ltr.	₹	36,945	-

### B) Consumption per unit of Production

In view of composite nature of its Textile Buisness, it is not possible to express the consumption of power & fuel per unit of production.

### RESEARCH AND DEVELOPMENT (R&D)

#### Expenditure on R&D

a.	Capital expenditure	nil
b.	Recurring	47.06 lacs
c.	Total	47.06 lacs
d.	Total R&D expenditure as a percentage of total turnover	0.13 %

### TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

Installation of 4 monogram Jacquards for making selvede writing has improved the value of the fabric in niche segment.



## MANAGEMENT DISCUSSION & ANALYSIS

### Global Economy

The global economy is still struggling to gain momentum. Global growth in 2014, was lower than initially expected. Growth picked up only marginally in June 2014, to 2.6 percent, from 2.5 percent in 2013.

2015 present a higher risk for the global economy as result of greater volatility and uncertainty. The rapid decline in oil prices and quick adjustments in exchange rates with the US dollar appreciating and weakening of most other currencies, notably the euro are just a few examples of the economic factors at play. In addition, there is increased geopolitical uncertainty related to the Middle East conflicts, as well as increased concern about the economic and political future of the Euro Area and European Union.

Overall, global growth is expected to rise moderately to 3% in 2015. The sharp decline in oil prices since mid-2014 will support global activity and help offset some of the headwinds to the growth in oil-importing developing economies. However, it will dampen growth prospects for oil-exporting countries, with significant regional repercussions.

International trade in textiles and clothing has showed more dynamic growth in terms of trends which has resulted in the transfer of production to developing countries. Developing countries, especially those from the Asian region, are the world's leading textile exporters, which is one of the key levers of their rapid economic growth. This initiated the greater involvement of this industrial branch in international trade flows, with the constant strengthening of the exporting position of the new leaders in the production, which, again, led to major changes in the regional distribution of exports and imports of textile products.

### Indian Textile Market:

India's textiles sector is one of the mainstays of the national economy.

There is an air of recovery, despite slowdown in the export of cotton and yarn to China. China used to import nearly 45% of its cotton and Yarn requirements from India. Cotton prices have now stabilised, resulting in more utilisation of the fibre in the domestic market.

But the exporters have been hit hard after the recent drop in the euro currency's exchange rates. The Euro tumbled against the dollar. Concerns for the Euro zone economy is not new, but the currency's sudden plunge from December 2014 and now has caught the exporter unaware.

There has been a striking turn around in India's macro-economy and investor sentiment since the new government took over at the centre. India, the story that is waiting to be told on the world forum will soon turn into the biggest success India has even seen after IT. The major challenge that the textile and apparel industry is facing is rising production costs, arising out of rising wages, power and interest costs.

However what has helped the Indian textile industry, is the fact that neighbouring countries like China and Bangladesh, who are significant players in the same sector facing structural challenges to the extent that it has affected their export capabilities.

India's increasing efficiency in the sector along with 100% FDI allowed in the industry, is helping Indian textile firms consolidate their export positions. With the US economy being slightly on the revival mode and India's aggressive campaigning with the Prime Minister Modi's 'Make In India' tagline, textile sector is out to see much better days ahead than in the recent past.

A free trade agreement with European Union can seriously turn things around for India that is looking at enhancing its textile potential within and outside the country.

India being the third largest exporter is looking at all possible ways of taking over the space left vacant by China. Tapping new markets, while working in its own space to meet the challenges seem to be the two roads ahead of the Indian textile sector which is awaiting the government's booster dose to get its yarns into the looms.

### Morarjee Textiles

The overall volume of business activity in the Company's major product i.e. Yarn Dyed shirting and printed voiles were adversely affected during the year 2014-2015, primarily on account of subdued market conditions,



lower demand growth, volatile geopolitical conditions in the Middle East and decline in oil prices.

The Revenue for the year declined by 7% at ₹ 36558 lakhs as against 39198 lakhs in the previous year.

The company continues to maintain a strong foothold in the domestic retail market, with 30% growth over last year. The company also augmented its product basket with the introduction of Viscose cotton – georgette, Viscose crepe and cotton linen, as well as introduced superfine shirting fabric made from “Supima” cotton to the market.

Morarjee’s culture of world-class quality is inculcated in every employee through continuous training, Lean Six Sigma projects and Quality Circles. This year skills of around 1,475 employees were enhanced with around 4280 man hours of training.

Morarjee is a company with a deep commitment to the environment. The company continues to optimize energy use and other resources. We are reviewing and changing our processes and input streams to cut down on demand for energy, which in turn will boost competitiveness. The company was able to reduce 51 liters of water/kg of yarn dyed, steam and heat by 1.5% and electricity by 3%. During the year, the company also successfully reduced wastage in several areas.

### **Outlook**

While global environment still remains challenging, the future for the Indian textile industry looks promising. The domestic textile and apparel industry in India is estimated to reach USD 100 Billion by 2016-2017 from USD 67 Billion in 2013-2014.

Looking ahead the outlook in the near term for the industry will be buoyed by both strong domestic consumption as well as export demand. On the exports front, there are both positive and negative factors. Positive factors include decreasing cost competitiveness of China which are likely to give positive impetus to the Indian Exports. At the same time slower recovery and uncertainty of the global markets, volatile foreign exchange rates are likely to negatively affect the growth of textile exports. On the domestic front with

consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market.

The growing young middle-class population is a source of great potential and provides immense opportunities to spur growth in the industry going forward.

Your company is looking to grow cautiously and selectively for maximum capital efficiency as well as de-risked business model. It is moving steadily towards a backward vertical setup of fabric manufacturing which will offer much better returns along with a more robust manufacturing and business model.

### **Risk Management**

Risks are inherent in all businesses. The challenge for the Company is to effectively and responsibly manage and control the risks on a sustained basis to enhance returns.

### **Industry Risk**

The demand for textiles is perennial and major fluctuations occur largely due to changes in overall economic growth and manufacturing competitiveness.

However, the business is cyclical on the supply side considering the quantum of capital investment involved in capacity expansion. This makes it necessary for the Company to incur large capital expenditures at the right time. An error in estimation can, therefore, affect its financial health.

### **Risk Mitigation**

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

To strengthen its competitive position further, the company is poised to incur further capital expenditure, which will enhance capacity, quality and cost competitiveness.



### Raw Material Risk

The company is exposed to the vagaries of nature, with cotton being the principal raw material for fabric manufacturing.

### Risk Mitigation

Procurement of raw cotton at the right price and during harvest remains crucial. The Company covers its cotton requirements well in advance 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.

### Energy Risk

Apart from raw materials, electrical & thermal energy supply is the most critical factor for fabric manufacturing. A stoppage in the supply of power and fuel can bring operations to a halt and undue increments in tariffs and fuel can affect margins.

### Risk Mitigation

The Company's total energy input (electrical, coal and other fuels) for the financial year 2014 was 13351 MTOE (Metric Ton Oil Equivalent). During the year the Company invested in various energy efficient equipment's and took various energy saving initiatives, which translated into declining energy consumption & reduction in cost of energy. The total energy input in the financial year 2015 was 13562 MTOE (Metric Ton Oil Equivalent). The little increase in MTOE was because of underutilisation of the capacity owing to the market conditions and we also had to stop our coal fired boiler and run two Furnace oil based boiler for statutory open inspection of the boilers and maintenance.

### Product Substitution Risk

Man Made Fibres are a direct substitute for cotton textiles.

### Risk Mitigation

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

### Financial Snapshot

Total revenue of the Company during the year under review was ₹ 36,558 lakhs as against ₹ 39,198 lakhs in the previous year, a decline by 7 %. EBIDTA also declined to ₹6101 lakhs as against ₹ 7582 in the previous year.

### Standalone

₹ in Lakhs

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
Income	36558	39198
EBITDA	6101	7582
% to income	16.69%	19.34%
Interest	1905	2549
Depreciation	956	1593
Profit Before Tax	3240	3440
Deferred Tax Liability	1168	621
Profit After Tax	2072	2819

On a consolidated basis the revenue declined by 7%, to ₹ 36,571 lakh from ₹ 39,199 lakh. EBIDTA stood at 16.72% in the financial year 2014-2015 as against 19.35% in the previous year. PAT stood at ₹ 2,084 lakh in the financial year 2014-2015 as against ₹ 2,820 lakh in the previous year.

### Consolidated

₹ In Lakhs

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
Income	36571	39199
EBITDA	6113	7583
% to income	16.72%	19.35%
Interest	1905	2549
Depreciation	956	1593
Profit Before Tax	3252	3441
Deffered Tax Liability	1168	621
Profit After Tax	2084	2820

### Internal control systems & their adequacy

The Company has proper and adequate systems of Internal Control to ensure that all the assets are safeguarded from loss, damage or disposition. Checks &

balances are in place to ensure that the transactions are adequately authorized and recorded and that they are reported correctly. The internal control system is further supplemented by a rigorous programme of internal audit conducted by an independent firm of Chartered Accountants.

The Board of Directors considered internal controls as adequate.

### **Cautionary Statement**

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning

of applicable laws or regulations. These statements are based on certain assumptions and reasonable expectation of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand – supply conditions, finished goods prices, raw materials cost & availability, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts and other factors such as litigation and industrial relations. The Company assumes no responsibility in respect of the forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.



## CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2015.

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Morarjee Textiles Limited's philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices, most of which were implemented before they were mandatorily prescribed. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws, coupled with adherence to the highest standards of transparency and business ethics. Integrity, transparency, accountability and compliance with laws which are the columns of good governance are cemented in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level. The Company's Code of Business Conduct, its Risk Management Policy and its well structured internal control systems which are subjected to regular assessment for its effectiveness, reinforces integrity of Management and fairness in dealing with the Company's stakeholders. This, together with meaningful CSR activities and sustainable development policies followed by the Company has enabled your Company to earn the trust and goodwill of its investors, business partners, employees and the communities in which it operates.

### 2. BOARD OF DIRECTORS

#### 2.1 Composition and size of the Board

The Company has an optimum combination of Executive Directors and Non-Executive Directors. The Board consists of 8 (eight) Directors of which 4 (four) are Independent Directors and 1 (one) is a Non-Executive Non-Independent Director. The Board is headed by Ms. Urvi A. Piramal as the Non-Executive Chairperson and consists of personalities with expertise and experience in diversified fields of specialization. Except for Mr. Harsh A. Piramal, Executive Vice Chairman and Mr. R. K. Rewari, CEO & Executive Director, all other directors are Non-Executive Directors.

The composition of the Board and category of Directors are given below :

Category	Name of the Directors	Designation	No. of shares held (including joint share holding) as on 31 <sup>st</sup> March, 2015
Promoter Directors	Ms. Urvi A. Piramal	Chairperson	49,566
	Mr. Harsh A. Piramal	Executive Vice Chairman	16,522
Professional Executive Director	Mr. R. K. Rewari*	CEO & Executive Director	Nil
Non Executive Non Independent Director	Mr. Mahesh S. Gupta	Director	Nil
Independent Directors	Mr. Ranjan Sanghi	Director	4,000
	Mr. Shobhan Thakore	Director	Nil
	Mr. Aditya Mangaldas	Director	Nil
	Mr. Ranjan Pant**	Director	Nil
	Mr. Pradipta Mohapatra***	Director	Nil

\*Re-designated as Managing Director with effect from 1<sup>st</sup> April, 2015.

\*\* Appointed as Director with effect from 1<sup>st</sup> August, 2014.

\*\*\* Ceased to be a Director with effect from 2<sup>nd</sup> August, 2014.

## 2.2 Directors Profile

Brief Resume of the Directors, nature of their expertise in specific functional areas are given below:-

### **Ms. Urvi A. Piramal**

Ms. Urvi A Piramal, Chairperson of Ashok Piramal Group is 62 years of age. Ms Piramal oversees a professionally managed business conglomerate with business interest in real estate, textiles, engineering, renewable energy and sports.

She is the guiding force behind the Group's sustained and profitable growth which is bringing the Group companies closer to realizing her vision of touching the lives of one in five people across the globe.

She has a Bachelor of Science degree and has attended the Advance Management Program at Harvard Business School.

Ms. Piramal is a member of Technology and Quality Improvement Committee of IMC since its inception in 1994, and also the Chairperson of Supply Chain & Retail business (Internal Trade) Committee (2004-05).

Ms. Piramal has received a number of awards for her contribution to business. She was awarded the Qimpro Gold Standard Award for excellence in Managing Quality Improvement programmes across the Group. She has won the Outstanding Woman Industrialist Award presented by the Marinelines Junior Chamber and the Yami Woman Award for her outstanding contribution to business by The ITC Grand Central. She also has to her credit the Cheminor Award from the Indian Institute of Materials Management. Recently, she was honoured with the Giants International Award in recognition of her outstanding contribution to business in 2015.

She is a Trustee of the Piramal Education Trust, Ashok G Piramal Trust, Urvi Ashok Piramal Foundation (UAPF) which has been set up for the underprivileged and Wildlands Conservation Trust. Through these trusts, Ms Piramal has initiated social projects within the Group. UAPF operates a 25-bed maternity hospital at Bagar catering to over 30 villages in and around Bagar. The Foundation runs a total of 7 mobile health vans at Bagar in Rajasthan, Nagpur and Karjat in Maharashtra and Pench in Madhya Pradesh and Maharashtra, providing quality health-care at peoples' doorstep.

She is also on the board of Population First, an NGO working on creating awareness for the girl child.

### **Mr. Harsh A. Piramal**

Harsh Piramal, 41, is the Vice-Chairman of Morarjee Textiles. He is also vice-Chairman of PMP Auto and Piramal Renewable Energy, which are part of the Ashok Piramal Group.

Harsh has been responsible for leading a turnaround at Morarjee Textiles since he began leading the company in 2004. The company is now planning to expand its operations and regain its position as one of India's leading textile companies.

Under his stewardship, PMP Auto Components Private Limited has acquired two companies in Europe and scaled up and internationalized its operations. Since its inception last year, Piramal Renewable Energy has entered the fast-growing renewable energy sector in India.

He began his career as an analyst at venture capital firm Indoccean Chase Capital Partners (subsequently part of JP Morgan Chase). After completing his MBA, he founded Thundercloud Technologies (India) Private





Limited, an IT Company, in May 2000. In August 2001, he was appointed COO – Allied Pharma Businesses at Nicholas Piramal India Limited (now Piramal Enterprises Limited), where he was responsible for the turnaround and robust growth of all divisions. He was in this position till April 2004, when he took up his current positions.

Harsh plays competitive polo at the national level and is a keen football player. He co-founded Pune Football Club in 2007. He is also involved in tiger conservation.

Harsh holds a Bachelor of Science (Physics) degree from Kings College London and a MBA (specializing in Finance and Strategy) from the London Business School.

### **Mr. Mahesh S. Gupta**

Mr. Mahesh Gupta, Group Managing Director is 58 years of age. He oversees all businesses of the Group which comprises of real estate, textiles, engineering, renewable energy and sports.

Mr Gupta has over 3 ½ decades of professional experience in the areas of Business Management and all dimensions of finance.

In his current role since 2005, he plays the role of formulating the Group's business strategy, steering the Group to achieve its goals and a significant role in guiding each business to attain profitable and sustained growth. Under his stewardship, the Group formulated an aggressive plan which has seen the businesses grow by leaps and bounds. Mr Gupta leverages his in-depth understanding of the businesses to enhance the growth of the Group.

He has been associated with the Piramal Enterprise for about 17 years. As Group CFO and was also on the board of several companies, including whole-time director of Nicholas Piramal Ltd (now Piramal Enterprise Ltd). During this tenure, he was part of the core team which was instrumental in transforming Nicholas Piramal from a small enterprise to amongst the top three Pharmaceutical Companies, mainly through mergers and acquisitions.

He has also worked with the RPG group as Group CFO and Management Board Member. The RPG Group comprises of companies such as CEAT Limited, KEC International, CESE Ltd, Philips Carbon Black Ltd, RPG Life Sciences Ltd, Saregama Ltd, Zensar Technologies Ltd, RPG Retail etc.

Mr. Gupta has received a number of recognitions for his business acumen. He was awarded the CFO of the Year Award, Special Commendation for Financial Excellence (Mergers & Acquisitions Category) in 2001 by IMA (formerly known as EIU), New Delhi.

He is on the Board of several Public listed Companies such as Peninsula Land Limited, Morarjee Textiles Limited, CEAT Limited and RPG Life Sciences Limited. From time to time he has also been associated with various Committees of The Institute of Chartered Accountants of India (ICAI) as co-opted member, Member Governing Council of Indian Association Corporate CFOs & Treasurers (InACT), Advisory Board of Chennai Business School.

Mr Gupta has an Honours Degree in B.Com; L.L.B (Gen). Fellow Member of The Institute of Chartered Accountants and The Institute of Company Secretaries of India. He had an outstanding academic record and Third Rank Holder and a Silver Medalist in Company Secretaries Final examination.

**Mr. R. K. Rewari**

Mr R. K. Rewari is 58 years of age and heads the textiles business at the Ashok Piramal Group. As the MD, Mr Rewari oversees all aspects of the textile business from strategy to fabric manufacturing from sourcing of yarn to exporting the finished fabric.

Mr Rewari took over the reign at Morarjee Textiles five years ago. He has been associated with the textiles sector for 30 years. Mr Rewari is a graduate in science and has done his LLB and post-graduate degree in Business Management from Kurukshetra University in Haryana.

Prior to this, he was associated with the Vardhman Group since 1981. As the Chief Executive (Marketing), he shouldered the responsibility of establishing Vardhman globally as a supplier of finished fabrics. He was responsible for creating the Sales, Marketing, Product Development, Central PPC and Logistics and allied functions infrastructure for the finished fabrics business.

**Mr. Ranjan Sanghi**

Mr. Ranjan Sanghi, Independent Director of the Company is 71 years of age. Mr. Sanghi has a Honours Degree in B.Com and has also studied Law, and has been associated with the automobile industry since over 25 years. Mr. Sanghi has been trained in the automobile field at the Vauxhall Motors, Luton, England, U.K., which was subsidiary of General Motors Limited, U.S.A. in 1970. Mr. Sanghi was the President of the Western India Automobile Association, Mumbai in 1990-91. He is the Director of Sah & Sanghi Group of Companies and manages the trading, manufacturing and investment operations of the Sah & Sanghi Group. He was the President of the Bombay Gymkhana Limited between 1995-1997.

**Mr. Shobhan Thakore**

Mr. Shobhan Thakore, Independent Director of the Company is 67 years of age. Mr. Thakore has completed his B.A. (Politics) and Bachelor of Law from the Bombay University. He is a Solicitor of High Court, Bombay and Supreme Court of England and Wales.

Mr. Shobhan Thakore is an advisor to several leading Indian Companies on corporate law matters and securities related legislations. He has also acted on behalf of leading investment banks and issuers for Indian IPO offerings and several international equity and equity linked debt issuances by Indian corporate. He has also advised in the establishment and operations of various India dedicated equity funds and domestic mutual funds. Being a solicitor for over 30 years, he has instructed leading Indian Counsel before various courts and forums including High Courts around India as well as the Supreme Court of India in various matters involving indirect tax, commercial and corporate law. He was a partner of Bhaishanker Kanga & Girdharlal, Advocates & Solicitors for more than 30 Years, until March 31, 2004 when he became a partner of AZB & Partners, Advocates & Solicitors until December 31, 2006. From January 01, 2007 he along with Mr. Suresh Talwar (ex-partner of Crawford Bayley & Company) founded Talwar Thakore & Associates, and is currently a Senior Consultant at the firm.

Shobhan Thakore is also a Director in Alkyl Amines Chemicals Limited, Bharat Forge Ltd., Carborundum Universal Limited., Prism Cements Limited., Sharda Cropchem Limited., Reliance Jio Media Pvt. Ltd., Uni Deritend Limited and Uni Klinger Limited. He is also a member of the Advisory Board of DSP Merrill Lynch Fund Managers.

**Mr. Aditya Mangaldas**

Mr. Aditya Mangaldas an Independent Director of the Company is of 51 years of age. Mr. Mangaldas is a Mechanical Engineer from L. D. College of Engineering, Ahmedabad and has an MBA from Babson College,



USA. He has been the Chairman and the Managing Director of the Victoria Mills Limited since 1999. He has a wide experience and has spent approximately 20 years in the Textiles Industry. Mr. Mangaldas is also involved in the real estate industry, and actively involved in an organization involved in housing and caring for children with serious chronic diseases.

#### **Mr. Ranjan Pant**

Mr. Ranjan Pant an Independent Director of the company is of 56 years of age. Mr. Ranjan Pant is a global Management Consultant, with 26 years of experience, advising CEO/Boards on Strategy and Change Management. Mr. Pant was a Partner at Bain & Company, Boston, where he led the worldwide Utility Practice. He was also Director, Corporate Business Development, at General Electric headquarters in Fairfield. Mr. Pant has an MBA from The Wharton School and BE (Honours) from BITS (Pilani). Mr. Pant is an independent director on the Boards of several prominent Companies. He is also an Executive in Residence at Babson College (USA).

### **2.3 The details of directorship of the Company's Directors in other Public Limited Companies and subsidiaries of Public Limited Companies as on 31<sup>st</sup> March, 2015 are given below:**

<b>Sr. No.</b>	<b>Name of the Directors</b>	<b>Other Directorships held</b>
1.	Ms. Urvi A. Piramal	<ul style="list-style-type: none"> <li>• Ashok Piramal Management Corporation Limited</li> <li>• Goodtime Real Estate Development Private Limited</li> <li>• Peninsula Trustee Limited</li> <li>• Peninsula Land Limited</li> <li>• Peninsula Holdings and Investments Private Limited</li> <li>• RR Real Estate Development Private Limited</li> </ul>
2.	Mr. Harsh A. Piramal	<ul style="list-style-type: none"> <li>• Ashok Piramal Management Corporation Limited</li> <li>• Camphor &amp; Allied Products Limited</li> <li>• Integra Garments and Textiles Limited</li> <li>• Pune Football Club Limited</li> </ul>
3	Mr. Mahesh S. Gupta	<ul style="list-style-type: none"> <li>• CEAT Limited</li> <li>• Goodtime Real Estate Development Private Limited</li> <li>• Hem Infrastructure and Property Developers Private Limited</li> <li>• Peninsula Land Limited</li> <li>• Peninsula Holdings and Investments Private Limited</li> <li>• Peninsula Investment Management Company Limited</li> <li>• RPG Life Sciences Limited</li> </ul>
4.	Mr. R.K. Rewari	<ul style="list-style-type: none"> <li>• Goodhome Realty Limited</li> <li>• Goodtime Real Estate Development Private limited</li> <li>• Integra Garments and Textiles Limited</li> <li>• Inox Mercantile Company Private limited</li> <li>• Just Textiles Limited</li> <li>• Peninsula Holdings and Investments Private Limited</li> <li>• Rockfirst Real Estate Limited</li> <li>• RR Megacity Builders Limited</li> <li>• Topvalue Real Estate Development Limited</li> </ul>

Sr. No.	Name of the Directors	Other Directorships held
5.	Mr. Ranjan Sanghi	<ul style="list-style-type: none"> <li>• Bajaj Finance Limited</li> <li>• HDFC Trustee Company Limited</li> <li>• Kemp &amp; Company Limited</li> <li>• Suraj Sanghi Finance Limited</li> </ul>
6	Mr. Shobhan Thakore	<ul style="list-style-type: none"> <li>• Alkyl Amines Chemicals Limited</li> <li>• Bharat Forge Ltd</li> <li>• Carborundum Universal Limited</li> <li>• Prism Cement Limited</li> <li>• Raheja QBE General Insurance Company Limited</li> <li>• Reliance Jio Media Pvt. Ltd.</li> <li>• Sharda Cropchem Limited</li> <li>• Uni Deritend Limited</li> <li>• Uni Klinger Limited</li> </ul>
7.	Mr. Aditya Mangaldas	<ul style="list-style-type: none"> <li>• Arrow Textiles Limited</li> <li>• The Victoria Mills Limited</li> <li>• Victoria Land Private Limited</li> </ul>
8.	Mr. Ranjan Pant	<ul style="list-style-type: none"> <li>• Mahindra Two Wheelers Limited</li> <li>• Schneider Electric Infrastructure Limited</li> </ul>

## 2.4 Attendance at Board Meetings and last Annual General Meeting

Details of attendance of each Director at the Board Meetings and last Annual General Meeting (AGM) and the number of Companies and Committees where she / he is a Director/Member/Chairman/Chairperson, are given below:

Name	Category	Relationship with other Directors	Attendance Particulars		Membership of Board/ Board Committees (other than MTL)		
			Board Meetings	AGM held on 29.09.2014	No of other Directorships held as at 31.03.2015	Chairperson / Chairman	Member
Ms. Urvi A. Piramal	Non- Executive Chairperson	Mother of Mr. Harsh A. Piramal	5	Yes	6	-	-
Mr. Harsh A. Piramal	Executive Vice Chairman	Son of Ms. Urvi A. Piramal	4	Yes	4	2	-
Mr. Mahesh S. Gupta	Non Executive Non Independent Director	None	5	Yes	7	3	2
Mr. R. K. Rewari	CEO & Executive Director	None	5	Yes	9	-	1
Mr. Ranjan Sanghi	Independent Director	None	5	Yes	4	2	3



Name	Category	Relationship with other Directors	Attendance Particulars		Membership of Board/ Board Committees (other than MTL)		
			Board Meetings	AGM held on 29.09.2014	No of other Directorships held as at 31.03.2015	Chairperson / Chairman	Member
Mr. Shobhan Thakore	Independent Director	None	4	Yes	9	1	4
Mr. Aditya Mangaldas	Independent Director	None	5	Yes	3	2	1
Mr. Ranjan Pant	Independent Director	None	4	No	2	-	2

The Directorships held by Directors as mentioned above, do not include directorships in private limited companies other than Subsidiaries of Public Limited Company, foreign companies and companies under Section 8 of the Companies Act, 2013.

None of the Directors is a member in more than 10 committees nor is a Chairperson / Chairman of more than 5 committees amongst the Companies mentioned above. The Committees considered for the above purpose are those specified in existing Clause 49 of the Listing Agreement i.e. Audit Committee and Stakeholders' Relationship Committee.

## 2.5 Meetings of the Board of Directors

5 (Five) Board Meetings were held during the financial year 2014 – 2015 and the gap between two consecutive Board Meetings did not exceed one hundred and twenty days.

The dates on which the meetings were held are as follows:

Sr. No.	Date of Meetings	Board Strength	No. of Directors Present
1	23.05.2014	8	8
2	01.08.2014	9	8
3	03.11.2014	8	8
4	10.02.2015	8	7
5	28.03.2015	8	8

## 2.6 Board Procedures

The Dy. Company Secretary prepares the Agenda in consultation with the Chairperson of the Board of Directors, the Chairperson of various Committees and the Executive Directors. The information as required under Annexure X to Clause 49 of the Listing Agreement is made available to the Board. The Agenda for the Meetings of the Board and its Committees, together with the appropriate supporting documents and papers are circulated well in advance of the meetings to enable the Board to deliberate and take informed decisions.

## 2.7 Details of Directors being re-appointed

As per the statute, two-thirds of the Directors, other than Independent Directors, should be the Directors liable to retire by rotation. One-third of these retiring directors are required to retire every year and if eligible, these directors qualify for re-appointment.



- Ms. Urvi A. Piramal, retires by rotation at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment.

A detailed profile of Ms. Urvi A. Piramal along with additional information required under Clause 49 of the Listing Agreement is provided separately by way of an Annexure to the Notice of the Annual General Meeting.

## **2.8 Directors with materially significant related party transactions, pecuniary or business relationship with the Company**

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors that may have potential conflict with the interests of the Company at large.

## **3. AUDIT COMMITTEE**

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose, amongst others, is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory, internal audit activities and reviewing the related party transactions.

### **3.1. Composition, Meetings and Attendance**

The Audit Committee of the Board comprises of 3 (three) Directors, viz Mr. Ranjan Sanghi as the Chairman and Mr. Aditya Mangaldas and Mr. Shobhan Thakore as its members. All the directors of the Audit Committee are independent Directors. They all have expert knowledge of Finance and Accounting. Mr. Ranjan Sanghi, the Chairman of the Audit Committee was present at the last Annual General Meeting held on 29<sup>th</sup> September 2014. The Executive Vice Chairman, Managing Director, Group CFO, CFO of the Company and General Manager - Group Legal & Company Secretary are permanent invitees for the meetings.

During the financial year 2014 - 2015, the Audit Committee met 4 (four) times on 23<sup>rd</sup> May, 2014, 1<sup>st</sup> August, 2014, 3<sup>rd</sup> November, 2014, and 10<sup>th</sup> February, 2015. The gap between two consecutive meetings did not exceed four months.

The attendance details are given below:

Name of the Directors	Designation	No. of meetings during the year	
		Held	Attended
Mr. Ranjan Sanghi	Chairman	4	4
Mr. Shobhan Thakore	Member	4	3
Mr. Aditya Mangaldas	Member	4	4

### **3.2. Terms of Reference**

The terms of reference of this committee are wide enough to cover the matters specified under the listing agreement as well as Section 177 of the Companies Act, 2013 and are as follows:



1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors in terms of Section 144 of the Companies Act, 2013.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of the audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. To grant omnibus approval for related party transactions wherever required and to review the transactions made in pursuance of such omnibus approval

3.3 The company has re-appointed M/s Phatak Paliwal and Co., as the Cost Auditors for conducting the Cost Audit for the financial year 2015-2016.

The due date for filing the Cost Audit Report for the Financial year ended 31<sup>st</sup> March, 2014, in XBRL mode, was 30<sup>th</sup> September, 2014 and the Cost Audit Report was filed by the Cost Auditor before the due date i.e 30<sup>th</sup> September, 2014. The due date for filing the Cost Audit report for the Financial year ended 31<sup>st</sup> March, 2015 is 30<sup>th</sup> September, 2015.

#### **4. NOMINATION AND REMUNERATION COMMITTEE (EARLIER KNOWN AS REMUNERATION COMMITTEE)**

In compliance with Section 178 of the Companies Act, 2013, the Board has renamed the existing “Remuneration Committee” as the “Nomination and Remuneration Committee”.

##### **4.1. Composition, Meeting and Attendance**

The Nomination and Remuneration Committee consists of 4 (four) Directors viz. Mr. Ranjan Sanghi (Chairman), Mr. Aditya Mangaldas and Mr. Shobhan Thakore, who are all Independent Directors and 1 (one) Non Executive Director, Ms. Urvi A. Piramal. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General meeting held on 29<sup>th</sup> September, 2014.

During the financial year the Nomination and Remuneration Committee met on 23<sup>rd</sup> May, 2014, 1<sup>st</sup> August 2014, 3<sup>rd</sup> November, 2014, 10<sup>th</sup> February, 2015 and 28<sup>th</sup> March, 2015 during the year 2014 – 2015. The details of attendance are given below:



Name of the Director	Designation	No. of meetings during the year	
		Held	Attended
Mr. Ranjan Sanghi	Chairman	5	5
Mr. Aditya Mangaldas	Member	5	5
Mr. Shobhan Thakore	Member	5	4
Ms. Urvi A. Piramal	Member	5	5

#### 4.2. Terms of Reference & Remuneration Policy

The terms of reference of this committee are wide enough to cover the matters specified under the Nomination and Remuneration Committee under the listing agreement as well as Section 178 of the Companies Act, 2013 and are as follows:

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- Formulate evaluation framework for the performance evaluation of Directors, Boards and its Committees.

#### 5. PERFORMANCE EVALUATION

During the year, Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairperson of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairperson and the Non-Independent Directors were carried out by the Independent Directors. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

#### 6. STAKEHOLDERS' RELATIONSHIP COMMITTEE (EARLIER KNOWN AS INVESTOR GREIVANCE COMMITTEE)

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Shareholders'/Investors' Grievance Committee" as the "Stakeholders' Relationship Committee".

### 6.1. Composition, Meeting and Attendance

The Stakeholders Relationship Committee currently comprises of 3(three) directors of which 2 (two) are Non-Executive Directors and one is an Executive Director, i.e. Mr. Shobhan Thakore (Chairman, Independent Director), Mr. Mahesh S. Gupta and Mr. R. K. Rewari. The Chairman of the Committee was present at the Annual General Meeting held on 29<sup>th</sup> September, 2014.

During the financial year 2014 – 2015, the Stakeholders Relationship Committee met 4 (four) times on 23<sup>rd</sup> May, 2014, 1<sup>st</sup> August, 2014, 3<sup>rd</sup> November, 2014 and 10<sup>th</sup> February, 2015. The attendance details are given below:

Name of the Directors	Designation	No. of meetings during the year	
		Held	Attended
Mr. Shobhan Thakore	Chairman	4	3
Mr. Mahesh S. Gupta	Member	4	4
Mr. R. K. Rewari	Member	4	4

### 6.2. Terms of Reference

The terms of reference of the Committee are:

- Transfer/transmission of shares and such other securities as may be issued by the Company from time to time;
- Issue of duplicate share certificates for shares and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- Issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;

### 6.3. Details of Shareholders' Complaints

Details of investor complaints received and resolved during the year 2014-15 are as follows:

Complaints Pending as on 01/04/2014	Complaints Received during the year	Complaints Resolved during the year	Complaints Pending as on 31/03/2015
Nil	1	1	Nil

## 7. INDEPENDENT DIRECTORS' MEETINGS

The Company has four Independent Directors namely Mr. Ranjan Sanghi, Mr. Shobhan Thakore, Mr. Aditya Mangaldas and Mr. Ranjan Pant. A meeting of the Independent Directors which was attended by all of them was held on 28<sup>th</sup> March, 2015, to consider the following:

- Evaluation of the performance of the Non – Independent Directors and Board of Directors as a whole
- Evaluation of the performance of the Chairperson of the Company, taking into account the views of the Executive and Non – Executive Directors





- Evaluation of the quality, content and timeline of flow of information between the management and the board that is necessary for the board to effectively and reasonably perform its duties.

The attendance details are given below:

Name of the Directors	Designation	No of meetings during the year	
		Held	Attended
Mr. Ranjan Sanghi	Chairman	1	1
Mr Shobhan Thakore	Member	1	1
Mr. Aditya Mangaldas	Member	1	1
Mr. Ranjan Pant	Member	1	1

## 8. RISK MANAGEMENT COMMITTEE:

Buisness Risk Evaluation and Management is an ongoing process within the company. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify buisness opportunities. For the identification, assessment and minimization of the risk, the Board constituted a Risk Management Committee to frame the Risk Management framework and to implement and monitor the same.

### 8.1 Composition, Meetings and Attendances

The Risk Management Committee consist of Mr. R.K Rewari (Chairman), Mr. Harsh A. Piramal and Mr. Mahesh S. Gupta, directors of the company, Mr. Dinesh jain - Group CFO and Mr. S. C. Kashimpuria - CFO of the Company. The Risk Management Committee held its meeting on 15<sup>th</sup> July 2014 and 10<sup>th</sup> February 2015.

Name of the Directors	Designation	No of meetings during the year	
		Held	Attended
Mr R.K Rewari	Chairman	2	2
*Mr. Harsh A. Piramal	Member	2	1
**Mr. Mahesh S. Gupta	Member	2	1
Mr. Dinesh Jain	Member	2	2
Mr. Subhash Chandra Kashimpuria	Member	2	2

\*Appointed as member with effect from 3<sup>rd</sup> November 2014

\*\*Appointed as member with effect from 3<sup>rd</sup> November 2014

### 8.2 Terms of Reference

The terms of reference of the Committee are:

- Lay down a framework for identification, measurement, evaluation, mitigation and reporting of various risks in order to safeguard the Company's property, intrests and the intrests of its shareholders.
- Evolve the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effect, which the Company is exposed to.
- Balance between the cost of managing risk and the anticipated benefits.

- To create awareness among the employees to assess risks on a continuous basis & develop risk mitigation plans in the interest of the Company.
- To reduce operational surprises and losses.
- Provide a system for setting of priorities when there are competing demands on limited resources

## 9. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### 9.1 Composition, Meetings and Attendance:

The Corporate Social Responsibility Committee which was constituted on 11<sup>th</sup> November, 2013, consists of Ms. Urvi A. Piramal (Chairperson), Mr. Harsh A. Piramal and Mr. Ranjan Sanghi. The Corporate Social Responsibility Committee met on 23<sup>rd</sup> May, 2014, 1<sup>st</sup> August 2014 and 3<sup>rd</sup> November 2014 and 10<sup>th</sup> February 2015.

Name of the Directors	Designation	No of meetings during the year	
		Held	Attended
Ms. Urvi A. Piramal	Chairman	4	4
Mr. Harsh A. Piramal	Member	4	3
Mr. Ranjan Sanghi	Member	4	4

### Terms of Reference

The terms of reference of the CSR Committee are as under

- Formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the CSR activities
- Monitor the CSR activities of the company from time to time
- The CSR policy is posted on Company's website. i.e <http://www.morarjee.com/shareholdersinfo.html>

### 9.2 CSR Activities

The details of the CSR Activities carried out by the company during the financial year 2014-2015 are provided as an Annexure to the Directors' Report.

## 10. Internal Complaint Committee pursuant to The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has framed an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has constituted Internal Complaints Committee (ICC) to redress the complaints received regarding sexual harassment. During the year under review, no complaints were received by the Committee for Redressal.

### Nagpur

1.	Amar Deepika, President Group HR
2.	Nishikant Bhore, GM HR
3.	Mandakini Awsarmole, Sr. Manager HR
4.	Rajashri Damle, NGO

**Mumbai:**

1.	Amar Deepika, President Group HR
2.	S.C Kashimpuria, CFO
3.	Rajashekar Reddy, GM Legal
4.	Rajashri Damle, NGO

**11. Compliance Officer**

Name of the Compliance Officer	S. C. Kashimpuria
Address	Peninsula Spenta, Mathuradas Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.
Telephone Number	+91-22-6615 4651 - 53
Fax Number	+91-22-6615 4602
E-mail ID	investors@morarjee.com

Note: Dy. Company Secretary Ms. Karina Vaz, has resigned with effect from 1<sup>st</sup> April, 2015

**12. Remuneration to Directors****12.1 Remuneration paid to Non-Executive Directors of the company**

The Non-Executive Directors of the Company are paid sitting fees for attending each meeting of the Board of Directors and Committees thereof.

The Company has not granted any stock option to any of its Non-Executive Directors

The details of sitting fees paid during the year 2014-2015 are given below:

Name of the Directors	Designation	Sitting Fees (₹)	Commission (₹)
Ms. Urvi A. Piramal	Chairperson	2,40,000	8,00,000
Mr. Mahesh S. Gupta	Director	2,20,000	4,00,000
Mr. Ranjan Sanghi	Director	3,35,000	4,00,000
Mr. Shobhan Thakore	Director	2,50,000	4,00,000
Mr. Aditya Mangaldas	Director	3,35,000	4,00,000
Mr. Pradipta Mohapatra	Director	70,000	2,50,000
Mr. Ranjan Pant	Director	2,00,000	1,50,000

**12.2 Remuneration paid to the Executive Directors of the Company**

The remuneration of the Executive Directors is decided on the recommendation of the Nomination and Remuneration Committee and approved by the Board of Directors and shareholders. Any change in remuneration is also effected in the same manner and/or in line with the applicable statutory approvals.

The remuneration package of the Executive Directors comprises of salary and allowances, contribution to provident fund and superannuation fund and commission.

The details of remuneration paid to Executive Directors for the Financial year 2014-2015 are summarized as under:

Period of Appointment	Details	Mr. Harsh A. PIRAMAL Appointed as Executive Vice-Chairman w.e.f. 1 <sup>st</sup> April, 2013	Mr. Rajendra Kumar Rewari Re-designated as Managing Director w.e.f. 1 <sup>st</sup> April, 2015
Basic Salary	-	1,40,40,000	55,70,160
Allowances	1) House Rent Allowance	—	18,00,000
	2) Special Allowance	—	36,17,304
	3) Education Allowance	—	2,400
	4) Incentive	—	16,77,525
	5) Leave Travel Allowance	—	1,24,000
	6) Medical Expenses	—	15,000
Commission		37,00,000	—
Perquisite	—	—	76,660
Provident Fund	—	16,500	6,68,419
Superannuation Fund	—	—	1,00,000

### 12.3 Employee Stock Option Scheme

During the year, pursuant to the approval of the members, the Company had terminated Employee Stock Option Scheme.

## 13. General Body Meetings and Postal Ballot

13.1 Location and time, where Annual General Meeting (AGM) for the last 3 years were held is given below :

Financial Year	AGM	Date	Time	Location
2011-2012	17 <sup>th</sup> AGM	18 <sup>th</sup> September, 2012	10.30 a.m.	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018
2012-2013	18 <sup>th</sup> AGM	14 <sup>th</sup> August, 2013	11.00 a.m.	M.C. Ghia Hall, 4 <sup>th</sup> Floor, Bhogilala Hargovindas Building, 18/20, K. Dubash Marg, Kala Goda, Mumbai- 400 001
2013-2014	19 <sup>th</sup> AGM	29 <sup>th</sup> September, 2014	11.00 a.m.	M.C. Ghia Hall, 4 <sup>th</sup> Floor, Bhogilala Hargovindas Building, 18/20, K. Dubash Marg, Kala Goda, Mumbai- 400 001

All the resolutions set out in the respective notice were passed by requisite majority of the shareholders.



### 13.2 Special Resolution passed in the previous Annual General Meeting (AGM)

AGM	Date of AGM	Special Resolution
17 <sup>th</sup> AGM	18 <sup>th</sup> September, 2012	Resolution No. 5- Payment of Remuneration by way of Commission to the non-whole time Directors Resolution No. 7- Re-appointment of Mr. R K Rewari as the CEO & Executive Director
18 <sup>th</sup> AGM	14 <sup>th</sup> August, 2013	Resolution No. 6- Appointment of Harsh A. Piramal as Executive Vice Chairman.
19 <sup>th</sup> AGM	29 <sup>th</sup> September, 2014	Resolution No. 9 - To Terminate/Cancel/ rescind the Morarjee Textiles Limited (ESOP Plan 2006)

### 13.3 Postal Ballot

During the year under review, pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the Board of Directors had sought the approval of the members of the Company twice through postal ballot. The Postal Ballot Notices along with their Explanatory Statement and the postal ballot forms were sent to all the Shareholders of the Company along with postage prepaid envelopes. Mr. Dhruvil M Shah of M/s. Dhruvil M Shah & Co. were appointed as the Scrutinizer who conducted the postal ballot process in a fair and transparent manner. The procedures prescribed under Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 were duly followed for conducting the postal ballot process for passing the following resolutions:

During the year the Company passed the following resolutions:

Date of dispatch of Postal Ballot Notice	Date of Declaration of Results of Postal Ballot	No. of Resolution passed through Postal Ballot	Special Resolutions passed through Postal Ballot
11 <sup>th</sup> June, 2014	18 <sup>th</sup> July, 2014	2	<ul style="list-style-type: none"> <li>Borrowing Limit upto 700 Crore</li> <li>Authority to Board Of Directors for creation of charge/ mortgage in respect of aforesaid borrowings</li> </ul>
29 <sup>th</sup> December, 2014	5 <sup>th</sup> February, 2015	1	<ul style="list-style-type: none"> <li>Alteration of the Object Clause of the MOA</li> </ul>

The above mentioned resolutions were passed by the members with requisite majority.

#### Results of Postal Ballot and e-voting (Summary)

The notice of the following resolutions was dispatched on 11<sup>th</sup> June, 2014, the results of which were declared on 18<sup>th</sup> July, 2014



1. For Special Resolution No.1: (Borrowing Limit up to 700 Crores)

**Physical Voting**

Sr. No.	Particular's	No. of Postal Ballot Form	No. of Shares	% of Assent/ Dissent
1.	Total Postal ballot forms received	268	3,80,593	-
2.	Less-Invalid Postal ballot forms	12	2,902	-
3.	Net valid Postal ballot forms	256	3,77,691	100.00%
4.	Postal ballot forms with assent	239	3,72,360	98.59%
5.	Postal ballot forms with dissent.	17	5,331	1.41%

**E-Voting**

Sr. No.	Particular's	No. of E-voters	No. of Shares	% of Assent/ Dissent
1.	Total E-voting received	15	2,38,19,560	-
2.	Less-Invalid E-voting	0	0	-
3.	Net valid E-voting	15	2,38,19,560	100.00%
4.	E-voting with assent	15	2,38,19,560	100.00%
5.	E-voting with dissent.	0	0	-

2. For Special Resolution No.2: (Authority to Board of Directors for Creation of Charge/ Mortgage in respect of aforesaid Borrowings)

**Physical Voting**

Sr. No.	Particular's	No. of Postal Ballot Form	No. of Shares	% of Assent/ Dissent
1.	Total Postal ballot forms received	268	3,80,593	-
2.	Less-Invalid Postal ballot forms	12	2,902	-
3.	Net valid Postal ballot forms	256	3,77,691	100.00%
4.	Postal ballot forms with assent	240	3,72,535	98.63%
5.	Postal ballot forms with dissent.	16	5,156	1.37%

**E-Voting**

Sr. No.	Particular's	No. of E-voters	No. of Shares	% of Assent/ Dissent
1.	Total E-voting received	15	2,38,19,560	
2.	Less-Invalid E-voting	0	0	
3.	Net valid E-voting	15	2,38,19,560	100.00%
4.	E-voting with assent	15	2,38,19,560	100.00%
5.	E-voting with dissent.	0	0	



The notice of the following resolutions was dispatched on 29<sup>th</sup> December, 2014, the results of which thereof were declared on 5<sup>th</sup> February 2015.

For Special resolution No 1 : Alteration of the Object Clause of the MOA

#### Physical voting

Sr. No.	Particular's	No. of Postal Ballot Form	No. of Shares	% of Assent/ Dissent
1.	Total Postal ballot forms received	183	24005399	-
2.	Less-Invalid Postal ballot forms	14	1821	-
3.	Net valid Postal ballot forms	169	24003578	100.00%
4.	Postal ballot forms with assent	164	24002701	99.99%
5.	Postal ballot forms with dissent.	5	877	0.01%

#### E-Voting

Sr. No.	Particular's	No. of E-voters	No. of Shares	% of Assent/ Dissent
1.	Total E-voting received	15	1665310	-
2.	Less-Invalid E-voting	0	0	-
3.	Net valid E-voting	15	1665310	100.00%
4.	E-voting with assent	8	1645092	99.02%
5.	E-voting with dissent.	7	16258	0.98%

## 14. Disclosures

### 14.1 Statutory Compliance, Penalties and Strictures

There were no instances of non-compliance nor have any penalties, strictures been imposed by Stock Exchanges or Securities and Exchange Board of India or any other statutory authority during the last three years on any matter related to the capital markets.

### 14.2 Materially significant related party transactions

The transactions between the Company and the Directors and Companies in which the directors are interested are disclosed in Note No. 37 to Notes to the Accounts in the Annual Report in compliance with the Accounting Standard relating to "Related Party Disclosures". There is no materially significant Related Party Transaction that may have potential conflict with the interest of the Company at large.

### 14.3 Vigil mechanism/ whistle blower policy

The Company has a vigil mechanism for Directors and Employees to report their genuine concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct. The mechanism provides for adequate safeguards against victimization of Director(s) and Employee(s) who avail of the mechanism. In all cases, Directors and Employees have direct access to the Chairman of the Audit Committee. Further no personnel have been denied access to the Chairman of the Audit Committee,

The Whistle Blower Policy is available on Company's website i.e [www.morarjeetextiles.com](http://www.morarjeetextiles.com)

**14.4 Code of Conduct**

All the members of the Board and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct of the Company as on 31<sup>st</sup> March, 2015. The Code of Conduct has been posted on the Company's website [www.morarjeetextiles.com](http://www.morarjeetextiles.com)

A declaration to this effect signed by the CEO & Managing Director is appended to this Report.

**14.5 Listing Agreement Compliance**

The Company complies with all the requirements of the Listing Agreement including the mandatory requirements of Clause 49 of the Listing Agreement.

**14.6 Risk Management**

The Audit Committee and the Board of Directors regularly review the risk management strategy of the Company to ensure the effectiveness of the risk management policy and procedures. The Company has set up a system to appraise the Board of Directors of the Company on the key risk assessment areas and suggestive risk mitigation mechanism.

**14.7 CEO/CFO Certification**

The CEO of the Company have given the certification on financial reporting and internal controls to the Board of Directors in terms of Clause 49 of the Listing Agreement with the Stock Exchanges.

**15. Familiarization program**

As required under the provisions of Clause 49 of the Listing Agreement and Companies Act, 2013, the Board of Directors had framed a familiarization program for the independent directors wherein they were acquainted with their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc. The said familiarization program was uploaded on the website of the Company [www.morarjeetextiles.com](http://www.morarjeetextiles.com).

**16. Policies**

Pursuant to the requirements of Clause 49 of the Listing Agreement the Company formulated the policies on Material subsidiaries and Related Party Transactions. The same have been uploaded on the website of the Company [www.morarjeetextiles.com](http://www.morarjeetextiles.com).

**17. Subsidiary Companies**

The Company does not have any material unlisted Indian Subsidiary Company

**18. Means of Communication**

The quarterly results and annual results are published in Free Press Journal and Navshakti and simultaneously posted on the Company's website ([www.morarjeetextiles.com](http://www.morarjeetextiles.com)).

The Management Discussion and Analysis Report has been included in the Annual Report.



## 19. General Shareholder Information

### 19.1 20<sup>th</sup> Annual General Meeting

Date	Time	Venue
26 <sup>th</sup> August, 2015	11:00 a.m.	Hall of Culture, Nehru Center, Dr. Annie Beasant Road, Worli, Mumbai :- 400 018

19<sup>th</sup> August, 2015 is the “Cut-off” date for reckoning the voting right of the Shareholders.

### 19.2 Financial Calendar for the Year 2015 -2016

Financial year	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016
Book Closure Dates	20 <sup>th</sup> August, 2015 to 26 <sup>th</sup> August, 2015 (both days inclusive) to determine the entitlement of shareholders to receive the dividend as may be declared for the year ended 31 <sup>st</sup> March, 2015.
Payment of Dividend	The Final Dividend, if declared by shareholder at the AGM shall be paid on or before 24 <sup>th</sup> September, 2015 i.e. within 30 days of declaration.

Financial reporting for the quarter ending (tentative and subject to change)	
30 <sup>th</sup> June, 2015	By 14 <sup>th</sup> August, 2015
30 <sup>th</sup> September, 2015	By 15 <sup>th</sup> November, 2015
31 <sup>st</sup> December, 2015	By 14 <sup>th</sup> February, 2016
Year ending 31 <sup>st</sup> March, 2016	By 30 <sup>th</sup> May, 2016
Annual General Meeting for the year ending 31 <sup>st</sup> March, 2016	By 30 <sup>th</sup> September, 2016

### 19.3. Dividend History

Sr. No.	Financial year	Equity Dividend per share (₹)	Date of Declaration (Annual General Meeting)	Date of payment (Date of Dividend Warrant)
1.	2011 - 2012	NIL	NA	NA
2.	2012- 2013	1.75	14 <sup>th</sup> August, 2013	16 <sup>th</sup> August, 2013
3.	2013 - 2014	2.45	29 <sup>th</sup> September 2014	29 <sup>th</sup> September 2014

**19.4 Details of shares in suspense account including freeze on their voting rights under Clause 5(A) of the listing agreement.**

Sr. No.	Particulars	Status
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year as on 1 <sup>st</sup> April, 2014	Nil
2	Number of shareholders who approached issuer for transfer of shares from suspense account during the year 2014-2015	Nil
3	Number of shareholders to whom shares were transferred from suspense account during the year 2014-2015	Nil
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year 31 <sup>st</sup> March, 2015	Nil

**19.5 Unclaimed dividends**

All the shareholders whose dividend is unclaimed are requested to claim their dividend. Under the Transfer of Unclaimed Dividend Rules, it would not be possible to claim the dividend amount after the unpaid and unclaimed dividend is transferred to the Investor Education & Protection Fund (IEPF)

The following table gives information relating to outstanding dividend accounts and the dates by which they need to be transferred to Investor Education & Protection Fund (IEPF)

Financial Year	Date of Declaration	Date of Payment	Date on which dividend will become part of IEPF
31.03.2013	14.08.2013	16.08.2014	23.10.2020
31.3.2014	29.09.2014	29.09.2014	04.11.2021

**19.6 Transfer to Investor Education and Protection Fund**

Pursuant to Section 205C of the Companies Act, 1956, dividends that are unclaimed for a period of seven years are to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. During the year company transferred ₹ 2,99,361 to Investor Education and Protection Fund. At present, there are no dividends due for transfer to IEPF.

**19.7 Registered Office**

The Registered Office of the Company is situated at:

Peninsula Spenta,  
Mathuradas Mills Compound,  
Senapati Bapat Marg,  
Lower Parel, Mumbai 400 013.



### 19.8 Listing of Equity Shares on Stock Exchanges and Stock Codes

Listing on Stock Exchanges	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 023
	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Mumbai 400 051
<b>Name of the Exchange</b>	<b>Stock Code/ID</b>
Bombay Stock Exchange Limited	532621
National Stock Exchange of India Limited	MORARJEE (Series EQ)
ISIN Demat	IN161G01027

The Company has been regular in paying the Annual Listing Fees to the Stock Exchanges. Listing fees for the year 2015 -2016 has also been paid within the due date.

### 19.9 Stock Market Data The high / low of the market price of the shares of the Company is given below :

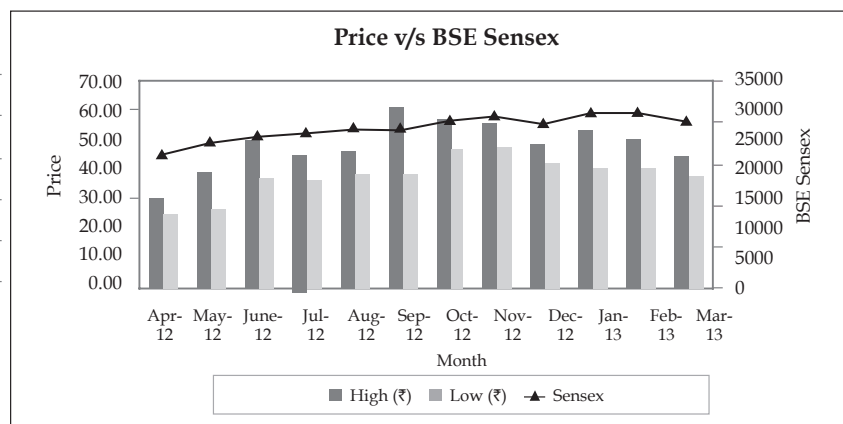
Sources: BSE and NSE websites

#### Stock Performance v/s S&P BSE Sensex and CNX Nifty

The performance of Morarjee Textiles Limited's Equity Shares relative to the BSE Sensex and CNX Nifty is given in the charts below:

Month	Bombay Stock Exchange Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High (₹)	Low (₹)	Sensex	High (₹)	Low (₹)	S&PCNX NIFTY
Apr-14	29.65	24.80	22417.80	30.30	23.45	6696.40
May-14	38.90	26.20	24217.34	39.25	26.50	7229.95
Jun-14	49.30	36.85	25413.78	48.55	35.75	7611.35
Jul-14	43.90	36.25	25894.97	46.40	36.30	7721.30
Aug-14	45.70	38.00	26638.11	45.90	35.40	7954.35
Sep-14	60.70	38.00	26630.51	61.45	37.60	7964.80
Oct-14	56.45	46.35	27865.83	56.95	46.25	8322.20
Nov-14	55.20	46.85	28693.99	56.00	46.55	8588.25
Dec-14	48.50	41.70	27499.42	50.00	41.00	8282.70
Jan-15	52.50	40.00	29182.95	52.70	39.15	8808.90
Feb-15	49.90	40.05	29361.50	50.00	38.60	8901.85
Mar-15	44.30	37.10	27957.49	47.95	36.30	8491.00





#### 19.10 Distribution of shareholding as on 31<sup>st</sup> March 2015

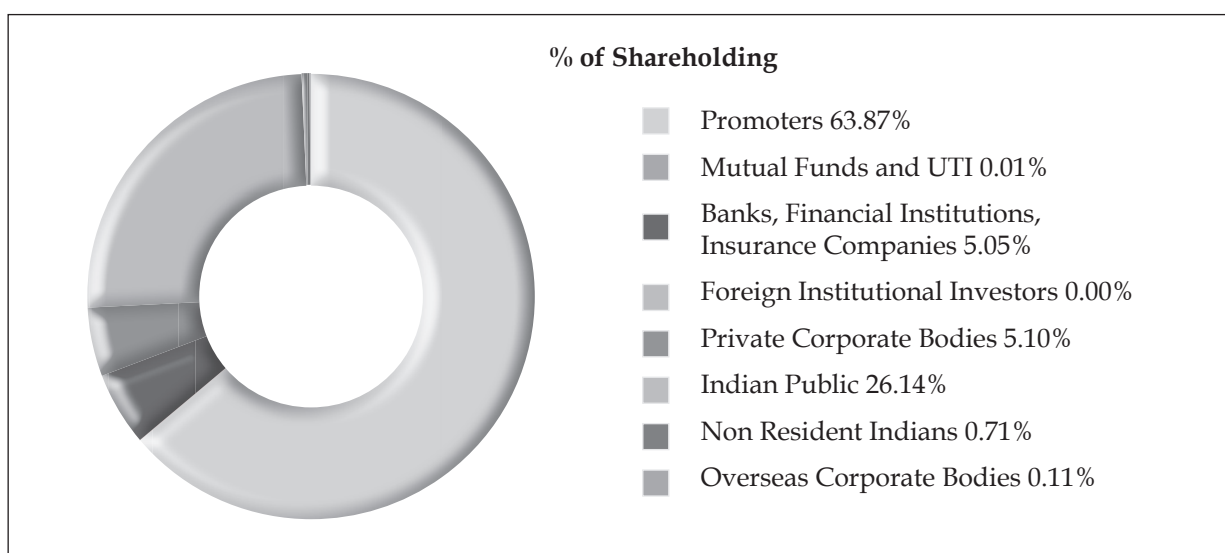
Slab of Shareholding	No of Shareholders	% of Shareholders	No. of Shares held	% of Shares held
1 TO 5000	17198	98.62	3911601	10.78
5001 TO 10000	117	0.67	854210	2.35
10001 TO 20000	66	0.38	905741	2.49
20001 TO 30000	15	0.09	386227	1.06
30001 TO 40000	6	0.03	216173	0.59
40001 TO 50000	9	0.05	408332	1.12
50001 TO 100000	10	0.06	696502	1.92
100000 & ABOVE	18	0.10	28953563	79.69
	17439	100	36332349	100

#### 19.11 Shareholding Pattern as on 31<sup>st</sup> March 2015

Sr. No.	Category	No. of Shares held	% of Shares held
<b>A</b>	<b>Promoters Holding</b>		
1	Indian promoters	2,32,06,657	63.87
	Foreign promoters	-	
2	Persons acting in concert	-	
	<b>Sub total (1+2)</b>	2,32,06,657	63.87



Sr. No.	Category	No. of Shares held	% of Shares held
<b>B</b>	<b>Non promoters Holding</b>		
3	Institutional Investors		
a	Mutual Funds and UTI	2,711	0.01
b	Banks, Financial Institutions, Insurance Companies (Central/ State Govt., Institutions/ Non Govt. Institutions)	18,39,319	5.06
c	Foreign Institutional Investors	1,135	0.00
	<b>Sub total (3)</b>	18,43,165	5.07
4	Others		
a	Private Corporate Bodies	1853584	5.10
b	Indian Public	9132856	25.14
c	Non Resident Indians	2,56,756	0.71
d	Overseas Corporate Bodies	39,331	0.11
	<b>Sub total (4)</b>	11282527	31.05
	<b>Grand total (1+2+3+4)</b>	3,63,32,349	100.00



### **19.12 Share Transfers (Physical Form)**

The Board has delegated the authority for approving transfer, transmission, etc. of the Company's equity shares to a Share Transfer Committee comprising of Ms. Urvi A. Piramal, Mr. Harsh A. Piramal, Mr. R. K. Rewari and Mr. Mahesh S. Gupta. The share certificates in physical form are generally processed and returned within 15 days from the date of receipt, if the documents are clear in all respects.

For administrative convenience and to facilitate speedy approvals, authority has also been delegated to Senior Executives to approve share transfers upto specified limits.

A summary of the transfer / transmission so approved by the Committee and the authorized Executives is placed at every Board Meeting.

The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

The Company conducts a Reconciliation of Share Capital Audit on a quarterly basis in accordance with Securities and Exchange Board of India requirements. M/s. Nilesh Shah & Co., Practising Company Secretary has been appointed by the Company to conduct this audit. The Reconciliation of Share Capital Audit Reports of M/s. Nilesh Shah & Co., which have been submitted to the Stock Exchanges within the stipulated period, inter alia confirms that the equity shares of the Company held in dematerialized form and in physical form tally with the issued and paid-up equity share capital of the Company.

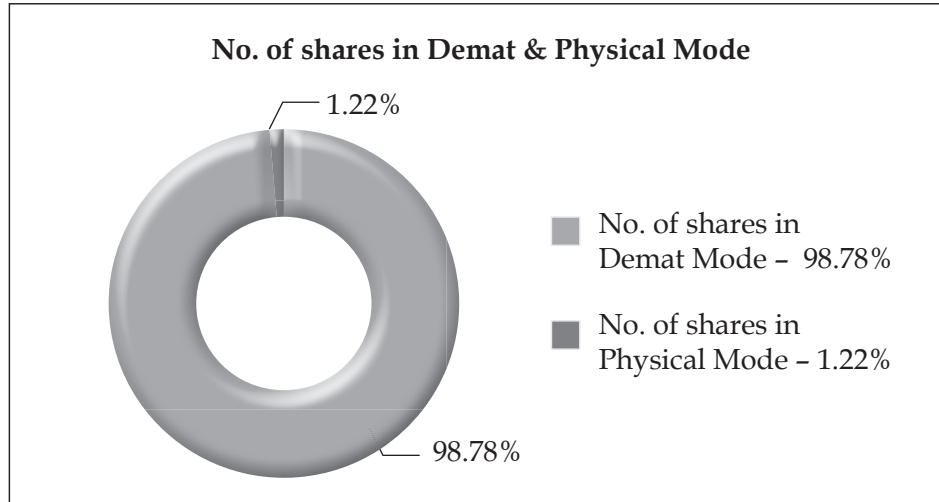
### **19.13 Dematerialisation of shares and liquidity**

As on 31<sup>st</sup> March, 2015, 3,58,88,253 Equity Shares representing 98.78% of the Company's paid-up Equity Share Capital have been dematerialized.

Trading in Equity Shares of the Company is permitted only in dematerialized form as per notification issued by Securities and Exchange Board of India.

Shareholders seeking demat / remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to the Share Transfer Agent of the Company. Upon receipt of the request and share certificates, the Share Transfer Agent will verify the same. Upon verification, the Share Transfer Agent will request National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) to confirm the demat request. The demat account of the respective shareholder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

In respect of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Share Transfer Agent. The Share Transfer Agent then requests NSDL and CDSL to confirm the same. Approval of the Company is sought and equivalent number of shares are issued in physical form to the shareholder. The share certificates are dispatched within one month from the date of issue of shares.



#### 19.14 Share Transfer Agent

Freedom Registry Limited has been appointed as one point agency for dealing with shareholders. Shareholders' correspondence should be addressed to the Company's Share Transfer Agent at the address mentioned herein below:

Registered Office	Freedom Registry Limited Plot No. 101/102, 19th Street, MIDC Area, Satpur, Nashik 422 007. Tel (0253) - 2354 032 Fax (0253) 2351 126 E-mail : support@freedomregistry.in
Mumbai Liaisoning Office	Freedom Registry Limited 104, Bayside Mall, 35, C. M. M. Malviya Marg, Tardeo Road, Haji Ali, Mumbai 400 034. Tel : (022) - 2352 5589 / 6743 2799

#### 19.15. Investor Helpdesk

Share transfers, dividend payments and all other investor related activities are attended to and processed at the office of the Share Transfer Agent, Freedom Registry Limited

For lodgement of transfer deeds and other documents or for any grievance / complaints, shareholders / investors may contact Share Transfer Agent, Freedom Registry Limited at the address mentioned above. Any queries relating to share transfers, dividend payments, annual report, etc may be mailed at investors@morarjee.com.

**19.16. Investor Correspondence**

Shareholders can contact the following Official for Secretarial & Financial matters of the Company

Name	E-mail ID	Telephone No	Fax No
Mr. S.C. Kashimpuria	investors@morarjee.com info@morarjee.com	+91-22-66154651-53	+91-22-6615 4602

Correspondence address: Morarjee Textiles Limited  
Peninsula Spenta,  
Mathuradas Mills Compound,  
Senapati Bapat Marg,  
Lower Parel, Mumbai 400 013.

**19.17. Plant Location**

Morarjee Textiles Limited	Plot No.G2- M.I.D.C. Industrial Estate Post : Salai Dhaba, Butibori, Nagpur - 441108
---------------------------	---

**19.18. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments**

There are no outstanding convertible warrants / instruments.

**19.19. Status of Compliance with Non Mandatory Requirements**

- Since the financial results are published in newspapers having wide circulation and simultaneously also uploaded on the website of the Company and stock exchanges, only the annual accounts are sent to each of the shareholders.
- The annual accounts of the Company do not contain any qualifications.
- The Company has appointed separate persons as Chairperson and Managing Director.

**20. Code for Prevention of Insider Trading**

The Company has adopted a Code of Internal procedures and Conduct for regulating, monitoring and reporting of trading by Insiders. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Insiders while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Compliance Officer is responsible for implementation of the Code. All Board Directors, promoters and the designated employees have confirmed compliance with the Code.

**Certificate by Managing Director and CFO**

To

The Board of Directors

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief :
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
1. Significant changes in internal control over financial reporting during the year;
  2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. To the best of our knowledge and belief there are no instances of significant fraud involving the management or an employee having a significant role in the company's internal control system over financial reporting.

For Morarjee Textiles Limited

**R. K. Rewari**  
Managing Director

**S. C. Kashimpuria**  
Chief Financial Officer

Mumbai, 8<sup>th</sup> May, 2015



**Declaration regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct.**

To,

**The Members of Morarjee Textiles Limited**

**Declaration by the CEO & Executive Director under Clause 49 of the Listing Agreement**

I, R. K. Rewari, Managing Director of Morarjee Textiles Limited hereby confirm that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2015.

**R. K. Rewari**  
Managing Director

Mumbai, 8<sup>th</sup> May, 2015

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

TO  
THE MEMBERS OF  
MORARJEE TEXTILES LIMITED

We have examined the compliance with the conditions of corporate governance by MORARJEE TEXTILES LIMITED ("the Company"), for the year ended on March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to a review of the procedures and the implementation thereof, adopted by the Company for ensuring compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For MANUBHAI & SHAH**  
Chartered Accountants  
Firm Registration No.: 106041W

**Kshitij M. Patel**  
Partner  
Membership No.: 045740

Mumbai, 8<sup>th</sup> May, 2015

# INDEPENDENT AUDITORS' REPORT

To the members of Morarjee Textiles Limited

## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of MORARJEE TEXTILES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the

Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the



information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29(A) to the financial statements;
- (ii) The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Manubhai & Shah**  
Chartered Accountants  
(Firm's Registration No.: 106041W)

**Kshitij M. Patel**  
(Partner)  
(Membership No.:045740)

Mumbai, 8<sup>th</sup> May, 2015.

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under paragraph "Report on Other Legal and Regulatory Requirements" of the Independent Auditors' Report of even date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) There is a regular program of physical verification of fixed assets which in our opinion is reasonable having regard to the size of the Company and the nature of fixed assets. No material discrepancies have been noticed in respect of the assets physically verified during the year.
2. (a) The inventory excluding stocks with third parties has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. In respect of inventory lying with third parties at the year end, written confirmations for the same are obtained.  
(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. The Company has not granted secured/ unsecured loans, to companies / firms / other parties covered in the register maintained under Section 189 of the Act.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing

failure to correct major weaknesses in the aforesaid internal control system.

5. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India for the maintenance of cost records under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of



income tax, sales tax, wealth tax, service tax, duty of customs duty of excise, value added tax or

cess as at March 31, 2015 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of Dues	Financial Year	Amount ₹ in lacs	Forum where Dispute is Pending
Central Excise Act 1944	Interpretation of Act	1979-80 to 1985-86	6.84	First Appeal (Commissioner Level)
		1990-91	0.09	
		1993-94 to 1995-96	146.49	
		1999-2000 to 2008-09	417.81	
Central Excise Act 1944	Interpretation of Act	1976-77	0.19	Second Appeal (CESTAT)
		1990-91 to 1991-92	2.35	
		1995-96 to 2005-06	586.66	
		2006-07 to 2008-09	218.14	
Central Excise Act 1944	Interpretation of Act	1997-98 to 2001-02	3.19	High Court
Central Excise Act 1944	Interpretation of Act	1981-1984	296.14	Supreme Court
		1999-2000 to 2002-03	540.65	
Maharashtra Value Added Tax Act, 2002	Interpretation of Act	2003-04	119.70	Joint Commissioner of Sales Tax
		2006-07 to 2007-08	66.20	
		2010-11	23.47	
		2003-04	112.06	Sales Tax Tribunal

- (c) The amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
8. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
9. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
10. The Company has not given any guarantees for loans taken by others from banks or financial institutions during the year.

11. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
12. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

**For Manubhai & Shah**  
Chartered Accountants  
(Firm's Registration No.: 106041W)

**Kshitij M. Patel**  
(Partner)  
(Membership No.:045740)

Mumbai, 8<sup>th</sup> May, 2015.



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015

	Note	₹ in Lacs	31.03.2015 ₹ in Lacs	₹ in Lacs	31.03.2014 ₹ in Lacs
<b>I. EQUITIES AND LIABILITIES</b>					
1. Shareholders' Funds					
a) Share Capital	2	5,043.26		5,043.26	
b) Reserves and Surplus	3	8,285.34		7,240.70	
			13,328.60		12,283.96
2. Non Current Liabilities					
a) Long Term Borrowings	4	8,918.28		8,361.44	
b) Deferred Tax Liability (Net)	5	1,788.93		620.58	
c) Other Long Term Liabilities	6	113.85		104.37	
d) Long Term Provisions	7	316.11		204.20	
			11,137.17		9,290.59
3. Current Liabilities					
a) Short Term Borrowings	8	8,847.31		8,677.37	
b) Trade Payables	9	3,790.30		3,772.40	
c) Other Current Liabilities	10	1,995.99		3,358.17	
d) Short Term Provisions	11	3,464.24		3,701.27	
			18,097.84		19,509.21
<b>TOTAL</b>			<b>42,563.61</b>		<b>41,083.76</b>
<b>II. ASSETS</b>					
1. Non Current Assets					
a) Fixed Assets	12				
Tangible assets		21,532.37		22,079.74	
Intangible assets		162.17		130.94	
Capital Work In Progress		1,492.02		893.80	
		23,186.56		23,104.48	
b) Non Current Investments	13	65.00		70.61	
c) Long Term Loans and Advances	14	2,386.23		1,721.70	
			25,637.79		24,896.79
2. Current Assets					
a) Current Investments	15	795.56		795.56	
b) Inventories	16	7,880.38		7,395.35	
c) Trade Receivable	17	6,396.72		6,125.50	
d) Cash and Bank Balances	18	44.51		70.16	
e) Short Term Loans & Advances	19	1,521.82		1,722.84	
f) Other Current Asset	20	286.83		77.56	
			16,925.82		16,186.97
<b>TOTAL</b>			<b>42,563.61</b>		<b>41,083.76</b>
Accounting Policies	1				
Notes are an Integral part of the financial statements					
As per our report of even date.		For and on behalf of Board of Directors			
MANUBHAI & SHAH		Ms. Urvi A. Piramal		Chairperson	
Chartered Accountants		Mr. Harsh A. Piramal		Executive Vice Chairman	
FRN : 106041W		Mr. R. K. Rewari		Managing Director	
KSHITIJ M. PATEL		Mr. Mahesh S. Gupta		Director	
Partner		Mr. Ranjan Sanghi		Director	
Membership No. 045740		Mr. Shobhan Thakore		Director	
Mumbai : 8 <sup>th</sup> May, 2015		Mr. Aditya Mangaldas		Director	
		Mr. S. C. Kashimpuria		Chief Financial Officer	



## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	Note	31.03.2015 ₹ in Lacs	31.03.2014 ₹ in Lacs
<b>INCOME</b>			
Income from Operations	21	36,522.91	39,194.15
Other Income	22	35.13	3.71
<b>Total Income</b>		<b>36,558.04</b>	<b>39,197.86</b>
<b>EXPENDITURE</b>			
Materials Consumed	23	14,560.52	15,799.99
Changes in inventories of Work-in-progress and Finished Goods	24	(511.38)	(494.67)
Manufacturing and Other expenses	25	10,367.37	10,124.36
Employee Benefit Expenses	26	3,282.69	3,153.92
Administrative, Selling & Other Expenses	27	2,858.20	2,576.82
Net Loss/(Gain) on Foreign Currency Transactions and Translations		(99.96)	455.45
<b>Total Expenditure</b>		<b>30,457.44</b>	<b>31,615.87</b>
<b>Profit Before Finance Cost, Depreciation &amp; Tax</b>		<b>6,100.60</b>	<b>7,581.99</b>
Finance Cost	28	1,904.81	2,548.91
Depreciation / Amortisation	29	955.84	1,593.58
<b>Profit Before Tax</b>		<b>3,239.95</b>	<b>3,439.50</b>
Less : Provision for Tax (MAT)		715.18	760.77
Less : Deferred Tax	5	1,168.35	620.58
Add : MAT Credit Entitlement		715.18	760.77
<b>Profit After Tax</b>		<b>2,071.60</b>	<b>2,818.92</b>
<b>Earning Per Equity Share - Basic &amp; Diluted (₹)</b>		<b>5.09</b>	<b>7.16</b>
(Face value ₹ 7/-each) (Refer Note No.40)			
Accounting Policies	1		
Notes are an Integral part of the financial statements			
As per our report of even date.		For and on behalf of Board of Directors	
MANUBHAI & SHAH		Ms. Urvi A. Piramal	
Chartered Accountants		Mr. Harsh A. Piramal	
FRN : 106041W		Mr. R. K. Rewari	
		Mr. Mahesh S. Gupta	
		Mr. Ranjan Sanghi	
KSHITIJ M. PATEL		Mr. Shobhan Thakore	
Partner		Mr. Aditya Mangaldas	
Membership No. 045740		Mr. S. C. Kashimpuria	
Mumbai : 8 <sup>th</sup> May, 2015			

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### Note 1 : Significant Accounting Policies

#### 1. Basis of preparation of financial statement

##### (a) Basis of Accounting:

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting to comply with the accounting standards notified under the relevant provisions of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014.

All Assets and Liabilities have been classified as current or non current as per the company's normal operating cycle and other criteria set out in Schedule III to Companies Act, 2013. Based on the nature of product and the time between the acquisition of assets for processing and their realisation in cash or cash equivalent, the company has ascertained its operating cycle to be 12 months for the purpose of current and non current classification of assets and liabilities.

##### (b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements.

#### 2. Fixed Assets

All Fixed Assets are stated at cost net of recoverable taxes, less of accumulated depreciation / amortisation and impairment loss if any. The cost of Fixed Assets comprises its purchase price, borrowing cost and any other cost directly attributable to bringing the assets to its working condition for its intended use. Capital Subsidy received for a specific asset is reduced from its cost. The expenditure incurred on commissioning of the project, including the expenditure incurred on test runs and experimental production, is capitalised.

Subsequent expenditure related to an item of tangible fixed assets are added to its book value only if they increase the future benefit from the existing asset beyond its previously assessed standard of performance.

#### 3. Depreciation and Amortisation

Depreciation on all tangible fixed assets is provided under Straight Line Method based on its useful lives as prescribed under Schedule II of Companies Act, 2013. Leasehold land is amortised over the primary lease period. Computer Software is amortised under Straight Line Method over useful life of 10 years.

#### 4. Lease Accounting

Lease rentals on assets taken on lease are recognized as expense in the statement of profit and loss account on an accrual basis over the lease term.

#### 5. Inventory

- a) Raw materials, work in progress, finished goods, packing materials, stores, spares, traded goods and consumables are carried at the lower of cost and net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis. Damaged, unserviceable and inert stocks are suitably depreciated.
- b) In determining cost of raw materials, packing materials, traded goods, stores, spares and consumables, weighted average cost method is used.
- c) Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.



## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### 6. Investments

Long term / non- current investments are carried at cost. Provision for diminution in the value of long term investments is made only if such a decline is not temporary in the opinion of the management. Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Profit and loss on sale of investments is determined on a first in first out (FIFO) basis.

### 7. Revenue Recognition

Revenue is recognised only when there is no significant uncertainty as to the measurability / collectability of amount.

### 8. Transactions in Foreign Exchange

Transaction in foreign currency is recorded at the exchange rate prevailing on the date of the transaction. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the statement of profit and loss except in case of long term liabilities where they relate to acquisition of fixed assets in which case they are adjusted to carrying amount of fixed assets.

The premium on forward exchange contracts is recognized over the period of the contracts in the statement of profit and loss.

### 9. Employee Benefits

#### (i) Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

#### (ii) Post-Employment Benefits:

##### (a) Defined contribution plans

Defined contribution plans are, Government administered Provident Fund Scheme and Government administered Pension Fund Scheme for all employees and Superannuation scheme for eligible employees. The Company's contribution to defined contribution plans are recognized in the profit and loss account in the financial year to which they relate.

The interest to the beneficiaries every year is being notified by the Government.

##### (b) Defined benefit plans

###### (i) Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees, The Company makes a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment based on respective employee's salary and tenure of employment with the company.

Liabilities with regard to gratuity are determined by actuarial valuation performed by an independent actuary at each balance sheet date using the Projected Unit Credit Method. The gratuity liability

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

being unfunded, the company recognises the obligation in balance sheet as liability in accordance with Accounting Standard 15 Employee Benefits. Actuarial Gain / Loss arising from experience adjustments and changes in actuarial assumptions are recognised in statement of Profit & Loss in period in which they arise.

### (ii) Compensated Absences (Leave Encashment)

The Employees of the Company are entitled to compensated absences which are both accumulating (subject to maximum limit) and non accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation using the Projected Unit Credit Method on the additional amount expected to be paid or availed as a result of unused entitlement that has accumulated at balance sheet date. Expense on non accumulating compensated absences is recognised in the period in which absences occur.

### 10. Provision for Taxation

Income tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws are recognized only if there is a virtual certainty of its realization supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is reasonable certainty of its realization. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to reassure realization.

Minimum Alternate Tax credit (MAT Credit) is recognized as an asset only when and to the extent there is a convincing evidence that the Company will pay normal tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT Credit asset is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### 11. Provisions and Contingencies

The company creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

### 12. Earnings per share

The basic and diluted earnings per share ("EPS") is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

### 13. Proposed Dividend

Dividend if any recommended by the Board of Directors is provided for in the accounts, pending approval at the Annual General Meeting.



## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	31.03.2015 ₹ in Lacs	31.03.2014 ₹ in Lacs
<b>Note 2 : Share Capital</b>		
<b>Authorised :</b>		
4,50,00,000 (Previous Year 4,50,00,000) Equity Shares of ₹ 7/- each	3,150.00	3,150.00
25,00,000 (Previous year 25,00,000) Redeemable Cumulative Non Convertible Preference Shares of ₹ 100/- each	2,500.00	2,500.00
	<u>5,650.00</u>	<u>5,650.00</u>
<b>Issued, Subscribed and Paid- up:</b>		
3,63,32,349 (Previous Year 3,63,32,349 ) Equity Shares of ₹ 7/- each Fully Paid up (above includes 1,81,62,886 Equity Shares of ₹ 10/- each fully paid issued to existing shareholder on rights basis in financial year 2009-10) (Does not include 6577 Equity Shares Kept in abeyance)	2,543.26	2,543.26
25,00,000 (Previous year 25,00,000) Redeemable Cumulative Non Convertible Preference Shares	2,500.00	2,500.00
— 10,00,000 (Previous year 10,00,000) 5% Redeemable Cumulative Non - Convertible Preference Shares of ₹ 100/- each		
— 15,00,000 (Previous year 15,00,000) 9% Redeemable Cumulative Non - Convertible Preference Shares of ₹ 100/- each		
	<u>5,043.26</u>	<u>5,043.26</u>
<b>A) The reconciliation of the number of shares outstanding is given below:</b>		
	<b>No of shares</b>	<b>No of Shares</b>
a) Equity Shares		
Equity Shares at the beginning of the year	36,332,349	36,332,349
Equity Shares at the end of the year	<u>36,332,349</u>	<u>36,332,349</u>
b) Preference Shares		
5% Preference Shares at the beginning of the year	1,000,000	1,000,000
5% Preference Shares at the end of the year	<u>1,000,000</u>	<u>1,000,000</u>
9% Preference Shares at the beginning of the year	1,500,000	1,500,000
9% Preference Shares at the end of the year	<u>1,500,000</u>	<u>1,500,000</u>
Total Preference Shares at the end of the year	<u>2,500,000</u>	<u>2,500,000</u>



## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	31.03.2015	31.03.2014
<b>B) Shareholders holding more than 5% shares of the Company</b>		
a) Equity Shareholder		
Ashok Piramal Group Textile Trust through its trustee, Mrs. Urvi A Piramal		
Nos of Shares	21,590,112	21,590,112
% of holding	59.42	59.42
b) Preference Shareholder		
Ashok Piramal Group Textile Trust through its trustee, Mrs. Urvi A Piramal		
Nos of Shares	2,500,000	2,500,000
% of holding	100.00	100.00
<b>C) Terms/ rights attached to Equity Shares</b>		
Each Equity share of Company has a par value of ₹7/- as at 31st March, 2015 (Previous year ₹ 7/- per share). Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.		
<b>D) Terms/ rights attached to Preference Shares</b>		
<ol style="list-style-type: none"> <li>5% Redeemable Cumulative Non- Convertible Preference Shares of ₹ 100/- each, redeemable anytime between 15th November, 2014 and 15th November, 2019 at the option of the Company. The holders of the said Preference Shares shall not have any right to vote in any manner before the Company at any meeting except on resolutions placed before the Company at any meeting which directly affects their rights.</li> <li>9% Redeemable Cumulative Non- Convertible Preference Shares of ₹ 100/- each, redeemable anytime between 4th June, 2012 and 3rd December, 2015 at the option of the Company. The holders of the said Preference Shares shall not have any right to vote in any manner before the Company at any meeting except on resolutions placed before the Company at any meeting which directly affects their rights.</li> </ol>		



## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	31.03.2015 ₹ in Lacs	31.03.2014 ₹ in Lacs
<b>Note 3 : Reserves and Surplus</b>		
<b>a) General Reserve</b>		
Opening balance	5,419.91	5,137.91
Add: Transfer from Profit & Loss Account	208.00	282.00
	<b>5,627.91</b>	<b>5,419.91</b>
<b>b) Profit &amp; Loss Account</b>		
Opening balance	1,820.79	541.73
Add : Net Profit for the year	2,071.60	2,818.92
Less:		
Carrying amount of Fixed Assets where remaining useful life as of 01.04.2014 is assessed as NIL as per the provisions of schedule II of Companies Act, 2013. (Refer Note no.12)	39.04	—
Proposed Dividend on Preference Shares	185.00	185.00
Dividend Distribution Tax	37.66	31.44
Proposed Dividend on Equity Shares	635.82	890.14
Dividend Distribution Tax	129.44	151.28
Transfer to General Reserve	208.00	282.00
	<b>2,657.43</b>	<b>1,820.79</b>
	<b>8,285.34</b>	<b>7,240.70</b>

Note : The Board of Directors at its meeting held on May 8, 2015 has recommended a dividend of ₹ 1.75 per equity share.

	Non Current		Current	
	31.03.2015 ₹ in Lacs	31.03.2014 ₹ in Lacs	31.03.2015 ₹ in Lacs	31.03.2014 ₹ in Lacs
<b>Note 4 : Long Term Borrowings</b>				
<u>Secured</u>				
Term Loan from Bank	7,918.28	1,361.44	686.42	2,919.84
<u>Unsecured</u>				
Term Loan from Bank	1,000.00	7,000.00	1,000.00	—
	<b>8,918.28</b>	<b>8,361.44</b>	<b>1,686.42</b>	<b>2,919.84</b>

**a) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 7200 lacs (Previous year ₹ NIL lacs)**

(Secured by a 1st charge on G2 plot and company's moveable assets on G2 plot excluding assets specifically charged to other lenders and 2nd charge on G1 plot and company's moveable assets on G1 plot at Butibori, Nagpur).

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### **Terms of Repayment for Long Term Secured borrowings :**

- Loan of ₹ 7200 lacs repayable in 20 quarterly installments (excluding current maturities)

### **b) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 66.50 lacs (Previous year ₹ NIL lacs)**

(Secured by a 1st charge on G1 plot and the company's movable assets on G1 plot and on movable assets specifically acquired from loan in G2 plot and 2nd charge on G2 plot and company's moveable assets on G2 plot at Butibori, Nagpur).

### **Terms of Repayment for Long Term Secured borrowings :**

- Loan of ₹ 66.50 lacs repayable in 22 quarterly installments effective from 01.05.2017

### **c) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ NIL lacs (Previous year ₹ 375.00 lacs)**

(Secured by a 1st pari passu charge on the movable assets including its movable plant & machinery, spares, tools and accessories, secured by pari passu equitable mortgage on company's immovable properties at Butibori, Nagpur and 2nd pari passu charge by way of hypothecation of current assets of the Company viz Raw Materials, Stock-in-Process, Finished Goods, Consumable Store and Spares, Book Debts and other movable both present and future).

### **d) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 574.29 lacs (Previous year ₹ 986.44 lacs)**

(Secured by specific (exclusive) charge on the movable fixed assets and second pari passu charge on current assets viz Raw Materials, stock\_in\_Process, Finished Goods both present and future of company's plant at Butibori, Nagpur).

### **Terms of Repayment for Long Term Secured borrowings :**

- Loan of ₹ 574.28 lacs (Previous year ₹ 986.44) repayable in 19 monthly installments (excluding current maturities)

### **e) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 77.49 lacs (Previous year ₹ NIL lacs)**

(Secured by specific (exclusive) charge on the movable fixed assets of the company.)

### **Terms of Repayment for Long Term Secured borrowings :**

- Loan of ₹ 77.49 lacs repayable in 44 monthly installments (excluding current maturities)

### **f) Terms of Repayment for Long Term Unsecured borrowings :**

- Loan of ₹ Nil lacs (Previous year ₹ 5000 lacs) repayable in 3 monthly installments.
- Loan of ₹ 1000 lacs (Previous year ₹ 2000 lacs) repayable in 4 quarterly installments (excluding current maturities)

### **g) The interest rate on the above is in the range from 12.35% to 14.25 % per annum**

### **h) Default in repayment of principal and interest - Nil**



## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	31.03.2015 ₹ in Lacs	31.03.2014 ₹ in Lacs
<b>Note 5 : Deferred Tax Liabilities (Net)</b>		
<u>Deferred Tax Liabilities</u>		
Tax due to difference between written down value of fixed assets as per books of accounts and Income Tax Act, 1961	2,354.31	2,319.48
<b>Total Deferred tax liabilities</b>	<b>2,354.31</b>	<b>2,319.48</b>
<u>Deferred tax assets</u>		
Tax due to Provision for employment benefits allowed for tax purposes on payment basis	122.46	100.00
Tax due to unabsorbed depreciation / business losses carried forward under Income Tax Act 1961	442.92	1,598.90
<b>Total Deferred tax assets</b>	<b>565.38</b>	<b>1,698.90</b>
<b>Net Deferred tax asset / (liability)</b>	<b>(1,788.93)</b>	<b>(620.58)</b>
Opening Balance	(620.58)	-
Closing Net Deferred tax asset / (liability)	(1,788.93)	(620.58)
Net Deferred tax expense for the year	1,168.35	620.58
<b>Note 6 : Other Long Term Liabilities</b>		
Trade Deposits	113.85	104.37
<b>Note 7 : Long Term Provisions</b>		
Employees Retirement Benefits	316.11	204.20
<b>Note 8 : Short Term Borrowings</b>		
<u>Secured</u>		
Cash Credit / Packing Credit from Banks **	6,387.98	6,152.74
<u>Unsecured</u>		
Bodies Corporate	222.49	1,047.49
Cash Credit / Packing Credit from Bank	2,236.84	1,477.14
	<b>8,847.31</b>	<b>8,677.37</b>
<p>** Secured by way of hypothecation of Current Assets of the company viz., Raw Materials, Stock- In - Process, Finished Goods, consumables , store and spares , book debts and other moveable both present and future and secured by pari passu second charge on company's moveable assets including its moveable plant and machinery, spares, tools and accessories both present and future.</p> <p>The interest rate on the above is in the range from 12.00% to 14.50 % per annum.</p> <p>Default in repayment of principal &amp; interest - Nil</p>		

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	31.03.2015 ₹ in Lacs	31.03.2014 ₹ in Lacs
<b>Note 9 : Trade Payables</b>		
Dues of Micro and small Enterprises (Refer Note no. 32)	22.03	31.92
Others	3,768.27	3,740.48
	<u>3,790.30</u>	<u>3,772.40</u>
<b>Note 10 : Other Current Liabilities</b>		
Current Maturities of Long Term Loan from Bank (Refer Note no. 4)	1,686.42	2,919.84
Interest Accrued but not due	46.91	124.67
Unclaimed Dividend	9.79	6.69
Statutory Liabilities	63.02	91.51
Advances from Customers & Other current liabilities	189.85	215.46
	<u>1,995.99</u>	<u>3,358.17</u>
<b>Note 11 : Short Term Provisions</b>		
Proposed Dividend	820.82	1,075.14
Dividend Distribution Tax	167.10	182.72
Provision for Employees Retirement Benefits	44.18	89.99
Provision for Expenses & Others	2,432.14	2,353.42
	<u>3,464.24</u>	<u>3,701.27</u>



# NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

Note 12 : Fixed Assets				₹ in Lacs				
Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	Balance as on 01.04.2014	Additions	Deletion / adjustments	Balance as on 31.03.2015	Depre- ciation for the year	Deletion / adjust- ments as per new schedule II of companies Act, 2013	Balance as on 31.03.2015	Balance as on 31.03.2014
<b><u>Tangible Assets</u></b>								
Land - Leasehold	6647.70	—	—	6647.70	32.04	—	184.24	6495.50
Building	8251.48	—	—	8251.48	274.93	—	2670.10	5856.31
Plant & Machinery	20132.33	318.77	49.38	20401.72	592.14	21.37	11086.15	9616.95
Computer	334.47	11.91	—	346.38	16.17	—	320.73	33.23
Furniture, Fixture & Office Equipments	197.57	11.34	0.23	208.68	12.54	0.09	177.51	64.01
Motor Vehicles	23.42	114.88	6.18	132.12	6.44	3.36	16.98	13.74
Total - Tangible Assets	35586.97	456.90	55.79	35988.08	934.26	24.82	14455.71	22079.74
<b><u>Intangible Assets</u></b>								
Designs & Archives *	277.42	—	—	277.42	—	—	277.42	—
Computer Software	381.62	52.81	—	434.43	21.58	—	272.26	130.94
Total - Intangible Assets	659.04	52.81	—	711.85	21.58	—	549.68	130.94
Grand Total	36246.01	509.71	55.79	36699.93	955.84	24.82	15005.39	22210.68
Previous Year @	35870.53	398.90	23.42	36246.01	1593.58	16.85	14035.33	—
Capital W.I.P.								893.80
								23104.48

\* In previous year based on re-assessment of the balance useful life of Design and Archives (Intangible Assets) the company has fully provided for WDV of the same as of 01.01.2014 amounting to ₹ 143.00 lacs.

@ The addition of the Plant & Machinery of previous year is net of ₹ 154.90 lacs towards capital subsidy received from the Government.

\* In previous year based on re-assessment of the balance useful life of Design and Archives (Intangible Assets) the company has fully provided for WDV of the same as of 01.01.2014 amounting to ₹ 143.00 lacs.

@ The addition of the Plant & Machinery of previous year is net of ₹ 154.90 lacs towards capital subsidy received from the Government.



## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	31.03.2015 ₹ in Lacs	31.03.2014 ₹ in Lacs
<b>Note 13 : Non Current Investments (Unquoted)</b>		
<b>Others</b>		
a) Investment in Equity Shares		
<b><u>Whollyowned Subsidiary</u></b>		
Morarjee International srl (Euro 10,000)	—	5.61
NIL ( Previous year 10000) Equity Shares of EURO 1 each fully paid up)		
<b><u>Joint Venture</u></b>		
Morarjee Castiglioni (India) Pvt.Ltd.	64.10	64.10
(10,00,000 (previous year 10,00,000) Equity Shares of ₹ 10 each fully paid up)		
<b><u>Other Entities</u></b>		
Saraswat Bank	0.25	0.25
(2500 (Previous Year 2500) Equity shares of ₹ 10 each fully paid)		
Morarjee Goculdas Spg. & Wvg. Co.Pvt.Ltd.	0.01	0.01
(Formerly known as Morarjee Legler Pvt.Ltd.)		
(2000 (Previous Year 2000) Equity Shares of ₹ 10 each fully paid up)		
b) Investment in Government Securities		
Govt securities	0.64	0.64
	<b>65.00</b>	<b>70.61</b>
<b>Note 14 : Long Term Loans &amp; Advances (Unsecured &amp; considred good)</b>		
Capital Advances	10.85	—
Deposit / balance with government authorities etc.	126.81	188.43
MAT Credit Entitlement	2,192.97	1,477.79
Deposit and Other advances	13.63	13.60
Advance Tax	41.97	41.88
	<b>2,386.23</b>	<b>1,721.70</b>
<b>Note 15 : Current Investments (Unquoted)</b>		
<b>Investment in Equity Shares of Joint Venture</b>		
Just Textiles Ltd.	795.56	795.56
(795560 (Previous year 7,95,560) Equity Shares of ₹100 each fully paid up)		
	<b>795.56</b>	<b>795.56</b>



## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	31.03.2015 ₹ in Lacs	31.03.2014 ₹ in Lacs
<b>Note 16 : Inventories</b>		
Raw materials	1,128.61	1,238.53
Work-In- Progress	2,917.38	3,022.03
Finished Goods	3,473.30	2,822.68
Consumable, Stores, spares etc.	361.09	312.11
	<u>7,880.38</u>	<u>7,395.35</u>
<b>Note 17 : Trade Receivables (Unsecured, considered good)</b>		
Overdue for more than Six months	165.54	331.09
Others	6,231.18	5,794.41
	<u>6,396.72</u>	<u>6,125.50</u>
<b>Note 18 : Cash and Bank Balances</b>		
<b>Cash and Cash Equivalents</b>		
Cash in hand	13.59	16.59
Bank Balances	21.13	46.00
Cash & Cash Equivalents	<u>34.72</u>	<u>62.59</u>
<b>Other Bank Balances</b>		
-- in Unclaimed dividend Account	9.79	6.69
-- in Fixed Deposits (Margin Money)	-	0.88
Other Bank Balances	<u>9.79</u>	<u>7.57</u>
<b>Cash &amp; Bank Balances</b>	<u>44.51</u>	<u>70.16</u>
<b>Note 19: Short Term Loans &amp; Advances</b>		
Advances recoverable in cash or kind or for value to be received	688.57	922.64
Deposit and other advances	3.50	0.50
Advances to Staff	13.67	12.47
Deposit with Government Authorities	816.08	787.23
	<u>1,521.82</u>	<u>1,722.84</u>
<b>Note 20 : Other Current Assets</b>		
Interest Receivable	286.83	77.56
	<u>286.83</u>	<u>77.56</u>
<b>Notes 21 : Income from Operations</b>		
Revenue from Sale of Goods	36081.46	38633.37
Other Operating Income	564.69	680.64
	<u>36646.15</u>	<u>39314.01</u>
Less : Excise duty	123.24	119.86
	<u>36,522.91</u>	<u>39,194.15</u>

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	31.03.2015 ₹ in Lacs	31.03.2014 ₹ in Lacs
<b>Notes 22 : Other Income</b>		
Interest Income	6.98	2.63
Dividend Income	—	0.03
Insurance Claim Received	27.04	—
Profit on Sale of Assets	—	1.05
Miscellaneous Income (Refer Note No.39)	1.11	—
	<u>35.13</u>	<u>3.71</u>
<b>Notes 23 : Material Consumed</b>		
Opening Stock	1238.53	1,199.89
Add: Purchases	14450.60	15,838.63
Less : Closing Stock	1128.61	1,238.53
Material Consumed	<u>14,560.52</u>	<u>15,799.99</u>
<b>Notes 24 : Change in Inventories of Work-in-progress and Finished Goods</b>		
Opening Stock		
Work in Progress	3,022.03	2,783.98
Finished Goods	2,822.68	2,528.38
	<u>5,844.71</u>	<u>5,312.36</u>
Closing Stock		
Work in Progress	2,917.38	3,022.03
Finished Goods	3,473.30	2,822.68
	<u>6,390.68</u>	<u>5,844.71</u>
Excise Duty (Increase) / Decrease on Finished Goods	(34.59)	(37.68)
(Increase) / Decrease	<u>(511.38)</u>	<u>(494.67)</u>
<b>Note : 25 Manufacturing &amp; Other Expenses</b>		
Processing Charges	1,442.93	1,586.45
Dyes & Chemicals	3,212.48	3,165.40
Packing Expenses	366.45	354.83
Stores & Spares	946.81	997.66
Other Consumables	177.50	165.55
Repairs & Maintenance -Building	7.53	20.23
Repairs & Maintenance -Plant & Machinery	190.91	163.88
Repairs & Maintenance -Others	6.89	6.71
Power & Fuel	3,712.79	3,387.37
Rates ,Taxes & Water charges	303.08	276.28
	<u>10,367.37</u>	<u>10,124.36</u>



## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	31.03.2015 ₹ in Lacs	31.03.2014 ₹ in Lacs
<b>Notes 26: Employee Benefit Expenses</b>		
Salaries & Wages	3,020.84	2,945.09
Contribution to Provident and Other Funds	150.29	142.73
Staff Welfare Expenses	74.56	66.10
Executive Directors - Commission	37.00	—
	<u>3,282.69</u>	<u>3,153.92</u>
<b>Note : 27 Administrative, Selling &amp; Other Expenses</b>		
Freight Out	537.38	482.84
Insurance Charges	22.16	16.99
Legal & Profession Expenses	590.91	401.79
Rent	145.29	140.63
Telephone Expenses	23.83	22.72
Loss on sale of Assets	1.03	—
Travelling	184.25	202.42
Loss on Insurance Claim	—	36.81
Marketing Service fee & Commission	589.07	678.23
Audit Fees, Certification & Out of Pocket Expenses	18.99	16.27
CSR related contribution / Donations	42.00	16.28
Non - Executive Directors - Commission	28.00	—
Miscellaneous Expenses	675.29	561.84
	<u>2,858.20</u>	<u>2,576.82</u>
<b>Notes 28 : Finance Cost</b>		
Interest on Term Loan	1,017.74	1,621.98
Interest on Others (Refer Note no 38)	707.44	627.67
	<u>1,725.18</u>	<u>2,249.65</u>
Other Borrowing Cost	107.15	96.73
Applicable loss on foreign currency transactions and translation	72.48	202.53
	<u>1,904.81</u>	<u>2,548.91</u>

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### 29 Contingent Liability and commitments

#### A) Contingent Liability not provided for in respect of

	31.03.2015 ₹ in Lacs	31.03.2014 ₹ in Lacs
(i) Contingent Liability for bill discounted	237.75	981.61
(ii) The Excise & Sales Tax department has raised claims on the company The company has disputed the same with the appropriate authority.	2,539.97	2570.46
(iii) Claim against the company not acknowledged as debts	1,344.40	1,344.40

#### B) Commitments

(i) Bank Guarantees	685.48	853.05
(ii) Estimated amount of contracts remaining to be executed on capital accounts and not provided	4,311.47	79.20
(iii) Open Letters of credit	116.81	218.17

### 30 (a) Consumption of Raw Material

	Year ended 31.03.2015 (₹ in Lacs)	Year ended 31.03.2014 (₹ in Lacs)
Cotton	2,685.48	2,277.36
Yarn	4,494.45	5,040.68
Cloth	7,380.59	8,481.95
	<u>14,560.52</u>	<u>15,799.99</u>

#### (b) Value of Imported and Indigenous Raw Materials, Stores, Spares parts, dyes & chemicals.

	31.03.2015 (₹ in Lacs)	%	31.03.2014 (₹ in Lacs)	%
I) Raw Material				
i) Imported	1206.01	8.28	1,136.55	7.19
ii) Indigenous	13,354.51	91.72	14,663.44	92.81
	<u>14,560.52</u>	<u>100.0</u>	<u>15,799.99</u>	<u>100.00</u>
II) Stores & Spares , Dyes & Chemicals				
i) Imported	151.02	3.63	138.85	3.34
ii) Indigenous (Including imported items purchased locally)	4,008.27	96.37	4,024.21	96.66
	<u>4159.29</u>	<u>100.00</u>	<u>4,163.06</u>	<u>100.00</u>



## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	Year Ended 31.03.2015 (₹ in Lacs)	Year Ended 31.03.2014 (₹ in Lacs)
<b>(c) I) Value of Imports calculated on C.I.F. basis</b>		
i) Raw Materials	1,131.17	1,243.58
ii) Consumables	125.10	158.02
iii) Capital Goods	197.97	50.69
<b>II) Expenditure (Capital &amp; Revenue) in Foreign Currency</b>		
i) Professional Fees	437.19	44.75
ii) Marketing Service fee and Sales Commission	219.34	389.83
iii) Foreign Travel	29.74	51.93
iv) Processing Charges	—	10.39
v) Others	2.22	5.80
<b>III) Earning in Foreign Currency</b>		
<b>FOB Value of Exports</b>	<b>16,878.41</b>	<b>20,453.96</b>
<b>31 Auditor's Remuneration</b>		
Audit Fees	9.00	8.00
Tax Audit Fees	3.00	2.50
Certification fees	6.30	5.77
Out of Pocket Expenses	0.69	—
<b>Total</b>	<b>18.99</b>	<b>16.27</b>
<b>32</b> There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.		
	As on 31.03.2015 (₹ in Lacs)	As on 31.03.2014 (₹ in Lacs)
(a) Principal amount and separately the interest due thereon remaining unpaid to any supplier at the end of the financial year	22.03	31.92
(b) The amount of interest paid u/s 16 of this Act, along with the amounts of payments made to the supplier beyond the appointed day during each accounting year	—	—
(c) The amount of interest due and payable for the period of delay in making payment which have been paid but, beyond the appointed day during the year	—	—
(d) The amount accrued and remaining unpaid at the end of each accounting period; i.e., principal is paid but interest has remained unpaid	—	—
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprise, this is required for the purpose of disallowance as a deductible expenditure	—	—



## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

33 The company is engaged in manufacture of textile products which is considered as the only reportable business segment.

34 The Company has taken vehicles on an operating lease basis for a period of 48 months. The lease rentals are payable on monthly instalments by the Company.

Future minimum lease rentals payable as per the lease agreements:

	31.03.2015 (₹ in lacs)	31.03.2014 (₹ in lacs)
a) Not later than one year	16.46	5.79
b) Later than one year but not later than five years	42.07	—
c) Later than five years	—	—
	<u>58.53</u>	<u>5.79</u>

Lease payment recognised in profit & Loss account for the year is ₹ 12.49 lacs (Previous year ₹ 10.86 lacs)

### 35 Employee Benefits:

(a) Short term employee benefits:

The liability towards short term employee benefits for the year ended 31st March, 2015 has been recognised in the Profit and Loss Account.

(b) Post - employment benefits:

The following disclosures are made in accordance with AS 15 (Revised) pertaining to Defined Benefit Plans:

	Unfunded 31.03.2015		Unfunded 31.03.2014	
	Gratuity (₹ In Lacs)	Leave Encashment (₹ In Lacs)	Gratuity (₹ In Lacs)	Leave Encashment (₹ In Lacs)
<b><u>Amount Recognised in Balance sheet</u></b>				
Present Value of Unfunded Obligation	270.13	90.17	215.63	78.56
Unrecognised Past Service Cost	—	—	—	—
Amount not recognised as Asset, because of the limit in Para 59(b)	—	—	—	—
<b><u>Amount in Balance Sheet</u></b>				
Liability	270.13	90.17	215.63	78.56
Assets	—	—	—	—
Net Liability	<u>270.13</u>	<u>90.17</u>	<u>215.63</u>	<u>78.56</u>



## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	Unfunded 31.03.2015		Unfunded 31.03.2014		
	Gratuity	Leave Encashment	Gratuity	Leave Encashment	
	(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)	
<b><u>Expense Recognised in the Statement of Profit &amp; Loss</u></b>					
Current Service Cost	28.81	13.97	26.40	12.80	
Interest Cost on Defined Benefit Obligation	16.81	5.87	14.20	4.96	
Expected Return on Plan Assets	—	—	—	—	
Net Acturial Losses / (Gains) Recognised in Year	35.66	16.46	6.93	5.80	
Past Service Cost	—	—	—	—	
Effect of the limit in Para 59(a)	—	—	—	—	
Losses / (Gains) on “Curtailments and Settlements”	—	—	—	—	
Total Included in “Employee Benefit Expense”	81.28	36.30	47.53	23.56	
<b><u>Change in Define Benefit Obligation</u></b>					
Opening Defined Benefit Obligation as at 01.04.2014	215.63	78.56	182.43	67.38	
Current Service Cost	28.81	13.97	26.40	12.80	
Interest Cost	16.81	5.87	14.20	4.96	
Acturial Losses / (Gain)	35.66	16.46	6.93	5.80	
Liabilities Extinguised on Curtailment	—	—	—	—	
Liabilities Extinguised on Settlements	—	—	—	—	
Liabilities Assumed on Acquisition	—	—	—	—	
Exchange Difference on Foreign Plans	—	—	—	—	
Benefits Paid	(26.78)	(24.69)	(14.33)	(12.38)	
Closing Defined Benefit Obligation as at 31.03.2015	270.13	90.17	215.63	78.56	
<b><u>Gratuity</u></b>					
	31.03.2015	31.03.2014	31.03.2013	31.03.2012	(₹ in lacs)
Defined Benefit Obligation	270.13	215.63	182.43	153.68	175.01
Plan Assets	—	—	—	—	—
Surplus/ (Deficit)	(270.13)	(215.63)	(182.43)	(153.68)	(175.01)
<b><u>Leave Encashment</u></b>					
Defined Benefit Obligation	90.17	78.56	67.38	57.27	83.22
Plan Assets	—	—	—	—	—
Surplus/ (Deficit)	(90.17)	(78.56)	(67.38)	(57.27)	(83.22)
Summary of the Acturial Assumptions :-					
Discount Rate : 7.80% (prevoius year : 9.10%)					
Note :					
The estimates of future salary increases, considered in acturial valuation, takes into account the inflation, seniority, promotion and other relevant factors.					

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

- 36 A) In the financial year 2012-13, the Board of Directors have passed a resolution to divest from Just Textiles Ltd, a joint venture in which the Company holds 49% stake. Accordingly, Just Textiles Ltd financial statements are not consolidated with the financial statements of the Company.

Pursuant to Accounting Standard (AS-27) - Financial Reporting of interest in Joint Venture, the disclosures relating to the joint Venture viz. Just Textiles Ltd. (hereinafter referred to as JV) are as follows:

- (a) The proportion of interest of the Company in the JV is by way of 49% equity participation. The balance 51% held by Mr. Pradeep Modi and others.
- (b) The Company's share of capital commitments of the JV as at 31st, March, 2015 is ₹ Nil (Previous year ₹.Nil)
- (c) The Company's share of contingent liabilities of the JV as at 31st, March, 2015 is ₹ 74 lacs. (Previous year ₹74 lacs)
- (d) No contingent liabilities and capital commitments have been incurred as at 31st March, 2015 in relation to the Company's interest in the JV alongwith the other venture. (Previous year ₹ Nil)
- (e) The aggregate amount of assets, liabilities, income and expenses related to the Company's interest in the JV as at 31st March, 2015.

Particulars	31.03.2015 (₹ in lacs)	31.03.2014 (₹ in lacs)
i Assets	2449.05	2543.04
ii Liabilities	1749.56	1856.63
iii Income	1970.37	1889.28
iv Expenses	1957.29	2059.52

- B) Pursuant to Accounting Standard (AS-27) - Financial Reporting of interest in Joint Venture, the disclosures relating to the joint Venture viz. Morarjee Castiglioni (India) Private Limited (hereinafter referred to as JV) are as follows:

- (a) The Propotion of interest of the Company in the JV is by way of equal equity participation with Manifattura Castiglioni S.P.A.
- (b) The aggregate amount of assets, liabilities, income and expenses related to the Company's interest in the JV as at 31st March, 2015

Particulars	31.03.2015 ₹ in lacs	31.03.2014 ₹ in lacs
i Assets	68.88	71.23
ii Liabilities	0.73	0.87
iii Income	0.87	0.81
iv Expenses	3.07	2.94



## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

- (c) The Company's share of capital commitments of the JV as at 31st, March, 2015 is ₹ Nil .(Previous year ₹ Nil)
- (d) The Company's share of contingent liabilities of the JV as at 31st, March, 2015 is ₹ Nil. (Previous year ₹ Nil)
- (e) No contingent liabilities and capital commitments have been incurred as at 31st March, 2015 in relation to the Company's interest in the JV alongwith the other venture. (Previous year ₹ Nil)

37 As required by Accounting Standard - AS 18 "Related Parties Disclosure" issued by The Institute of Chartered Accountants of India are as follows:

List of Related Parties with whom transactions have taken place during the year:

**A. Enterprises over which Directors/Key Management personal exercise significant influence**

Peninsula Land Ltd.  
 Ashok Piramal Management Corporation Ltd.  
 Morarjee Goculdas Spg. & Wvg. Co. Pvt. Ltd.  
 (Formerly Morarjee Legler Pvt. Ltd.)  
 Ashok G. Piramal Trust  
 Urvi Ashok Piramal Foundation  
 PMP Components Pvt Ltd.  
 Integra Garment & Textiles Ltd.  
 (Formerly Five Star Mercantile Ltd.)  
 Argento Home Products LLP

**B. Subsidiary Company**

Morarjee International s.r.l. (Refer note no. 39)

**C. Joint Ventures**

Morarjee Castiglioni (I) Pvt.Ltd.  
 Just Textiles Ltd.

**D. Key Management Personnel**

Shri Harsh A. Piramal  
 Shri R. K. Rewari  
 Shri S. C. Kashimpuria  
 Ms. Karina Vaz (Resigned w.e.f. 01.04.15)

**E. Directors having significant influence over the Enterprise**

Smt. Urvi A. Piramal  
 Shri Mahesh S. Gupta

Details of Transactions are as follows:

**A Sales to related parties**

Enterprises over which Directors/Key Management personnel exercise significant influence

Argento Home Products LLP

31.03.2015 (₹ in lacs)	31.03.2014 (₹ in lacs)
60.75	4.21

# NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	31.03.2015 (₹ in lacs)	31.03.2014 (₹ in lacs)
<b>B Services to related parties</b>		
<b>Rent Received</b>		
<b>Enterprises over which Directors/Key Management personnel exercise significant influence</b>		
Integra Garments and Textiles Ltd.	0.18	—
<b>C Purchase from related parties</b>		
<b>Joint Ventures</b>		
Just Textiles Ltd.	—	33.25
<b>D Services from related parties</b>		
<b>Subsidiary Companies</b>		
Morarjee International srl	—	21.69
<b>Enterprises over which Directors/Key Management personnel exercise significant influence</b>		
Ashok Piramal Management corporation Ltd.	345.00	76.70
<b>E Remuneration, Commission &amp; Sitting Fees</b>		
<b><u>Key Management Personnel</u></b>		
<b><u>Remuneration</u></b>		
Shri Harsh A. Piramal (Includes Commission)	177.57	140.49
Shri R. K. Rewari	136.51	121.35
Shri S. C. Kashimpuria	47.64	48.21
Ms. Karina Vaz	11.47	10.52
<b>Directors having significant influence over the Enterprise</b>		
<b><u>Commission &amp; Sitting Fees</u></b>		
Smt. Urvi A. Piramal	10.40	0.80
Shri Mahesh S. Gupta	6.20	0.80
<b>F Rent paid</b>		
<b>Enterprises over which Directors/Key Management/personnel exercise significant influence</b>		
PMP Components Pvt Ltd.	0.67	0.67
Peninsula Land Ltd.	127.62	127.62
<b>G CSR Contribution / Donation</b>		
<b>Enterprises over which Directors/Key Management/personnel exercise significant influence</b>		
Ashok G. Piramal Trust	—	10.75
Urvi Ashok Piramal Foundation	42.00	5.38
<b>H Outstanding balance</b>		
<b>Due to Enterprises over which Directors/Key Management/personnel exercise significant influence</b>		
Peninsula Land Ltd.	17.17	17.17



## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	31.03.2015 (₹ in lacs)	31.03.2014 (₹ in lacs)
<b>Due to Joint Venture Companies</b>		
Morarjee Castiglioni (I) Pvt Ltd.	113.72	119.45
Just Textiles Ltd.	0.71	1.50
<b>Due to Subsidiary Companies</b>		
Morarjee International srl	—	17.83
<b>Due from Enterprises over which Directors/Key Management personnel exercise significant influence</b>		
Ashok G. Piramal Trust	—	0.01
Argento Home Products LLP	39.61	0.40
38 Interest includes ₹ 6.13 lacs on payment of advance tax for the financial year 2013-2014 & 2014-15. (Previous year ₹ 24.07 lacs)		
39 During the current year, Morarjee International s.r.l, registered in Italy and wholly owned subsidiary (hereinafter referred to as subsidiary company) of the Company was liquidated on 23.02.2015 as per local jurisdiction. As per the liquidation order, the Company is not entitled to receive any amount against its investment in the subsidiary company. Thus, investment of the Company amounting to ₹ 5.61 lac and liability (payable to subsidiary company) amounting to ₹ 6.72 lac as on 23.02.2015 is knocked off and net gain of ₹ 1.11 lac is shown as other income in the statement of Profit & Loss for the current year.		
40 Earnings Per Share (Basic / Diluted)		
	31.03.2015	31.03.2014
	₹ In lacs	₹ In lacs
(a) Profit after Tax	2,071.60	2,818.92
Less: Preference Share Dividend & Taxes	221.99	216.44
(b) Number of Shares (weighted average)	36332349	36332349
(c) Earnings Per Share (₹)	5.09	7.16
41 During the current year, the Company has started to receive interest subsidy under the TUF Scheme from the Maharashtra State Government, in view of this the Company has accrued interest subsidy of ₹ 263.90 lacs by crediting to interest account. (Includes ₹ 190.71 lacs for earlier year)		
42 Previous year's figures have been regrouped / reclassified wherever necessary.		
As per our report of even date.	For and on behalf of Board of Directors	
MANUBHAI & SHAH	Ms. Urvi A. Piramal	Chairperson
Chartered Accountants	Mr. Harsh A. Piramal	Executive Vice Chairman
FRN : 106041W	Mr. R. K. Rewari	Managing Director
	Mr. Mahesh S. Gupta	Director
	Mr. Ranjan Sanghi	Director
KSHITIJ M. PATEL	Mr. Shobhan Thakore	Director
Partner	Mr. Aditya Mangaldas	Director
Membership No. 045740	Mr. S. C. Kashimpuria	Chief Financial Officer
Mumbai : 8 <sup>th</sup> May, 2015		



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	31 <sup>st</sup> March, 2015		31 <sup>st</sup> March, 2014	
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit Before Tax		3239.95		3439.50
Adjustments for :				
Depreciation / Amortisation	955.84		1593.58	
Finance Expenses	1904.81		2548.91	
Dividend Income	0.00		(0.03)	
Miscellaneous Income	(1.11)		0.00	
Insurance Claim	(27.04)		0.00	
(Profit) / Loss on Sale of Assets	1.03		(1.05)	
Interest Income	(6.98)		(2.63)	
		2826.55		4138.78
Operating Profit Before Working Capital Changes		6066.50		7578.28
Adjustments for Changes in Working Capital				
(Increase)/ Decrease in Trade and Other Receivables	(228.74)		(491.10)	
(Increase) / Decrease in Inventories	(485.03)		(586.79)	
Increase/(Decrease) in Trade Payables	108.42		(360.81)	
		(605.35)		(1438.70)
Cash From Operating Activities		5461.15		6139.58
Less: Income Tax Paid (MAT)		695.76		675.40
Net Cash From Operating Activities		(A) 4765.39		(A) 5464.18
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(1107.93)		(1052.64)	
Sale of Fixed Assets	1.93		7.63	
Interest Received	6.98		2.63	
Insurance Claim Received	55.05		—	
Dividend Received	—		0.03	
Net Cash Used in Investing Activities		(B) (1043.97)		(B) (1042.35)



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	31 <sup>st</sup> March, 2015		31 <sup>st</sup> March, 2014	
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	7664.71		7140.61	
Repayment of Long Term Borrowings	(8341.29)		(8438.26)	
Dividend and Dividend Tax Paid	(1257.86)		(1461.81)	
Increase/ (Decrease) in Short term Borrowings	169.94		941.37	
Interest Paid	(1982.57)		(2602.88)	
Net Cash Used in Financing Activities		(C) (3747.07)		(C) (4420.97)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A)+(B)+(C)		(25.65)		0.86
Cash and Cash Equivalents at the beginning of the year		70.16		69.30
Cash and Cash Equivalents at the end of the year		44.51		70.16
As per our report of even date.	For and on behalf of Board of Directors			
MANUBHAI & SHAH	Ms. Urvi A. Piramal		Chairperson	
Chartered Accountants	Mr. Harsh A. Piramal		Executive Vice Chairman	
FRN : 106041W	Mr. R. K. Rewari		Managing Director	
	Mr. Mahesh S. Gupta		Director	
	Mr. Ranjan Sanghi		Director	
KSHITIJ M. PATEL	Mr. Shobhan Thakore		Director	
Partner	Mr. Aditya Mangaldas		Director	
Membership No. 045740	Mr. S. C. Kashimpuria		Chief Financial Officer	
Mumbai : 8 <sup>th</sup> May, 2015				

# INDEPENDENT AUDITOR'S REPORT

To The Members of Morarjee Textiles Limited  
Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of MORARJEE TEXTILES LIMITED ("the Holding Company"), its subsidiary (the Holding Company and the subsidiary together referred to as "the group") and its jointly controlled entity, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

## **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and jointly controlled entity as at 31st March, 2015, and their consolidated profit and their



consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of one jointly controlled entity, whose financial statements reflect total assets of Rs. NIL as at 23rd February, 2015, total revenues of Rs.299.98 lacs and net cash flows amounting to Rs. NIL for the period ended on 23rd February 2015, as considered in the consolidated financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) order, 2015 issued by Government of India in terms of sub section (11) of section 143 of the Act ("the order"), based on the comments in the auditors' report of the Company and on the auditors' report issued in accordance with the order for jointly controlled entity incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of the jointly controlled company incorporated in India, none of the directors of the Holding Company and jointly controlled company incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entity – Refer Note 29(A) to the consolidated financial statements.
  - (ii) The Group and jointly controlled entity does not have any material foreseeable losses on long-term contracts including derivative contracts.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company and jointly controlled company incorporated in India.

**For Manubhai & Shah**  
Chartered Accountants  
(Firm's Registration No.: 106041W)

**Kshitij M. Patel**  
(Partner)  
(Membership No.:045740)

Mumbai, 8<sup>th</sup> May, 2015.

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under 'Report on the other Legal and Regulatory Requirements' of our Report of even date)

1. (a) The Company and the jointly controlled entity has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company and the jointly controlled entity has a regular programme of physical verification of fixed assets by which all the assets are verified in a phased manner over a period of 3 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed in respect of the assets physically verified during the year.
2. (a) The inventory of the Company excluding stocks with third parties has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. In respect of inventory lying with third parties at the year end, written confirmations for the same are obtained.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material.
- (d) The jointly controlled entity does not have any inventory and thus clause 3(ii) of the Companies (Auditors' Report) Order 2015 is not applicable.
3. The Company and jointly controlled entity have not granted secured or unsecured loans, to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
4. In our opinion, and according to the information and explanations given to us and based on the auditors' report issued in accordance with the order of the jointly controlled entity, there is an adequate internal control system commensurate with the size of the Company and its Subsidiary and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us and based on the auditors' report issued in accordance with the order of the jointly controlled entity, we have neither come across, nor

have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

5. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

Also, based on the auditors' report issued in accordance with the order of the jointly controlled entity, the jointly controlled entity have not accepted any deposits during the year and do not have any unclaimed deposits. Therefore, the provision of clause 3(v) of the order is not applicable to the jointly controlled entity.

6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India for the maintenance of cost records under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

The provisions of clause 3(vi) of the order is not applicable to the jointly controlled entity as the respective Company is not covered by Companies (Cost Records and Audit) Rules, 2014.

7. (a) According to the information and explanations given to us and the records of the Company examined by us and based on the auditors' report issued in accordance with the order of the jointly controlled entity, the Company and jointly controlled entity are regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us and the records of the Company examined by us and based on the auditors' report issued in accordance with the order of the jointly controlled entity, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable were in arrears as at





March 31, 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us and based on the auditors' report issued in accordance

with the order of the jointly controlled entity, the particulars of dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess as at March 31, 2015 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of Dues	Financial Year	Amount ₹ in lacs	Forum where Dispute is Pending
Central Excise Act 1944	Interpretation of Act	1979-80 to 1985-86	6.84	First Appeal (Commissioner Level)
		1990-91	0.09	
		1993-94 to 1995-96	146.49	
		1999-2000 to 2008-09	417.81	
Central Excise Act 1944	Interpretation of Act	1976-77	0.19	Second Appeal (CESTAT)
		1990-91 to 1991-92	2.35	
		1995-96 to 2005-06	586.66	
		2006-07 to 2008-09	218.14	
Central Excise Act 1944	Interpretation of Act	1997-98 to 2001-02	3.19	High Court
Central Excise Act 1944	Interpretation of Act	1981-1984	296.14	Supreme Court
		1999-2000 to 2002-03	540.65	
Maharashtra Value Added Tax Act, 2002	Interpretation of Act	2003-04	119.70	Joint Commissioner of Sales Tax
		2006-07 to 2007-08	66.20	
		2010-11	23.47	
		2003-04	112.06	Sales Tax Tribunal

- (c) According to the information and explanations given to us, the amounts that were required to be transferred to Investor Education and Protection Fund by the Company have been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

Also, based on the auditors' report issued in accordance with the order of the jointly controlled entity, there is no amount which is required to be transferred to Investor Education and Protection Fund within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

8. The Company does not have accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

The jointly controlled entity has incurred cash loss in the current year and in the immediately preceding financial year. Their accumulated losses in the balance sheet as on March 31, 2015 are not more than 50% of their net worth as on that date.

9. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

Also, based on the auditors' report issued in accordance with the order of the jointly controlled entity does not have any amount outstanding to any financial institution

or bank or debenture holders.

10. According to the information and explanations given to us and based on the auditors' report issued in accordance with the order of the jointly controlled entity, the Company and the jointly controlled entity have not given any guarantees for loans taken by others from banks or financial institutions during the year.
11. According to the information and explanations given to us, the Company has applied the term loans for the purposes for which they were obtained.
- Also, based on the auditors' report issued in accordance with the order of the jointly controlled entity did not avail any term loan during the year.
12. According to the information and explanations given to us and based on the auditors' report issued in accordance with the order of the jointly controlled entity, no material fraud on or by the Company and the jointly controlled entity have been noticed or reported during the year.

**For Manubhai & Shah**  
Chartered Accountants  
(Firm's Registration No.: 106041W)

**Kshitij M. Patel**  
(Partner)  
(Membership No.: 045740)

Mumbai, 8<sup>th</sup> May, 2015.



# CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015

	Note	31.03.2015 ₹ in lacs	31.03.2014 ₹ in lacs
<b>I. EQUITIES AND LIABILITIES</b>			
1. Shareholders' Funds			
a) Share Capital	2	5,043.26	5,043.26
b) Reserves and Surplus	3	8,274.56	7,232.69
c) Capital Reserve on Consolidation		14.83	14.83
		13,332.65	12,290.78
2. Non Current Liabilities			
a) Long Term Borrowings	4	8,918.28	8,361.44
b) Deferred Tax Liability (Net)	5	1,788.93	620.58
c) Other Long Term Borrowings	6	113.85	104.37
d) Long Term Provisions	7	316.11	204.20
		11,137.17	9,290.59
3. Current Liabilities			
a) Short Term Borrowings	8	8,847.31	8,677.37
b) Trade Payables	9	3,790.71	3,788.23
c) Other Current Liabilities	10	1,995.99	3,340.77
d) Short Term Provisions	11	3,464.56	3,701.27
		18,098.57	19,507.64
<b>TOTAL</b>		<b>42,568.39</b>	<b>41,089.01</b>
<b>II. ASSETS</b>			
1. Non Current Assets			
a) Fixed Assets	12		
I) Tangible Assets		21,532.37	22,079.75
II) Intangible Assets		162.17	130.94
III) Capital Work In Progress		1,492.02	893.80
		23,186.56	23,104.49
b) Non Current Investments	13	0.90	0.90
c) Long Term Loans and Advances	14	2,387.58	1,723.05
		25,575.04	24,828.44
2. Current Assets			
a) Current Investments	15	795.56	795.56
b) Inventories	16	7,880.38	7,395.35
c) Trade Receivables	17	6,418.65	6,147.43
d) Cash and Cash Equivalents	18	54.68	80.06
e) Short Term Loans and Advances	19	1,557.08	1,764.45
f) Other Current Assets	20	287.00	77.72
		16,993.35	16,260.57
<b>TOTAL</b>		<b>42,568.39</b>	<b>41,089.01</b>
Accounting Policies	1		
Notes are an Integral part of the financial statements			
As per our report of even date.		For and on behalf of Board of Directors	
MANUBHAI & SHAH		Ms. Urvi A. Piramal	
Chartered Accountants		Mr. Harsh A. Piramal	
FRN. 106041W		Mr. R. K. Rewari	
		Mr. Mahesh S. Gupta	
		Mr. Ranjan Sanghi	
KSHITIJ M. PATEL		Mr. Shobhan Thakore	
Partner		Mr. Aditya Mangaldas	
Membership No. 045740		Mr. S. C. Kashimpuria	
Mumbai : 8 <sup>th</sup> May, 2015			
		Chairperson	
		Executive Vice Chairman	
		Managing Director	
		Director	
		Director	
		Director	
		Chief Financial Officer	



## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

	Note	31.03.2015 ₹ in lacs	31.03.2014 ₹ in lacs
<b>INCOME</b>			
Income from Operations	21	36,522.91	39,194.15
Other Income	22	48.18	4.52
<b>Total Income</b>		<b>36,571.09</b>	<b>39,198.67</b>
<b>EXPENDITURE</b>			
Materials Consumed	23	14560.52	15,799.99
Changes in Inventories of work in progress and Finished Goods	24	(511.38)	(494.67)
Manufacturing and Other Expenses	25	10367.37	10,124.36
Employment Benefit Expenses	26	3285.23	3,169.78
Administrative, Selling & Other Expenses	27	2858.43	2,562.85
Net Loss on Foreign Currency Transactions and Translations		(102.35)	452.80
<b>Total Expenditure</b>		<b>30457.82</b>	<b>31615.11</b>
<b>Profit Before Finance Expenses, Depreciation &amp; Tax</b>		<b>6113.27</b>	<b>7,583.56</b>
Finance Cost	28	1904.84	2,549.10
Depreciation / Amortisation	12	955.84	1,593.59
<b>Profit Before Tax</b>		<b>3252.59</b>	<b>3440.87</b>
Less: Provision for Tax (Including MAT)		715.45	761.02
Less: Deferred Tax	5	1168.35	620.58
Add: MAT Credit Entitlement		715.18	760.77
<b>Consolidated Profit after Tax</b>		<b>2083.97</b>	<b>2820.04</b>
Earning Per Equity Share - Basic & Diluted (₹)		<b>5.12</b>	<b>7.17</b>
(Face value ₹ 7/-each)			
(Refer Note no 42)			
Accounting Policies	1		
Notes are an Integral part of the financials statements			
<hr/>			
As per our report of even date.	For and on behalf of Board of Directors		
MANUBHAI & SHAH	Ms. Urvi A. Piramal	Chairperson	
Chartered Accountants	Mr. Harsh A. Piramal	Executive Vice Chairman	
FRN. 106041W	Mr. R. K. Rewari	Managing Director	
	Mr. Mahesh S. Gupta	Director	
	Mr. Ranjan Sanghi	Director	
KSHITIJ M. PATEL	Mr. Shobhan Thakore	Director	
Partner	Mr. Aditya Mangaldas	Director	
Membership No. 045740	Mr. S. C. Kashimpuria	Chief Financial Officer	
Mumbai : 8 <sup>th</sup> May, 2015			

## NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### Note 1 : Significant Accounting Policies

#### 1. Basis of preparation of financial statement

##### (a) Basis of Accounting:

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting to comply with the accounting standards notified under the relevant provisions of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014. All Assets and Liabilities have been classified as current or non current as per the company's normal operating cycle and other criteria set out in Schedule III to Companies Act, 2013. Based on the nature of product and the time between the acquisition of assets for processing and their realisation in cash or cash equivalent, the company has ascertained its operating cycle to be 12 months for the purpose of current and non current classification of assets and liabilities.

##### (b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements.

#### 2. Fixed Assets

All Fixed Assets are stated at cost net of recoverable taxes, less of accumulated depreciation / amortisation and impairment loss if any. The cost of Fixed Assets comprises its purchase price, borrowing cost and any other cost directly attributable to bringing the assets to its working condition for its intended use. Capital Subsidy received for a specific asset is reduced from its cost. The expenditure incurred on commissioning of the project, including the expenditure incurred on test runs and experimental production, is capitalised.

Subsequent expenditure related to an item of tangible fixed assets are added to its book value only if they increase the future benefit from the existing asset beyond its previously assessed standard of performance.

#### 3. Depreciation

Depreciation on all tangible fixed assets is provided under Straight Line Method based on its useful lives as prescribed under Schedule II of Companies Act, 2013. Leasehold land is amortised over the primary lease period. Computer Software is amortised under Straight Line Method over useful life of 10 year.

#### 4. Lease Accounting

Lease rentals on assets taken on lease are recognized as expense in the statement of Profit and loss account on an accrual basis over the lease term.

#### 5. Inventory

- a) Raw materials, work in progress, finished goods, packing materials, stores, spares, traded goods and consumables are carried at the lower of cost and net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis. Damaged, unserviceable and inert stocks are suitably depreciated.
- b) In determining cost of raw materials, packing materials, traded goods, stores, spares and consumables, weighted average cost method is used.
- c) Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.



## NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### 6. Investments

Long term / non-current investments are carried at cost. Provision for diminution in the value of long term investments is made only if such a decline is not temporary in the opinion of the management. Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Profit and loss on sale of investments is determined on a first in first out (FIFO) basis.

### 7. Revenue Recognition

Revenue is recognized only when there is no significant uncertainty as to the measurability / collectability of amount.

### 8. Transactions in Foreign Exchange

Transaction in foreign currency is recorded at the exchange rate prevailing on the date of the transaction. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the statement of profit and loss except in case of long term liabilities where they relate to acquisition of fixed assets in which case they are adjusted to carrying amount of fixed assets. The premium on forward exchange contracts is recognized over the period of the contracts in the Statement of profit and loss.

### 9. Translation of foreign Currency Statements

In translation the financial statements of foreign entities for incorporation in the consolidated financial statements, the assets and liabilities are translated at the exchange rate prevailing at the balance sheet date of respective subsidiaries and income and expense items are translated at the average rates of exchange for the year. The resulting exchange differences are classified as foreign currency translation reserve.

### 10. Research and Development

The Revenue Expenditure on Research and Development is charged to Profit & Loss account.

### 11. Voluntary Retirement Scheme

In case of subsidiary compensation paid on voluntary retirement scheme has been deferred and one half has been charged to Profit and Loss account.

### 12. Employee Benefits

#### (i) Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

#### (ii) Post-Employment Benefits:

##### (a) Defined contribution plans

Defined contribution plans are, Government administered Provident Fund Scheme and Government administered Pension Fund Scheme for all employees and Superannuation scheme for eligible employees. The Company's contribution to defined contribution plans are recognized in the profit and loss account in the financial year to which they relate.

The interest to the beneficiaries every year is being notified by the Government.

##### (b) Defined benefit plans

###### (i) gratuity

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees, The Company makes a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment based on respective employee's salary and tenure of employment with the company.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

Liabilities with regard to gratuity are determined by actuarial valuation performed by an independent actuary at each balance sheet date using the Projected Unit Credit Method. The gratuity liability being unfunded, the company recognises the obligation in balance sheet as liability in accordance with Accounting Standard 15 Employee Benefits. Acturial Gain / Loss arising from experience adjustments and changes in actuarial assumptions are recognised in statement of Profit & Loss in period in which they arise.

### (ii) Compensated Absences (Leave Encashment)

The Employees of the Company are entitled to compensated absences which are both accumulating (subject to maximum limit) and non accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation using the Projected Unit Credit Method on the additional amount expected to be paid or availed as a result of unused entitlement that has accumulated at balance sheet date. Expense on non accumulating compensated absences is recognised in the period in which absences occur.

### 13. Goodwill

Goodwill is written off over a period of ten years.

### 14. Provision for Taxation

Income tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws are recognized only if there is a virtual certainty of its realization supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is reasonable certainty of its realization. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to reassure realization.

Minimum Alternate Tax credit (MAT Credit) is recognized as an asset only when and to the extent there is a convincing evidence that the Company will pay normal tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT Credit asset is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### 15. Provisions and Contingencies

The company creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

### 16. Earnings per share

The basic and diluted earnings per share ("EPS") is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

### 17. Proposed Dividend

Dividend if any recommended by the Board of Directors is provided for in the accounts, pending approval at the Annual General Meeting.



## NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	31.03.2015 ₹ in lacs	31.03.2014 ₹ in lacs
<b>Note 2 : Share Capital</b>		
<b>Authorised :</b>		
4,50,00,000 (Previous Year 4,50,00,000) Equity Shares of ₹ 7/- each	3,150.00	3,150.00
25,00,000 (Previous Year 25,00,000) Redeemable Cumulative Non- Convertible Preference Shares of ₹ 100/- each	2,500.00	2,500.00
	<b>5,650.00</b>	<b>5,650.00</b>
<b>Issued, Subscribed and Paid- up:</b>		
3,63,32,349 (Previous Year 3,63,32,349 ) Equity Shares of ₹ 7/- (Previous year ₹ 7/-) each Fully Paid up (Above includes 1,81,62,886 Equity Shares of ₹ 10/- each fully paid issued to Existing shareholder on Rights basis in financial year 2009-10) (Does not include 6577 Equity Shares Kept in abeyance)	2,543.26	2,543.26
25,00,000 (Previous year 25,00,000) Redeemable Cumulative Non Convertible Preference Shares	2,500.00	2,500.00
— 10,00,000 (Previous year 10,00,000) 5% Redeemable Cumulative Non- Convertible Preference Shares of ₹ 100/- each		
— 15,00,000 (Previous year 15,00,000) 9% Redeemable Cumulative Non- Convertible Preference Shares of ₹ 100/- each		
	<b>5,043.26</b>	<b>5,043.26</b>
<b>A) The reconciliation of the number of shares outstanding is given below:</b>		
	<b>No of Shares</b>	<b>No of Shares</b>
<b>a) Equity Shares</b>		
Equity Shares at the beginning of the year	36,332,349	36,332,349
Equity Shares at the end of the year	36,332,349	36,332,349
<b>b) Preference Shares</b>		
5% Preference Shares at the beginning of the year	1,000,000	1,000,000
5% Preference Shares at the end of the year	1,000,000	1,000,000
9% Preference Shares at the beginning of the year	1,500,000	1,500,000
9% Preference Shares at the end of the year	1,500,000	1,500,000
Total Preference Shares at the end of the year	2,500,000	2,500,000
<b>B) Shareholders holding more than 5% shares of the Company</b>		
<b>a) Equity Shareholder</b>		
Ashok Piramal Group Textile Trust through its trustee, Mrs. Urvi A Piramal		
Nos of Shares	21,590,112	21,590,112
% of holding	59.42	59.42
<b>b) Preference Shareholder</b>		
Ashok Piramal Group Textile Trust through its trustee, Mrs. Urvi A Piramal		
Nos of Shares	2,500,000	2,500,000
% of holding	100.00	100.00



## NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### C) Terms/ rights attached to Equity Shares

Each Equity shares of Company has a par value of ₹7/- as at 31st March, 2015. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### D) Terms/ rights attached to Preference Shares

- 1) 5% Redeemable Cumulative Non- Convertible Preference Shares of ₹ 100/- each, Redeemable anytime between 15th November, 2014 and 15th November, 2019 at option of the Company. The holders of the said Preference Shares shall not have any right to vote in any manner before the Company at any meeting except on resolutions placed before the Company at any meeting which directly affects their rights.
- 2) 9% Redeemable Cumulative Non- Convertible preference Shares of ₹ 100/- each (Redeemable anytime between 4th June, 2012 and 3rd December, 2015 at the option of the Company. The holders of the said Preference Shares shall not have any right to vote in any manner before the Company at any meeting except on resolutions placed before the Company at any meeting which directly affects their rights.

### Note 3 : Reserves and Surplus

#### a) General Reserve

Opening balance

Add: Amount Transferred from Profit & Loss Account

#### b) Foreign Exchange Reserve

Opening Balance

Less : Adjusted during the year

#### c) Profit & Loss Account

Opening balance

Add : Net Profit for the year

Less:

Carrying amount of Fixed Assets where remaining usefull life as of 01.04.2014 is assessed as NIL as per the provisions of schedule II of Compnaies Act, 2013. (Refer Note no.12)

Proposed Dividend on Preference Shares

Dividend Distribution Tax

Proposed Dividend on Equity Shares

Dividend Distribution Tax

Transfer to General Reserve

	31.03.2015 ₹ in lacs	31.03.2014 ₹ in lacs
	6,660.84	6,378.84
	208.00	282.00
	<b>6,868.84</b>	<b>6,660.84</b>
	15.13	15.13
	15.13	—
	<b>—</b>	<b>15.13</b>
	556.72	(723.46)
	2,083.97	2,820.04
	39.05	—
	185.00	185.00
	37.66	31.44
	635.82	890.14
	129.44	151.28
	208.00	282.00
	<b>1,405.72</b>	<b>556.72</b>
	<b>8,274.56</b>	<b>7,232.69</b>

Note : The Board of Directors at its meeting held on May 8, 2015 has recommended a dividend of ₹ 1.75 per equity share.



## NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	Non Current		Current	
	31.03.2015 ₹ in lacs	31.03.2014 ₹ in lacs	31.03.2015 ₹ in lacs	31.03.2014 ₹ in lacs
<b>Note 4: Long Term Borrowings</b>				
<u>Secured</u>				
Term Loan from Bank	7,918.28	1,361.44	686.42	2,919.84
<u>Unsecured</u>				
Term Loan from Bank	1,000.00	7,000.00	1,000.00	—
	<b>8,918.28</b>	<b>8,361.44</b>	<b>1,686.42</b>	<b>2,919.84</b>

**a) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 7200 lacs (Previous year ₹ NIL lacs)**

(Secured by a 1st charge on G2 plot and company's moveable assets on G2 plot excluding assets specifically charged to other lenders and 2nd charge on G1 plot and company's moveable assets on G1 plot at Butibori, Nagpur).

**Terms of Repayment for Long Term Secured Borrowings :**

- Loan of ₹ 7200 lacs repayable in 20 quarterly installments (excluding current maturities)

**b) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 66.50 lacs (Previous year ₹ NIL lacs)**

(Secured by a 1st charge on G1 plot and the company's movable assets on G1 plot and on movable assets specifically acquired from loan in G2 plot and 2nd charge on G2 plot and company's moveable assets on G2 plot at Butibori, Nagpur).

**Terms of Repayment for Long Term Secured Borrowings :**

- Loan of ₹ 66.50 lacs (Previous year ₹ Nil lacs) repayable in 22 quarterly installments effective from 01.05.2017

**c) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ NIL lacs (Previous year ₹ 375.00 lacs)**

(Secured by a 1st pari passu charge on the movable assets including its movable plant & machinery, spares, tools and accessories, secured by pari passu equitable mortgage on company's immovable properties at Butibori, Nagpur and 2nd pari passu charge by way of hypothecation of current assets of the Company viz Raw Materials, Stock-in-Process, Finished Goods, Consumable Store and Spares, Book Debts and other movable both present and future).

**d) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 574.29 lacs (Previous year ₹ 986.44 lacs)**

(Secured by specific (exclusive) charge on the movable fixed assets and second pari passu charge on current assets viz Raw Materials, stock\_in\_Process, Finished Goods both present and future of company's plant at Butibori, Nagpur).

## NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### Terms of Repayment for Long Term Secured Borrowings :

- Loan of ₹574.28 lacs (Previous year ₹986.44) repayable in 19 monthly installments (excluding current maturities)

### e) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 77.49 lacs (Previous year ₹ NIL lacs)

(Secured by specific (exclusive) charge on the movable fixed assets of the company.)

### Terms of Repayment for Long Term Secured Borrowings :

- Loan of ₹77.49 lacs repayable in 44 monthly installments (excluding current maturities)

### f) Terms of Repayment for Long Term Unsecured Borrowings :

- Loan of ₹ Nil lacs (Previous year ₹5000 lacs) repayable in 3 monthly installments.

- Loan of ₹1000 lacs (Previous year ₹2000 lacs) repayable in 4 quarterly installments (excluding current maturities)

### g) The interest rate on the above is in the range from 12.35% to 14.25 % per annum

### h) Default in repayment of principal and interest - Nil

	31.03.2015 ₹ in Lacs	31.03.2014 ₹ in Lacs
<b>Note 5 : Deferred Tax Liability (Net)</b>		
<b><u>Deferred Tax Liabilities</u></b>		
Tax due to difference between written down value of fixed assets as per books of accounts and Income Tax Act, 1961	2,354.31	2,319.48
<b>Total Deferred tax liabilities</b>	<b>2,354.31</b>	<b>2,319.48</b>
<b><u>Deferred tax assets</u></b>		
Tax due to Provision for employment benefits allowed for tax purposes on payment basis	122.46	100.00
Tax due to unabsorbed depreciation / business losses carried forward under Income Tax Act 1961	442.92	1,598.90
<b>Total Deferred tax assets</b>	<b>565.38</b>	<b>1,698.90</b>
<b>Net Deferred tax asset / (liability)</b>	<b>(1,788.93)</b>	<b>(620.58)</b>
Opening Balance	(620.58)	—
Closing Net Deferred tax asset / (liability)	(1,788.93)	(620.58)
Net Deferred tax expense for the year	1,168.35	620.58



## NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	31.03.2015 ₹ in Lacs	31.03.2014 ₹ in Lacs
<b>Note 6 : Other Long Term Liabilities</b>		
Trade Deposits	113.85	104.37
<b>Note 7 : Long Term Provisions</b>		
Employee Retirement Benefits	316.11	204.20
<b>Note 8 : Short Term Borrowings</b>		
<b>Secured</b>		
Cash Credit / Packing Credit from Banks *	6,387.98	6,152.74
<b>Unsecured</b>		
Bodies Corporate	222.49	1,047.49
Cash Credit / Packing Credit from Bank	2,236.84	1,477.14
	8,847.31	8,677.37
<p>*(Secured by way of hypothecation of Current Assets of the Company viz., Raw Materials, Stock- In - Process, Finished Goods, consumables stock and spares , book debts and other moveable both present and future and secured by pari passu second charge created on Company's moveable assets including its moveable plant and machinery, spares, tools and accessories and other moveable, both present and future) The interest rate on the above is in the range from 12.00% to 14.50 % per annum. -Default in repayment of principal and interest - Nil</p>		
<b>Note 9 : Trade Payables</b>		
Due of Micro and small Enterprises	22.03	31.92
Others	3,768.68	3,756.31
	3,790.71	3,788.23
<b>Note 10 : Other Current Liabilities</b>		
Current Maturities of Long Term Loan from Bank	1,686.42	2,919.84
Interest accrued but not due	46.91	124.67
Unclaimed Dividend	9.79	6.69
Statutory Liabilities	63.02	91.51
Advances from Customers & Other current liabilities	189.85	198.06
	1,995.99	3,340.77
<b>Note 11 : Short Term Provisions</b>		
Proposed Dividend	820.82	1,075.14
Dividend Distribution Tax	167.10	182.72
Provision for Employees Retirement Benefits	44.18	89.99
Provision for Expenses & others	2,432.46	2,353.42
	3,464.56	3,701.27

**NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED  
31<sup>ST</sup> MARCH, 2015**

Schedule 12 : Fixed Assets										₹ in Lacs
	Gross Block			Accumulated Depreciation				Net Block		
	Balance as on 01.04.2014	Additions	Deductions/ Adjustments	Balance as on 31.03.2015	Balance as on 01.04.2014	Depreciation for the Year	Deduction/ Adjustment	Adjustments on account of useful life as per new schedule II of company's act, 2013	Balance as on 31.03.2015	Balance as on 31.03.2014
<b><u>Tangible Assets</u></b>										
Land - Leasehold	6,647.70	—	—	6,647.70	152.20	32.04	—	—	184.24	6,495.50
Building	8,251.48	—	—	8,251.48	2,395.17	274.93	—	—	2,670.10	5,856.31
Plant & Machinery	20,132.33	318.77	49.38	20,401.72	10,515.38	592.14	21.37	—	11,086.15	9,616.95
Computer	338.65	11.91	3.52	347.04	305.42	16.17	3.52	3.32	321.39	33.23
Furniture & Fixture, Office Equipments	210.98	11.34	13.48	208.84	146.97	12.54	13.34	31.50	177.67	64.01
Motor Vehicles	24.89	114.88	6.18	133.59	11.14	6.44	3.36	4.23	115.14	13.75
Total - Tangible Assets	35,606.03	456.90	72.56	35,990.37	13,526.28	934.26	41.59	39.05	14,458.00	22,079.75
<b><u>Intangible Assets</u></b>										
Designs & Archives*	277.42	—	—	277.42	277.42	—	—	—	277.42	—
Computer Software	381.62	52.81	—	434.43	250.68	21.58	—	—	272.26	130.94
Total - Intangible Assets	659.04	52.81	-	711.85	528.10	21.58	—	—	549.68	130.94
Total	36,265.07	509.71	72.56	36,702.22	14,054.38	955.84	41.59	39.05	15,007.68	22,210.69
Previous Year@	35,889.59	398.90	23.42	36,265.07	12,477.65	1,593.60	16.85	—	14,054.38	-
Capital W.I.P.									1,492.02	893.80
									23,186.56	23,104.49

\* In previous year based on re-assessment of the balance useful life of Design and Archives (Intangible Assets) the company has fully provided for WDV of the same as of 01.01.2014 amounting to ₹143.00 lacs.

@ The addition of the Plant & Machinery of previous year is net of ₹154.90 lacs towards capital subsidy received from the Government.



## NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	31.03.2015 ₹ in lacs	31.03.2014 ₹ in lacs
<b>Note 13 : Non Current Investments</b>		
Others		
a) Investment in Equity Shares		
The Saraswat Co-operative Bank Ltd	0.25	0.25
(2500 (Previous year 2500) Equity Shares of ₹10/- each)		
Morarjee Goculdas Spg.& Wvg. Co. Pvt.Ltd.	0.01	0.01
(Formerly - Morarjee Legler Pvt.Ltd.)		
(2000 (Previous Year 2000) Equity Shares of ₹10 each fully paid up)		
b) Investment in Government Securities		
Govt securties (Unquoted)	0.64	0.64
	<u>0.90</u>	<u>0.90</u>
<b>Note 14 : Long Term Loans &amp; Advances</b>		
Capital Advances	10.85	—
Deposit / balance with government authorities etc.	126.81	188.43
MAT Credit Entitlement	2,192.97	1,477.79
Deposit and Other advances	13.63	13.60
Advance Tax	43.32	43.23
	<u>2,387.58</u>	<u>1,723.05</u>
<b>Note 15 : Current Investments</b>		
<u>Joint Venture</u>		
Just Textiles Ltd.	795.56	795.56
(795560 Equity shares of ₹10/- each fully paid) (Refer Note No.38)		
	<u>795.56</u>	<u>795.56</u>
<b>Note 16 : Inventories</b>		
Raw materials & Accessories	1,128.61	1,238.53
Work-In- Progress	2,917.38	3,022.03
Finished Goods	3,473.30	2,822.68
Consumable, Stores, spares, etc.	361.09	312.11
	<u>7,880.38</u>	<u>7,395.35</u>



**NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED  
31<sup>ST</sup> MARCH, 2015**

	31.03.2015 ₹ in lacs	31.03.2014 ₹ in lacs
<b>Note 17 : Trade Receivables (unsecured considered good)</b>		
Overdue for more than Six months	187.47	353.02
Others	6,231.18	5,794.41
	<b>6,418.65</b>	<b>6,147.43</b>
<b>Note 18 : Cash and Bank Balances</b>		
Cash in hand	13.59	17.00
Bank Balances	21.33	46.27
Cash and Cash Equivalents	34.92	63.27
Other Bank Balances		
• In Unclaimed dividend Account	9.79	6.69
• In Fixed Deposit (Margin Money)	9.97	10.10
Other Bank Balances	19.76	16.79
Cash and Bank Balances	<b>54.68</b>	<b>80.06</b>
<b>Note 19 : Short Term Loans and Advances (Unsecured and considered good)</b>		
Advances recoverable in cash or kind or for value to be received	723.83	960.93
Deposit and other advances	3.50	0.50
Advances to Staff	13.67	12.47
Deposit / balance with government authorities etc.	816.08	790.55
	<b>1,557.08</b>	<b>1,764.45</b>
<b>Note 20 : Other Current Assets</b>		
Interest Receivable	287.00	77.72
	<b>287.00</b>	<b>77.72</b>



## NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	31.03.2015 ₹ in lacs	31.03.2014 ₹ in lacs
<b>Note 21 : Income from Operations</b>		
Revenue from sale of Goods	36,081.47	38,633.37
Other Operating Income	564.68	680.64
	<u>36,646.15</u>	<u>39,314.01</u>
Less : Excise Duty	123.24	119.86
	<u>36,522.91</u>	<u>39,194.15</u>
<b>Note 22 : Other Income</b>		
Interest Income	7.85	3.44
Profit on Sale of Assets	—	1.05
Insurance Claim	27.04	—
Dividend Income	—	0.03
Miscellaneous Receipt	13.29	—
	<u>48.18</u>	<u>4.52</u>
<b>Note 23 : Material Consumed</b>		
Opening Stock	1,238.53	1,199.89
Add: Purchases	14,450.60	15,838.63
Less: Closing Stock	1,128.61	1,238.53
Material Consumed	<u>14,560.52</u>	<u>15,799.99</u>
<b>Note 24 : Changes in Inventories of Work in Progress and Finished Goods</b>		
Opening Stock		
Work in Progress	3,022.03	2,783.98
Finished Goods	2,822.68	2,528.38
	<u>5,844.71</u>	<u>5,312.36</u>
Closing Stock		
Work in Progress	2,917.38	3,022.03
Finished Goods	3,473.30	2,822.68
	<u>6,390.68</u>	<u>5,844.71</u>
Excise Duty (Increase) / Decrease on Finished Goods	(34.59)	(37.68)
(Increase) / Decrease	<u>(511.38)</u>	<u>(494.67)</u>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED  
31<sup>ST</sup> MARCH, 2015**

	<b>31.03.2015</b> ₹ in lacs	31.03.2014 ₹ in lacs
<b>Note 25 : Manufacturing &amp; Other Expenses</b>		
Processing Charges	1,442.93	1,586.45
Dyes & Chemicals	3,212.48	3,165.40
Packing Material	366.45	354.83
Stores & Spares	946.81	997.66
Other Consumables	177.50	165.55
Repairs & Maintenance -Building	7.53	20.23
Repairs & Maintenance -Plant & Machinery	190.91	163.88
Repairs & Maintenance -Others	6.89	6.71
Power & Fuel	3,712.79	3,387.37
Rates, Taxes & Water charges	303.08	276.28
	<b>10,367.37</b>	<b>10,124.36</b>
<b>Note 26 : Employee Benefit Expenses</b>		
Salaries & Wages	3,023.10	2,959.89
Contribution to Provident and Other Funds	150.57	143.79
Staff Welfare Expenses	74.56	66.10
Executive Directors - Commission	37.00	—
	<b>3,285.23</b>	<b>3,169.78</b>
<b>Note 27 : Administrative, Selling &amp; Other Expenses</b>		
Freight Out	537.38	482.84
Insurance Charges	22.16	16.99
Legal & Professional Expenses	590.94	402.49
Rent	145.29	142.35
Telephone Expenses	23.83	23.21
Loss on Sale of Assets	1.03	—
Travelling	184.25	202.42
Loss on Insurance Claim	—	36.81
Marketing Service fee & Commission	589.07	656.55
Audit Fees, Certification & Out of Pocket Expenses	19.05	16.33
CSR related contribution / Donation	42.00	16.28
Non - Executive Directors - Commission	28.00	—
Miscellaneous Expenses	675.43	566.58
	<b>2,858.43</b>	<b>2,562.85</b>
<b>Note 28 : Finance Cost</b>		
Interest on Term Loan	1,017.74	1,621.98
Interest on Others (Refer Note no 40)	707.47	627.67
	<b>1,725.21</b>	<b>2,249.65</b>
Other Borrowing Cost	107.15	96.92
Applicable loss on Foreign Currency Transactions and Translation	72.48	202.53
	<b>1,904.84</b>	<b>2,549.10</b>



## NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### 29 Contingent Liability and commitments

#### A) Contingent Liability not provided for in respect of

	31.03.2015 ₹ in Lacs	31.03.2014 ₹ in Lacs
(i) Contingent Liability for bill discounted	237.75	981.61
(ii) The Excise & Sales Tax department has raised claims on the company The company has disputed the same with the appropriate authority.	2,539.97	2,570.46
(iii) Claim against the company not acknowledged as debts	1,344.40	1,344.40

#### B) Commitments

(i) Bank Guarantees	685.48	853.05
(ii) Estimated amount of contracts remaining to be executed on capital accounts and not provided	4,311.47	79.20
(iii) Open Letters of credit	116.81	218.17

### 30 Auditor's Remuneration

	31.03.2015 ₹ in Lacs	31.03.2014 ₹ in Lacs
Audit Fees	9.06	8.06
Tax Audit Fees	3.00	2.50
Certification fees	6.30	5.77
Out of Pocket Expenses	0.69	—
	<u>19.05</u>	<u>16.33</u>

### 31 The Company has taken vehicles on an operating lease basis for a period of 48 months. The lease rentals are payable on monthly instalments by the Company.

Future minimum lease rentals payable as per the lease agreements:

	31.03.2015 ₹ in lacs	31.03.2014 ₹ in lacs
a) Not later than one year	16.46	5.79
b) Later than one year but not later than five years	42.07	—
c) Later than five years	—	—
	<u>58.53</u>	<u>5.79</u>

Lease payment recognised in profit & Loss account for the year is ₹ 12.49 lacs.(Previous year ₹10.86 lacs)

## NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

- 32 A** In the earlier year The Board of Directors have passed a resolution to divest from Just Textiles Ltd, a joint venture in which the Company holds 49% stake. Accordingly, Just Textiles Ltd financial statements are not consolidated with the financial statements of the Company.

Pursuant to Accounting Standard (AS-27) - Financial Reporting of interest in Joint Venture, the disclosures relating to the joint Venture viz. Just Textiles Ltd. (hereinafter referred to as JV) are as follows:

- The proportion of interest of the Company in the JV is by way of 49% equity participation. The balance 51% held by Mr. Pradeep Modi and others.
- The Company's share of capital commitments of the JV as at 31st, March, 2015 is ₹ Nil (Previous year ₹ Nil)
- The Company's share of contingent liabilities of the JV as at 31st, March, 2015 is ₹ 74 lacs. (Previous year ₹74 lacs)
- No contingent liabilities and capital commitments have been incurred as at 31st March, 2015 in relation to the Company's interest in the JV alongwith the other venture. (Previous year NIL)
- The aggregate amount of assets, liabilities, income and expenses related to the Company's interest in the JV as at 31st March, 2015

Particulars	31.03.2015 ₹ in lacs	31.03.2014 ₹ in lacs
i Assets	2,449.05	2,543.04
ii Liabilities	1,749.56	1,856.63
iii Income	1,970.37	1,889.28
iv Expenses	1,957.29	2,059.52

- B** As required under accounting standard (AS 27) - Financial Reporting of interest in Joint Venture, the audited financial statement Morarjee castiglioni India Pvt.Ltd. , (hereinafter referred to as JV), is between the parent company and Manifattura Castiglioni S.P.A. have been consolidated using proportionate consolidation method.

The financial year of the JV is April 14 to March 15 for the consolidation purpose. The parent company share of each of the assets, liabilities, income and expenses of JV have been included in the consolidated financial statement.

The parent company's share of capital commitments in the JV as at 31st March 2015 is ₹ Nil (Previous year ₹ Nil)

The parent company's share of contingent liabilities of the JV as at 31st March 2015 is ₹ Nil (Previous year ₹ Nil)

No contingent liabilities and capital commitments have been incurred as at 31st March 2015 in relation to the parent company's interests in the JV along with the other venturer. (Previous year Nil)



## NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### 33 Additional information required to be disclosed as per Schedule III of The Companies Act 2013

Name of the entity	Net Assets.i.e., Total Assets minus total Liabilities		Share in profit or (loss)	
	As % of consolidated net assets	Amount (₹ in lacs)	As % of consolidated profit or (loss)	Amount (₹ in lacs)
Morarjee Castiglioni (India) Pvt. Ltd.	0.51	68.15	(0.10)	(2.20)

### 34 The company is engaged in manufacture of textile products which is considered as the only reportable business segment.

### 35 Details of Subsidiary, Joint Venture

	Nature	Country of Incorporation	% of Voting Power
Morarjee International s.r.l.	Subsidiary	Italy	100%
Just Textiles Ltd.	Joint Venture	India	49%
Morarjee Castiglioni (India) Pvt.Ltd.	Joint Venture	India	50%

### 36 Principles of Consolidation:-

- The Consolidated Financial statements are based on the audited financial statements of the subsidiary for the year ended 31st March, 2015 . No significant transactions have occurred after the Balance Sheet date of subsidiaries.
- The Financial statements of the company and its subsidiary have been combined to the extent possible on a line by line basis by adding together like items of assets , liabilities , income and expenses.All significant intra group balances and transactions have been eliminated on consolidation.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's financial statements.
- The goodwill / capital reserve on consolidation has been recognised in the consolidated financial statement.
- Minority interest in the net income and net assets of the consolidated financial statements are computed and shown separately.

### 37 Employee Benefits:

- Short term employee benefits:

The liability towards short term employee benefits for the year ended 31st March, 2015 has been recognised in the Profit and Loss Account.



# NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

## (b) Post - employment benefits:

The following disclosures are made in accordance with AS 15 (Revised) pertaining to Defined Benefit Plans:

	Unfunded 31.03.2015		Unfunded 31.03.2014	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
<b><u>Amount Recognised in Balance sheet</u></b>				
Present Value of Unfunded Obligation	270.13	90.17	215.63	78.56
Unrecognised Past Service Cost	—	—	—	—
Amount not recognised as Asset, because of the limit in Para 59(b)	—	—	—	—
<b><u>Amount in Balance Sheet</u></b>				
Liability	270.13	90.17	215.63	78.56
Assets	—	—	—	—
Net Liability	270.13	90.17	215.63	78.56
<b><u>Expense Recognised in the Statement of Profit &amp; Loss</u></b>				
Current Service Cost	28.81	13.97	26.40	12.80
Interest Cost on Defined Benefit Obligation	16.81	5.87	14.20	4.96
Expected Return on Plan Assets	—	—	—	—
Net Actuarial Losses / (Gains) Recognised in Year	35.66	16.46	6.93	5.80
Past Service Cost	—	—	—	—
Effect of the limit in Para 59(a)	—	—	—	—
Losses / (Gains) on "Curtailments and Settlements"	—	—	—	—
Total Included in "Employee Benefit Expense"	81.28	36.30	47.53	23.56
<b><u>Change in Define Benefit Obligation</u></b>				
Opening Defined Benefit Obligation as at 01.04.2014	215.63	78.56	182.43	67.38
Current Service Cost	28.81	13.97	26.40	12.80
Interest Cost	16.81	5.87	14.20	4.96
Actuarial Losses / (Gain)	35.66	16.46	6.93	5.80
Liabilities Extinguished on Curtailment	—	—	—	—
Liabilities Extinguished on Settlements	—	—	—	—
Liabilities Assumed on Acquisition	—	—	—	—
Exchange Difference on Foreign Plans	—	—	—	—
Benefits Paid	(26.78)	(24.69)	(14.33)	(12.38)
Closing Defined Benefit Obligation as at 31.03.2015	270.13	90.17	215.63	78.56



## NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

Gratuity	₹ in lacs				
	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Defind Benefit Obligation	270.13	215.63	182.43	163.25	184.22
Plan Assets	—	—	—	—	—
Surplus/ (Deficit)	(270.13)	(215.63)	(182.43)	(163.25)	(184.22)
<b>Leave Encashment</b>					
Defind Benefit Obligation	90.17	78.56	67.38	57.27	83.22
Plan Assets	—	—	—	—	—
Surplus/ (Deficit)	(90.17)	(78.56)	(67.38)	(57.27)	(83.22)

### Summary of the Acturial Assumptions :-

Discount Rate : 7.80% (prevoius year : 9.10%)

### Note:

The estimates of future salary increases, considered in acturial valuation, takes into account the inflation, seniority , promotion and other relevant factors.

- 38 In the financial year 2012-13, The Board of Directors have passed a resolution to divest from Just Textiles Ltd, a joint venture in which the Company holds 49% stake. Accordingly, Just Textiles Ltd. financial statements are not consolidated with the financial statements of the Company, and accordingly for opening balance of Reserves , inventory etc have been adjusted in the consolidated financial statements of previous year.

The investment in Just Textiles Ltd. is valued in accordance with AS-23 "Accounting for Investment in Associates in consolidated Financial Statement" are under section 133 of Company's Act, 2013, based on unaudited financial statement as on 31.03.2015 available with the Company.

- 39 As required by Accounting Standard - AS 18 "Related Parties Disclosure" issued by The Institute of Chartered Accountants of India are as follows:

List of Related Parties with whom transactions have taken place during the year and outstanding as on 31.03.2015

### A. Enterprises over which Directors/Key Management personnel exercise significant influence

Peninsula Land Ltd.

Morarjee Goculdas Spg. & Wvg. Co. Pvt.Ltd.  
(Formerly - Morarjee Legler Pvt.Ltd.)

Ashok Piramal Management Corporation Ltd.

Ashok G. Piramal Trust

Urvi Ashok Piramal Foundation

PMP Components Pvt Ltd.

Integra Garment & Textiles Ltd.  
(Formerly Five Star Mercantile Ltd.)

Argento Home Products LLP

**NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED  
31<sup>ST</sup> MARCH, 2015**

**B. Key Management Personnel**

Shri .Harsh A. Piramal

Shri R. K. Rewari

Shri S. C. Kashimpuria

Ms. Karina Vaz (Resigned w.e.f 01.04.2015)

**Details of Transactions are as follows:**

	31.03.2015 ₹ in lacs	31.03.2014 ₹ in lacs
<b>A Sales to related parties</b>		
Enterprises over which Directors/Key Management personnel exercise significant influence		
Argento Home Products LLP	60.75	4.21
<b>B Services to related parties</b>		
Rent Received		
Enterprises over which Directors/Key Management personnel exercise significant influence		
Integra Garments and Textiles Ltd.	0.18	—
<b>C Services from related parties</b>		
Enterprises over which Directors/Key Management personnel exercise significant influence		
Ashok Piramal Management corporation Ltd.	345.00	76.70
<b>D CSR Contribution</b>		
Enterprises over which Directors/Key Management personnel exercise significant influence		
Ashok G. Piramal Trust	—	10.75
Urvi Ashok Piramal Foundation	42.00	5.38
<b>E Remuneration, Commission &amp; sitting fees</b>		
Key Management personnel		
<u>Remuneration</u>		
Shri Harsh A. Piramal (Includes commission)	177.57	140.49
Shri R. K. Rewari	136.51	121.35
Shri S. C. Kashimpuria	47.64	48.21
Ms. Karina Vaz	11.47	10.52
Directors having significant influence over the enterprise		
<u>Commission &amp; Sitting fees</u>		
Smt. Urvi A. Piramal	10.40	0.80
Shri Mahesh S. Gupta	6.20	0.80



## NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	31.03.2015 ₹ in lacs	31.03.2014 ₹ in lacs
<b>F Rent Paid</b>		
<b>Enterprises over which Directors/Key Management personnel exercise significant influence</b>		
Peninsula Land Ltd.	127.62	127.62
PMP Components Pvt. Ltd.	0.67	0.67
<b>G Outstanding balance</b>		
<b>Enterprises over which Directors/Key Management personnel exercise significant influence</b>		
Peninsula Land Ltd.	17.17	17.17
<b>H Due from Enterprises over which Directors/Key Management personnel exercise significant influence</b>		
Ashok G. Piramal Trust	—	0.01
Argento Home Products LLP	39.61	0.40
<b>40</b> Interest includes ₹ 6.13 lacs (Previous year ₹ 24.07 lacs) on payment of advance tax for the financial year 2013-2014 & 2014-15		
<b>41</b> During the current year, Morarjee International s.r.l, registered in Italy and wholly owned subsidiary (hereinafter referred to as subsidiary company) of the Company was liquidated on 23.02.2015 as per local jurisdiction. As per the liquidation order, the Company is not entitled to receive any amount against its investment in the subsidiary company.		
	31.03.2015	31.03.2014
<b>42 Earnings Per Share (Basic / Diluted)</b>	₹ in lacs	₹ in lacs
a. Profit / (Loss) after Tax (₹ in lacs)	2,083.97	2,820.04
Less : Preference Share dividend & tax thereon	221.99	216.44
b. Number of Shares (weighted average basis)	36332349	36332349
c. Earnings Per Share (₹)	5.12	7.17
<b>43</b> During the current year, the Company has started to receive interest subsidy under the TUF Scheme from the Maharashtra State Government, in view of this the Company has accrued interest subsidy of ₹ 263.90 lacs by crediting to interest account. (Includes ₹ 190.71 lacs for earlier year)		
<b>44</b> Previous year's figures have been regrouped / reclassified wherever necessary.		
As per our report of even date.	For and on behalf of Board of Directors	
MANUBHAI & SHAH	Ms. Urvi A. Piramal	Chairperson
Chartered Accountants	Mr. Harsh A. Piramal	Executive Vice Chairman
FRN. 106041W	Mr. R. K. Rewari	Managing Director
	Mr. Mahesh S. Gupta	Director
	Mr. Ranjan Sanghi	Director
KSHITIJ M. PATEL	Mr. Shobhan Thakore	Director
Partner	Mr. Aditya Mangaldas	Director
Membership No. 045740	Mr. S. C. Kashimpuria	Chief Financial Officer
Mumbai : 8 <sup>th</sup> May, 2015		

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

	31st March, 2015		31st March, 2014	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit Before Tax		<b>3,252.59</b>		3,440.87
Adjustments for :				
Provision for Tax (MAT)	<b>(0.27)</b>		(0.25)	
Depreciation	<b>955.84</b>		1,593.59	
Interest Expense	<b>1,904.84</b>		2,549.10	
Interest Income	<b>(7.85)</b>		(3.44)	
(Profit) / Loss on Sale of Assets	<b>1.03</b>		(1.05)	
Insurance Claim	<b>(27.04)</b>		—	
Foreign Exchange Reserve	<b>(15.13)</b>		—	
Dividend Income	<b>—</b>		(0.03)	
		<b>2,811.42</b>		4,137.92
Operating Profit Before Working Capital Changes		<b>6,064.01</b>		7,578.79
<u>Adjustments for Changes in Working Capital</u>				
(Increase)/ Decrease in Trade and Other Receivables	<b>(222.39)</b>		(483.74)	
(Increase) / Decrease in Inventories	<b>(485.03)</b>		(586.79)	
Increase/(Decrease) in Trade Payables	<b>(2,411.65)</b>		(370.69)	
		<b>(3,119.07)</b>		(1,441.22)
Cash From Operating Activities		<b>2,944.94</b>		6,137.57
Less: Income Tax Paid (MAT)		<b>695.85</b>		675.48
Net Cash From Operating Activities		<b>(A) 2,249.09</b>		(A) 5,462.09



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

	31st March, 2015		31st March,2014	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(1,107.92)		(1,052.64)	
Sale of Fixed Assets	1.93		7.63	
Interest Received	7.85		3.44	
Insurance Claim Received	55.05		—	
Dividend Received	—		0.03	
Net Cash Used in Investing Activities		(B) (1,043.09)		(B) (1,041.54)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Long Term Borrowings	7,664.71		7,140.61	
Repayment of Long Term Borrowings	(8,341.29)		(8,438.26)	
Dividend and Dividend Tax paid	1,257.86		(1,461.81)	
Increase/ (Decrease) in Short term Borrowings	169.94		941.37	
Interest Paid	(1,982.60)		(2,603.07)	
Net Cash Used in Financing Activities		(C) (1,231.38)		(C) (4,421.16)
Net Increase in Cash and Cash Equivalents (A)+(B)+(C)		(25.38)		(0.61)
Cash and Cash Equivalents at the beginning of the year		80.06		80.67
Cash and Cash Equivalents at the end of the year		54.68		80.06
As per our report of even date.		For and on behalf of Board of Directors		
MANUBHAI & SHAH		Ms. Urvi A. Piramal		
Chartered Accountants		Mr. Harsh A. Piramal		
FRN. 106041W		Mr. R. K. Rewari		
		Mr. Mahesh S. Gupta		
		Mr. Ranjan Sanghi		
KSHITIJ M. PATEL		Mr. Shobhan Thakore		
Partner		Mr. Aditya Mangaldas		
Membership No. 045740		Mr. S. C. Kashimpuria		
Mumbai : 8 <sup>th</sup> May, 2015				
		Chairperson		
		Executive Vice Chairman		
		Managing Director		
		Director		
		Director		
		Director		
		Director		
		Chief Financial Officer		

## FINANCIAL HIGHLIGHTS

₹ in lacs

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Total Income	36558.04	39197.86	36411.59	29076.50	33027.27
Profit / (Loss) Before Depreciation, Interest & Tax	6100.60	7581.99	6535.79	4396.57	4798.28
Interest	1904.81	2548.91	2725.66	2758.30	2813.32
Cash Profit / (Loss)	4,195.79	5,033.08	3,810.13	1,638.27	1,984.96
Depreciation	955.84	1593.58	1416.05	1326.90	1521.85
Profit / (Loss) Before Tax	3,239.95	3,439.50	2,394.08	311.37	463.11
Provision for Tax	—	—	—	—	—
Deferred Tax	1168.35	620.58	—	—	—
Profit / (Loss) after Tax	2,071.60	2,818.92	2,394.08	311.37	463.11
Earnings per share (₹)	5.09	7.16	5.99	0.27	0.98
Equity Dividend (%)	25%	35%	25%	—	—
Book Value per share (₹)	36.68	33.81	29.51	26.95	21.41





# MORARJEE TEXTILES LIMITED

Regd. Office:

Peninsula Spenta, Mathuradas Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.

CIN : L52322MH1995PLC090643

## ATTENDANCE SLIP

(To be presented at the entrance)

I/We hereby record my/our presence at the 20<sup>th</sup> Annual General Meeting of the Company held at "Hall of Culture", Nehru Centre, Dr. Annie Beasant Road, Worli. Mumbai 400018 on Wednesday, 26<sup>th</sup> August, 2015 at 11.00 a.m.

FolioNo. / ClientIDNo. / DPIDNo.....

Number of Shares held : - .....

Name of the Member:- ..... Signature :- .....

Name of Proxy holder :- ..... Signature :- .....

1. Only Member / Proxy holder / can attend the Meeting.
2. Member/ Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.







# MORARJEE TEXTILES LIMITED

Regd. Office:

Peninsula Spenta, Mathuradas Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.

Telephone No: : 022 -66154651 Website: www.morarjee.comemail:- :- investors@morarjee.com

CIN : L52322MH1995PLC090643

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s):- .....

Address :- .....

E-mail id :- .....

Folio No. / Client ID No. :-.....DPID No. ....

I/We, being the member (s) of..... shares of Morarjee Textiles Limited, hereby appoint

1. Name: .....

Address: .....

E-mail Id:- ..... Signature:.....or failing him

2. Name: .....

Address: .....

E-mail Id:- ..... Signature:.....or failing him

3. Name: .....

Address: .....

E-mail Id:- ..... Signature:.....or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20<sup>th</sup> Annual General Meeting of the company, to be held on Wednesday, 26<sup>th</sup> August, 2015 at 11.00 a.m. at "Hall of Culture", Nehru Centre, Dr. Annie Beasant Road, Worli. Mumbai 400018 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Ordinary Resolution for adoption of Financial Statement for the year ended 31<sup>st</sup> March, 2015
2. Ordinary Resolution for declaration of dividend on equity and preference shares
3. Ordinary Resolution for re-appointment of Ms. Urvi A. Piramal as a Director
4. Ordinary Resolution for re-appointment of M/s. Manubhai & Shah as the Auditor's of the Company for the Financial Year 2015-2016 and fixing their Remuneration.
5. Ordinary Resolution for payment of remuneration by way of Commission to Directors
6. Ordinary Resolution for re-designation of Mr. R.K. Rewari as Managing Director of the company for the remaining part of his tenure w.e.f. 1<sup>st</sup> April, 2015 till 31<sup>st</sup> January, 2016.
7. Ordinary Resolution for ratification of remuneration to M/s Phatak Paliwal & Co., Cost Auditors for the Financial Year ended 31<sup>st</sup> March, 2016

Signed this..... Day of ..... 2015

Signature of shareholder .....

Signature of Proxy holder(s).....

Please  
affix  
a revenue  
stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



[illegible]

## This image shows a single page of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.





