

Corporate Relations Department
BSE Limited,
1st Floor, New Trading Wing
Rotunda Building, P J Towers
Dalal Street, Fort
Mumbai 400 001
Scrip Code: 532621

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

Date: 23rd August, 2017

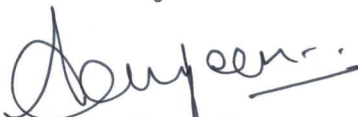
Dear Sir / Madam,

Subject: Submission of the Annual Report for the Financial Year 2016 - 2017 of Morarjee Textiles Limited

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly find enclosed herewith the Annual Report of the Company for the Financial Year 2016-2017 as approved and adopted at the Annual General Meeting of the Company held on Tuesday, 22nd August, 2017.

Requesting you to take the same on record and oblige.

**Thanking you,
For Morarjee Textiles Limited**


**Sanjeev Singh Sengar
Company Secretary**



Encl: As above



ASHOK
PIRAMAL
GROUP



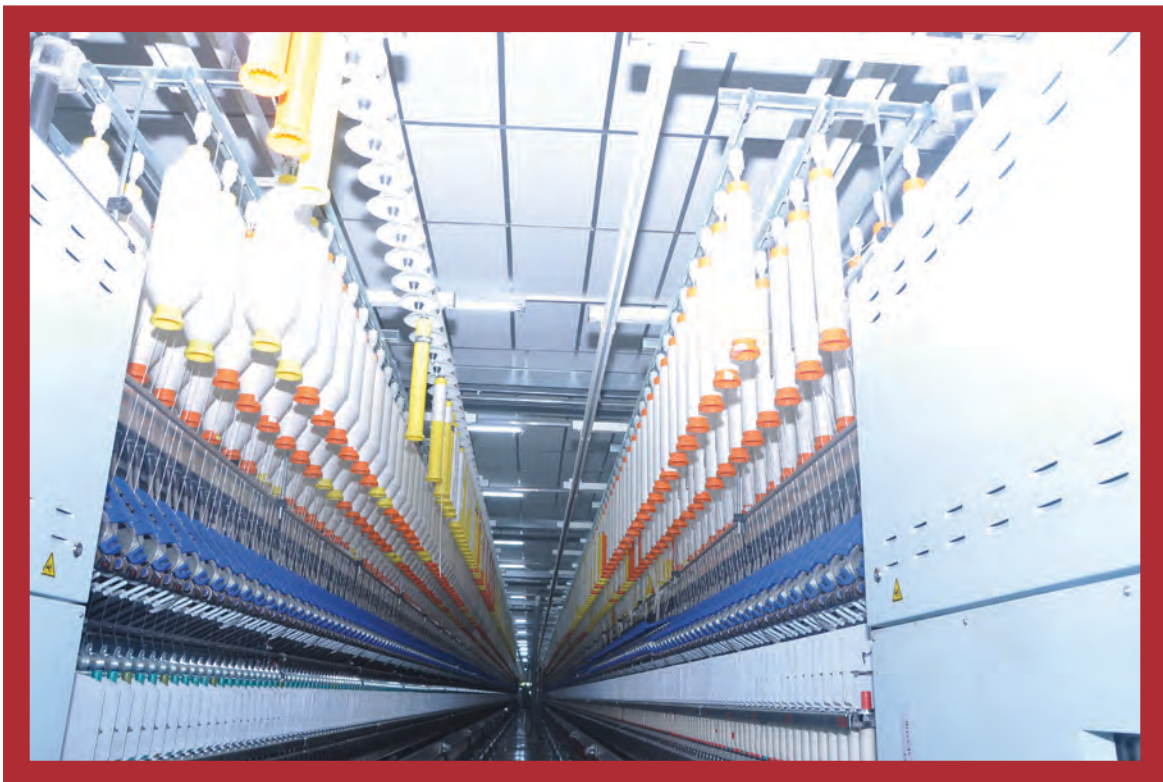
MORARJEE TEXTILES LTD.



22nd Annual Report
2016-2017



Pic 1 : New Spinning Unit



Pic 2 : Ring Frame



Corporate Information

BOARD OF DIRECTORS

Ms. Urvi A. Piramal	<i>Chairperson</i>
Mr. Harsh A. Piramal	<i>Executive Vice Chairman</i>
Mr. R. K. Rewari	<i>Managing Director</i>
Mr. Mahesh S. Gupta	
Mr. Ranjan Sanghi	
Mr. Shobhan Thakore	
Mr. Aditya Mangaldas	
Mr. Ranjan Pant	
Lt. Gen. A. K. Singh	

GROUP CFO

Mr. Dinesh Jain

CHIEF FINANCIAL OFFICER

Mr. S. C. Kashimpuria

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Sanjeev Singh Sengar

STATUTORY AUDITORS

M/s. Manubhai & Shah LLP
Chartered Accountants

BANKERS

Allahabad Bank
The Saraswat Co-op. Bank Limited
IDBI Bank Limited
ICICI Bank Limited
Kotak Mahindra Bank Limited
Federal Bank Limited

SECURITY TRUSTEE

AllBank Finance Limited

REGISTERED OFFICE

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

CIN : L52322MH1995PLC090643

PLANT

Plot No.G1, G2- M.I.D.C. Industrial Estate
Post: Salai Dhaba, Butibori Nagpur - 441122

REGISTRAR & SHARE TRANSFER AGENT (RTA)

Freedom Registry Limited

Registered Office:

Plot No. 101/102, 19th 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.

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22nd Annual General Meeting

Date: 22nd August, 2017 at 3.00 p.m.

Venue: Hall of Culture, Nehru Centre,
Dr. Annie Besant Road, Worli,
Mumbai - 400 018

NOTICE

Notice is hereby given that the 22nd Annual General Meeting ("AGM") of the members of Morarjee Textiles Limited will be held on Tuesday, 22nd August, 2017 at 3:00 p.m. at "Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018", to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2017 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 2016-17.
3. To appoint a Director in place of Ms. Urvi A. Piramal (DIN: 00044954), who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint M/s. Haribhakti & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 103523W/ W100048) as statutory auditors of the Company for 5 years and to fix their remuneration and if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and recommendations of the Audit Committee, M/s. Haribhakti & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 103523W/ W100048), be appointed as statutory auditors of the Company, in place of retiring auditors M/s Manubhai & Shah LLP, Chartered Accountants (Firm Registration No. 106041W / W100136), to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 27th AGM, subject to ratification by members at every annual general meeting, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company.

RESOLVED FURTHER THAT any of the Directors and Key Managerial Personnel of the Company be and are hereby severally authorised to do all such

acts, deeds and things as may be necessary to give effect to the foregoing resolution.

Special Business:

5. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and provisions of the Articles of Association of the Company and subject to the approval of the Central Government or such other Statutory / Regulatory approvals as may be required, the consent of the members of the Company be and is hereby accorded to appoint Mr. Harsh A. Piramal (DIN: 00044972) as a Whole-Time Director to be designated as Executive Vice Chairman to hold office for a period of five years w.e.f. 1st April, 2017.

RESOLVED FURTHER THAT during the tenure of Mr. Harsh A. Piramal as the Executive Vice Chairman, he shall be paid remuneration as mentioned below which shall not exceed the ceiling as provided in Section 197 read with Schedule V of the Companies Act, 2013, for a period of three years w.e.f. 1st April, 2017 with the authority to the Nomination and Remuneration Committee of the Board to alter and vary the remuneration as it may deem fit and to fix the quantum, composition and periodicity of the remuneration payable to Mr. Harsh A. Piramal including the payment of commission as may be determined, however that the annual remuneration including commission does not exceed the limit mentioned hereinafter.

Salary

Basic Salary	In the scale of ₹ 1,50,00,000 to ₹ 2,40,00,000 p.a.
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Perquisites

LTA	As per the Rules of the Company
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Medical Reimbursement	At actuals
Medical Insurance	As per Rules of the Company
Accident Insurance	As per Rules of the Company
Reimbursement of Car & Telephone expenses	As per Rules of the Company
Leave encashment	At the end of Tenure
Gratuity	As per the Rules of the Company
PF	As per Rules of the Company
Superannuation Fund	Nil
Commission	As may be determined by the Board

RESOLVED FURTHER THAT where, in any Financial Year during the currency of his tenure, the Company has no or inadequate profits, Mr. Harsh A. Piramal shall be paid the above remuneration as minimum remuneration for a period of three years w.e.f. 1st April, 2017, however such minimum remuneration shall not exceed the limits prescribed under Schedule V of the Companies Act, 2013 and that the following perquisites shall not be included in the computation of the ceiling on remuneration prescribed under Schedule V of the Companies Act, 2013;

- a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, and
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of tenure.

RESOLVED FURTHER THAT the term of office of Mr. Harsh A. Piramal shall be subject to retirement by rotation.

RESOLVED FURTHER THAT any one of the Directors of the Company or the Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things, including

but not limited to filing of necessary Forms and returns with the Registrar of Companies and to seek approval/ consent from Central Government or any other statutory or regulatory authorities, as may be required to give effect to the foregoing resolution."

6. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 152, 160 and 197 of the Companies Act, 2013 read with the applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company, Lt. Gen. A. K. Singh (DIN: 07698288), who was appointed as an Additional Director of the Company with effect from 8th February, 2017 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from the date of appointment i.e. 8th February, 2017 and he shall not be liable to retire by rotation."

7. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the draft regulations contained in the Articles of Association of the Company be and are hereby approved and adopted in substitution and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors and/ or the Key Managerial Personnel of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. To consider and if thought fit, pass the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modifications or re-enactments thereof, for the time being in force, the Company hereby ratifies the payment of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only) as remuneration to M/s. Phatak Paliwal & Co., Cost Accountants (Firm Registration Number 000105), appointed by the Board of Directors of the Company as Cost Auditors, to conduct the audit of the cost records of the Company for the Financial Year ended 31st March, 2018.

RESOLVED FURTHER THAT the Board of Directors and/or the Key Managerial Personnel of the Company be and are hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

**On behalf of the Board
For Morarjee Textiles Limited**

**Sanjeev Singh Sengar
Company Secretary**

Place: Mumbai

Date: 1st June, 2017

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. PROXIES, TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE 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 proxy and such person shall not act as a proxy for any other person or shareholder.

- 2) Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
- 3) **MEMBER/PROXY SHOULD BRING THE ATTENDANCE SLIP SENT HERewith, DULY FILLED IN, FOR ATTENDING THE MEETING.**
- 4) The proxy shall not have the right to speak at the meeting.
- 5) 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.
- 6) Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of Directors proposed to be appointed/re-appointed in this AGM are annexed to this notice.
- 7) The Register of Members and Share Transfer Books of the Company will remain closed from 12th August, 2017 to 22nd August, 2017 (both days inclusive).
- 8) The dividend, if declared at the Annual General Meeting, will be paid to those Members of the Company whose names stand on the Register of Members of the Company as on 11th August, 2017. The dividend will be paid on or before 21st September, 2017.
- 9) All relevant documents referred to in the Explanatory Statement shall be open for inspection, upto two days prior to the said meeting, at the Registered Office of the Company on all working days during 12.00 PM to 02.00 PM and at the meeting.
- 10) 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, 19th Street, MIDC Area, Satpur, Nashik 422007 and the Members holding shares in dematerialized form should approach their respective Depository Participants for the same.



- 11) Since shares of the Company are traded on the Stock Exchanges compulsorily in demat mode, shareholders holding shares in physical mode are strongly advised to get their shares dematerialized.
- 12) The shareholders who are holding shares in demat form and have not yet registered their email IDs, are requested to register their email IDs with their Depository Participant at the earliest, to enable the Company to use the same for serving documents to them electronically. Shareholders holding shares in physical form may register their email IDs with the RTA by sending an email at **support@freedomregistry.in**. The Annual Report of the Company and other documents proposed to be sent through email will also be made available on the Company's website i.e. **www.morarjee.com**
- 13) Members holding shares in single name and in physical form are advised to make a nomination in respect of their shareholding in the Company and those Members who hold shares singly in dematerialized form are advised to make a nomination through their Depository Participants. The nomination form can be downloaded from the Company's website **www.morarjee.com**

14) E-Voting:

- i) In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide an e-voting (remote e-voting) facility to its members and the business set out in the notice may be transacted through remote e-voting.
- ii) The Company also offers 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 notice. However, 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.
- iii) **Voting rights of the members (for remote e-voting and voting at AGM) shall be reckoned on shares registered in the name of the**

members as on the cut-off date i.e. 11th August, 2017. A person who is not a Member on the cut-off date should treat this notice for information purposes only.

- iv) The Company has engaged the services of Central Depository Services Limited ("CDSL") as the Agency to provide e-voting facility.
- v) The Board of Directors has appointed Ms. Kala Agarwal, Practicing Company Secretary, as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner and she has communicated her willingness to be appointed for the said purpose.
- vi) The Scrutinizer will, after scrutinizing the votes cast at the meeting and through remote e-voting, 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 who shall declare the results. The results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company viz. **www.morarjee.com** and on the website of CDSL viz. **www.cdslindia.com**. The results shall simultaneously be communicated to the Stock Exchanges.

The instructions for shareholders voting electronically are as under:

- i) The voting period begins on 19th August, 2017 at 10:00 a.m. and ends on 21st August, 2017 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 11th August, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the Meeting, i.e. 22nd August, 2017.
- iii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iv) The shareholders should log on to the e-voting website i.e. **www.evotingindia.com** and follow the below procedure:

- a. Click on shareholders.
- b. Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat or Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> • 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. <p>The sequence number is printed on the address label affixed to the Annual Report and will also be mentioned in the email which will be sent to the Shareholders whose email ID's are registered with the Company.</p>
	<ul style="list-style-type: none"> • 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. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

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 login.</p> <ul style="list-style-type: none"> • 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 (iv).
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- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) 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 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.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant <MORARJEE TEXTILES LIMITED> on which you choose to vote.
- xii) 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.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation



box 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.

- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take a print of the votes cast by you by clicking on "Click here to print" option on the Voting page.
- xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Windows and Apple smart phones. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix) Note for Non - Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to

www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- 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.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- 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.

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 **www.evotingindia.com**, under help section or write an email to **helpdesk.evoting@cdslindia.com**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

Item No: 5

Mr. Harsh A. Piramal was appointed as the Whole-Time Director (Executive Vice Chairman) of the Company for a period of 5 years with effect from 1st April, 2013.

On the recommendation of the Nomination and Remuneration Committee ("NRC") and pursuant to the provisions of Section 196, 197, 203 of the Companies Act, 2013 read with Schedule V of the Act and the rules made thereunder, the Board of Directors passed a resolution on 15th May, 2017, approving the re-appointment of Mr. Harsh A. Piramal as the Whole-Time Director (designated as the Executive Vice Chairman) for a period of five years with effect from 1st April, 2017 at the remuneration for 3 years as mentioned in the Notice of the AGM, subject to the approval of the shareholders at this AGM.

The Board of Directors recommends the resolution of re-appointment of Mr. Harsh A. Piramal, as a Whole-Time Director (designated as the Executive Vice Chairman), for the approval of the shareholders of the Company at the remuneration as mentioned in the resolution at Item No. 5 of the notice of the AGM. The Board of Directors considers the appointment of Mr. Harsh A. Piramal in the best interest of the Company.

A brief Resume of Mr. Harsh A. Piramal, his experience and other directorships held by him is given in **Annexure I** to this Notice.

Except for Mr. Harsh A. Piramal and Ms. Urvi A. Piramal, Chairperson, being relative of Mr. Harsh A. Piramal, none of the Directors/ KMP's and/or their relatives is anyway concerned or interested in the said resolution.

Item No. 6

On recommendations of Nomination and Remuneration Committee and in pursuance of the Company's endeavor to maintain diversity of the Board, Lt. Gen. A. K. Singh was appointed as an Independent Director by the Board of Directors of the Company at its meeting held on 8th February, 2017 under Section 149 and 161 of the Companies Act, 2013. The Company has received a notice along with the requisite deposit as required under Section 160 of the Companies Act, 2013 from a member

proposing the candidature of Lt. Gen. A.K. Singh as an Independent Director of the Company for a term 5(five) consecutive years from the date of appointment i.e. 8th February, 2017.

In the opinion of the Board of Directors of the Company, Lt. Gen. A. K. Singh fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for his appointment as an Independent Director of the Company and he is independent of the management of the Company. He shall not be liable to retire by rotation.

Brief resume of Lt. Gen. A.K. Singh as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is given in "**Annexure I**" to this notice.

The Board of Directors of the Company recommends the resolution for the approval of members.

Except for Lt. Gen. A. K. Singh, none of the Directors/ KMPs and/or their relatives is anyway concerned or interested in the above mentioned resolution.

Item No. 7

The existing Articles of Association ("AOA") of the Company are based on erstwhile Companies Act, 1956 and contain references to specific sections of the Companies Act, 1956. Further, some of the regulations in the existing AOA are no longer in conformity with new Companies Act, 2013 ("the Act"). Many of the regulations of the existing AOA of the Company require alterations/ modifications/ deletions in order to bring in line with the provisions of the Act. Hence, it is considered prudent to replace the existing AOA completely with a new set of regulations. Accordingly, the Board of Directors of the Company approved the alteration in the existing Articles of Association by way of substituting new set of Articles of Association of the Company.

Pursuant to the provisions of Section 14 of the Companies Act, 2013, any amendment/alteration in the AOA requires the approval of the Members by way of a Special Resolution. Accordingly, consent of the Members is sought for approving the Special Resolution set out at Item No. 7 of the Notice. Copies of the existing and new AOA of the Company are available for inspection at the

Registered Office of the Company during business hours on any working day except Saturdays up to the date of the Annual General Meeting and are also available on the website of the Company viz. www.morarjee.com.

None of the Directors/ KMP's and/or their relatives is anyway concerned or interested in the above mentioned resolution.

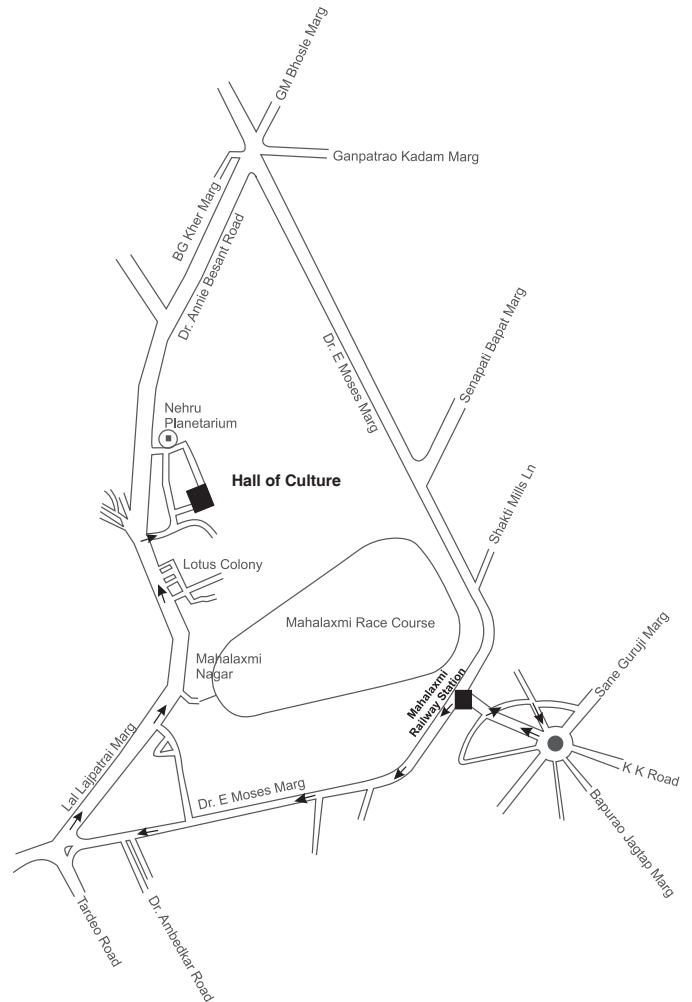
Item No. 8

As per the provisions of Section 148 of the Companies Act, 2013, the Company is required to appoint a Cost Auditor to conduct the audit of the cost records of the Company. On the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on 15th May, 2017 appointed M/s. Phatak Paliwal & Co., as the Cost Auditor of the Company for the year 2017-18. M/s. Phatak Paliwal & Co., have given their consent to the said appointment.

Based on the recommendations of the Audit Committee, the Board has fixed the remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only) to be paid to Cost Auditors subject to ratification by the members as per Sub Section (3) of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

The Board, therefore, recommends the resolution appearing under the Item No. 8 of the accompanying Notice for its ratification.

None of the Directors, KMPs and/or their relatives is anyway concerned or interested in the said resolution.



Route Map

ANNEXURE-I

Details of the Directors Seeking appointment/ Re-appointment in the forthcoming Annual General Meeting (Pursuant to Clause 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Name of the Director	Ms. Urvi A. Piramal	Mr. Harsh A. Piramal	Lt. Gen A. K. Singh
Age	64 years	43 years	64 years
Qualifications, experience, brief resume of the Director & Nature of his expertise	Brief resume with qualifications, experience and nature of expertise of Ms. Urvi A. Piramal is stated in the Directors' Profile section of the Corporate Governance Report.	Brief resume with qualifications, experience and nature of expertise of Mr. Harsh A. Piramal is stated in the Directors' Profile section of the Corporate Governance Report	Brief resume with qualifications, experience and nature of expertise of Lt. Gen A.K. Singh is stated in the Directors' Profile section of the Corporate Governance Report.
Relationship with other directors and Key Managerial Personnel	Mr. Harsh A. Piramal - Son	Ms. Urvi A. Piramal: Mother	None
Names of the Listed entities in which the director holds directorships	<ul style="list-style-type: none"> • Peninsula Land Limited • Morarjee Textiles Limited • Goodtime Real Estate Development Private Limited 	<ul style="list-style-type: none"> • Morarjee Textiles Limited • Integra Garments and Textiles Limited • Camphor and Allied Products Ltd 	None
Chairman/ Member of the Committees of the Board of Directors as on 31 st March, 2017	Morarjee Textiles Limited <ul style="list-style-type: none"> • Corporate Social Responsibility Committee – Chairperson • Nomination & Remuneration Committee – Member Peninsula Land Limited <ul style="list-style-type: none"> • Corporate Social Responsibility Committee – Chairperson • Nomination & Remuneration Committee – Member 	Camphor & Allied Products Limited <ul style="list-style-type: none"> • Audit Committee – Chairman • Stakeholders & Remuneration Committee – Chairman • Nomination & Remuneration Committee – Chairman • Corporate Social Responsibility Committee – Member Integra Garments & Textiles Ltd <ul style="list-style-type: none"> • Audit Committee – Member • Nomination & Remuneration Committee – Member Morarjee Textiles Limited <ul style="list-style-type: none"> • Corporate Social Responsibility Committee – Member 	None
Number of Board meetings attended during FY 2016-17	4	4	1
Date of first appointment on the Board of the Company	1 st February, 2005	1 st June, 2004	8 th February, 2017
Shareholding in the Company as on 31 st March, 2017	49,566 Equity Shares	16,522 Equity Shares	None



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 22nd Annual Report and the Audited Accounts for the Financial Year ended 31st March, 2017 together with the Auditor's Report thereon.

1) Financial Results

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	Current Year 31 st March, 2017	Previous Year 31 st March, 2016	Current Year 31 st March, 2017	Previous Year 31 st March, 2016
Total Income	38,182	33,837	38,183	33,838
EBIDTA	7,026	5,615	7,023	5,612
Interest and Finance Expenses	3,596	2,259	3,596	2,259
Depreciation	1,843	996	1,843	996
Profit before tax	1,587	2,360	1,584	2,357
Provision for tax (MAT)	379	539	379	539
Deferred Tax	(139)	628	(139)	628
MAT of earlier period	105	80	105	80
MAT Credit Entitlement	(379)	(539)	(379)	(539)
Profit After Tax	1,621	1,652	1,618	1,649

2) Transfer to Reserve

The Company has not transferred any amount to reserves during the year.

3) Review of Operations

On a Standalone basis, the total Income from operations of the Company was ₹ 38,182 Lacs as against ₹ 33,837 Lacs for the previous year (PY). The Company earned a profit of ₹ 1,587 Lacs from ordinary activities before tax in the current year (CY) as against a profit of ₹ 2,360 Lacs in PY. After providing for tax, the Company reported a net profit of ₹ 1,621 Lacs for the year ended 31st March, 2017 as against a net profit of ₹ 1,652 Lacs for the Financial Year ended 31st March, 2016.

On a Consolidated basis, the total Income from operations of the Company was ₹ 38,183 Lacs as against ₹ 33,838 Lacs for the PY. The Company

has earned a profit before tax of ₹ 1,584 Lacs, from ordinary activities before tax in the CY as against a profit of ₹ 2,357 Lacs previous year. After providing for tax, the Company reported a net profit of ₹ 1,618 Lacs for the Financial Year ended 31st March, 2017 as against a net profit of ₹ 1,649 Lacs for the Financial Year ended 31st March, 2016.

4) Backward integration cum expansion project

Your Company undertook a backward integration project to integrate the manufacturing processes and to reduce dependence on vendors of yarn and weaved fabric. The expansion Project is intended to replace the outsourcing of raw materials (yarn and fabric) and enable the Company to achieve higher levels of integration of Spinning, Weaving and Printing activities and thereby improve the margins. The expansion Project comprises as under:

- (i) Spinning facility enhanced by 40,128 Spindles
- (ii) Weaving Capacity increased by 112 Looms
- (iii) Printing Capacity enhanced by 78 lac meter per annum.
- (iv) Installation of "Ready for Dyeing" (RFD) Machinery

The Weaving, Printing & Processing facility was commissioned in March 2016 and the Spinning Facility was commissioned in September, 2016.

5) Performance of Joint Venture Companies

The Company has no subsidiary company but the two Joint Ventures which are as under:

- i. Morarjee Castiglioni (India) Private Limited (50%)
- ii. Just Textiles Limited (49%)

A Statement containing the salient features of the Financial Statements of said Joint Ventures is annexed in the prescribed Form AOC-1 to this Report as "Annexure 1".

A policy on material subsidiaries has been formulated and hosted on the website of the Company at www.morarjee.com.

6) Share Capital

The paid up Share Capital of the Company is ₹ 50.43 crores divided into 3,63,32,349 Equity Shares of ₹ 7/- each constituting to ₹25.43 Crore listed with

BSE Ltd. and National Stock Exchange of India Limited and unlisted preference share capital as follows:

Preference Shares

Particulars	Amount in ₹
10,00,000, 5% Redeemable Cumulative Non-Convertible Preference Share of ₹ 100/- each (5%NCPS)	10,00,00,000
15,00,000, 9% Redeemable Cumulative Non-Convertible Preference Share of ₹ 100/- each (9%NCPS)	15,00,00,000
Total	25,00,00,000

The Company has neither issued any shares nor granted any Stock Options nor any Sweat Equity Shares during the year.

7) Dividend

Your Directors are pleased to recommend a dividend on the shares of the Company for the financial year ended 31st March, 2017 as under:

- At the rate of 5% i.e. ₹ 5 per share on 10,00,000 5% NCPS aggregating to ₹ 50 Lacs
- At the rate of 9% i.e. ₹ 9 per share on 15,00,000 9% NCPS aggregating to ₹ 135 Lacs
- At the rate of 20% i.e. ₹ 1.40 per share on equity shares aggregating to ₹ 508.65 Lacs

Dividend shall be paid within 30 days from the date of declaration of dividend in the ensuing AGM.

8) Deposits

The Company has neither accepted nor renewed any deposits during the year.

9) Particulars of Loans, Guarantee or Investments

During the year under review, the Company has not made any investments, advanced any loans or provided any guarantee falling under Section 186 of the Companies Act, 2013 ("the Act").

10) State of Company's Affairs and business Review

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

11) Corporate Social Responsibility ("CSR")

The Company believes in social equity and the principle of equal opportunity, irrespective of gender, religion, caste or creed. Thus, Company seeks to promote access to quality education, technical skills and competencies for economically weak communities for creating economic independence and sustainable livelihoods. Moreover, CSR has been an integral part of the way in which the company conducts its business. The Company has been making conscious efforts to involve communities in its development journey and has received appreciation from its stakeholders, which gives a sense of pride and encouragement to continue to perform better. Towards achieving this objective, Company has contributed and spent an amount of ₹ 60.03/- Lacs towards the CSR activities of the Company during the Financial Year 2016-17. The Company has undertaken CSR activities as per the CSR policy of Company read with Schedule VII of the Act.

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with Companies (CSR Policy) Rules, 2014 made thereunder, the Annual Report on the CSR activities of the Company along with the CSR initiatives undertaken during the year 2016- 17 is enclosed to this report as "Annexure 2".

The constitution of the CSR Committee and its terms of reference are more particularly stated in the Corporate Governance Report which forms a part of this Annual Report. The CSR Policy of the Company is hosted on the website of the Company at www.morarjee.com.

12) Business Risk Management

The composition of the Risk Management Committee is not applicable to your Company. However, the Company has constituted a Risk Management Committee for identifying and evaluating the risks associated with the Business of the Company and to minimize them and adopted a Risk Management policy in accordance with the provisions of the Act and Regulation 17(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The details of Committee and its terms of reference are set out in the Corporate Governance Report. The Committee periodically reviews the risk management practices and actions



deployed by the management with respect to the identification, impact assessment, monitoring, mitigation and reporting of key risks while trying to achieve its business objectives.

13) Internal Control System and their adequacy

Your Company has an Internal Control System commensurate with the size, scale and complexity of its operations and well-documented procedures for various processes which are periodically reviewed for changes warranted due to business needs. The Internal Auditor continuously monitors the efficiency of the internal controls/ compliance with the objective of providing to Audit Committee and the Board of Directors, an independent, objective and reasonable assurance of the adequacy and effectiveness of the organisation's risk management, control and governance processes. This system of internal control facilitates effective compliance of Section 138 of the Act and the Listing Regulations.

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

During the year under review, no reportable material weakness in the operation was observed. Regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

14) Vigil Mechanism/ Whistle Blower Policy

The Vigil Mechanism/Whistle Blower Policy has been put in place for the 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 the victimization of Director(s) and Employee(s) who avail of the mechanism. Directors and Employees may make protected disclosure under the policy to the

Compliance Committee constituted by the Company to administer the internal code of business conduct. In exceptional cases, Directors and Employees have direct access to the Chairman of the Audit Committee. Further no personnel have been denied access to the Compliance Committee/ Chairman of the Audit Committee, as the case may be.

No complaints were received in this regard during the year under review.

15) Directors and Key Managerial Personnel

On the recommendation of the Nomination and Remuneration Committee, Lt. Gen. A. K. Singh (DIN: 07698288) was appointed as an Independent Director of the Company at the meeting of the Board of Directors held on 8th February, 2017 with immediate effect for a period of 5 consecutive years pursuant to Sections 149, 152 and 161 of the Act and the rules made thereunder. The appointment of Lt. Gen. A. K. Singh is subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting ("AGM") as per the details given in the Notice of the AGM. The Board recommends his appointment to the shareholders at the ensuing AGM.

Mr. Harsh A. Piramal (DIN: 00044972) has been re-appointed by the Board as the Whole-Time Director (designated as the Executive Vice Chairman) of the Company for a further period of 5 years with effect from 1st April, 2017 at a remuneration approved for 3 years as stated in the notice of the Annual General Meeting, subject to the approval of the shareholders. The Board recommends his appointment to the shareholders at the ensuing AGM.

Ms. Urvi A. Piramal (DIN: 00044954), Director of the Company is liable to retire by rotation and being eligible, has offered herself for re-appointment. The Board recommends her re-appointment to the shareholders at the ensuing AGM.

All the Independent Directors of your company have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Act and the Listing Regulations.

The Company has complied with the requirements of having Key Managerial Personnel as per the provisions of Section 203 of the Act.

16) Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for the selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration, etc. The Remuneration policy of the Company is more particularly stated in the Corporate Governance Report which forms a part of this Annual Report.

17) Board Evaluation

Regulation 17 of the Listing Regulations read with Schedule IV and other applicable provisions of the Act mandates formal evaluation to be done by the Board of its own performance and that of its Committees and individual directors, and that the Independent Directors shall evaluate the performance of non-independent directors and the Chairperson of the Company.

The evaluation process was externally facilitated and conducted by hrcraft, a Professional Business Consulting Firm specialized in feedback exercises engaged for carrying out evaluation process in a fair and transparent manner. The performance evaluation forms were circulated to all the Directors and they have provided their inputs on the same. A Report of the evaluation was then forwarded to the Chairperson and the respective Director to maintain the confidentiality of the Report.

The Independent Directors at their meeting held on 8th February, 2017, evaluated performance of the Chairperson, non-independent directors of the Company and the performance of the Board as a whole based on the evaluation report provided by the hrcraft.

Pursuant to provisions of Section 178 of the Act, the Nomination and Remuneration Committee has also carried out performance evaluation of every Director and the Board has carried out formal annual evaluation of its own performance and that of its Committees and individual Directors. Further, the evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated.

The Directors were satisfied with the outcome of the evaluations of the Board, its Committees and

the individual directors and on the basis of the evaluation reports, the present term of appointment of Independent Directors shall be continued.

18) Meetings of the Board

During the year under review, the Board of Directors of the Company met four times and the gap between two consecutive board meetings was within the limits prescribed by the Act and Listing Regulations. The details of the meetings are included in the Corporate Governance Report.

19) Committees of the Board

The details of all the Committees of the Board including the Audit and CSR Committee along with their terms of reference, composition and meetings held during the year, are provided in the Report on Corporate Governance which forms part of this Annual Report.

20) Directors' Responsibility Statement

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, in any;
- ii) your Directors have 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 31st March, 2017 and its profit for the year ended on that date;
- iii) your Directors have taken proper and sufficient care towards 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 have prepared the annual accounts for the year ended 31st March, 2017 on a going concern basis;
- v) your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;



- vi) your Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21) Related Party Transactions ("RPTs")

The RPTs entered into by the Company during the Financial Year 2016-17 were on an arm's length basis and in the ordinary course of business and no RPTs were material. The details of RPTs to be reported in Form AOC-2 are enclosed as "Annexure 3".

All RPTs were placed before the Audit Committee for its approval and Committee had granted its prior omnibus approvals for some of the transactions with related parties that were of repetitive nature. The details of transactions entered into pursuant to the omnibus approval of the Audit Committee, are placed before the Audit Committee for its review on a quarterly basis. The Company has framed a policy on RPTs for the purpose of identification and monitoring of such transactions.

The policy governing RPTs is hosted on the Company's website at www.morarjee.com.

22) Auditors and their reports

A. Statutory Auditors & Auditors Report

In terms of Section 139 of the Act, the Board of Directors of the Company has appointed M/s. Haribhakti & Co. LLP, Chartered Accountants (Firm Registration No. 103523W/ W100048) as the Statutory Auditors for a term of 5 years commencing from the conclusion of ensuing 22nd AGM till the conclusion of the 27th AGM, subject to ratification by shareholders at every AGM. The appointment of M/s. Haribhakti & Co. LLP in place of M/s. Manubhai & Shah LLP, the existing Statutory Auditors, who have completed the maximum permissible tenure as the Statutory Auditors of the Company, will be considered by the members in the ensuing AGM.

M/s. Haribhakti & Co. LLP have given their consent to act as the Statutory Auditors of the Company and also confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the

Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors and they hold valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Auditor's Report on the Standalone and Consolidated Financial Statements of the Company for the Financial Year 2016-17 as submitted by M/s. Manubhai & Shah LLP, did not contain any qualifications, reservations or adverse remarks and are self explanatory.

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government.

B. Cost Auditors

Pursuant to Section 148 of the Act, 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 2017-18. The remuneration of the Cost Auditor has also been approved by the Board of Directors on the recommendation of Audit Committee and the requisite resolution for ratification of remuneration of Cost Auditors by the shareholders has been set out in the Notice of AGM. The Company has received a certificate from the Cost Auditor M/s. Phatak Paliwal & Co. certifying their independence and arm's length relationship with the Company in accordance with the provisions of the Act.

C. Secretarial Audit

Pursuant to provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Kala Agarwal, Company Secretary in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended 31st March, 2017 is annexed herewith marked as **Annexure 4** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark except for delay in submission

of the shareholding pattern of the Company for the quarter ended 30th September, 2016 with BSE and details mentioned in the Secretarial Audit Report are self explanatory.

23) Corporate Governance Report and Management Discussion and Analysis Report

The Corporate Governance Report and the Management Discussion & Analysis Report, together with the Certificate received from the Statutory Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in the Listing Regulations, form an integral part of this annual report.

24) Extract of Annual Return

The extract of the Annual Return in the prescribed form MGT-9 is annexed as “**Annexure 5**” to this report.

25) Particulars of Employees

The information required pursuant to Section 197 of the Act 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 shareholders and others entitled thereto, excluding the said information which will be made available for inspection by the shareholders at the Registered Office of the company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any shareholder is interested in inspecting the same, such shareholders may write to the Company Secretary in advance.

26) Energy Conservation and Technology absorption, Foreign Exchange Earnings and Outgo

The information pertaining to conservation of energy and technology absorption as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in “**Annexure 6**” to this report.

The total Foreign Exchange Inflow was ₹ 13,769.60 Lacs and Outflow was ₹ 5,354.79 Lacs during the year under review.

27) Significant and Material Orders

There were no significant and material orders passed by any Regulators or Courts or Tribunals during the year ended 31st March, 2017 impacting the going concern status and Company's operations in future.

28) Prevention of Sexual Harassment of Women at workplace

The Company has zero tolerance towards sexual harassment at workplace and has adopted a policy to abide by letter and spirit requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The Company has Internal Complaints Committee (ICC) at Group level to redress the complaints of sexual harassment. During the year, Company has not received any complaint of sexual harassment.

29) Material Changes and Commitments affecting the financial position of the company during the period from 31st March, 2017 to the date of the report

There has been no material change/commitment affecting the financial position of the Company during the period from the end of the financial year on 31st March, 2017 to the date of this Report. There has been no change in the nature of business of the Company.

30) Acknowledgements

The Directors take this opportunity to express their deep sense of gratitude to the banks, Central and State Governments and their departments and the local authorities for their continued guidance and support.

We would also like to place on record our sincere appreciation for the commitment, dedication and hard work put in by the employees of the Company and for the continuous cooperation and support of Customers, Suppliers, Business Partners and other stakeholders of the Company.

On behalf of the Board
For **Morarjee Textiles Limited**

Place: Mumbai
Date: 15th May, 2017

Urvi A. Piramal
Chairperson
(DIN 0000044954)



ANNEXURE 1

AOC -1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part A - Subsidiaries

Sr. No.	Name of the subsidiary	Reporting Period	Report- ing cur- rency	Share capital / Contri- bution	Reserves & surplus	Total assets	Total Liabili- ties (Exclud- ing Share capital and Reserves & Surplus)	Invest- ments	Turnover (Includes Other Income)	Profit before taxation	Provision for taxa- tion	Profit after taxa- tion	Proposed Dividend	% of Share holding	Remarks
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Not Applicable

Notes :

- Names of the Subsidiaries which are yet to commence operations: NIL
- Names of Subsidiaries which have been liquidated or sold during the year: NIL

Part B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates /Joint Ventures	Latest audited balance sheet	Shares of Associate/Joint Ventures held by the company on the year end		Description of how there is significant influence	Reason why the associate /joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year		Remarks
			No. of Shares	Amount of Investment in Associates / Joint Venture				Considered	Not Con- sidered in Consoli- dation	
1	Morarjee Castiglioni (India) Private Ltd.	31-Mar-17	10,00,000	64.10	50% Shareholding	-	63.13	-2.68	-	Joint Venture
2	Just Textiles Limited @	31-Mar-17	7,95,560	795.56	49% Shareholding	Refer Note No.36A	450.24	-	20.38	Joint Venture

@ Unaudited

Notes :

- Names of the Associates or Joint ventures which are yet to commence operations: NIL
- Names of Associates or Joint ventures which have been liquidated or sold during the year: NIL

For and on behalf of Board of Directors

Urvi A. Piramal (DIN 0000044954) *Chairperson*

R. K. Rewari (DIN 0000619240) *Managing Director*

Ranjan Sanghi (DIN 0000275842) *Director*

Aditya Mangaldas (DIN 0000032233) *Director*

S. C. Kashimpuria *Chief Financial Officer*

Harsh A. Piramal (DIN 0000044972) *Executive Vice Chairman*

Mahesh S. Gupta (DIN 0000046810) *Director*

Shobhan Thakore (DIN 0000031788) *Director*

Sanjeev Singh Senger *Company Secretary*

ANNEXURE 2

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;

CSR activities at Morarjee Textiles Limited are carried out through Urvi Ashok Piramal Foundation.

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website at www.morarjee.com;

- 2 The composition of the CSR Committee :

- Ms. Urvi A. Piramal, Chairperson (Non-Executive)
- Mr. Harsh A. Piramal (Executive Vice-Chairman)
- Mr. Ranjan Sanghi (Independent Director)

- 3 Average Net profit of the Company for the last three financial years: ₹ 3001.33 Lacs

- 4 Prescribed CSR Expenditure (two per cent of the amount as mentioned in item 3 above) : ₹ 60.03 Lacs

- 5 Details of the CSR expenditure during the financial year:

- a) Total Amount spent during the Financial year ended 31st March, 2017: ₹ 60.03 Lacs
- b) Amount unspent, if any; Nil
- c) Manner in which the amount is spent during the financial year is detailed below

(₹ in Lacs)

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 2016 to March 2017	Amount Spent: Direct or through implementing agency
1	Health	Mobile Health Unit - 3	Dist: Nagpur State: Maharashtra	28.00	27.06	27.06	Through Urvi Ashok Piramal Foundation (UAPF)
		Site Clinic	Dist: Nagpur State: Maharashtra	2.52	2.57	2.57	
		Mobile Health Unit	Dist: Raigad & Ratnagiri State: Maharashtra	9.00	9.96	9.96	
2	Education	Supplementary Education - (Pathshala)	Dist: Nagpur State: Maharashtra	0.11	0.23	0.23	
		Achievers Scholarship	Dist: Nagpur State: Maharashtra	1.50	1.55	1.55	
		Achievers Scholarship	Dist: Ankleshwar State: Gujarat	4.00	3.65	3.65	
		Creche	Dist: Nashik, State: Maharashtra	1.20	1.15	1.15	
		Creche	Dist: Pune State: Maharashtra	0.80	0.70	0.70	



(₹ in Lacs)

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 2016 to March 2017	Amount Spent: Direct or through implementing agency
3	Livelihood	Vocational Skill Training Center	Dist: Nagpur State: Maharashtra	0.90	0.99	0.99	Through Urvi Ashok Piramal Foundation (UAPF)
		Government Skill Training Center	Dist: Nagpur State: Maharashtra	9.00	9.17	9.17	
4	Administration	—	—	3.00	3.00	3.00	
			Total	60.03	60.03	60.03	

Pursuant to Rule 8 of Companies (CSR Policy) Rules, 2014, we hereby state that the implementation and monitoring of CSR Policy during the financial year 2016-17, is in compliance with CSR objectives and policy of the Company.

Sd/-

Urvi A. Piramal
Chairperson of CSR Committee

Sd/-

Harsh A. Piramal
Executive Vice Chairman

VISION AND MISSION

Enriching the lives of communities by empowering them to develop and execute sustainable social development models. Driving the Mission to operate in the best interests of the community, in the last financial year we have mainly focused on promoting sustainable livelihoods, promote holistic health of rural folk, and primary health services for the Tribal children studying in the 16 Ashram Schools at Raigad District, Maharashtra.

At a Strategy level, APG ensures social responsibility and fulfills its commitment to empower the marginalized groups specially women and children by partnering with NGOs, panchayats, State Government and International Organisations.

Interventions in a nutshell

Looking back at what we have achieved so far and looking forward to the miles we need to cover, we proudly bring to you some of our key initiatives.

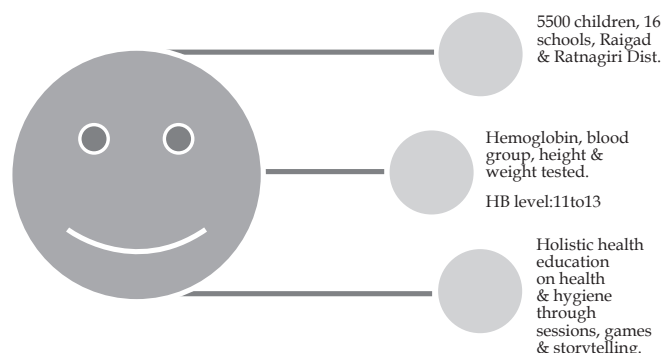
HEALTH

Health services for 16 Ashram School children

MoU was signed in June 2016 between Tribal Development Department (TDD) & UAPF for starting a Mobile Health Unit (MHU) to provide medical services to Government run Ashram Schools at Raigad & Ratnagiri District. UAPF already had MHUs in the District, an additional MHU with government support started in July 2016. Between the three MHUs, 16 Ashram Schools, 5500 children get health facilities, free checkups and medicines at the door step. The MHU comprises of a Doctor, health worker, counsellor, driver and quality medicines. All the MHUs are digitalized, health data of every child is maintained electronically and the updated health cards of children are in the custody of the school authorities.

The signing of the MoU and consequent Government Resolution (GR), gave impetus to the foundation to do its best to improve the health and living conditions of the children living in abysmal state.

- Key health achievements in the Ashram Schools



Mobile Health Unit of Nagpur :- At UAPF, we firmly believe that, good citizenship is through good robust health. To this end, we have been running our healthcare programme, titled “Aayushi”. Under this project, we run 3 Mobile Health Units (MHU) in the Nagpur region. These vans cover various tribal, semi-urban and rural areas. These vans go to predefined villages, screening villagers and running basic tests on them. In all, the van covers 76 villages and a total population of 95,000. These vans are equipped with paramedics who conduct basic investigations and disburse quality medicines. Last year total 23,164 villagers were benefited by our MHU project organised monthly health camps that address general health of a community and also specific individual concerns. Total 768 villagers covered through special camps conducted by MHU team.

Nagpur Site Clinic :- The UAPF runs site clinic at Nagpur. The clinic takes care of all basic health issues and provides primary healthcare services. We also periodically organise, generic and specific health camps for the public through the site clinics. In all 2,509 patients had benefitted through the site clinic last year.

SKILL & LIVELIHOOD TRAINING

At Nagpur, UAPF is the vocational training partner for Maharashtra State Skill Development Society (MSSDS). As an empanelled partner, UAPF has trained 60 youth

in spinning, weaving and processing sector. The entire 500 hours training manual, curriculum has been developed by the UAPF qualified trainers. The youth from the nearby villages were mobilized by experienced mobilisers who motivated them to complete the rigorous training. Recently 20 from spinning sector have completed assessment conducted by external examiners. UAPF is simultaneously exploring job placements in the textiles units around the vicinity for these trained youth.

Vocational Skill Training Center

At UAPF, we firmly believe that the best way to empower local communities is by empowering people’s economic capacity and by generating self-sustainable livelihood options. We run a series of vocational training centres that allow people to become proficient in things that run 21st century India. The centre in Nagpur, Butibori runs solely by the foundation. We have tied up with Usha International for Fashion design course. Total 20 women completed fashion designing course. Trained women are working independently & earning.

EDUCATION

Crèche: For the benefit of workers and their families, UAPF has set up at construction sites day-care centres and crèches that look after their children. These centres not only provide a safe place for parents to leave their children during the day, it’s also a source of hygiene, nutrition, basic education and good health for the little ones. The crèches located at two separate locations one is at Nasik & other one is at Hinjewadi, Pune. Total 200 children benefited by this project. The foundation through its partners, provide wholesome and nutritious meals for the children.

Scholarship - Besides educating the children; we also provide financial support to them and their families. This year, 27 children got scholarship from the foundation, to help them pursue higher education. Over the years, this has helped several children pursue technical and non-technical courses.



ANNEXURE 3

Form No. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:	NOT APPLICABLE
(a) Name(s) of the related party and nature of relationship	
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) Date(s) of approval by the Board	
(g) Amount paid as advances, if any	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	
2. Details of material contracts or arrangement or transactions at arm's length basis:	NOT APPLICABLE
(a) Name(s) of the related party and nature of relationship	
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Date(s) of approval by the Board, if any	
(f) Amount paid as advances, if any	

**For and on behalf of
Morarjee Textiles Limited**

Sd/-
Urvi A. Piramal
Chairperson

Form MR-3**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2017**

[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,
M/s. 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 M/s. 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 31st March, 2017 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 M/s. Morarjee Textiles Limited for the financial year ended on 31st March, 2017 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) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - (c) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) SEBI (Share Based Employee Benefits) Regulations, 2014.
 - (e) SEBI (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) SEBI (Delisting of Equity Shares) Regulations, 2009;
 - (h) SEBI (Buyback of Securities) Regulations, 1998; and
 - (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) Other laws specifically applicable 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. Central Excise Act, 1944
27. Central Excise Rules, 2002
28. Central Sales Act, 1956
29. Cenvat Credit Rules, 2004
30. Custom Act, 1962
31. Maharashtra Value Added Tax, 2002
32. Service Tax Rules, 1994
33. Boiler Act, 1923
34. Boiler Regulation, 1950
35. Explosives Act, 1884
36. Explosives Rules, 2008
37. Gas Cylinder Rules, 2004
38. Indian Electricity Rules, 1956
39. Legal Metrology Act, 2009
40. Maharashtra Fire Prevention and Life Safety Measures Act, 2006
41. Petroleum Act, 1934
42. Petroleum Rules, 2002
43. The Solvent, Raffinate and Slop (Acquisition, sale, storage and Prevention of use in Automobile) Order, 2000
44. Trade Marks Act, 1999
45. Apprentices Act, 1961
46. Child labour (Prohibition and Regulation) Act, 1986
47. Employees' State Insurance Act, 1948
48. The Employees' Compensation Act, 1923
49. Employees' State Insurance (General) Regulations, 1950
50. Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
51. Equal Remuneration Act, 1976
52. Factories Act, 1948
53. Maharashtra Factories Rules, 1963
54. Maharashtra Labour Welfare Fund Act, 1953
55. Maharashtra State Tax on Professions, Trades, Calling and Employments Rules, 1975.
56. Maharashtra Workmen's Minimum House Rent Allowance Act, 1983
57. Maternity Benefit Act, 1961
58. Minimum Wages Act, 1948
59. Payment of Bonus Act, 1965
60. The Employees' Provident Fund Scheme, 1952
61. The Payment of Bonus Rules, 1975
62. The Payment of Gratuity Act, 1972
63. Weekly Holidays Act, 1942
64. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

We have also examined compliance of Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

During the year, BSE had imposed a penalty of ₹ 3,13,172.60/- (₹ Three Lakhs Thirteen Thousand One Hundred and Seventy Two and Sixty Paise) for delay in submission of the shareholding pattern of the Company for the quarter ended 30th September, 2016. The Company had made a representation to BSE and then to SEBI for the waiver of the fine imposed. SEBI has advised the Company to approach the BSE again for waiver of fine so imposed. Accordingly, the Company is in the process on making a representation to the BSE.

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.

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.

'ANNEXURE A'

To,
The Members,
M/s. 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.

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.

Kala Agarwal
Practising Company Secretary
C P No.: 5356

Place: Mumbai
Date: 15th May, 2017

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.

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.

Kala Agarwal
Practising Company Secretary
C P No.: 5356

Place: Mumbai
Date: 15th May, 2017



ANNEXURE 5

Form No. MGT-9**EXTRACT OF ANNUAL RETURN**As on Financial Year ended 31st March, 2017

[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:-	14 th July, 1995
iii)	Name of the Company:-	MORARJEE TEXTILES LIMITED
iv)	Category / Sub-Category of the Company:-	Company limited by Shares / Non-Govt. Company
v)	Address of Registered Office and Contact details:-	Peninsula Spenta, Mathuradas Mills Compound, Senapati Bapat Marg, Lower Parel. Mumbai 400013. Tel.: (+91-22) 66154651 Email: corporatesecretarial@ashokpiramalgroup.com
vi)	Whether Listed Company:-	Yes
vii)	Name, address and contact details of the Registrar and Transfer Agent, if any:-	Freedom Registry Limited Plot No: 101/102, 19th Street, MIDC Area, Satpur, Nashik 422047 Telephone: (0253)-2354032 Fax No: (0253)-2351126 Email: support@freedomregistry.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing to 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 99.25%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY -

Sr. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate Company	% of Share held	Applicable Section
1	Morarjee Castiglioni (india) Private Limited Peninsula Spenta, Mathuradas Mills Compound Senapati Bapat Marg, Lower Parel Mumbai MH 400013 India	U17110MH 1997PTC110278	Associate Company	50%	2(6)
2	Just Textile Limited Flat No. 25, 5th Floor, Aryan Mahal, Plot No. 43, PM Shukla Marg, C Road, Churchgate, Mumbai 400 020.	U17100MH1987PLC044296	Associate Company	49%	2(6)

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	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
Promoters									
Indian									
Individual/HUF	1,04,551	0	1,04,551	0.29	1,04,551	0	1,04,551	0.29	0.00
Central Govt	0	0	0	0	0	0	0	0.00	0.00
State Govt (s)	0	0	0	0	0	0	0	0.00	0.00
Bodies Corp.	0	0	0	0	0	0	0	0.00	0.00
Banks/ FI	0	0	0	0	0	0	0	0.00	0.00
Any Other									
Ashok Piramal Group Textiles Trust through its Trustee Ms. Urvi A Piramal	2,15,90,112	0	2,15,90,112	59.42	2,15,90,112	0	2,15,90,112	59.42	0.00
Morarjee Goculdas Spinning & Weaving Co. Ltd Senior Employee Stock Option Scheme through its trustee Urvi Piramal & Mahesh Gupta	15,11,994	0	15,11,994	4.16	15,11,994	0	15,11,994	4.16	0.00
Sub-total (A) (1):-	2,32,06,657	0	2,32,06,657	63.87	2,32,06,657	0	2,32,06,657	63.87	0.00
Foreign									
NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
Other- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoters (A) = (A) (1)+(A)(2)	2,32,06,657	0	2,32,06,657	63.87	2,32,06,657	0	2,32,06,657	63.87	0.00



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	
Public Shareholding									
Institutions									
Mutual Funds	0	2,583	2,583	0.01	0	2,583	2,583	0.01	0.00
Banks / FI	1,015	2,174	3,189	0.01	4,353	2,174	6,527	0.02	0.01
Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Insurance Companies	17,09,644	0	17,09,644	4.71	17,12,943	0	17,12,943	4.71	0.00
FIIIs	0	1,135	1,135	0.00	0	1,135	1,135	0.00	0.00
Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Others (specify)	0	0.0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(1):	17,10,659	5,892	17,16,551	4.72	17,17,296	5,892	17,23,188	4.74	0.02
Non-Institutions									
Bodies Corporate	18,69,768	46,833	19,16,601	5.28	14,28,352	46,792	14,75,144	5.76	0.48
Individuals									
Individual Shareholders holding nominal share capital upto share capital upto ₹ 1 lakh	47,63,928	3,31,057	50,94,985	14.02	50,15,903	3,24,065	53,39,968	14.70	0.68
Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	40,85,664	27,736	41,13,400	11.32	41,22,226	27,736	4,149,962	11.42	0.10
Others (specify)									
Clearing Member	18,028	0	18,028	0.05	34,506	0	34,506	0.09	0.04
NRIs	2,43,833	22,294	2,66,127	0.73	3,80,630	22,294	4,02,924	1.11	0.38
Sub-Total (B)(2):	1,09,81,221	4,27,970	1,14,09,141	31.40	1,09,81,617	3,93,151	1,14,02,504	31.38	-0.02
Total Public Shareholding (B)=(B)(1)+(B)(2)	1,26,91,880	4,33,812	1,31,25,692	36.13	1,26,98,913	3,99,043	1,31,25,692	36.13	0.00
Shares held by Custodian for GDRs & ADRs (C)	0	0	0	13.40	0	0	0	0.00	0.00
Grand Total (A+B+C)	3,74,10,531	4,33,812	3,63,32,349	100	3,59,05,570	3,99,043	3,63,32,349	100.00	0.00

ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year - 1 st April, 2016			Shareholding at the end of the year - 31 st March, 2017			% 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	49,566	0.14	0.00	49,566	0.14	0.00	0.00
Harsh A. Piramal	16,522	0.05	0.00	16,522	0.05	0.00	0.00
Rajeev A. Piramal	16,522	0.05	0.00	16,522	0.05	0.00	0.00
Nandan A. Piramal	16,522	0.05	0.00	16,522	0.05	0.00	0.00
Kalpana Singhania	5,419	0.01	0.00	5,419	0.01	0.00	0.00
Ashok Piramal Group Textiles Trust through its trustee Ms.Urvi A Piramal	2,15,90,112	59.42	0.00	2,15,90,112	59.42	0.00	0.00
Morarjee Goculdas Spinning & Weaving Co. Ltd Senior Employee Stock Option Scheme through its trustee Urvi Piramal & Mahesh Gupta	15,11,994	4.16	0.00	15,11,994	4.16	0.00	0.00
Total	2,32,06,657	63.87	0.00	2,32,06,657	63.87	0.00	0.00

iii) Change in Promoters' Shareholding

There was no change in the promoter shareholding during the year.

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

Sr No.	Name of the Shareholder	Date	Transaction	Shareholding at the Beginning of the year - 1 st April, 2016		Cumulative Shareholding at the end of the year - 31 st March, 2017	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Life Insurance Corporation of India	-	-	15,18,358	4.18	15,18,358	4.18
2	Minal Bharat Patel	01.04.2016	-	9,00,000	2.48	-	-
		22.04.2016	Market Purchase	4,86,479	1.34	13,86,479	3.82
		26.08.2016	Market Purchase	1,26,499	0.35	15,12,978	4.16
		04.11.2016	Market Sale	(56,199)	0.15	14,56,779	4.01



Sr No.	Name of the Shareholder	Date	Transaction	Shareholding at the Beginning of the year - 1 st April, 2016		Cumulative Shareholding at the end of the year - 31 st March, 2017	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
3	Shrikrishna Finvest and Capital Management Private Limited	—	—	6,17,651	1.70	6,17,651	1.70
4	JV and Associates LLP	01.04.2016	—	3,59,735	0.99		
		03.03.2017	Market Sale	10,000	0.03	3,49,735	0.96
5	Santosh Murarilal Gupta	01.04.2016	—	3,47,000	0.96	0	0.00
		17.06.2016	Market Sale	(2,000)	0.01	3,45,000	0.95
		26.06.2016	Market Sale	(1,300)	0.00	3,43,700	0.95
		08.07.2016	Market Sale	(700)	0.00	3,43,000	0.94
		30.09.2016	Market Sale	(1,000)	0.00	3,42,000	0.94
		07.10.2016	Market Sale	(394)	0.00	3,41,606	0.94
		14.10.2016	Market Sale	(606)	0.00	3,41,000	0.94
		04.11.2016	Market Sale	(500)	0.00	3,40,500	0.94
6	V. Vaidyanathan	01.04.2016	—	3,53,975	0.97	—	—
		16.09.2016	Market Sale	(2,000)	0.01	3,51,975	0.97
		23.12.2016	Market Sale	(10,000)	0.03	3,41,975	0.94
		20.01.2017	Market Sale	(5,000)	0.01	3,36,975	0.93
7	Ruchit Bharat Patel	01.04.2016	—	1,18,755	0.33	—	—
		08.04.2016	Market Purchase	60	0.00	1,18,815	0.33
		15.04.2016	Market Purchase	4,427	0.01	1,23,242	0.34
		22.04.2016	Market Purchase	939	0.00	1,24,181	0.34
		12.08.2016	Market Purchase	510	0.00	1,24,691	0.34
		26.08.2016	Market Purchase	2,025	0.01	1,26,716	0.35
		11.11.2016	Market Purchase	250	0.00	1,26,966	0.35
		25.11.2016	Market Purchase	47,941	0.13	1,74,907	0.48
		31.12.2016	Market Purchase	10,000	0.03	1,84,907	0.51
		17.03.2017	Market Purchase	5,846	0.02	1,90,753	0.53
		24.03.2017	Market Purchase	2,790	0.01	1,93,543	0.53
		31.03.2017	Market Purchase	13,554	0.04	2,07,097	0.57
8	The Oriental Insurance Company Limited	—	—	1,91,286	0.53	1,91,286	0.53

Sr No.	Name of the Shareholder	Date	Transaction	Shareholding at the Beginning of the year - 1 st April, 2016		Cumulative Shareholding at the end of the year - 31 st March, 2017	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
9	Lal Tolani	01.04.2016	—	1,82,564	0.50	—	—
		08.04.2016	Market Purchase	852	0.00	183416	0.50
		27.05.2016	Market Purchase	415	0.00	183831	0.51
10	Hardik Patel	01.04.2016	—	1,26,942	0.35	—	—
		08.07.2016	Market Sale	(50,000)	0.14	76,942	0.21
		29.07.2016	Market Purchase	185	0.00	77,127	0.21
		05.08.2016	Market Purchase	5,000	0.01	82,127	0.23
		12.08.2016	Market Purchase	2,000	0.01	84,127	0.23
		26.08.2016	Market Purchase	1,958	0.01	86,085	0.24
		28.10.2016	Market Purchase	50,000	0.14	1,36,085	0.37
		25.11.2016	Market Purchase	12,900	0.04	1,48,985	0.41
		02.12.2016	Market Purchase	17,000	0.05	1,65,985	0.46
		31.12.2016	Market Purchase	2,000	0.01	1,67,985	0.46
11	Hitesh Ramji Javeri	01.04.2016	—	3,00,000	—	—	—
		02.12.2016	Market Sale	(55,450)	0.15	2,44,550	0.67
		09.12.2016	Market Sale	(1,64,550)	0.45	80,000	0.22
		31.12.2016	Market Sale	(24,651)	0.07	55,349	0.15
		10.02.2017	Market Sale	(55,248)	0.15	101	0.00
12	PAT Financial Consultants Private Limited	01.04.2016	—	4,88,889	1.35	—	—
		15.04.2016	Market Sale	(4,88,889)	1.35	0	0.00

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	49,566	0.14	49,566	0.14
Harsh A. Piramal	16,522	0.05	16,522	0.05
*Mahesh S. Gupta	1,16,000	0.32	1,16,000	0.32
R.K. Rewari	100	0.00	100	0.00
Ranjan Sanghi	4,000	0.01	4,000	0.01
Shobhan Thakore	0	0.00	0	0.00
Aditya Mangaldas	0	0.00	0	0.00



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
Lt. Gen A.K. Singh	0	0.00	0	0.00
Ranjan Pant	0	0.00	0	0.00
S.C. Kashimpuria	850	0.00	850	0.00
Sanjeev Singh Sengar	1	0.00	1	0.00

*Joint shareholding of Ms. Sunita M. Gupta and Mr. Mahesh S. Gupta

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In lacs)

Sr. No.	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
A	Indebtedness at the beginning of the financial year				
i.	Principal Amount	28,762.50	6,834.18	—	35,596.68
ii.	Interest due but not paid	—	—	—	—
iii.	Interest accrued but not due	111.35	30.62	—	141.97
	Total (i+ii+iii)	28,873.85	6,864.80	—	35,738.65
B	Change in Indebtedness during the financial year				
	Addition	7,203.92	5,699.97	—	12,903.89
	Reduction	—	—	—	—
	Net Change	7,203.92	5,699.97	—	12,903.89
C	Indebtedness at the end of the financial year				
i	Principal Amount	35,887.39	12,521.81	—	48,409.20
ii	Interest due but not paid	—	—	—	—
iii	Interest accrued but not due	190.38	42.96	—	233.34
	Total (A+B+C)	36,077.77	12,564.77	—	48,642.54

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In lacs)

Particulars of Remuneration	Mr. Harsh A. Piramal	Mr. R K Rewari	TOTAL
Gross Salary			
(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	136.92	151.69	288.61
(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0.00	0.68	0.68
(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	0.00	0.00	0.00
Stock Options	0.00	0.00	0.00
Sweat Equity	0.00	0.00	0.00
Commission	0.00	0.00	0.00
Total (A)	136.92	152.37	289.29
Ceiling as per the Act	5% of Net Profit	Schedule V	

B. Remuneration to Other Directors

(₹ In lacs)

Sr. No	Particulars of Remuneration	Ms. Urvi A. Piramal	Mr. Mahesh S. Gupta	Mr. Ranjan Sanghi	Mr. Shobhan Thakore	Mr. Aditya Mangaldas	Mr. Ranjan Pant	Lt Gen A.K. Singh	Total Amount
I.	INDEPENDENT DIRECTORS								
1)	Fees For attending Board/ Committee meetings	—	—	3.20	3.20	3.20	1.00	0.50	11.10
2)	Commission	—	—	3.00	3.00	3.00	3.00	1.00	13.00
3)	Others	—	—	—	—	—	—	—	—
	Total (I)			6.20	6.20	6.20	4.00	1.50	24.10
II.	NON-EXECUTIVE DIRECTORS								
1)	Fees For attending Board/ Committee meetings	2.20	2.00	—	—	—	—	—	4.20
2)	Commission	6.00	4.50	—	—	—	—	—	10.50
3)	Others	0.00	0.00	—	—	—	—	—	0.00
	Total (II)	8.20	6.50						14.70
	Total B (I+II)								38.80
	Total Managerial Remuneration (A+B)								328.09
	Overall Ceiling as per the Act	11% of the Net Profits of the Company read with provisions of Schedule V of the Act							


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

(₹ In lacs)

Sr. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. S C Kashimpuria (Chief Financial Officer)	Mr. Saneejv Singh Sengar (Company Secretary)	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	49.39	16.40	65.79
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	0.00	0.00	0.00
2	Stock Options	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission	0.00	0.00	0.00
	- as % of profit	0.00	0.00	0.00
	- others,specify	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00
	Total	49.39	16.40	65.79

VII. Penalties/Punishment/Compounding of Offences

There were no penalties/punishments/compounding of offences for the breach of any provisions of the Companies Act, 2013 against the Company or its Directors, or other Officers in default, during the year.

Conservation of energy and technology absorption

A. Conservation of Energy:

(i) The steps taken or impact on conservation of energy

- On Kier machine, manual steam controlled valves are replaced by automated steam controlled valves. This has resulted in optimum steam utilization and savings in steam.
- Installed variable frequency drives on pumps at various places as energy conservation measure.

(ii) The Steps taken by the company for utilizing alternate sources of energy

- Steam pressure regulating stations are installed at process machine ends to regulate steam pressure and thereby reducing Steam distribution losses.
- Increase in Hot water recycling resulted saving in steam as well as water consumption.

(iii) Total energy consumption

As per Form A herein below.

B. Technology absorption :-

(i) The efforts – made towards technology absorption

- Latest Generation Biological ETP 1400 KLD and RO of 92 % water recovery is installed.
- New Generation Wet Land Technology STP is installed.

(ii) The benefit derived as a result of above efforts.

- Improvement in quality and productivity.
- Cost reduction
- Energy conservation.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

a.	Technology Imported	Year of Import
1.	Optimax 4-R Looms	14-15
2.	Airjet Looms	15-16
3.	Continuous open width Pre Treatment range	15-16
4.	Compressive shrinking Range	15-16
5.	Mercerizing Range	15-16
6.	High speed Calander machine	15-16
7.	Singeing Pretreating line	15-16
8.	Drawing in & Sectional warping machine	15-16
9.	Blow Room	15-16
10.	Continuous Rope Washing Line	15-16
11.	Rotary Printing Machine	15-16
12.	Sizing Machine	15-16
13.	Stenter	15-16



14.	Reverse Osmosis Recovery Plant	16-17
15.	Autoconer Automatic Package Winder	16-17
16.	Laser Engraver	16-17
17.	OHTC Travelling Cleaner	16-17
18.	Selvedge Printing Machine	16-17
19.	Bobbins Automatic Transport System	16-17
20.	Uster AFIS Pro 2 Equipment	16-17
21.	Uster Classmate 5	16-17
22.	Uster HVI1000 Equipment	16-17
23.	Uster Tensorapid 4	16-17
24.	Uster Tester 6 UT6 - S800/SA	16-17

b. Whether the technology is fully absorbed : Yes

c. If not fully absorbed, areas where absorption has not taken place, and reasons thereof : NA

C. The expenditure incurred on Research and Development

Sr. No.	Particular	Amount ₹ In lacs
(a)	Capital	416.48
(b)	Recurring	53.97
	Total	470.45
	Total R&D expenditure as a percentage of total turnover	1.24%

FORM - 'A'

Form of disclosure of particulars with respect to consumption of energy

Particular	Units	Current Year 31.03.2017	Previous Year 31.03.2016
Power & Fuel consumption			
1 Electricity			
a) Purchased Units	Lacs Kwhs.	577.10	397.84
Total Cost	₹ Lacs	3,493.6	2,740.50
Rate/Unit	₹	6.05	6.89
b) Own Generation Through Diesel Generator			
Units	Lacs Kwhs.	0.73	2.07
Unit per ltr. of Diesel oil	Kwhs.	2.82	3.02
Cost/Unit (Diesel Oil Only)	₹	15.78	14.90
Total Cost of Diesel	₹ Lacs	11.46	30.84
2 Coal (slack coal for Boiler)			
Quantity	M.T.	25,216.05	20,485.96
Total Cost	₹ Lacs	1,162.59	892.06
Average rate per M.T.	₹	4,610.52	4,354.51
3 Furnace Oil			
Quantity	K.ltrs.	223.13	59.24
Total Amount	₹ Lacs	53.20	18.93
Average rate per K.Ltr.	₹	23,841	31,955

CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the financial year ended 31st March, 2017.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Morarjee Textiles Limited (hereinafter referred as "the Company") believes that Corporate Governance is a catalyst in the process towards maximization of shareholders' value. Therefore, shareholders' value, as an objective, is woven into all aspects of Corporate Governance – the underlying philosophy, the development of roles and the creation of structures and continuous compliance with standard practices. Morarjee Textiles Limited adheres to good corporate governance practices and is constantly striving to better them and adopt emerging best practices. At Morarjee Textiles Limited, it is believed that adherence to transparent business ethics would help the Company achieve its goal of maintaining value for its stakeholders. The Company is committed to good Corporate Governance and continuously reviews various investor relationship measures with a view to evaluate stakeholders' value. It is the Company's ongoing endeavor to achieve the highest levels of governance as a part of its responsibility towards its stakeholders. Transparency and integrity continue to be the cornerstones for good governance and the Company is strongly committed to these principles for enhancing its stakeholders' value. Together, the Management and the Board ensure that Morarjee Textiles Limited remains a Company of uncompromised integrity and excellence.

The Company has not only adopted practices mandated by SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (hereinafter referred as "Listing Regulations"), but also incorporated some of the non-mandatory recommendations to uphold its core values of customer focus, performance, leadership and quality.

2. BOARD OF DIRECTORS

2(i) Composition and category of the Board

The Company has an optimum combination of Executive Directors and Non-Executive Directors. The Board comprises of 9 (nine) Directors out of which 5 (five) are Independent Directors, 2 (two) are Non-Executive Non-Independent Directors and 2 (two) are Executive Directors. 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. Mr. Harsh A. Piramal, Executive Vice Chairman and Mr. R. K. Rewari, Managing Director, are the Executive Directors.

Category	Name of the Directors	Designation	No. of shares held (including joint shareholding) as on 31 st March, 2017
Promoter Directors	Ms. Urvi A. Piramal	Chairperson (Non-Executive)	49,566
	Mr. Harsh A. Piramal	Vice Chairman (Executive)	16,522
Professional Executive Director	Mr. R. K. Rewari	Managing Director	100
Non-Executive Non Independent Director	Mr. Mahesh S. Gupta	Director	1,16,000*
Independent Directors	Mr. Ranjan Sanghi	Director	4,000
	Mr. Shobhan Thakore	Director	Nil
	Mr. Aditya Mangaldas	Director	Nil
	Mr. Ranjan Pant	Director	Nil
	Lt. Gen. A.K. Singh	Director	Nil

*Joint shareholding of Ms. Sunita Gupta and Mr. Mahesh Gupta.



2(ii) Directors' Profile

Ms. Urvi A. Piramal

Ms. Urvi A Piramal, Chairperson of Ashok Piramal Group oversees a professionally managed business conglomerate with business interest in real estate, textiles, auto components, cutting tools and renewable energy.

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 has a Bachelor of Science degree and has attended the Advance Management Program at Harvard Business School. She is a member of Technology and Quality Improvement Committee of IMC since its inception in 1994.

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. 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 Conservation Wildlands Trust. Through these trusts, Ms. Piramal has initiated social projects in Rajasthan, Maharashtra and Madhya Pradesh.

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

Mr. Harsh A. Piramal

Harsh A. Piramal is the Vice Chairman of Morarjee Textiles and PMP Auto Components, all part of Ashok Piramal Group.

Mr. Piramal has been responsible for the turnaround at Morarjee Textiles since he began leading the company in 2004. The company has expanded its operations to regain its position as one of India's leading textile companies.

Mr. Piramal began his career as an analyst at venture capital firm, Indocean 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.

He plays competitive polo at the national level and is a keen football player. He co-founded Pune Football Club in 2007. He is also passionately involved in tiger conservation and is a trustee of Conservation Wildlands Trust, working towards a conservation paradigm where humans and nature exist in harmony.

Mr. Piramal 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 at Ashok Piramal Group oversees all businesses of the Group which comprises of real estate, textiles, auto components, cutting tools and renewable energy.

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 was associated with Piramal Enterprise for about 19 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 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 seven years ago. He has been associated with the textiles sector for 3 decades. 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 73 years of age. Mr. Sanghi has an Honours Degree in B.Com and has also studied Law and has been associated with the automobile industry for over 26 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 had been President of the Bombay Gymkhana Limited between 1995-1997.

Mr. Shobhan Thakore

Mr. Shobhan Thakore, Independent Director of the Company is 69 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 on the establishment and operations of various India dedicated equity funds and domestic mutual funds. Being a solicitor for over 40 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, 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. Mr. 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, UniDeritend Limited and Birla Sun Life Insurance Company 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 53 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 21 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 57 years of age. Mr. Pant is a Global Management Consultant, advising CEO/Boards on Strategy and Change Management. Mr. Pant is an Independent Director on the Boards of several prominent Companies. Mr. Pant was a partner at the strategy consulting firm Bain, where he led the worldwide Utility Practice. He was also Director, Corporate Business

Development, at General Electric headquarters. Mr. Pant has an MBA (Finance) from The Wharton School and BE (Honours, Mechanical Engineering) from BITS, Pilani.

Lt. Gen. A. K. Singh

Lt. Gen. A. K. Singh (Retd.) the erstwhile Lt Governor of the Andaman & Nicobar Islands and Puducherry, Ex GOC in C Southern Command has been an alumni of NDA, Staff College Camberley, UK, Malinovsky Tank Academy, Moscow & The HC & NDC courses. Known for his high integrity and professionalism, the General is looked upon as a role model by large numbers in the Armed Forces.

The General has commanded the 7th Cavalry, a T-90 Tank Brigade, an Armoured Division and the most powerful Strike 1 (Corps), and has the distinction of conceiving and executing some of the largest ever maneuvers in recent times. He has teneted key Op appts incl BM of the Kargil Bde, Three appts in MO Dte & was also the Director General Perspective Planning, where he drew up the long term perspective of the Indian Army.

After a distinguished service in the Armed Forces, Lt Gen A K Singh (Retd) was entrusted with the responsibility of Administrator/Lt Governor of A&N Islands in July, 2013 and later concurrently assumed the charge of Lt Governor of Puducherry in July, 2014. He has distinguished himself in both these challenging assignments by providing good Governance, as also unprecedented fast paced Development. He has been a member of Team India & the National Development Council, chaired by the Hon'ble PM.

For his distinguished services the General has been conferred with numerous awards both in the Army & the Civil.

2 (iii) Attendance at Board Meetings and last Annual General Meeting, Relationship between Directors inter-se, Number of Directorships and Committee Memberships/ Chairmanships

Details of attendance of each Director at the Board Meetings and last Annual General Meeting ("AGM") and the number of Companies and Committees where he/she is a Director/Member/Chairman/Chairperson as on 31st March, 2017, are given below:

Name	Category	Relation-ship with other Directors	Attendance Particulars			No of other Director-ships	Committee position in India	
			Board Meetings		AGM held on 27 th July, 2016		Chairman	Member
			Held	Attended				
Ms. Urvi A. Piramal	Non-Executive Chairperson	Mother of Mr. Harsh A. Piramal	4	4	Yes	5	0	0
Mr. Harsh A. Piramal	Executive Vice-Chairman	Son of Ms. Urvi A. Piramal	4	4	Yes	5	3	1
Mr. Mahesh S. Gupta	Non-Executive Non Independent Director	None	4	4	Yes	7	2	4
Mr. R. K. Rewari	Managing Director	None	4	4	Yes	9	1	5
Mr. Ranjan Sanghi	Independent Director	None	4	4	Yes	4	2	3
Mr. Shobhan Thakore	Independent Director	None	4	4	Yes	9	1	7



Name	Category	Relation-ship with other Directors	Attendance Particulars			No of other Director-ships	Committee position in India	
			Board Meetings		AGM held on 27 th July, 2016		Chairman	Member
			Held	Attended				
Mr. Aditya Mangaldas	Independent Director	None	4	4	Yes	2	1	2
Mr. Ranjan Pant	Independent Director	None	4	2	No	2	0	2
*Lt. Gen. A.K. Singh	Independent Director	None	4	1	—	0	0	0

*Appointed w.e.f. 8th February, 2017

Aforesaid directorships do not include alternate directorships, directorships in private limited companies other than subsidiaries of public limited companies, foreign companies and companies incorporated under Section 8 of the Companies Act, 2013. While reckoning the Directorship & Committee Position above, Directorship and the position of Chairman/Member held in the Company has not been taken into account.

None of the Directors is a Director in more than 20 companies or more than 10 public limited companies or acts as an independent director in more than 7 listed companies. Further, none of the directors is a member of more than 10 committees or is a Chairperson/ Chairman of more than 5 committees. Only Audit and Stakeholders' Relationship Committees were considered for reckoning the limit of membership/ chairmanship. For this purpose, Chairmanship/Membership held in the Company has also been considered.

2(iv) Meetings of the Board of Directors

4 (Four) Board Meetings were held during the financial year 2016-2017 and the gap between the two consecutive Board Meetings did not exceed one hundred and twenty days.

The dates of meetings and attendance of directors are as follows:

Sr. No.	Date of Meetings	Board Strength	No. of Directors Present
1.	3 rd May, 2016	8	7
2.	27 th July, 2016	8	7
3.	25 th October, 2016	8	8
4.	8 th February, 2017	9	9

2(v) Details of Directors being appointed / re-appointed

Pursuant to Section 152 of the Companies Act, 2013 ("the Act"), Ms. Urvi A. Piramal (DIN: 00044954) is retiring by rotation at the ensuing AGM and being eligible, has offered herself for re-appointment.

Mr. Harsh A. Piramal (DIN: 00044972) was re-appointed as the Whole-Time Director (designated as the Executive Vice Chairman) with effect from 1st April, 2017, subject to the approval of the members of the Company at the ensuing AGM.

Lt. Gen. A. K. Singh (DIN: 07698288) was appointed as Independent Director by the Board at its meeting held on 8th February, 2017 subject to approval of members at the ensuing AGM and in respect of whom Company has received a notice along with the requisite deposit as required under Section 160 of the Companies Act, 2013 from a member proposing his candidature as an Independent Director of the Company for a term of 5(five) consecutive years from the date of appointment i.e. 8th February, 2017.

Detailed profiles of directors to be appointed/ re-appointed along with additional information as required under Regulation 36(3) of the Listing Regulations are provided in the notice convening the Annual General Meeting.

2(vi) Familiarization program

As required under the Listing Regulations and the Act, the Company has an orientation programme upon induction of new Directors, as well as other initiatives to update Directors on a continuous basis. The Board has framed a familiarization program for the Independent Directors wherein they were acquainted with their roles, rights, responsibilities of the Company, business nature of the Company, business model etc. It aims to provide Independent Directors textile industry scenario, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant developments so as to enable them to take well informed timely decisions. The familiarization program also seeks to update the directors on the roles, responsibilities, rights and duties under the Companies Act, 2013, Listing Regulations and other statutes.

The familiarization program imparted to Independent Directors is available on the Company's website viz. www.morarjee.com.

2(vii) Performance Evaluation

Regulation 17 of Listing Regulations read with Schedule IV and other applicable provisions of the Companies Act, 2013, mandates a formal evaluation to be done by the Board of its own performance and that of its Committees and individual Directors and that the Independent Directors shall evaluate non-independent Directors and the Chairperson of the Board.

M/s. hrcraft, a professional business consulting firm specialized in feedback exercises, was engaged by the Company, to carry out the said performance evaluations in a fair and transparent manner. hrcraft did the performance evaluations facilitating the Board & its Committees in performance evaluation. The performance evaluation forms were circulated to all the directors and they have provided their inputs on the same. A report of the evaluation was then forwarded to the Chairperson and the respective directors to maintain the confidentiality of the report.

Based on the reports provided by M/s. hrcraft, the Independent Directors at their Meeting held on 8th February, 2017, evaluated performance of the Chairperson, Non-Independent Directors and the Board as a whole.

Pursuant to provisions of Section 178 of the Act, the Nomination and Remuneration Committee in its meeting held on 8th February, 2017, has carried out evaluation of every director's performance and the Board has carried out formal annual evaluation of its own performance, that of its Committees and individual Directors. Further, the evaluation of the Independent Directors was carried out by the entire Board, excluding the director being evaluated.

The Directors were satisfied with the evaluation results which reflect the overall engagement of the Board and its Committees and on the basis of the report of the said evaluation, the appointment of Independent Directors will continue.

Criteria for performance evaluation of Directors

The Board of Directors has approved the criteria for performance evaluation of Non-Executive Directors (including Independent Directors) as recommended by the Nomination and Remuneration Committee. The said criteria inter alia includes following:

- Attendance at the Board meetings.
- Active participation in the meetings.



- Understanding the critical issues affecting the Company.
- Prompts Board discussion on strategic issues.
- Brings relevant experience to the Board and uses it effectively.
- Understands and evaluates the risk environment of the organization.
- Conducts himself/herself in a manner that is ethical and consistent with the laws of the land.
- Maintains confidentiality wherever required.
- Communicates in an open and constructive manner.
- Seeks satisfaction and accomplishment through serving on the Board.

2(viii) Separate Meeting of Independent Directors

As stipulated by the Code for Independent Directors in Schedule IV of the Act and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 8th February, 2017, to review the performance of all Non-Independent Directors, the Board as a whole and the performance of the Chairperson of the Company taking into account the views of other executive and non-executive directors. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees towards effective and reasonable performance and discharge of their duties.

3. Audit Committee

The Audit Committee of the Company was constituted in accordance with the provisions of Regulation 18 of the Listing Regulations and provisions of Section 177 of the Act. All the members of the Committee are Independent Directors and financially literate. The Company Secretary acts as the secretary to the Committee. The Audit Committee acts as a link between the statutory auditors, 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 related party transactions.

3(i) Composition, Meetings and Attendance

The Audit Committee comprises of Mr. Ranjan Sanghi (Chairman), Mr. Aditya Mangaldas and Mr. Shobhan Thakore as members. Mr. Ranjan Sanghi, the Chairman of the Audit Committee was present at the previous Annual General Meeting held on 27th July, 2016. The Executive Vice Chairman, Managing Director, Group CFO, CFO, Company Secretary and General Manager - Group Legal & Company Secretary are permanent invitees to the committee meetings.

During the financial year 2016-17, the Audit Committee met 4 (four) times on 3rd May, 2016, 27th July, 2016, 25th October, 2016 and 8th February, 2017. The gap between two consecutive meetings did not exceed 120 (one hundred and twenty) days.

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	4
Mr. Aditya Mangaldas	Member	4	4

3(ii) Terms of Reference

The terms of reference of this Committee are wide enough to cover the matters specified for Audit Committee under Part C of Schedule II with reference to Regulation 18 of the Listing Regulations as well as under Section 177 of the Companies Act, 2013 are as follows:

- i. 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;
- ii. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity
- iii. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. 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) modified opinion(s) in the draft audit report;
- v. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi. reviewing and monitoring, 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 utilisation of proceeds of a public or rights issue and making appropriate recommendations to the board to take up steps in this matter;
- vii. reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- viii. approval or any subsequent modification of transactions of the listed entity with related parties;
- ix. scrutiny of inter-corporate loans and investments;
- x. valuation of undertakings or assets of the listed entity, wherever it is necessary;
- xi. evaluation of internal financial controls and risk management systems;
- xii. reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. 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;
- xiv. discussion with internal auditors of any significant findings and follow up thereon;
- xv. 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;
- xvi. 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;
- xvii. 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;
- xviii. to review the functioning of the whistle blower mechanism;
- xix. approval of appointment of chief financial officer after assessing the qualifications, experience and background etc. of the candidate;
- xx. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

4. NOMINATION AND REMUNERATION COMMITTEE

In compliance with Section 178 of the Act and the Listing Regulations, the Board has constituted the Nomination and Remuneration Committee.



4(i) Composition, Meeting and Attendance

The Nomination and Remuneration Committee ("NRC") consists of 4 (Four) Directors viz. Mr. Ranjan Sanghi (Chairman), Mr. Aditya Mangaldas and Mr. Shobhan Thakore - Independent Directors, Ms. Urvi A. Piramal, Non Executive Director. The Chairman of the NRC was present at the previous Annual General Meeting of the Company held on 27th July, 2016.

The Committee met two times during the year on 3rd May, 2016 and 8th February, 2017 and the details of attendance was as under:

Name of the Director	Designation	No. of meetings during the year	
		Held	Attended
Mr. Ranjan Sanghi	Chairman	2	2
Mr. Aditya Mangaldas	Member	2	2
Mr. Shobhan Thakore	Member	2	2
Ms. Urvi A. Piramal	Member	2	2

4(ii) Terms of Reference of the Committee and the Remuneration Policy

The terms of reference of the NRC stated below are wide enough to cover the matters specified in Listing Regulations and Section 177 of the Act.

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors, a policy relating to the remuneration of the directors, Key Managerial Personnel ("KMP") and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Remuneration Policy

Pursuant to Section 178 of the Companies Act, 2013, the Company has formulated a Policy on the appointment of person as director and evaluation of Directors & Senior Management Personnel (SMP). An extract of the policy covering remuneration for the Directors, KMP and other employees is reproduced below:

- The terms of employment and remuneration of Managing Director, Whole-time Director, KMPs and SMPs shall be competitive in order to ensure that the Company can attract and retain competent talent.
- The remuneration policy shall ensure that:
 - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors/ KMPs and SMPs of the quality to run the Company successfully.
 - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - Remuneration to directors, KMP and SMP involves a balance between fixed and variable pay reflecting short and long term performance and goals set by the Company.
- While determining the remuneration and incentives for the MD/ WTD and KMPs, the following shall be considered:
 - Pay and employment conditions with peers/ elsewhere in the competitive market.
 - Benchmarking with industry practices.

- c. Performance of the individual
 - d. Company performance
 - iv. For the benchmarking with industry practice, criteria of size, complexity, data transparency and geographical area shall also be given due consideration.
 - v. The pay structures shall be appropriately aligned across levels in the Company.
- The detailed policy on the appointment of person as director and evaluation of directors & senior management personnel of the Company is hosted on the website of the Company at www.morarjee.com.

4(iii) Remuneration paid to the Directors

A. Remuneration paid to Non-Executive Directors (NED)

The Non Executive Directors ("NED") are entitled for sitting fees, commission and reimbursement of expenses for participation in the Board/Committee meetings. The details of sitting fees and commission paid for the year ended 31st March, 2017 are given below:

(₹ in lacs)

Sr. No.	Name of the Directors	Designation	Sitting Fees	Commission	Total
1	Ms. Urvi A. Piramal	Chairperson	2.20	6.00	8.20
2	Mr. Mahesh S. Gupta	Director	2.00	4.50	6.50
3	Mr. Ranjan Sanghi	Director	3.20	3.00	6.20
4	Mr. Shobhan Thakore	Director	3.20	3.00	6.20
5	Mr. Aditya Mangaldas	Director	3.20	3.00	6.20
6	Mr. Ranjan Pant	Director	1.00	3.00	4.00
7	Lt. Gen. A.K. Singh	Director	0.50	1.00	1.50

No stock options were granted to NEDs during year. The Independent Directors are not entitled for stock options.

B. Remuneration paid to the Executive Directors

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

The remuneration package of the Executive Directors comprises of salary, perquisites and allowances, contribution to provident fund and superannuation fund and commission, if any. The details of remuneration paid to Executive Directors during the year were as under:

(₹ in lacs)

Remuneration Details	Mr. Harsh A. Piramal (Executive Vice-Chairman)	Mr. Rajendra Kumar Rewari (Managing Director)
Basic Salary	136.70	68.40
Allowances		
HRA	—	18.00
Special Allowance	—	—
Addition Allowance	—	41.67
Education Allowance	—	0.02



(₹ in lacs)		
Remuneration Details	Mr. Harsh A. Piramal (Executive Vice-Chairman)	Mr. Rajendra Kumar Rewari (Managing Director)
Performance Incentive	—	7.30
Leave Travel Allowance	—	1.24
Medical Expenses	—	0.15
Perquisite	—	0.68
Paid Leave Encashment	—	5.70
Provident Fund Contribution	0.22	8.21
Superannuation Fund	—	1.00
Total	136.92	152.37

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

In compliance with the provisions of Section 178 of the Act and Listing Regulations, the Board has constituted the Stakeholders' Relationship Committee ("SRC").

5(i) Composition, Meeting and Attendance

The SRC currently comprises of 3 (three) directors of which 2 (two) are Non-Executive Directors i.e. Mr. Shobhan Thakore (Chairman, Independent Director) and Mr. Mahesh S. Gupta (Non-Executive Director) and Mr. R. K. Rewari (Executive Director). The Chairman of the SRC was present at the Annual General Meeting held on 27th July, 2016.

During the year under review, the SRC met on 8th February, 2017. All the members were present at the said meeting.

5(ii) Terms of Reference

The terms of reference of the Committee are:

- To consider and resolve the grievance of all the security holders related to transfer/ transmission of shares, non receipts of annual reports and non receipts of dividends etc.;
- To review and deal with complaints and queries received from the Shareholders, Debentures holders, Deposit holders and other security holders of the Company;
- To review and act upon such other grievances as the Board of Directors delegate to the committee from time to time.

5(iii) Compliance Officer

Name & Designation	Mr. Sanjeev Singh Sengar - Company Secretary
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 4607
E-mail	corporatesecretarial@ashokpiramalgroup.com

5(iv) Details of Shareholders' Complaints

Details of investor complaints received and resolved during the year ended 31st March, 2017 are as follows:

Complaints Pending as on 01/04/2016	Complaints Received during the year	Complaints Resolved during the year	Complaints Pending as on 31/03/2017
Nil	Nil	Nil	Nil

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**6(i) Composition, Meetings and Attendance:**

The Company has Corporate Social Responsibility ("CSR") Committee consisting of Ms. Urvi A. Piramal, Chairperson, Mr. Harsh A. Piramal and Mr. Ranjan Sanghi. The CSR Committee met on 3rd May, 2016 and 25th October, 2016.

Name of Directors	Designation	Meetings	
		Held	Attended
Ms. Urvi A. Piramal	Chairperson	2	2
Mr. Harsh A. Piramal	Member	2	2
Mr. Ranjan Sanghi	Member	2	2

6(ii) Terms of Reference

The terms of reference to be observed by the committee are as under:

- Formulate and recommend to the Board a CSR 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; and
- Such other matters as the board may delegate from time to time.

The CSR policy is posted on Company's website at www.morarjee.com.

6(iii) CSR Activities

The details of the CSR activities carried out by the Company during the year 2016-17 along with the expenditure statement are provided in **Annexure-2** to the Directors' Report.

7. RISK MANAGEMENT COMMITTEE

Business 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 and also identify business 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.

7(i) Composition

The Risk Management Committee comprises of Mr. R. K. Rewari - Managing Director as the Chairman, Mr. Harsh A. Piramal - Executive Director, Mr. Mahesh S Gupta - Director, Mr. Dinesh Jain - Group CFO and Mr. S. C. Kashimpuria - CFO as members.

7(ii) Terms of Reference

- To identify potential Business Risks



- To analyze the Risk and develop Risk mitigation plans, as per the Risk Management Policy
- Reporting of Risk environment to the Board
- To create awareness among the employees to assess risks on a continuous basis & develop risk mitigation plans in the interest of the Company

8. GENERAL BODY MEETINGS AND POSTAL BALLOT

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

Financial Year	AGM	Date	Time	Location
2015-16	21 st AGM	27 th July, 2016	03:00 p.m.	"Hall of Harmony", Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018
2014-15	20 th AGM	26 th August, 2015	11:00 a.m.	Hall of Culture", Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018
2013-14	19 th AGM	29 th September, 2014	11:00 a.m.	M.C. Ghia Hall, 4th Floor, Bhogilala Hargovindas Building, 18/20, K. Dubash Marg, Kala Goda, Mumbai- 400 001

8(ii) Special Resolution passed in the previous three Annual General Meetings (AGM)

AGM	Date of AGM	Special Resolution
21 st AGM	27 th July, 2016	Resolution No. 5 - To re-appoint Mr. R. K. Rewari as Managing Director of the Company for a period of 3 years w.e.f. 1 st February, 2016
20 th AGM	26 th August, 2015	No Special Resolution
19 th AGM	29 th September, 2014	Resolution No. 9 - To Terminate/ Cancel/ rescind the Morarjee Textiles Limited (ESOP Plan 2006)

The resolutions referred above were passed by requisite majority of the shareholders.

8(iii) Postal Ballot

Neither any Postal Ballot conducted during the year nor any special resolution proposes to pass through Postal Ballot as on the date of this Report.

9. MEANS OF COMMUNICATION

The quarterly and annual results are generally published in English and Marathi Newspaper viz. Free Press Journal and Navshakti respectively and simultaneously posted on the Company's website (www.morarjee.com) and are also sent to the BSE Limited and National Stock Exchange of India Limited.

The presentations made to the institutional investors and to the analysts are also posted on the website of the Company.

The Annual Report of the Company is also available on the website of the Company in a user friendly and downloadable form.

10. GENERAL SHAREHOLDER INFORMATION

10(i) 22nd Annual General Meeting

Date	Time	Venue
22 nd August, 2017	3:00 p.m.	"Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018"

10(ii) Financial Year: 2016-17**10(iii) Book Closure Dates:**

Saturday, 12th August, 2017 to Tuesday, 22nd August, 2017 (both days inclusive) to determine the entitlement of shareholders to receive the dividend as may be declared for the year ended 31st March, 2017.

10(iv) Payment of Dividend:

The Dividend, if declared by shareholders at the ensuing AGM, shall be paid on or before 21st September, 2017 i.e. within 30 days from the date of declaration of dividend.

10(v) Listing of Equity Shares on Stock Exchanges and Stock Codes

Listing on Stock Exchanges	BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 023
	National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Mumbai 400 051

Name of the Exchange	Stock Code/ID
BSE	532621
NSE	MORARJEE (Series EQ)
ISIN	INE161G01027

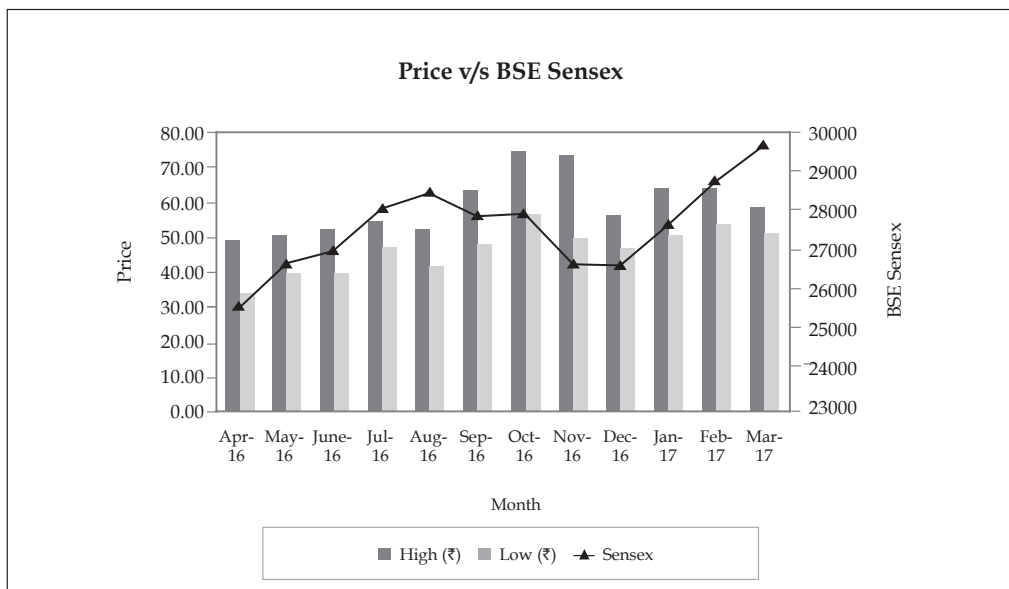
The Company has paid Annual Listing Fees to the Stock Exchanges for the year 2017-18.

10(vi) Stock Market Data and their Performance v/s S&P BSE Sensex and CNX Nifty

The high/low of the market price of the shares of the Company and the performance thereof with the BSE Sensex and CNX Nifty are given in the charts below:

Month	BSE			NSE		
	High (₹)	Low (₹)	Sensex	High (₹)	Low (₹)	CNX Nifty
Apr-16	48.80	33.50	25606.62	49.30	33.50	7849.80
May-16	49.95	39.35	26667.96	50.00	38.70	8160.10
Jun-16	51.90	39.40	26999.72	51.90	39.55	8287.75
Jul-16	54.20	46.60	28051.86	54.35	45.50	8638.50
Aug-16	51.95	41.25	28452.17	52.30	42.30	8786.20
Sep-16	62.90	47.60	27865.96	63.10	46.35	8611.15
Oct-16	73.80	56.00	27930.21	73.85	55.70	8625.70
Nov-16	72.80	49.00	26652.81	74.00	49.45	8224.50
Dec-16	55.80	46.15	26626.46	55.85	46.30	8185.80
Jan-17	63.45	50.15	27655.96	63.50	50.15	8561.30
Feb-17	63.45	53.15	28743.32	63.50	52.25	8879.60
Mar-17	58.00	50.50	29620.50	58.00	50.50	9173.75

Sources: BSE and NSE websites



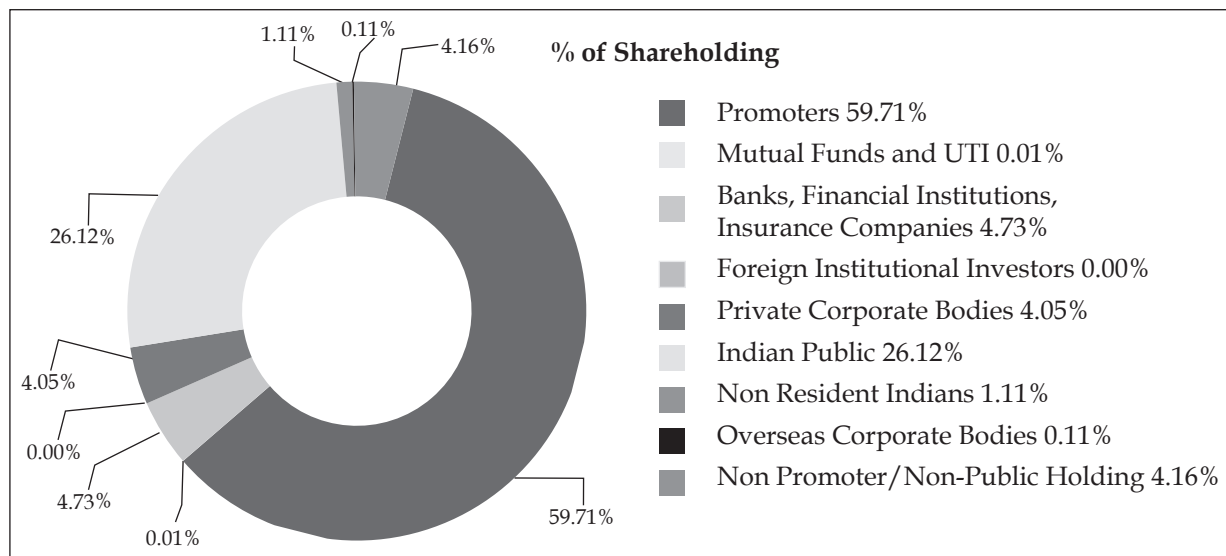
10(vii) Distribution of shareholding as on 31st March 2017

Slab of Shareholding	No of Shareholders	% of Shareholders	Amount (₹)	% of Shares held
1 to 5000	18,442	98.75	3,13,68,379	12.34
5001 to 10000	122	0.65	62,84,173	2.47
10001 to 20000	66	0.35	65,44,055	2.57
20001 to 30000	17	0.09	30,28,641	1.19
30001 to 40000	2	0.01	5,13,443	0.20
40001 to 50000	6	0.03	19,88,812	0.78
50001 to 100000	9	0.05	44,80,819	1.76
100001 & Above	13	0.07	20,01,18,121	78.69
TOTAL	18,677	100.00	25,43,26,443	100.00

10(viii) Shareholding Pattern as on 31st March 2017:

Sr. No.	Category	No. of Shares held	% of Shares held
A	Promoters Holding		
1	Indian promoters	2,16,94,663	59.71
	Foreign promoters	Nil	Nil
2	Persons acting in concert	Nil	Nil
	Sub total (1+2)	2,16,94,663	59.71

Sr. No.	Category	No. of Shares held	% of Shares held
B	Non promoters Holding		
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)	17,19,342	4.73
c	Foreign Institutional Investors	1,135	0.00
	Sub total (3)	17,23,188	4.74
4	Others		
a	Private Corporate Bodies	14,70,319	4.05
b	Indian Public	94,89,930	26.12
c	Non Resident Indians	4,02,924	1.11
d	Overseas Corporate Bodies	39,331	0.11
	Sub-Total (4)	1,14,02,504	31.39
C	Non-Promoter/Non-Public Holding	15,11,994	4.16
	Grand total (A+B+C)	3,63,32,349	100.00



10(ix) Registrar and Share Transfer Agent (RTA)

Freedom Registry Limited, RTA of the Company 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 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

10(x) Share Transfers System (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 for transfer and transmission has also been delegated to Senior Executives of the Company to approve share transfers upto specified limits.

A summary of the transfers/ transmissions so approved by the Share Transfer Committee or the authorized Executives, as the case may be, are placed at subsequent meeting of the Board of Directors of the Company.

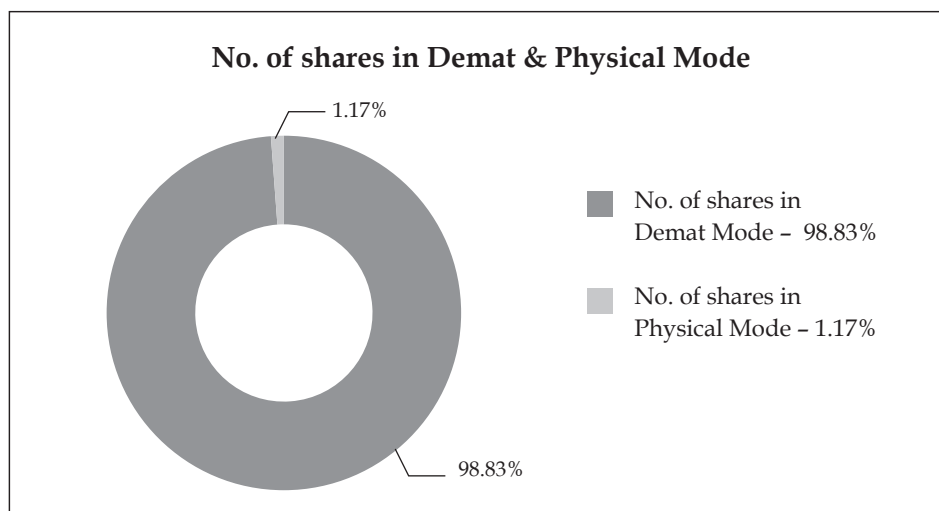
The Certificate of Compliance obtained from the Company Secretary in practice as required under Regulation 40(9) of the LODR Regulations, confirms the compliances of the share transfer/transmission formalities within the timelines prescribed.

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., Practicing Company Secretary has been appointed by the Company to conduct this audit. 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.

10(xi) Dematerialization of shares and liquidity

As on 31st March, 2017, 3,59,05,570 Equity Shares representing 98.83% of the Company's paid-up Equity Share Capital are in demat form. 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.



10(xii) There are no Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments outstanding.

10(xiii) Plant Location

Plot No.G1, G2- M.I.D.C. Industrial Estate Post: Salai Dhaba, Butibori Nagpur – 441122

10(xiv) Investor Correspondence

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

Name	E-mail	Telephone No	Fax No
Mr. Sanjeev S. Sengar	corporatesecretarial@ashokpiramalgroupp.com	+91-22-66154651-53	+91-22-66154607

Correspondence address:

Morarjee Textiles Limited
2, Peninsula Spenta
Mathuradas Mills Compound
Senapati Bapat Marg
Lower Parel, Mumbai 400 013

11. DISCLOSURES

11(i) 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. 38 of the Notes to the Standalone Financial Statement in the Annual Report in compliance with the Accounting Standard relating to “Related Party Disclosures”. There is no materially



significant Related Party Transaction entered into by the Company during the year that may have potential conflict with the interest of the Company at large. As per Regulation 23 of Listing Regulations, the Company has formulated a policy on Related Party Transactions and posted on the website of the Company at www.morarjee.com.

The Company has complied with applicable Accounting Standards on related party disclosures.

11(ii) Details of non - compliance, penalties, strictures imposed by the Stock Exchanges or Securities and Exchange Board of India during last 3 years

Details of non-compliance	Amount of Penalty/Fine
During the year, BSE imposed a penalty for delay in submission of the shareholding pattern of the Company for the quarter ended 30th September, 2016.	₹ 3.14 Lacs
During the year 2015-16, NSE has imposed a penalty for delayed submission of Annual Report of the Company for FY14-15.	₹ 2,000/-.

Apart from above, there were no such instances and no penalties, strictures have been imposed by the Securities and Exchange Board of India or any other statutory authority during the last three year on any matter related to the capital markets.

11(iii) Vigil mechanism/ whistle blower policy

The Company has established 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 Compliant Committee set up for this purpose and in exceptional circumstances, 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 at www.morarjee.com

11(iv) Disclosure of Compliance of Corporate Governance

The Company has complied with all the requirements of the Listing Regulations including the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulations (2) of Regulation 46.

11(v) Details of Compliance with Mandatory Requirements & Adoption of Non Mandatory Requirements

The Company has complied with all the mandatory requirements as applicable to the Company and following non- mandatory requirements as specified in Part E of Schedule II of the Listing Regulations:

- The company has separate persons as its Chairperson and the Managing Director.
- The non-executive Chairperson maintains her office at the Company's expense and is allowed reimbursement of expenses incurred in performance of her duties.
- The Company follows the regime of financial statements with unmodified audit opinion.
- The internal auditors of the Company report directly to the Audit Committee.

11(vi) Subsidiary Company

The Company does not have any subsidiary company. However, a policy on material subsidiaries has been formulated by the Company and posted on the website of the Company at www.morarjee.com

11(vii) Unclaimed/ Unpaid Dividend

The due dates for transfer of unclaimed/unpaid dividend amount to be transferred to Investor Education & Protection Fund Authority (IEPF) are as under;

Financial Year	Date of Declaration	Date of Payment	Due Date of transfer to IEPF
31.03.2013	14.08.2013	16.08.2013	18.10.2020
31.03.2014	29.09.2014	29.09.2014	03.12.2021
31.03.2015	26.08.2015	27.08.2015	30.10.2022
31.03.2016	27.07.2016	28.08.2016	01.10.2023

The unclaimed/unpaid dividend declared for FY 2006-2007 was already transferred to IEPF on 8th October, 2014 and no dividend was declared from FY 2007-2008 to 2011-2012.

11(viii) Transfer of unclaimed/unpaid dividend and shares to Investor Education and Protection Fund

Pursuant to Section 124(6) of the Companies Act, 2013 read with relevant Rules made thereunder, unclaimed/unpaid dividend and shares on which dividend is unpaid/unclaimed for seven years or more are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. There were no unclaimed/unpaid dividends due for transfer to IEPF during the year. However, shares on which dividend remained unpaid/unclaimed for seven years or more as per IEPF Rule are in process of being transferred to IEPF Authority.

The Company has sent individual communications, about such transfer, to each of the concerned shareholders, whose equity shares are liable to be transferred to the IEPF Authority and has also uploaded the complete details of such shareholders and their equity shares due for transfer, including their Folio Nos and Demat Account details, on its website at www.morarjee.com. and the notice has also been advertised in the newspapers in compliance of Rule 6 of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

11(ix) 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 lodgment 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, non receipts of dividend payments, annual report, etc. may also be mailed at corporatesecretarial@ashokpiramalgroup.com.

12. Details of Shares in Suspense Account

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 st April, 2016	Nil
2	Number of shareholders who approached issuer for transfer of shares from suspense account during the year	Nil
3	Number of shareholders to whom shares were transferred from suspense account during the year	Nil
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year 31 st March, 2017	Nil



13 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 Managing Director under SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

I, R.K. Rewari, Managing Director of Morarjee Textiles Limited, hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management, for the year ended 31st March, 2017.

R.K. Rewari
Managing Director

Place: Mumbai
Date: 15th May, 2017

14 Compliance Certificate from Auditors regarding Compliance of Conditions of Corporate Governance

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, 2017, as stipulated in regulations 17 to 27, clause (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 regulations 17 to 27, clause (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 LLP
Chartered Accountants
Firm Registration No.: 106041W / W100136

Ashish H. Shah
Partner
Membership No.: 103750

Mumbai, May 15, 2017

MANAGEMENT DISCUSSION & ANALYSIS

Overview: Global Economy

After a lacklustre outturn in 2016 depressing the economic activity with stagnant global trade, weak investment and heightened policy uncertainty, economic activity is projected to pick up pace in 2017 and 2018, especially in emerging market and developing economies. Global growth in 2016 was projected at 3.4% but now it is estimated to be at 2.3% percent and is projected to rise to 2.7% in 2017 mainly reflecting a recovery in emerging market and developing economies.

Advanced economies continue to struggle with subdued growth and low inflation in a context of increased uncertainty about policy stance of the new U.S. administration and its global ramifications and tepid investment. Activity decelerated in the United States and to a lesser degree, in some other major economies. However with growth slowing down in developed markets, the dynamics of the global fashion market are expected to change dramatically. Emerging economies will fuel most of the growth. Growth in emerging market and developing economies like India is expected to pick up in 2017.

In addition to this, global apparel markets in the recent past have shown a paradigm shift, moving towards increased product differentiation and catering to diverse, aware and demanding customer base. With growth in developed economies cooling, brands are facing pressure due to restricted consumer spending.

Retailers have thus gravitated toward demographic shift, societal influences, economic influence and environmental concerns.

Indian Textile Market: Industry Structure and Development

India's textile sector is one of the mainstays of the national economy. The country continues to be the only country other than China to have the full textile chain i.e. from fibre to clothing.

The industry currently estimated at around US\$ 100 billion, is expected to reach US\$ 223 billion by 2021 has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 2.41 billion during April 2000 to December 2016 and 26% of this investment came during October 2015 to December 2016 but there is reverse flow of FDI too, to competing nations like Bangladesh and Vietnam.

Despite several action-oriented reforms certain disruptions of the market by E-commerce players capturing a major share of consumer wallet by selling electronic gadgets, left the consumer with low liquidity for other consumption, over and above currency demonetisation during the wedding season created mayhem with fall in demand and affecting the production.

This disruption has led to very significant reduction in footfalls into malls by the consumer especially at high street shops and independent retailers. The consumers as a result of lack of feel good factor and low confidence migrated to lower price points. Reduced consumer spends has put tremendous pressure on retailers, who are now looking at changing business models to adopt fast fashion and customisation while some are redefining their market position with increased focus on retaining customers through loyalty programs etc.

Given the demand situation, the terms of business were extremely demanding and posed a major challenge on pricing and credit term. There is a fierce competition in the international markets, with Vietnam and Bangladesh overtaking India in the export of clothing. Myanmar and Laos are two new countries posing a challenge, even as China continues to yield ground. In the other competing bloc, East Europe continues to weaken. Turkey is facing pressure by virtue of closure of several textile mills, and is consequently losing its edge of time to market. North African countries like Egypt, Tunisia and Morocco are trying to fill this void.

The TPP agreement which is expected to come in force by end 2017, Vietnam and Malaysia are the two TPP members, who can pose a serious threat to India's export of clothing due to tariff concessions, practically zero duty access, that they would get in the US market.

Vietnam is already one of the fastest growing major exporters to the US market, even without any tariff concessions. Also relevant is that Vietnam is already in negotiation with the European Union (EU) for a Foreign Trade Agreement (FTA), expected to be finalized by 2018. India's own FTA with the EU, negotiations for which started in 2007, has not progressed substantially. While EU importers of India's clothing are currently paying customs duty of 9.6%, many of our competitors, notably Bangladesh, have zero duty access. The FTA agreement is therefore of utmost importance, and can be a game changer. It needs to be signed at the earliest to harvest



the competitive advantage that the economic package for clothing, announced in June 2016 by the Government of India envisages.

Outlook

With the market in the US and EU getting saturated, the brands are increasingly looking for business opportunities in the Emerging economies like India as an Interesting option. To cater to this probable influx there is a need to increase the productivity and efficiency. Encouraged by the Technology Upgradation Fund (TUF) schemes by the Indian government the industry players are now focusing to build manufacturing scales and develop effective vertical integrated manufacturing set up to match to distinct shift shown by the retailers for faster supplies.

As the manufacturing costs are increasing in China due to high wage growth and power cost, production of conventional textile and apparel for export purpose has become less viable and it is relocating its manufacturing to neighbouring countries to cater to its own increased domestic demand as well as exports. Emerging manufacturing nations like Vietnam, Myanmar, and Bangladesh etc. can benefit most from this relocation and investments into these nations for infrastructure build up by China. Also, nowadays, most of the large international buyers are now adopting "China Plus One" sourcing model wherein they are active in at least one other country than China. Bangladesh infrastructure cannot support the high growth and in competing nations like Myanmar there are issue of labour and political instability etc. In Comparison, India is a far better and stable sourcing destination.

Now the country has become the second biggest textile manufacturer after china and world's largest cotton grower producer. The Indian textiles Industry is well established with showing strong features and bright future in all aspects. As such government places all its trust and relies on employment creation capability.

Your company has the flexibility to cater to different order sizes and is amongst the top quality supplier. Modernisation of the spinning weaving, printing and processing units has enabled your company a more robust manufacturing which will provide consistency of quality and volume solutions which is in constant demand by international buyers.

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 expenditure 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 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.

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 products which cater to high-end customers. The company also produces high quality printed cotton fabric for the African market.

Human Resource:

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business.

The company's belief is that its people are the primary source of its competitive advantage and consistently puts emphasis on Human Resource Development, which remains vital and strategic to the company. The Company is committed to nurturing, enhancing and retaining talent through Learning & Organizational Development to support the organization's growth and its sustainability in the long run. This year skills of around 2538 employees were enhanced with around 5 man days of training to each participant.

Cordial employee relations, in keeping with tradition, are being pursued vigorously. Industrial relations have continued to be harmonious throughout the year. This has been possible by creating a performance driven culture against the backdrop of care and concern for all employees. Objective appraisal systems based on Key Result Areas (KRAs) are in place.

Financial Snapshot

Standalone

Total revenue of the company during the year under review was ₹ 38,182 Lacs as against ₹ 33,837 Lacs in the previous year, an increase by 12.84%. EBITDA also increased to ₹ 7,026 Lacs as against ₹ 5,615 Lacs in the previous year.

₹ in Lacs		
Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Income	38,182	33,837
EBITDA	7,026	5,615
% to income	18.40%	16.59%
Interest	3,596	2,259
Depreciation	1,843	996
Profit Before Tax	1,587	2,360
Deferred Tax & MAT	(34)	708
Profit After Tax	1,621	1,652

Consolidated

On a consolidated basis the revenue increased by 12.84%, from ₹ 33,838 Lacs to ₹ 38,183 Lacs. EBITDA stood at 18.39% in FY17 against 16.58% in the previous year. PAT stood at ₹ 1,618 Lacs in FY17 against ₹ 1,649 Lacs in the previous year.

₹ In Lacs		
Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Income	38,183	33,838
EBITDA	7,023	5,612
% to income	18.39%	16.58%
Interest	3,596	2,259
Depreciation	1,843	996
Profit Before Tax	1,584	2,357
Deferred Tax & MAT	(34)	708
Profit After Tax	1,618	1,649

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 transactions are adequately authorised and recorded and that they are reported correctly.

The Board of Directors considers 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 maybe 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.



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, 2017, 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. 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, 2017, 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, 2016, 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, 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to adequacy of Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls during the period covered by our audit, refer to our separate report in Annexure B.
- (g) 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.
- (iv) the Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management. Refer Note 37 to the standalone financial statements.

For Manubhai & Shah LLP
Chartered Accountants
Firm Registration No.: 106041W / W100136

Ashish H. Shah
Partner
Membership No: 103750

Mumbai, May 15, 2017

ANNEXURE A TO THE 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 Property, Plant & Equipment.
- (b) There is a regular program of physical verification of Property, Plant & Equipment which in our opinion is reasonable having regard to the size of the Company and the nature of Property, Plant & Equipment. No material discrepancies have been noticed in respect of the assets physically verified during the year.
- (c) The title deeds of immovable properties forming part of Property, Plant & Equipment of the Company as disclosed in Note 12 of the financial statements are held in the name of the Company.
2. 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. The discrepancies noticed on physical verification of inventory as compared to book records were not material.



3. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships 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, the Company has complied with the provisions of section 185 and 186 of the Act in respect of loans and investment made and guarantee or security provided by it.
5. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of section 73 to 76 or any other relevant provisions of the Act and rules framed there under. Accordingly, paragraph 3(v) of the order is not applicable to the Company.
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, 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, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable were in arrears as at 31st March 2017 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, service tax, duty of customs, duty of excise, value added tax or cess as at 31st March 2017 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 2001-02	218.61	
Central Excise Act 1944	Interpretation of Act	1976-77	0.19	Second Appeal (CESTAT)
		1990-91 to 1991-92	2.35	
		1995-96 to 2002-03	45.86	
		2008-09	111.63	
Central Excise Act 1944	Interpretation of Act	1997-98 to 2001-02	3.19	High Court
Central Excise Act 1944	Interpretation of Act	2008-09	30.72	
Central Excise Act 1944	Interpretation of Act	1981-1984	296.14	Supreme Court
Maharashtra Value Added Tax Act, 2002	Interpretation of Act	2006-07 to 2007-08	66.20	Joint Commissioner of Sales Tax
Maharashtra Value Added Tax Act, 2002	Interpretation of Act	2003-04	112.07	Sales Tax Tribunal

8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank and government as at the balance sheet date.
9. The Company has not raised any money by way of an initial public offer or further public offer (including debt instruments). 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.
10. 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.
11. According to the information and explanations given to us, the Company has complied with the provisions of section 197 read with schedule V of the Act with regards to payment or provision of managerial remuneration.
12. The Company is not a Nidhi Company as defined under section 406(1) of the Act and thus Nidhi Rules 2014 are not applicable to the Company.
13. The transactions entered by the Company with related parties are in compliance with section 177 and 188 of the Act. The details of all such transactions are disclosed in Note 38 to the financial statements as required under Accounting Standard 18, Related Party Disclosures.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Manubhai & Shah LLP
Chartered Accountants
Firm Registration No.: 106041W / W100136

Ashish H. Shah
Partner
Membership No: 103750

Mumbai, May 15, 2017

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under paragraph "Report on Other Legal and Regulatory Requirements" of the Independent Auditors' Report of even date)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls over financial reporting of the company as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting

criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial



reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting:

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflected the transactions and dispositions of the assets of the company; (2) provide reasonable assurance

that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Manubhai & Shah LLP
Chartered Accountants
Firm Registration No.: 106041W / W100136

Ashish H. Shah
Partner
Membership No: 103750

Mumbai, May 15, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

	Note	31.03.2017	31.03.2016
		₹ in Lacs	₹ in Lacs
I. EQUITIES AND LIABILITIES			
1. Shareholders' Funds			
a) Share Capital	2	5,043.26	5,043.26
b) Reserves and Surplus	3	10,722.60	9,102.10
		15,765.86	14,145.36
2. Non Current Liabilities			
a) Long Term Borrowings	4	28,562.14	24,226.88
b) Deferred Tax Liability (Net)	5	2,277.75	2,416.89
c) Other Long Term Liabilities	6	68.47	54.07
d) Long Term Provisions	7	329.76	283.17
		31,238.12	26,981.01
3. Current Liabilities			
a) Short Term Borrowings	8	13,158.94	10,261.80
b) Trade Payables	9		
Dues of Micro, Small and Medium Enterprises		56.67	51.03
Others		6,350.47	5,658.61
c) Other Current Liabilities	10	7,208.33	1,535.86
d) Short Term Provisions	11	1,463.37	2,794.91
		28,237.78	20,302.21
TOTAL		75,241.76	61,428.58
II. ASSETS			
1. Non Current Assets			
a) Property, Plant & Equipment	12		
Tangible Assets		48,676.59	29,383.66
Intangible Assets		173.25	169.06
Capital Work In Progress		328.60	7,045.33
		49,178.44	36,598.05
b) Non Current Investments	13	64.99	64.99
c) Long Term Loans and Advances	14	3,282.48	4,816.53
		52,525.91	41,479.57
2. Current Assets			
a) Current Investments	15	795.56	795.56
b) Inventories	16	9,942.17	8,605.66
c) Trade Receivable	17	6,357.09	7,061.44
d) Cash and Bank Balances	18	136.92	825.04
e) Short Term Loans & Advances	19	4,383.11	2,446.08
f) Other Current Assets	20	1,101.00	215.23
		22,715.85	19,949.01
TOTAL		75,241.76	61,428.58
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 LLP	Urvi A. Piramal (DIN 0000044954)	Chairperson	
Chartered Accountants	Harsh A. Piramal (DIN 0000044972)	Executive Vice Chairman	
FRN. 106041W/W100136	R. K. Rewari (DIN 0000619240)	Managing Director	
	Mahesh S. Gupta (DIN 0000046810)	Director	
	Ranjan Sanghi (DIN 0000275842)	Director	
ASHISH H. SHAH	Shobhan Thakore (DIN 0000031788)	Director	
Partner	Aditya Mangaldas (DIN 0000032233)	Director	
Membership No. 103750	S. C. Kashimpuria	Chief Financial Officer	
Mumbai : May 15, 2017	Sanjeev Singh Senger	Company Secretary	



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

	Note	31.03.2017 ₹ in Lacs	31.03.2016 ₹ in Lacs
INCOME			
Income from Operations	21	37,894.93	33,767.62
Other Income	22	287.10	69.77
Total Income		38,182.03	33,837.39
EXPENDITURE			
Materials Consumed	23	12,996.39	12,200.56
Changes in inventories of Work-in-progress and Finished Goods	24	(1,682.46)	(343.01)
Excise Duty		63.25	92.54
Manufacturing and Other expenses	25	12,235.36	9,842.43
Employee Benefit Expenses	26	4,477.78	3,502.06
Administrative, Selling & Other Expenses	27	3,399.82	3,054.81
Finance Cost	28	3,595.69	2,258.51
Depreciation / Amortisation	12	1,843.18	995.99
Net (Gain)/Loss on Foreign Currency Transactions and Translations		(333.83)	(126.54)
Total Expenditure		36,595.18	31,477.35
Profit Before Tax		1,586.85	2,360.04
Less : Provision for Tax (MAT)		379.25	539.21
Less : Deferred Tax	5	(139.14)	627.97
Less : MAT of earlier period		105.49	80.45
Add : MAT Credit Entitlement		379.25	539.21
Profit After Tax		1,620.50	1,651.62
Earning Per Equity Share - Basic & Diluted (₹)	40	3.85	3.93
(Face value ₹ 7/-each)			
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 LLP		Urvi A. Piramal (DIN 0000044954)	
Chartered Accountants		Harsh A. Piramal (DIN 0000044972)	
FRN. 106041W/W100136		R. K. Rewari (DIN 0000619240)	
ASHISH H. SHAH		Mahesh S. Gupta (DIN 0000046810)	
Partner		Ranjan Sanghi (DIN 0000275842)	
Membership No. 103750		Shobhan Thakore (DIN 0000031788)	
Mumbai : May 15, 2017		Aditya Mangaldas (DIN 0000032233)	
		S. C. Kashimpuria	
		Sanjeev Singh Senger	
		Chairperson	
		Executive Vice Chairman	
		Managing Director	
		Director	
		Director	
		Director	
		Chief Financial Officer	
		Company Secretary	

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

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. Property, Plant & Equipment

All Tangible/Intangible are stated at cost net of recoverable taxes, less of accumulated depreciation / amortisation and impairment loss if any. The cost of Tangible/Intangible 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



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

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.

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.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

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.

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. Dividend

Financial Dividend recommended by the Board of Directors is accounted in the financial year in which it is approved by the Shareholders at the Annual General Meeting.



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 ₹ in Lacs	31.03.2016 ₹ in Lacs
Note 2 : Share Capital		
Authorised :		
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
	5,650.00	5,650.00
Issued, Subscribed and Paid- up:		
a) Equity Shares		
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
	2,543.26	2,543.26
b) Preference Shares		
10,00,000 (Previous year 10,00,000) 5% Redeemable Cumulative Non - Convertible Preference Shares of Rs.100/- each	1,000.00	1,000.00
15,00,000 (Previous year 15,00,000) 9% Redeemable Cumulative Non - Convertible Preference Shares of Rs.100/- each	1,500.00	1,500.00
	2,500.00	2,500.00
	5,043.26	5,043.26
A) The reconciliation of the number of shares outstanding is given below:		
	No of shares	No of Shares
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	36,332,349	36,332,349
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	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) Shareholders holding more than 5% shares of the Company		
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

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

C) Terms/ rights attached to Equity Shares

Each Equity Share of Company has a par value of ₹ 7/- as at 31st March, 2017 (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.

D) Terms/ rights attached to Preference Shares

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.

9% Redeemable Cumulative Non- Convertible Preference Shares of ₹ 100/- each, redeemable anytime between 4th June, 2017 and 3rd December, 2020 after period of 18 months from the date of its renewal, i.e. 3rd December, 2015 at the option of the Trust. 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.

	31.03.2017 ₹ in Lacs	31.03.2016 ₹ in Lacs
Note 3 : Reserves and Surplus		
a) General Reserve		
Opening balance	5,627.91	5,627.91
	<u>5,627.91</u>	<u>5,627.91</u>
b) Profit & Loss Account		
Opening balance	3,474.19	2,657.43
Add : Net Profit for the year	1,620.50	1,651.62
Less:		
Proposed Dividend on Preference Shares	-	185.00
Dividend Distribution Tax	-	37.66
Proposed Dividend on Equity Shares	-	508.65
Dividend Distribution Tax	-	103.55
	<u>5,094.69</u>	<u>3,474.19</u>
	<u>10,722.60</u>	<u>9,102.10</u>

	Non Current		Current	
	31.03.2017 ₹ in Lacs	31.03.2016 ₹ in Lacs	31.03.2017 ₹ in Lacs	31.03.2016 ₹ in Lacs
Note 4 : Long Term Borrowings				
<u>Secured</u>				
Term Loan from Bank	23,206.05	20,934.54	5,188.12	733.00
<u>Unsecured</u>				
Bodies Corporate	4,231.09	667.34	-	-
Term Loan from Bank	<u>1,125.00</u>	<u>2,625.00</u>	<u>1,500.00</u>	<u>375.00</u>
	<u>28,562.14</u>	<u>24,226.88</u>	<u>6,688.12</u>	<u>1,108.00</u>



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

a) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 5400 lacs (Previous year ₹6900 lacs)

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

Terms of Repayment for Long Term Secured borrowings :

- Loan of ₹ 5400 lacs repayable in 12 quarterly installments (excluding current maturities)

b) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 14928.32 lacs (Previous year ₹ 10907.43 lacs)

(Secured by a 1st charge on project assets and mortgage charge on the land at G1 plot and 2nd pari passu charge with other lenders on land and building at G-2 and on the existing plant and machinery and 2nd pari passu charge on the existing current assets of the company at Butibori, Nagpur longwith existing lenders)

Terms of Repayment for Long Term Secured borrowings :

- Loan of ₹ 14928.32 lacs repayable in 18 quarterly installments effective from 01.05.2017 (excluding current maturities)

c) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ Nil lacs (Previous year ₹ 53.54 lacs)

(Secured by specific exclusive charge on the movable fixed assets purchased through the said loan 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 ₹. Nil lacs (Previous year ₹ 53.54 lacs) (excluding current maturities)

d) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 87.73 lacs (Previous year ₹ 133.57 lacs)

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

Terms of Repayment for Long Term Secured borrowings :

- Loan of ₹ 38.82 lacs repayable in 20 monthly installments (excluding current maturities)

- Loan of ₹ 36.68 lacs repayable in 35 monthly installments (excluding current maturities)

- Loan of ₹ 12.24 lacs repayable in 23 monthly installments (excluding current maturities)

e) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 2790 lacs (Previous year ₹ 2940 lacs)

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

Terms of Repayment for Long Term Secured borrowings :

- Loan of ₹ 2790 lacs repayable in 17 quarterly installments (excluding current maturities)

f) Terms of Repayment for Long Term Unsecured borrowings :

- Loan of ₹ 1125 lacs (Previous year ₹ 2625 lacs) repayable in 3 quarterly installments (excluding current maturities)
One of the promotor director has given personal guarantee for the above unsecured loan

- Loan of ₹ 4231.09 lacs (Previous year ₹ 667.34 lacs) repayable in 20 quarterly installments effective from 30.06.2018

g) The interest rate on the above is in the range from 11.60% to 14.85% per annum

h) Default in repayment of principal and interest - Nil

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 ₹ in Lacs	31.03.2016 ₹ in Lacs
Note 5 : Deferred Tax Liabilities (Net)		
<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	5,021.02	2,785.91
Total Deferred tax liabilities	5,021.02	2,785.91
<u>Deferred tax assets</u>		
Tax due to Provision for employment benefits allowed for tax purposes on payment basis	163.02	140.51
Tax due to unabsorbed depreciation / business losses carried forward under Income Tax Act 1961	2,580.25	228.51
Total Deferred tax assets	2,743.27	369.02
Net Deferred tax asset / (liability)	(2,277.75)	(2,416.89)
Opening Balance	(2,416.89)	(1,788.93)
Closing Net Deferred tax asset / (liability)	(2,277.75)	(2,416.89)
Net Deferred tax expense for the year	(139.14)	627.97
Note 6 : Other Long Term Liabilities		
Trade Deposits	68.47	54.07
Note 7 : Long Term Provisions		
Employees Retirement Benefits	329.76	283.17
Note 8 : Short Term Borrowings		
<u>Secured</u>		
Cash Credit / Packing Credit from Banks **	7,493.22	7,094.96
<u>Unsecured</u>		
Bodies Corporate	169.26	145.94
Short Term WCTL from Bank	1,500.00	-
Cash Credit / Packing Credit from Bank	3,996.46	3,020.90
	13,158.94	10,261.80
<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 10.20% to 14.85% per annum.</p> <p>-Default in repayment of principal and interest - Nil</p>		
Note 9 : Trade Payables		
Dues of Micro and Small Enterprises (Refer Note no. 32)	56.67	51.03
Others	6,350.47	5,658.61
	6,407.14	5,709.64
Note 10 : Other Current Liabilities		
Current Maturities of Long Term Loan from Bank (Refer Note no. 4)	6,688.12	1,108.00
Interest Accrued but not due	233.34	141.97
Unclaimed Dividend	17.54	14.11
Statutory Liabilities	95.50	145.96
Advances from Customers & Other current liabilities	173.83	125.82
	7,208.33	1,535.86
Note 11 : Short Term Provisions		
Proposed Dividend	-	693.65
Dividend Distribution Tax	-	141.21
Provision for Employees Retirement Benefits	141.27	122.83
Provision for Expenses & Others	1,322.10	1,837.22
	1,463.37	2,794.91



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Note 12 : Property, Plant & Equipment

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	Balance as on 01.04.2016	Additions	Deletion / adjustments	Balance as on 31.03.2017	Balance as on 01.04.2016	Deletion / adjustments for the year	Balance as on 31.03.2017	Balance as on 31.03.2016
Tangible Assets								
Land - Leasehold	7,080.37	233.91	—	73,14.28	217.78	114.40	332.18	6,982.10
Building	10,816.50	5,454.18	—	16,270.68	2,946.49	468.64	3,415.13	12,855.55
Plant & Machinery	24,539.35	15,270.29	10.18	39,799.46	10,179.31	1,156.09	11,330.71	28,468.75
Computer	352.72	4.09	—	356.81	330.65	5.87	336.52	20.29
Furniture, Fixture & Office Equipments	216.78	146.70	—	363.48	190.09	31.39	221.48	142.00
Motor Vehicles	286.72	—	—	286.72	44.46	34.36	78.82	207.90
Total - Tangible Assets	43,292.44	21,109.17	10.18	64,391.43	13,908.78	1,810.75	15,714.84	48,676.59
Intangible Assets								
Designs & Archives	277.42	—	—	277.42	277.42	—	277.42	—
Computer Software	469.77	36.62	—	506.39	300.71	32.43	333.14	173.25
Total - Intangible Assets	747.19	36.62	—	783.81	578.13	32.43	610.56	173.25
Grand Total	44,039.63	21,145.79	10.18	65,175.24	14,486.91	1,843.18	16,325.40	48,849.84
Previous Year	36,699.93	9,990.23	2,650.53	44,039.63	15,005.39	995.99	14,486.91	29,552.72
Capital Work in Progress							328.60	7,045.33
							49,178.44	36,598.05

The Addition of Plant & Machinery is net of ₹1,627.56 lacs (Previous year ₹ 963.90 lacs) towards capital subsidy received / receivable from the Central and State Government.

Note 12 : Property, Plant & Equipment (For Previous year)

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	Balance as on 01.04.2015	Additions	Deletion / adjustments	Balance as on 31.03.2016	Balance as on 01.04.2015	Deletion / adjustments for the year	Balance as on 31.03.2016	Balance as on 31.03.2015
Tangible Assets								
Land - Leasehold	6,647.70	432.67	—	7,080.37	184.24	33.54	217.78	6,862.59
Building	8,251.48	2,565.02	—	10,816.50	2,670.10	276.39	2,946.49	7,870.01
Plant & Machinery	20,401.72	6,788.16	2,650.53	24,539.35	11,086.14	607.64	10,179.31	14,360.04
Computer	346.38	6.34	—	352.72	320.73	9.92	330.65	22.07
Furniture, Fixture & Office Equipments	208.68	8.10	—	216.78	177.51	12.58	190.09	26.69
Motor Vehicles	132.12	154.60	—	286.72	16.98	27.48	44.46	242.26
Total - Tangible Assets	35,988.08	9,954.89	2,650.53	43,292.44	14,455.70	967.55	13,908.78	29,383.66
Intangible Assets								
Designs & Archives	277.42	—	—	277.42	277.42	—	277.42	—
Computer Software	434.43	35.34	—	469.77	272.27	28.44	300.71	169.06
Total - Intangible Assets	711.85	35.34	—	747.19	549.69	28.44	578.13	162.16
Grand Total	36,699.93	9,990.23	2,650.53	44,039.63	15,005.39	995.99	14,486.91	29,552.72
Previous Year	36,246.01	509.71	55.79	36,699.93	14,035.33	955.84	15,005.39	21,694.54
Capital Work in Progress							7,045.33	1,492.02
							36,598.05	23,186.56

The Addition of Plant & Machinery is net of ₹ 963.90 lacs towards capital subsidy receivable from the Government.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 ₹ in Lacs	31.03.2016 ₹ in Lacs
Note 13 : Non Current Investments (Unquoted)		
a) Investment in Equity Shares		
Joint Venture		
Morarjee Castiglioni (India) Pvt. Ltd. (10,00,000 (previous year 10,00,000) Equity Shares of ₹ 10 each fully paid up)	64.10	64.10
Other Entities		
The Saraswat Co-operative Bank Ltd. (2500 (Previous Year 2500) Equity shares of ₹ 10 each fully paid)	0.25	0.25
b) Investment in Government Securities		
Government securities	0.64	0.64
	64.99	64.99
Note 14 : Long Term Loans & Advances (Unsecured & consided good)		
Capital Advances	52.13	1852.69
Deposit / balance with govt authorities etc.	117.31	126.81
MAT Credit Entitlement	2,924.47	2650.71
Deposit and Other advances	145.92	144.11
Advance Tax	42.65	42.21
	3,282.48	4,816.53
Note 15 : Current Investments (Unquoted)		
Investment in Equity Shares of Joint Venture		
Just Textiles Limited (7,95,560 (Previous year 7,95,560) Equity Shares of ₹ 100 each fully paid up) (Refer Note no.36A)	795.56	795.56
	795.56	795.56
Note 16 : Inventories		
Raw materials	1,188.60	1,453.88
Work-In- Progress	4,277.36	3,534.37
Finished Goods*	4,179.77	3,177.41
Consumable, Stores, Spares. etc	296.44	440.00
	9,942.17	8,605.66
* Includes Stock in Transit of ₹ 2026.90 Lacs (Previous Year ₹ 1306.36 Lacs)		
Note 17 : Trade Receivables (Unsecured, considered good)		
Overdue for more than Six months	303.25	237.10
Others	6,053.84	6,824.34
	6,357.09	7,061.44
Note 18 : Cash and Bank Balances		
Cash and Cash Equivalents		
Cash in hand	5.33	19.73
Bank Balances	52.00	32.17
Cash & Cash Equivalents	57.33	51.90
Other Bank Balances		
-- in Unclaimed Dividend Account	17.54	14.10
-- in Fixed Deposit (Margin Money with Bank)	62.05	759.04
Other Bank Balances	79.59	773.14
Cash & Bank Balances	136.92	825.04



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 ₹ in Lacs	31.03.2016 ₹ in Lacs
Note 19: Short Term Loans & Advances		
Advances recoverable in cash or kind or for value to be received	2,368.25	1,646.03
Recovery of Excess Remuneration paid to Directors	-	8.84
Deposit and other advances	4.00	8.30
Advances to Staff	9.13	31.27
Deposit with Government Authorities	2,001.73	751.64
	<u>4,383.11</u>	<u>2,446.08</u>
Note 20 : Other Current Assets		
Interest Receivable	1,101.00	215.23
	<u>1,101.00</u>	<u>215.23</u>
Notes 21 : Income from Operations		
Revenue from Sale of Goods	36,894.42	33,342.23
Other Operating Income	1,000.51	425.39
	<u>37,894.93</u>	<u>33,767.62</u>
Notes 22 : Other Income		
Interest Income	43.33	35.03
Rent Received	0.24	0.24
Dividend Received	0.06	-
Liquidated Damages	240.77	-
Profit on Sale of Assets	2.70	33.75
Miscellaneous Income	-	0.75
	<u>287.10</u>	<u>69.77</u>
Notes 23 : Materials Consumed		
Opening Stock	1,453.88	1,128.61
Add: Purchases	12,731.11	12,525.83
Less : Closing Stock	1,188.60	1,453.88
Materials Consumed	<u>12,996.39</u>	<u>12,200.56</u>
Notes 24 : Change in Inventories of Work-in-Progress and Finished Goods		
Opening Stock		
Work in Progress	3,534.37	2,917.38
Finished Goods	3,177.41	3,473.30
	<u>6,711.78</u>	<u>6,390.68</u>
Closing Stock		
Work in Progress	4,277.36	3,534.37
Finished Goods	4,179.77	3,177.41
	<u>8,457.13</u>	<u>6,711.78</u>
Excise Duty (Increase) / Decrease on Finished Goods	(62.89)	21.91
(Increase) / Decrease	<u>(1,682.46)</u>	<u>(343.01)</u>

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 ₹ in Lacs	31.03.2016 ₹ in Lacs
Note 25 : Manufacturing & Other Expenses		
Processing Charges	1,764.19	1,542.05
Dyes & Chemicals	3,645.58	3,179.69
Packing Expenses	471.01	376.35
Stores & Spares	900.62	915.55
Other Consumables	108.25	122.24
Repairs & Maintenance -Building	0.55	7.95
Repairs & Maintenance -Plant & Machinery	246.01	166.29
Repairs & Maintenance -Others	61.94	7.01
Power & Fuel (Refer Note No.41)	4,729.55	3,300.86
Rates ,Taxes & Water charges	307.66	224.44
	<u>12,235.36</u>	<u>9,842.43</u>
Notes 26 : Employee Benefit Expenses		
Salaries & Wages	4,173.37	3,258.55
Contribution to Provident and Other Funds	192.37	162.91
Staff Welfare Expenses	112.04	80.60
	<u>4,477.78</u>	<u>3,502.06</u>
Note 27 : Administrative, Selling & Other Expenses		
Freight Out	417.75	492.02
Insurance Charges	27.73	30.48
Legal & Professional Expenses	657.74	605.12
Rent	235.93	219.05
Telephone Expenses	20.28	23.18
Travelling Expenses	268.11	251.43
Marketing Service fee & Commission	505.07	512.75
Audit Fees, Certification & Out of Pocket exps (Refer Note No. 31)	21.38	21.49
CSR related contribution / Donation	60.18	61.52
Non - Executive Directors - Commission	23.50	22.50
Miscellaneous Expenses	1,162.15	815.27
	<u>3,399.82</u>	<u>3,054.81</u>
Notes 28 : Finance Cost		
Interest on Term Loan	2,352.11	1,335.11
Interest on Others (Refer Note no 39)	1,106.54	814.18
	<u>3,458.65</u>	<u>2,149.29</u>
Other Borrowing Cost	137.04	99.77
Applicable loss on foreign currency transactions and translation	-	9.45
	<u>3,595.69</u>	<u>2,258.51</u>



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

29 Contingent Liability and commitments		31.03.2017 (₹ in Lacs)	31.03.2016 (₹ in Lacs)		
A) Contingent Liability not provided for in respect of					
(i) Contingent Liability for bill discounted		-	569.31		
(ii) The Excise & Sales Tax department has raised claims on the company The company has disputed the same with the appropriate authority.		1,040.38	2,122.54		
(iii) Claim against the company not acknowledged as debts		1,344.40	1,344.40		
B) Commitments					
(i) Bank Guarantees		963.81	815.28		
(ii) Estimated amount of contracts remaining to be executed on capital accounts and not provided		55.94	4,803.46		
(iii) Open Letters of credit		441.79	7,643.75		
30 (a) Consumption of Raw Material		31.03.2017 (₹ in Lacs)	31.03.2016 (₹ in Lacs)		
Cotton		4,562.17	2,144.72		
Yarn		5,992.64	3,990.13		
Cloth		2,441.58	6,065.71		
		12,996.39	12,200.56		
(b) Value of Imported and Indigenous Raw Materials, Stores, Spares parts, Dyes & Chemicals.		31.03.2017 (₹ in Lacs)	%	31.03.2016 (₹ in Lacs)	%
I) Raw Material					
i) Imported		819.20	6.30	835.44	6.85
ii) Indigenous		12,177.19	93.70	11,365.12	93.15
		12,996.39	100.00	12,200.56	100.00
II) Stores & Spares, Dyes & Chemicals					
i) Imported		151.79	3.34	125.98	3.08
ii) Indigenous (Including imported items purchased locally)		4,394.41	96.66	3,969.26	96.92
		4,546.20	100.00	4,095.24	100.00
				31.03.2017 (₹ in Lacs)	31.03.2016 (₹ in Lacs)
(c) I) Value of Imports calculated on C.I.F. basis					
i) Raw Materials				1,132.97	837.79
ii) Consumables				174.73	151.83
iii) Capital Goods				3,643.84	8,292.60
II) Expenditure in Foreign Currency					
i) Professional Fees				43.56	40.54
ii) Marketing Service fee and Sales Commission				194.50	219.29
iii) Foreign Travel Expenses				43.08	46.82
iv) Rent & Maintenance Expenses				115.74	109.12
v) Others				6.37	2.77
III) Earning in Foreign Currency FOB Value of Exports				13,769.60	14,584.82

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 (₹ in Lacs)	31.03.2016 (₹ in Lacs)
31 Auditor's Remuneration		
Audit Fees	10.00	10.00
Tax Audit Fees	3.00	3.00
Certification fees	8.10	8.15
Out of Pocket Expenses	0.28	0.34
Total	21.38	21.49
32 There are no Micro , Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2017. 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.		
	31.03.2017 (₹ in Lacs)	31.03.2016 (₹ in Lacs)
(a) Principal amount and separately the interest due thereon remaining unpaid to any supplier at the end of the financial year	56.67	51.03
(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	—	—
33 The company is engaged in manufacture of textile products which is considered as the only reportable business segment.		
34 The Company has taken assets on an operating lease basis. The lease rentals are payable on monthly & quarterly instalments by the Company.		
Future minimum lease rentals payable as per the lease agreements:		
	31.03.2017 (₹ in lacs)	31.03.2016 (₹ in lacs)
a) Not later than one year	408.85	391.57
b) Later than one year but not later than five years	792.65	1,154.19
c) Later than five years	—	—
Total	1,201.50	1,545.76
Lease payment recognised in profit & Loss account for the year is ₹ 360.85 lacs (Previous year ₹ 16.93 lacs)		
35 Employee Benefits:		
(a) Short term employee benefits:		
The liability towards short term employee benefits for the year ended 31 st March, 2017 has been recognised in the Statement of Profit and Loss.		
(b) Post - employment benefits:		
The following disclosures are made in accordance with AS 15 (Revised) pertaining to Defined Benefit Plans:		



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	Unfunded 31.03.2017		Unfunded 31.03.2016		
	Gratuity	Leave Encashment	Gratuity	Leave Encashment	
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	
Amount Recognised in Balance sheet					
Present Value of Unfunded Obligation	359.79	111.24	307.76	98.24	
Unrecognised Past Service Cost	—	—	—	—	
Amount not recognised as Asset, because of the limit in Para 59(b)	—	—	—	—	
<u>Amount in Balance Sheet</u>					
Liability	359.79	111.24	307.76	98.24	
Assets	—	—	—	—	
Net Liability	359.79	111.24	307.76	98.24	
<u>Expense Recognised in the Statement of Profit & Loss</u>					
Current Service Cost	38.50	21.46	34.79	14.84	
Interest Cost on Defined Benefit Obligation	20.50	6.03	20.02	6.36	
Expected Return on Plan Assets	—	—	—	—	
Net Acturial Losses/ (Gains) Recognised in Year	22.68	11.17	(8.49)	6.70	
Past Service Cost	—	—	—	—	
Effect of the limit in Para 59(a)	—	—	—	—	
Losses / (Gains) on "Curtailments and Settlements"	—	—	—	—	
Total Included in "Employee Benefit Expense"	81.68	38.66	46.32	27.90	
<u>Change in Define Benefit Obligation</u>					
Opening Defined Benefit Obligation as at 01.04.2016	307.76	98.24	270.13	90.17	
Current Service Cost	38.50	21.46	34.79	14.84	
Interest Cost	20.50	6.03	20.02	6.36	
Acturial Losses / (Gain)	22.68	11.17	(8.49)	6.70	
Liabilities Extinguised on Curtailment	—	—	—	—	
Liabilities Extinguised on Settlements	—	—	—	—	
Liabilities Assumed on Acquisition	—	—	—	—	
Exchange Difference on Foreign Plans	—	—	—	—	
Benefits Paid	(29.65)	(25.66)	(8.69)	(19.83)	
Closing Defined Benefit Obligation as at 31.03.2017	359.79	111.24	307.76	98.24	
Gratuity	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
Defind Benefit Obligation	359.79	307.76	270.13	215.63	182.43
Plan Assets	—	—	—	—	—
Surplus/ (Deficit)	(359.79)	(307.76)	(270.13)	(215.63)	(182.43)
Leave Encashment					
Defind Benefit Obligation	111.24	98.24	90.17	78.56	67.38
Plan Assets	—	—	—	—	—
Surplus/ (Deficit)	(111.24)	(98.24)	(90.17)	(78.56)	(67.38)

Summary of the Actuarial Assumptions :- Discount Rate : 7.30% (previous year : 7.70%)

Note: The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

- 36 A) In the financial year 2012-13, the Board of Directors had passed a resolution to divest its stake from Just Textiles Ltd, a joint venture in which the Company holds 49% of equity. Since then, the Company is making continuous efforts to divest. 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, 2017 is ₹ Nil (Previous year ₹.Nil)
- The Company's share of contingent liabilities of the JV as at 31st, March, 2017 is ₹ 0.21 lacs. (Previous year ₹ 39.18 lacs)
- The aggregate amount of assets, liabilities, income and expenses related to the Company's interest in the JV as at 31st March, 2017.

Particulars	31.03.2017 (₹ in lacs)	31.03.2016 (₹ in lacs)
i Assets	1,966.19	1,985.87
ii Liabilities	1,515.95	1,556.01
iii Income	1,743.53	2,193.71
iv Expenses	1,723.15	2,096.67

- 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:

- The Propotion of interest of the Company in the JV is by way of equal equity participation with Manifattura Castiglioni S.P.A.
- The aggregate amount of assets, liabilities, income and expenses related to the Company's interest in the JV as at 31st March, 2017.

Particulars	31.03.2017 ₹ in lacs	31.03.2016 ₹ in lacs
i Assets	63.99	66.61
ii Liabilities	0.86	0.81
iii Income	0.83	0.88
iv Expenses	3.50	3.23

- The Company's share of capital commitments of the JV as at 31st, March, 2017 is ₹ Nil .(Previous year Nil)
- The Company's share of contingent liabilities of the JV as at 31st, March, 2017 is ₹ Nil. (Previous year ₹ Nil)



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

- 37 The details of specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016 provided in the Table below:-

	SBNs ₹ in lacs	Other Denomi- nation notes ₹ in lacs	Total ₹ in lacs
Closing Cash in Hand as of 08.11.2016	17.46	2.75	20.21
(+) Withdrawal from Bank		4.00	4.00
(+) Permitted receipts from Other	-	26.70	26.70
(-) Permitted payments	-	11.35	11.35
(-) Amount Deposited in Banks	17.46	15.92	33.38
Closing Cash in Hand as of 30.12.2016	-	6.18	6.18

- 38 List of Related Parties and Transactions during the year as required by Accounting Standard - AS 18 "Related Parties Disclosure".

A. Enterprises over which Directors/Key Management personnel 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
 Rosewalk Enterprises Ltd.

B. Joint Ventures

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

C. Key Management Personnel

Shri Harsh A. Piramal
 Shri R. K. Rewari
 Shri S. C. Kashimpuria
 Shri Sanjeev Singh Sengar (w.e.f. 01.09.15)

D. Directors having significant influence over the Enterprise

Smt.Urvi A. Piramal
 Shri Mahesh S. Gupta

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Details of Transactions are as follows:	31.03.2017 (₹ in lacs)	31.03.2016 (₹ in lacs)
A Sales to related parties		
Enterprises over which Directors/Key Management personnel exercise significant influence		
Argento Home Products LLP	37.92	15.99
Peninsula Land Ltd.	—	0.42
Urvi Ashok Piramal Foundation	0.51	—
B Services to related parties		
Rent Received		
Enterprises over which Directors/Key Management personnel exercise significant influence		
Integra Garments and Textiles Ltd.	0.24	0.24
C Services from related parties		
Enterprises over which Directors/Key Management personnel exercise significant influence		
Ashok Piramal Management corporation Ltd	375.00	325.00
D Remuneration, Commission & Sitting Fees		
Key Management Personnel		
Remuneration		
Shri Harsh A. Piramal	136.92	130.12
Shri R. K. Rewari	152.37	129.98
Shri S. C. Kashimpuria	49.39	48.68
Shri Sanjeev Singh Sengar (w.e.f. 01.09.15)	16.40	8.73
Directors having significant influence over the Enterprise		
Commission & Sitting Fees		
Smt. Urvi A. Piramal	8.20	8.20
Shri. Mahesh S. Gupta	6.00	6.00
E Rent & Maintenance Expenses paid		
Enterprises over which Directors/Key Management personnel exercise significant influence		
PMP Components Pvt. Ltd.	0.69	0.68
Peninsula Land Ltd.	129.22	127.62
Rosewalk Enterprises Ltd.	115.74	109.12
F CSR Contribution / Donation		
Enterprises over which Directors/Key Management personnel exercise significant influence		
Urvi Ashok Piramal Foundation	60.03	61.52



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Details of Transactions are as follows:		31.03.2017 (₹ in lacs)	31.03.2016 (₹ in lacs)
G Outstanding balance			
Due to Enterprises over which Directors/Key Management personnel exercise significant influence			
Peninsula Land Ltd		40.61	24.52
PMP Auto Components Pvt.Ltd.		0.17	0.11
Ashok Piramal Management Corporation Ltd		118.20	—
Rosewalk Enterprises Ltd		4.47	—
Due to Joint Venture Companies			
Morarjee Castiglioni (I) Pvt Ltd.		100.25	108.27
Just Textiles Ltd.		0.71	0.71
Due from Enterprises over which Directors/Key Management personnel exercise significant influence			
Argento Home Products LLP		14.32	6.59
39. Interest includes ₹ 24.26 lacs on payment of advance tax for the financial year 2015-2016 (Previous year ₹ 0.56 lacs)			
40. Earnings Per Share (Basic / Diluted)			
		31.03.2017	31.03.2016
		₹ In lacs	₹ In lacs
(a) Profit after Tax		1,620.05	1,651.62
Less: Preference Share Dividend & Taxes		222.66	222.66
(b) Number of Shares (weighted average)		3,63,32,349	3,63,32,349
(c) Earnings Per Share (₹)		3.85	3.93
41 The power & fuel cost of the previous year is net of write back of excess provision of earlier years of ₹ 393 lacs.			
42 The Board of Directors at its meeting held on 15th May, 2017 have recommended a payment of dividend on preference shares amounting to ₹ 222.66 lacs including dividend distribution tax of ₹ 37.66 lacs. The Board has also recommended dividend of ₹ 1.40 (Rupees One and Paise Fourty Only) per equity shares of face value of ₹7/- each for the financial year ended 31st March, 2017 thereby amounting to ₹ 612.20 lacs including dividend distribution tax of ₹ 103.55 lacs. The above dividends are subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability.			
43 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 LLP	Urvi A. Piramal (DIN 0000044954)	Chairperson	
Chartered Accountants	Harsh A. Piramal (DIN 0000044972)	Executive Vice Chairman	
FRN. 106041W/W100136	R. K. Rewari (DIN 0000619240)	Managing Director	
	Mahesh S. Gupta (DIN 0000046810)	Director	
	Ranjan Sanghi (DIN 0000275842)	Director	
ASHISH H. SHAH	Shobhan Thakore (DIN 0000031788)	Director	
Partner	Aditya Mangaldas (DIN 0000032233)	Director	
Membership No. 103750	S. C. Kashimpuria	Chief Financial Officer	
Mumbai : May 15, 2017	Sanjeev Singh Senger	Company Secretary	

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017		31.03.2016	
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Taxation		1,586.85		2,360.04
Adjustments for :				
Depreciation / Amortisation	1,843.18		995.99	
Finance Expenses	3,595.69		2,258.51	
(Profit) / Loss on Sale of Assets	(2.70)		(33.75)	
Interest Income	(43.33)		(35.03)	
Dividend Income	(0.06)		—	
		<u>5,392.78</u>		<u>3,185.72</u>
Operating Profit before Working Capital Changes		6,979.63		5,545.76
Adjustments for Changes in Working Capital				
(Increase)/ Decrease in Trade and Other Receivables	(1,225.00)		(1,719.47)	
(Increase) /Decrease in Inventories	(1,336.51)		(725.28)	
Increase/(Decrease) in Trade Payables & Other Liabilities	97.14		1175.14	
		<u>(2,464.37)</u>		<u>(1,269.61)</u>
Cash From Operating Activities		4,515.26		4,276.15
Less: Income Tax Paid (MAT)		214.03		379.98
Net Cash Generated From Operating Activities		(A) 4,301.23		(A) 3,896.17
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets (Including capital advances)	(12,628.50)		(17,385.38)	
Sale of Fixed Assets	8.19		1,169.81	
Interest Received	45.57		32.74	
Dividend Received	0.06		—	
Net Cash used in Investing Activities		(B) (12,574.68)		(B) (16,182.83)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	12,026.30		16,956.27	
Repayment of Long Term Borrowings capital subsidy adjustment	(2,110.92)		(2,893.43)	
Dividend and Dividend Tax Paid	(834.86)		(987.92)	
Increase/ (Decrease) in Short term Borrowings	2,897.14		2,081.83	
Interest Paid	(4,392.33)		(2,089.56)	
Net Cash Generated from Financing Activities		(C) 7,585.33		(C) 13,067.19
Net Increase/ (Decrease) in Cash and Bank Balances (A)+(B)+(C)		(688.12)		780.53
Cash and Bank Balances at the beginning of the year		825.04		44.51
Cash and Bank Balances at the end of the year		136.92		825.04

As per our report of even date.

MANUBHAI & SHAH LLP
Chartered Accountants
FRN. 106041W/W100136

ASHISH H. SHAH
Partner
Membership No. 103750
Mumbai : May 15, 2017

For and on behalf of Board of Directors

Urvi A. Piramal (DIN 0000044954)	Chairperson
Harsh A. Piramal (DIN 0000044972)	Executive Vice Chairman
R. K. Rewari (DIN 0000619240)	Managing Director
Mahesh S. Gupta (DIN 0000046810)	Director
Ranjan Sanghi (DIN 0000275842)	Director
Shobhan Thakore (DIN 0000031788)	Director
Aditya Mangaldas (DIN 0000032233)	Director
S. C. Kashimpuria	Chief Financial Officer
Sanjeev Singh Senger	Company Secretary



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 Company") and its jointly controlled entity, comprising of the Consolidated Balance Sheet as at 31st March, 2017, 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 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 Company and 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 Board of Directors of the company and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding their assets 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 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 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of 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 Company and its jointly controlled entity as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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.

- (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 Company as on 31st March, 2017 taken on record by the Board of Directors of the Company and the jointly controlled company incorporated in India, none of the directors of the Company and jointly controlled company incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to adequacy of Internal Financial Controls over Financial Reporting of the Company and its jointly controlled entity incorporated in India and the operating effectiveness of such controls during the period covered by our audit, refer to our separate report in Annexure A.
- (g) 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 Company and its jointly controlled entity – Refer Note 29(A) to the consolidated financial statements.
 - (ii) the Company and its 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 Company and its jointly controlled entity incorporated in India.

- (iv) the Company and its jointly controlled entity have provided requisite disclosures in the consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation of the Holding Company and its jointly controlled entity, we report that the disclosures are in accordance with the books of accounts maintained by them and as produced by respective management. Refer Note 39 to the consolidated financial statements.

For Manubhai & Shah LLP
Chartered Accountants

Firm Registration No.: 106041W / W100136

Ashish H. Shah
Partner

Membership No: 103750

Mumbai, May 15, 2017

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT on Consolidated Financial Statements

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

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls over financial reporting of the company and its jointly controlled entity as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The respective board of directors of the Company and its jointly controlled entity are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities



include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting:

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external

purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflected the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, the Company and its jointly controlled entity has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Manubhai & Shah LLP
Chartered Accountants

Firm Registration No.: 106041W / W100136

Ashish H. Shah
Partner

Mumbai, May 15, 2017

Membership No: 103750

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

	Note	31.03.2017 ₹ in lacs	31.03.2016 ₹ in lacs
I. EQUITIES AND LIABILITIES			
1. Shareholders' Funds			
a) Share Capital	2	5,043.26	5,043.26
b) Reserves and Surplus	3	10,706.81	9,088.99
c) Capital Reserve on Consolidation		14.83	14.83
		15,764.90	14,147.08
2. Non Current Liabilities			
a) Long Term Borrowings	4	28,562.14	24,226.88
b) Deferred Tax Liability (Net)	5	2,277.75	2,416.89
c) Other Long Term Borrowings	6	68.47	54.07
d) Long Term Provisions	7	329.76	283.17
		31,238.12	26,981.01
3. Current Liabilities			
a) Short Term Borrowings	8	13,158.94	10,261.80
b) Trade Payables	9		
Dues of Micro, small and Medium Enterprises		56.67	51.03
Others		6,351.02	5,659.11
c) Other Current Liabilities	10	7,208.33	1,535.98
d) Short Term Provisions	11	1,463.67	2,795.09
		28,238.63	20,303.01
TOTAL		75,241.65	61,431.10
II. ASSETS			
1. Non Current Assets			
a) Property, Plant & Equipment	12		
I) Tangible Assets		48,676.59	29,383.66
II) Intangible Assets		173.25	169.06
III) Capital Work In Progress		328.60	7,045.33
		49,178.44	36,598.05
b) Non Current Investments	13	0.89	0.89
c) Long Term Loans and Advances	14	3,283.83	4,817.88
		52,463.16	41,416.82
2. Current Assets			
a) Current Investments	15	795.56	795.56
b) Inventories	16	9,942.17	8,605.66
c) Trade Receivables	17	6,379.01	7,083.36
d) Cash and Bank Balances	18	148.66	835.91
e) Short Term Loans and Advances	19	4,411.93	2,478.40
f) Other Current Assets	20	1,101.16	215.39
		22,778.49	20,014.28
TOTAL		75,241.65	61,431.10
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 LLP		Urvi A. Piramal (DIN 0000044954)	
Chartered Accountants		Harsh A. Piramal (DIN 0000044972)	
FRN. 106041W/W100136		R. K. Rewari (DIN 0000619240)	
ASHISH H. SHAH		Mahesh S. Gupta (DIN 0000046810)	
Partner		Ranjan Sanghi (DIN 0000275842)	
Membership No. 103750		Shobhan Thakore (DIN 0000031788)	
Mumbai : May 15, 2017		Aditya Mangaldas (DIN 0000032233)	
		S. C. Kashimpuria	
		Sanjeev Singh Senger	
		Chairperson	
		Executive Vice Chairman	
		Managing Director	
		Director	
		Director	
		Director	
		Director	
		Chief Financial Officer	
		Company Secretary	



CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2017

	Note	31.03.2017	31.03.2016
		₹ in lacs	₹ in lacs
INCOME			
Income from Operations	21	37,894.93	33,767.62
Other Income	22	287.93	70.66
Total Income		38,182.86	33,838.28
EXPENDITURE			
Materials Consumed	23	12,996.39	12,200.56
Changes in Inventories of Work in Progress and Finished Goods	24	(1,682.46)	(343.01)
Excise Duty		63.25	92.54
Manufacturing and Other Expenses	25	12,235.36	9,842.43
Employee Benefit Expenses	26	4,480.89	3,504.84
Administrative, Selling & Other Expenses	27	3,399.96	3,054.98
Finance Cost	28	3,595.69	2,258.51
Depreciation / Amortisation	12	1,843.18	995.99
Net (Gain) / Loss on Foreign Currency Transactions and Translations		(333.83)	(126.54)
Total Expenditure		36,598.43	31,480.30
Profit Before Tax		1,584.43	2,357.98
Less: Provision for Tax (Including MAT)		379.51	539.48
Less: Deferred Tax	5	(139.14)	627.97
Less : MAT of earlier period		105.49	80.45
Add: MAT Credit Entitlement		379.25	539.21
Profit after Tax		1,617.82	1,649.29
Earning Per Equity Share - Basic & Diluted (₹)	42	3.84	3.93
(Face value ₹ 7/-each)			
Accounting Policies	1		
Notes are an Integral part of the financials statements			

As per our report of even date.

MANUBHAI & SHAH LLP
Chartered Accountants
FRN. 106041W/W100136

ASHISH H. SHAH
Partner
Membership No. 103750
Mumbai : May 15, 2017

For and on behalf of Board of Directors

Urvi A. Piramal (DIN 0000044954)	Chairperson
Harsh A. Piramal (DIN 0000044972)	Executive Vice Chairman
R. K. Rewari (DIN 0000619240)	Managing Director
Mahesh S. Gupta (DIN 0000046810)	Director
Ranjan Sanghi (DIN 0000275842)	Director
Shobhan Thakore (DIN 0000031788)	Director
Aditya Mangaldas (DIN 0000032233)	Director
S. C. Kashimpuria	Chief Financial Officer
Sanjeev Singh Senger	Company Secretary

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

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. Property, Plant & Equipment

All Tangible/Intangible are stated at cost net of recoverable taxes, less of accumulated depreciation / amortisation and impairment loss if any. The cost of Tangible/Intangible 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 years.

4. Lease Accounting

Lease rentals on assets taken on lease are recognised 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 31ST MARCH, 2017

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 31ST MARCH, 2017

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. Dividend

Financial Dividend recommended by the Board of directors is accounted in the financial year in which it is approved by the Shareholders at the Annual General Meeting.



NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 ₹ in lacs	31.03.2016 ₹ in lacs
Note 2 : Share Capital		
Authorised :		
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
	5,650.00	5,650.00
Issued, Subscribed and Paid- up:		
a) Equity Shares		
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
	2,543.26	2,543.26
b) Preference Shares		
10,00,000 (Previous year 10,00,000) 5% Redeemable Cumulative Non- Convertible Preference Shares of ₹ 100/- each	1,000.00	1,000.00
15,00,000 (Previous year 15,00,000) 9% Redeemable Cumulative Non- Convertible Preference Shares of ₹ 100/- each	1,500.00	1,500.00
	2,500.00	2,500.00
	5,043.26	5,043.26
A) The reconciliation of the number of shares outstanding is given below:		
	No of Shares	No of Shares
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	36,332,349	36,332,349
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	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) Shareholders holding more than 5% shares of the Company		
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

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

C) Terms/ rights attached to Equity Shares

Each Equity shares of Company has a par value of ₹ 7/- as at 31st March, 2017. 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

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.

9% Redeemable Cumulative Non- Convertible Preference Shares of ₹ 100/- each, redeemable anytime between 4th June, 2017 and 3rd December, 2020 after period of 18 months from the date of its renewal, i.e. 3rd December, 2015 at the option of the Trust. 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.

	31.03.2017 ₹ in lacs	31.03.2016 ₹ in lacs
Note 3 : Reserves and Surplus		
a) General Reserve		
Opening balance	6,868.84	6,868.84
	<u>6,868.84</u>	<u>6,868.84</u>
b) Profit & Loss Account		
Opening Balance	2220.15	1,405.72
Add : Net Profit for the year	1617.82	1649.29
Less:		
Proposed Dividend on Preference Shares	-	185.00
Dividend Distribution Tax	-	37.66
Proposed Dividend on Equity Shares	-	508.65
Dividend Distribution Tax	-	103.55
	<u>3,837.97</u>	<u>2,220.15</u>
	<u>10,706.81</u>	<u>9,088.99</u>

	Non Current		Current	
	31.03.2017 ₹ in lacs	31.03.2016 ₹ in lacs	31.03.2017 ₹ in lacs	31.03.2016 ₹ in lacs
Note 4: Long Term Borrowings				
<u>Secured</u>				
Term Loan from Bank	23,206.05	20,934.54	5,188.12	733.00
<u>Unsecured</u>				
Bodies Corporate	4,231.09	667.34	-	-
Term Loan from Bank	1,125.00	2,625.00	1,500.00	375.00
	<u>28,562.14</u>	<u>24,226.88</u>	<u>6,688.12</u>	<u>1,108.00</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

- a) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 5400 lacs (Previous year ₹ 6900 lacs)**
 (Secured by a 1st pari passu charge on G2 plot and company's moveable assets on G2 plot excluding assets specifically charged to other lenders and 2nd pari passu charge on G1 plot and company's moveable assets on G1 plot at butibori, Nagpur and 2nd pari passu charge over movable assets on G1 plot at Butibori, Nagpur specifically charged to other lenders.
Terms of Repayment for Long Term Secured Borrowings :
 - Loan of ₹ 5400 lacs repayable in 12 quarterly installments (excluding current maturities)
- b) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 14,928.32 lacs (Previous year ₹ 10,907.43 lacs)**
 (Secured by a 1st charge on project assets and mortgage charge on the land at G1 plot and 2nd pari passu charge with other lenders on land and building at G-2 and on the existing plant and machinery and 2nd pari passu charge on the existing current assets of the company at Butibori, Nagpur longwith existing lenders .
Terms of Repayment for Long Term Secured Borrowings :
 - Loan of ₹ 14928.32 lacs repayable in 18 quarterly installments effective from 01.05.2017 (excluding current maturities)
- c) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ Nil lacs (Previous year ₹ 53.54 lacs)**
 (Secured by charge on the specific movable fixed assets purchased through the said loan 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 ₹ Nil lacs (Previous year ₹ 53.54) repayable (excluding current maturities)
- d) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 87.73 lacs (Previous year ₹ 133.57 lacs)**
 (Secured by specific (exclusive) charge on the movable fixed assets of the company.)
Terms of Repayment for Long Term Secured Borrowings :
 - Loan of ₹ 38.82 lacs repayable in 20 monthly installments (excluding current maturities)
 - Loan of ₹ 36.68 lacs repayable in 35 monthly installments (excluding current maturities)
 - Loan of ₹ 12.24 lacs repayable in 23 monthly installments (excluding current maturities)
- e) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 2,790 lacs (Previous year ₹ 2,940 lacs)**
 (Secured by a 1st pari passu charge on G2 plot and company's moveable assets on G2 plot excluding assets specifically charged to other lenders and 2nd pari passu charge on G1 plot and company's moveable assets on G1 plot at butibori, Nagpur and 2nd pari passu charge over movable assets on G1 plot at Butibori , Nagpur specifically charged to other lenders .
Terms of Repayment for Long Term Secured Borrowings :
 - Loan of ₹ 2,790 lacs repayable in 17 quarterly installments (excluding current maturities)
- f) Terms of Repayment for Long Term Unsecured Borrowings :**
 - Loan of ₹ 1,125 lacs (Previous year ₹ 2,625) repayable in 3 quarterly installments (excluding current maturities)
 One of the promotor director has given personal guarantee for the above unsecured loan.
 - Loan of ₹ 4,231.09 lacs (Previous year ₹ 667.34 lacs) repayable in 20 quarterly installments effective from 30.06.2018
- g) The interest rate on the above is in the range from 11.60% to 14.85 % per annum**
- h) Default in repayment of principal and interest - Nil**

**NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED
31ST MARCH, 2017**

	31.03.2017 ₹ in Lacs	31.03.2016 ₹ in Lacs
Note 5 : Deferred Tax Liability (Net)		
<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	5,021.02	2,785.91
Total Deferred tax liabilities	5,021.02	2,785.91
<u>Deferred tax assets</u>		
Tax due to Provision for employment benefits allowed for tax purposes on payment basis	163.02	140.51
Tax due to unabsorbed depreciation / business losses carried forward under Income Tax Act 1961	2,580.25	228.51
Total Deferred tax assets	2,743.27	369.02
Net Deferred tax asset / (liability)	(2,277.75)	(2,416.89)
Opening Balance	(2,416.89)	(1,788.93)
Closing Net Deferred tax asset / (liability)	(2,277.75)	(2,416.89)
Net Deferred tax expense for the year	(139.14)	627.97
Note 6 : Other Long Term Liabilities		
Trade Deposits	68.47	54.07
Note 7 : Long Term Provisions		
Employee Retirement Benefits	329.76	283.17
Note 8 : Short Term Borrowings		
<u>Secured</u>		
Cash Credit / Packing Credit from Banks *	7,493.22	7,094.96
<u>Unsecured</u>		
Bodies Corporate	169.26	145.94
Short Term WCTL from Bank	1,500.00	—
Cash Credit / Packing Credit from Bank	3,996.46	3,020.90
	13,158.94	10,261.80
<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 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 10.20% to 14.85 % per annum. -Default in repayment of principal and interest - Nil</p>		



NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 ₹ in Lacs	31.03.2016 ₹ in Lacs
Note 9 : Trade Payables		
Due of Micro and small Enterprises	56.67	51.03
Others	6,351.02	5,659.11
	<u>6,407.69</u>	<u>5,710.14</u>
Note 10 : Other Current Liabilities		
Current Maturities of Long Term Loan from Bank (Refer Note no. 4)	6,688.12	1,108.00
Interest accrued but not due	233.34	141.97
Unclaimed Dividend	17.54	14.11
Statutory Liabilities	95.50	145.96
Advances from Customers & Other current liabilities	173.83	125.94
	<u>7,208.33</u>	<u>1,535.98</u>
Note 11 : Short Term Provisions		
Proposed Dividend	—	693.65
Dividend Distribution Tax	—	141.21
Provision for Employees Retirement Benefits	141.27	122.83
Provision for Expenses & others	1,322.40	1,837.40
	<u>1,463.67</u>	<u>2,795.09</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Schedule 12 : Property, Plant & Equipment										₹ in Lacs	
Particulars	Gross Block			Accumulated Depreciation			Net Block			Balance as on 31.03.2016	Balance as on 31.03.2017
	Balance as on 01.04.2016	Additions	Deductions/ Adjustments	Balance as on 01.04.2016	Depreciation for the Year	Deduction/ Adjustment	Balance as on 31.03.2016	Balance as on 31.03.2017	Balance as on 31.03.2017		
Tangible Assets											
Land - Leasehold Building	7,080.37	233.91	-	217.78	114.40	-	332.18	6,982.10	6,862.59		
Plant & Machinery	10,816.50	5,454.18	-	2,946.49	468.64	-	3,415.13	12,855.55	7,870.01		
Computer	24,539.35	15,270.29	10.18	39,799.46	1,156.09	4.69	11,330.71	28,468.75	14,360.04		
Furniture & Fixture, Office Equipments	353.38	4.09	-	357.47	331.31	5.87	337.18	20.29	22.07		
Motor Vehicles	216.94	146.70	-	363.64	190.25	-	221.64	142.00	26.69		
Total - Tangible Assets	288.19	-	-	288.19	45.93	-	80.29	207.90	242.26		
Intangible Assets											
Designs & Archives	43,294.73	21,109.17	10.18	64,393.72	13,911.07	4.69	15,717.13	48,676.59	29,383.66		
Computer Software	277.42	-	-	277.42	277.42	-	277.42	-	-		
Total - Intangible Assets	469.77	36.62	-	506.39	300.71	-	333.14	173.25	169.06		
Grand Total	747.19	36.62	-	783.81	578.13	32.43	610.56	173.25	169.06		
Previous Year	44,041.92	21,145.79	10.18	65,177.53	14,489.20	1,843.18	16,327.69	48,849.84	29,552.72		
Capital Work in Progress	36,702.22	9,990.23	2,650.53	44,041.92	15,007.67	1,514.47	14,489.20	29,552.72	328.60	7,045.33	
								49,178.44	36,598.05		
The addition of the Plant & Machinery is net of ₹ 1,627.56 lacs (Previous year ₹ 963.90 lacs) towards capital subsidy received from the Central and State Government.											
Schedule 12 : Property, Plant & Equipment (For Previous Year)										₹ in Lacs	
Particulars	Gross Block			Accumulated Depreciation			Net Block			Balance as on 31.03.2016	Balance as on 31.03.2015
	Balance as on 01.04.2015	Additions	Deductions/ Adjustments	Balance as on 01.04.2015	Depreciation for the Year	Adjustments on account of useful life as per new schedule II of Companies Act, 2013	Balance as on 31.03.2016	Balance as on 31.03.2016	Balance as on 31.03.2015		
Tangible Assets											
Land - Leasehold Building	6,647.70	432.67	-	184.24	33.54	-	217.78	6,862.59	6,463.46		
Plant & Machinery	8,251.48	2,565.02	-	2,670.10	276.39	-	2,946.49	7,870.01	5,581.38		
Computer	20,401.72	6,788.16	2,650.53	11,086.14	607.64	1,514.47	10,179.31	14,360.04	9,315.58		
Furniture & Fixture, Office Equipments	347.04	6.34	-	321.39	9.92	-	331.31	22.07	25.65		
Motor Vehicles	208.84	8.10	-	177.67	12.58	-	190.25	26.69	31.17		
Total - Tangible Assets	133.59	154.60	-	18.45	27.48	-	45.93	242.26	115.14		
Intangible Assets											
Designs & Archives	35,990.37	9,954.89	2,650.53	43,294.73	967.55	1,514.47	13,911.07	29,383.66	21,532.38		
Computer Software	277.42	-	-	277.42	-	-	277.42	-	-		
Total - Intangible Assets	434.43	35.34	-	469.77	28.44	-	300.71	169.06	162.16		
Total	711.85	35.34	-	747.19	28.44	-	578.13	169.06	162.16		
Previous Year	36,702.22	9,990.23	2,650.53	44,041.92	995.99	1,514.47	14,489.20	29,552.72	21,694.54		
Capital Work in Progress	36,265.07	509.71	72.56	36,702.22	955.84	41.59	15,007.68	21,694.54	7,045.33	1,492.02	
								36,598.05	23,186.56		
The addition of the Plant & Machinery is net of ₹ 963.90 lacs towards capital subsidy received from the Government.											



NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 ₹ in lacs	31.03.2016 ₹ in lacs
Note 13 : Non Current Investments		
Others		
a) Investment in Equity Shares		
The Saraswat Co-operative Bank Ltd	0.25	0.25
(2500 (Previous year 2000) Equity Shares of ₹10/- each)		
b) Investment in Government Securities		
Govt securties (Unquoted)	0.64	0.64
	0.89	0.89
Note 14 : Long Term Loans & Advances		
Capital Advances	52.13	1,852.69
Deposit / balance with government authorities etc.	117.31	126.81
MAT Credit Entitlement	2,924.47	2,650.71
Deposit and Other advances	145.92	144.11
Advance Tax	44.00	43.56
	3,283.83	4,817.88
Note 15 : Current Investments		
<u>Joint Venture</u>		
Just Textiles Ltd.	795.56	795.56
(7,95,560 Equity shares of ₹10/- each fully paid) (Refer Note No.38)		
	795.56	795.56
Note 16 : Inventories		
Raw materials & Accessories	1,188.60	1,453.88
Work-In- Progress	4,277.36	3,534.37
Finished Goods*	4,179.77	3,177.41
Consumable, Stores, Spares, etc.	296.44	440.00
	9,942.17	8,605.66
*Includes Stock in Transit of ₹ 2,026.90 Lacs (Previous Year) ₹ 1,306.36 Lacs		

**NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED
31ST MARCH, 2017**

	31.03.2017 ₹ in lacs	31.03.2016 ₹ in lacs
Note 17 : Trade Receivables (Unsecured considered good)		
Overdue for more than Six months	325.17	259.02
Others	6,053.84	6,824.34
	<u>6,379.01</u>	<u>7,083.36</u>
Note 18 : Cash and Bank Balances		
Cash in hand	5.33	19.73
Bank Balances	52.21	32.26
Cash and Cash Equivalents	57.54	51.99
Other Bank Balances		
• In Unclaimed dividend Account	17.54	14.10
• In Fixed Deposit (Margin Money)	73.58	769.82
Other Bank Balances	91.12	783.92
Cash and Bank Balances	<u>148.66</u>	<u>835.91</u>
Note 19 : Short Term Loans and Advances (Unsecured and considered good)		
Advances recoverable in cash or kind or for value to be received	2,397.07	1,678.35
Recovery of excess remuneration paid to Directors	—	8.84
Deposit and other advances	4.00	8.30
Advances to Staff	9.13	31.27
Deposit / balance with government authorities etc.	2,001.73	751.64
	<u>4,411.93</u>	<u>2,478.40</u>
Note 20 : Other Current Assets		
Interest Receivable	1,101.16	215.39
	<u>1,101.16</u>	<u>215.39</u>
Note 21 : Income from Operations		
Revenue from Sale of Goods	36,894.42	33,342.23
Other Operating Income	1,000.51	425.39
	<u>37,894.93</u>	<u>33,767.62</u>
Note 22 : Other Income		
Interest Income	44.16	35.92
Profit on Sale of Assets	2.70	33.75
Dividend Received	0.06	—
Rent Received	0.24	0.24
Liquidated Damages	240.77	—
Miscellaneous Receipt	—	0.75
	<u>287.93</u>	<u>70.66</u>
Note 23 : Materials Consumed		
Opening Stock	1,453.88	1,128.61
Add: Purchases	12,731.11	12,525.83
Less: Closing Stock	1,188.60	1,453.88
Materials Consumed	<u>12,996.39</u>	<u>12,200.56</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 ₹ in lacs	31.03.2016 ₹ in lacs
Note 24 : Changes in Inventories of Work in Progress and Finished Goods		
Opening Stock		
Work in Progress	3,534.37	2,917.38
Finished Goods	3,177.41	3,473.30
	<u>6,711.78</u>	<u>6,390.68</u>
Closing Stock		
Work in Progress	4,277.36	3,534.37
Finished Goods	4,179.77	3,177.41
	<u>8,457.13</u>	<u>6,711.78</u>
Excise Duty (Increase) / Decrease on Finished Goods	(62.89)	21.91
(Increase) / Decrease	<u>(1,682.46)</u>	<u>(343.01)</u>
Note 25 : Manufacturing & Other Expenses		
Processing Charges	1,764.19	1,542.05
Dyes & Chemicals	3,645.58	3,179.69
Packing Material	471.01	376.35
Stores & Spares	900.62	915.55
Other Consumables	108.25	122.24
Repairs & Maintenance -Building	0.55	7.95
Repairs & Maintenance -Plant & Machinery	246.01	166.29
Repairs & Maintenance -Others	61.94	7.01
Power & Fuel (Refer Note No. 43)	4,729.55	3,300.86
Rates, Taxes & Water charges	307.66	224.44
	<u>12,235.36</u>	<u>9,842.43</u>
Note 26 : Employee Benefit Expenses		
Salaries & Wages	4,176.14	3,261.01
Contribution to Provident and Other Funds	192.71	163.23
Staff Welfare Expenses	112.04	80.60
	<u>4,480.89</u>	<u>3,504.84</u>
Note 27 : Administrative, Selling & Other Expenses		
Freight Out	417.75	492.02
Insurance Charges	27.73	30.48
Legal & Professional expenses	657.74	605.15
Rent	235.93	219.05
Telephone Expenses	20.28	23.18
Travelling Expenses	268.11	251.43
Marketing Service fee & Commission	505.07	512.75
Audit Fees, Certification & Out of Pocket expenses (Refer Note No. 30)	21.44	21.55
CSR related contribution / Donation	60.18	61.52
Non - Executive Directors - Commission	23.50	22.50
Miscellaneous Expenses	1,162.23	815.35
	<u>3,399.96</u>	<u>3,054.98</u>
Note 28 : Finance Cost		
Interest on Term Loan	2,352.11	1,335.11
Interest on Others (Refer Note no 41)	1,106.54	814.18
	<u>3,458.65</u>	<u>2,149.29</u>
Other Borrowing Cost	137.04	99.77
Applicable loss on Foreign Currency Transactions and Translation	—	9.45
	<u>3,595.69</u>	<u>2,258.51</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

29 Contingent Liability and commitments

A) Contingent Liability not provided for in respect of

	31.03.2017 ₹ in Lacs	31.03.2016 ₹ in Lacs
(i) Contingent Liability for bill discounted	—	569.31
(ii) The Excise & Sales Tax department has raised claims on the company The company has disputed the same with the appropriate authority.	1,040.38	2,122.54
(iii) Claim against the company not acknowledged as debts	1,344.40	1,344.40

B) Commitments

(i) Bank Guarantees	963.81	815.28
(ii) Estimated amount of contracts remaining to be executed on capital accounts and not provided	55.94	4,803.46
(iii) Open Letters of credit	441.79	7,643.75

30 Auditor's Remuneration

	31.03.2017 ₹ in Lacs	31.03.2016 in Lacs
Audit Fees	10.06	10.06
Tax Audit Fees	3.00	3.00
Certification fees	8.10	8.15
Out of Pocket Expenses	0.28	0.34
	<u>21.44</u>	<u>21.55</u>

31 The Company has taken assets on an operating lease basis. The lease rentals are payable on monthly & quarterly instalments by the Company.

Future minimum lease rentals payable as per the lease agreements:

	31.03.2017 ₹ in lacs	31.03.2016 ₹ in lacs
a) Not later than one year	408.85	391.57
b) Later than one year but not later than five years	792.65	1,154.19
c) Later than five years	—	—
	<u>1,201.50</u>	<u>1,545.76</u>

Lease payment recognised in profit & Loss account for the year is ₹ 360.85 lacs. (Previous year ₹ 16.93 lacs)

32 A In the financial year 2012-13, the Board of Directors had passed a resolution to divest its stake from Just Textiles Ltd, a joint venture in which the Company holds 49% of equity. Since then, the Company is making continuous efforts to divest. 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, 2017 is ₹ Nil (Previous year ₹ Nil)
- The Company's share of contingent liabilities of the JV as at 31st, March, 2017 is ₹ 0.21 lacs. (Previous year ₹ 39.18 lacs)



NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

- (d) The aggregate amount of assets, liabilities, income and expenses related to the Company's interest in the JV as at 31st March, 2017

Particulars	31.03.2017 ₹ in lacs	31.03.2016 ₹ in lacs
i Assets	1,966.19	1,985.87
ii Liabilities	1,515.95	1,556.01
iii Income	1,743.53	2,193.71
iv Expenses	1,723.15	2,096.67

- 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 2016 to March 2017 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 2017 is ₹ Nil (Previous year Nil)

- The parent company's share of contingent liabilities of the JV as at 31st March 2017 is ₹ Nil (Previous year Nil)

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.	0.11	63.13	(0.16)	(2.68)

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

35 Details of Joint Venture

	Nature	Country of Incorporation	% of Voting Power
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 jointly controlled entity for the year ended 31st March, 2017 . No significant transactions have occurred after the Balance Sheet date of jointly controlled entity.
- The Financial statements of the company and its jointly controlled entity 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.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

- d) The goodwill / capital reserve on consolidation has been recognised in the consolidated financial statement.
- e) Minority interest in the net income and net assets of the consolidated financial statements are computed and shown separately.

37 Employee Benefits:

- (a) Short term employee benefits:

The liability towards short term employee benefits for the year ended 31st March, 2017 has been recognised in the Statement of Profit and Loss.

- (b) Post - employment benefits:

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

	Unfunded 31.03.2017		Unfunded 31.03.2016	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
<u>Amount Recognised in Balance sheet</u>				
Present Value of Unfunded Obligation	359.79	111.24	307.76	98.24
Unrecognised Past Service Cost	—	—	—	—
Amount not recognised as Asset, because of the limit in Para 59(b)	—	—	—	—
<u>Amount in Balance Sheet</u>				
Liability	359.79	111.24	307.76	98.24
Assets	—	—	—	—
Net Liability	359.79	111.24	307.76	98.24
<u>Expense Recognised in the Statement of Profit & Loss</u>				
Current Service Cost	38.50	21.46	34.79	14.84
Interest Cost on Defined Benefit Obligation	20.50	6.03	20.02	6.36
Expected Return on Plan Assets	—	—	—	—
Net Actuarial Losses / (Gains) Recognised in Year	22.68	11.17	(8.49)	6.70
Past Service Cost	—	—	—	—
Effect of the limit in Para 59(a)	—	—	—	—
Losses / (Gains) on "Curtailments and Settlements"	—	—	—	—
Total Included in "Employee Benefit Expense"	81.68	38.66	46.32	27.90
<u>Change in Define Benefit Obligation</u>				
Opening Defined Benefit Obligation as at 01.04.2016	307.76	98.24	270.13	90.17
Current Service Cost	38.50	21.46	34.79	14.84
Interest Cost	20.50	6.03	20.02	6.36
Actuarial Losses / (Gain)	22.68	11.17	(8.49)	6.70
Liabilities Extinguished on Curtailment	—	—	—	—
Liabilities Extinguished on Settlements	—	—	—	—
Liabilities Assumed on Acquisition	—	—	—	—
Exchange Difference on Foreign Plans	—	—	—	—
Benefits Paid	(29.65)	(25.66)	(8.69)	(19.83)
Closing Defined Benefit Obligation as at 31.03.2017	359.79	111.24	307.76	98.24



NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Gratuity

	31.03.2017 ₹ in lacs	31.03.2016 ₹ in lacs	31.03.2015 ₹ in lacs	31.03.2014 ₹ in lacs	₹ in lacs 31.03.2013 ₹ in lacs
Defind Benefit Obligation	359.79	307.76	270.13	215.63	182.43
Plan Assets	—	—	—	—	—
Surplus/ (Deficit)	(359.79)	(307.76)	(270.13)	(215.63)	(182.43)
Leave Encashment					
Defind Benefit Obligation	111.24	98.24	90.17	78.56	67.38
Plan Assets	—	—	—	—	—
Surplus/ (Deficit)	(111.24)	(98.24)	(90.17)	(78.56)	(67.38)

Summary of the Acturial Assumptions :-

Discount Rate : 7.30% (prevoius year : 7.70%)

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 had passed a resolution to divest its stake from Just Textiles Ltd, a joint venture in which the Company holds 49% of equity. Since then, the Company is making continuous efforts to divest.

Accordingly, Just Textiles Ltd financial statements are not consolidated with the financial statements of the Company.

The investment in Just Textiles Ltd is valued in accordance with AS-23 "Accounting for Investment in Associates in consolidated Financial Statement" as notified under section 133 of Company's Act, 2013, based on unaudited financial statement as on 31.03.2017 available with the Company.

39 The details of specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016 as provided in the Table below:-

	SBNs (₹ in lacs)	Other Denomination notes (₹ in lacs)	Total (₹ in lacs)
Closing Cash in Hand as of 08.11.2016	17.46	2.75	20.21
(+) Withdrawal from Bank	—	4.00	4.00
(+) Permitted receipts from Other	—	26.70	26.70
(-) Permitted payments	—	11.35	11.35
(-) Amount Deposited in Banks	17.46	15.92	33.38
Closing Cash in Hand as of 30.12.2016	—	6.18	6.18

40 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 oustanding as on 31.03.2017

**NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED
31ST MARCH, 2017**

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
Rosewalk Enterprises Ltd

B. Key Management Personnel

Shri. Harsh A. Piramal
Shri R. K. Rewari
Shri S. C. Kashimpuria
Shri Sanjeev Singh Sengar (w.e.f. 01.09.15)

Details of Transactions are as follows:

	31.03.2017 ₹ in lacs	31.03.2016 ₹ in lacs
A Sales to related parties		
Enterprises over which Directors/Key Management personnel exercise significant influence		
Argento Home Products LLP	37.92	15.99
Peninsula Land Ltd.	—	0.42
Urvi Ashok Piramal Foundation	0.51	—
B Services to related parties		
Rent Received		
Enterprises over which Directors/Key Management personnel exercise significant influence		
Integra Garments and Textiles Ltd.	0.24	0.24
C Services from related parties		
Enterprises over which Directors/Key Management personnel exercise significant influence		
Ashok Piramal Management Corporation Ltd.	375.00	325.00
D CSR Contribution / Donation		
Enterprises over which Directors/Key Management personnel exercise significant influence		
Urvi Ashok Piramal Foundation	60.03	61.52
E Remuneration, Commission & sitting fees		
Key Management personnel		
Remuneration		
Shri Harsh A. Piramal	136.92	130.12
Shri R. K. Rewari	152.37	129.98
Shri S. C. Kashimpuria	49.39	48.68
Shri Sanjeev Singh Sengar (w.e.f. 01.09.15)	16.40	8.73



NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 ₹ in lacs	31.03.2016 ₹ in lacs
Directors having significant influence over the enterprise		
<u>Commission & Sitting fees</u>		
Smt. Urvi A. Piramal	8.20	8.20
Shri Mahesh S. Gupta	6.00	6.00
F Rent Paid		
Enterprises over which Directors/Key Management personnel exercise significant influence		
Peninsula Land Ltd.	129.22	127.62
PMP Components Pvt. Ltd.	0.69	0.68
Rosewalk Enterprises Ltd.	115.74	109.12
G Outstanding balance		
Enterprises over which Directors/Key Management personnel exercise significant influence		
Peninsula Land Ltd	40.61	24.52
PMP Auto Components Pvt.Ltd.	0.17	0.11
Ashok Piramal Management Corporation Ltd.	118.20	—
Rosewalk Enterprises Ltd	4.47	—
H Due from Enterprises over which Directors/Key Management personnel exercise significant influence		
Argento Home Products LLP	14.32	6.59
41 Interest includes ₹ 24.26 lacs on payment of advance tax for the financial year 2015-2016 (Previous year ₹ 0.56 lacs)		
42 Earnings Per Share (Basic / Diluted)	31.03.2017	31.03.2016
	₹ in lacs	₹ in lacs
a. Profit / (Loss) after Tax (₹ in lacs)	1,617.82	1,649.29
Less : Preference Share dividend & tax thereon	222.66	222.66
b. Number of Shares (weighted average basis)	3,63,32,349	3,63,32,349
c. Earnings Per Share (₹)	3.84	3.93
43 The power & fuel cost of the previous year is net of write back of excess provision of earlier years of ₹ 393.00 lacs.		
44 The Board of Directors at its meeting held on 15th May, 2017 have recommended a payment of dividend on preference shares amounting to ₹ 222.66 lacs including dividend distribution tax of ₹ 37.66 lacs. The Board has also recommended dividend of ₹ 1.40 (Rupees One and Paise Fourty Only) per equity shares of face value of ₹7/- each for the financial year ended 31st March, 2017 thereby amounting to ₹ 612.20 lacs including dividend distribution tax of ₹ 103.55 lacs. The above dividends are subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability.		
45 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 LLP	Urvi A. Piramal (DIN 0000044954)	Chairperson
Chartered Accountants	Harsh A. Piramal (DIN 0000044972)	Executive Vice Chairman
FRN. 106041W/W100136	R. K. Rewari (DIN 0000619240)	Managing Director
	Mahesh S. Gupta (DIN 0000046810)	Director
	Ranjan Sanghi (DIN 0000275842)	Director
ASHISH H. SHAH	Shobhan Thakore (DIN 0000031788)	Director
Partner	Aditya Mangaldas (DIN 0000032233)	Director
Membership No. 103750	S. C. Kashimpuria	Chief Financial Officer
Mumbai : May 15, 2017	Sanjeev Singh Senger	Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

	31st March, 2017		31st March, 2016	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		1,584.43		2,357.98
Adjustments for :				
Depreciation	1,843.18		995.99	
Interest Expense	3,595.69		2,258.51	
Interest Income	(44.16)		(35.92)	
(Profit) / Loss on Sale of Assets	(2.70)		(33.75)	
Dividend Received	(0.06)		-	
		5,391.95		3,184.83
Operating Profit Before Working Capital Changes		6,976.38		5,542.81
<u>Adjustments for Changes in Working Capital</u>				
(Increase)/ Decrease in Trade and Other Receivables	(1,221.49)		(1,642.44)	
(Increase) / Decrease in Inventories	(1,336.51)		(725.28)	
Increase/(Decrease) in Trade Payables	97.28		1,175.06	
		(2,460.72)		(1,192.66)
Cash From Operating Activities		4,515.66		4,350.15
Less: Income Tax Paid (MAT)		214.39		380.07
Net Cash Generated From Operating Activities		(A) 4,301.27		(A) 3,970.08
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets (Including Capital Advances)	(12,628.50)		(17,385.42)	
Sale of Fixed Assets	8.19		1,169.81	
Interest Received	46.41		33.46	
Dividend Received	0.06		-	
Net Cash Used in Investing Activities		(B) (12,573.84)		(B) (16,182.15)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	12,026.30		16,956.27	
Repayment of Long Term Borrowings	(2,110.92)		(2,893.43)	
Dividend and Dividend Tax paid	(834.86)		(987.92)	
Increase/ (Decrease) in Short term Borrowings	2,897.14		2,081.83	
Interest Paid	4,392.34		(2,163.45)	
Net Cash Generated from Financing Activities		(C) 7,585.32		(C) 12,993.30
Net Increase in Cash and Bank Balances (A)+(B)+(C)		(687.25)		781.23
Cash and Bank Balances at the beginning of the year		835.91		54.68
Cash and Bank Balances at the end of the year		148.66		835.91
As per our report of even date.	For and on behalf of Board of Directors			
MANUBHAI & SHAH LLP	Urvi A. Piramal (DIN 0000044954) <i>Chairperson</i>			
Chartered Accountants	Harsh A. Piramal (DIN 0000044972) <i>Executive Vice Chairman</i>			
FRN. 106041W/W100136	R. K. Rewari (DIN 0000619240) <i>Managing Director</i>			
	Mahesh S. Gupta (DIN 0000046810) <i>Director</i>			
	Ranjan Sanghi (DIN 0000275842) <i>Director</i>			
ASHISH H. SHAH	Shobhan Thakore (DIN 0000031788) <i>Director</i>			
Partner	Aditya Mangaldas (DIN 0000032233) <i>Director</i>			
Membership No. 103750	S. C. Kashimpuria <i>Chief Financial Officer</i>			
Mumbai : May 15, 2017	Sanjeev Singh Senger <i>Company Secretary</i>			



FINANCIAL HIGHLIGHTS

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Total Income	38,182.03	33,837.39	36,681.28	39,317.72	36,522.79
Profit / (Loss) Before Depreciation, Interest & Tax	7,025.72	5,614.54	6,100.60	7,581.99	6,535.79
Interest	3,595.69	2,258.51	1,904.81	2,548.91	2,725.66
Cash Profit / (Loss)	3,430.03	3,356.03	4,195.79	5,033.08	3,810.13
Depreciation	1,843.18	995.99	955.84	1,593.58	1,416.05
Profit / (Loss) Before Tax	1,586.85	2,360.04	3,239.95	3,439.50	2,394.08
Provision for Tax (MAT)*	105.49	80.45	—	—	—
Deferred Tax	(139.14)	627.97	1,168.35	620.58	—
Profit / (Loss) after Tax	1,620.50	1,651.62	2,071.60	2,818.92	2,394.08
Earnings per share (₹)	3.85	3.93	5.09	7.16	5.99
Equity Dividend (%)	20%	20%	25%	35%	25%
Book Value per share (₹)	43.39	38.93	36.68	33.81	29.51

*MAT of earlier period.

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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.com email: corporatesecretarial@ashokpiramalgroup.com
CIN : L52322MH1995PLC090643

ATTENDANCE SLIP

(To be presented at the entrance)

I/We hereby record my/our presence at the 22nd Annual General Meeting of the Company held on Tuesday, 22nd August, 2017 at 3:00 p.m. at "Hall of Culture", Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400018.

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

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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 poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on Tuesday 22nd August, 2017 at 3:00 p.m. at "Hall of Culture", Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400018 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Ordinary Resolution for the adoption of Financial Statements for the year ended 31st March, 2017
2. Ordinary Resolution for the declaration of dividend on preference and equity shares
3. Ordinary Resolution for appointing a Director in place of Ms. Urvi A. Piramal, who retires by rotation and being eligible, offers herself for re-appointment.
4. Ordinary Resolution for the appointment of M/s Haribhakti & Co., LLP as the Statutory Auditors of the Company for a period of 5 years to hold office from the conclusion of this AGM till the conclusion of the 27th AGM and to fix their remuneration
5. Special Resolution for the re-appointment of Mr. Harsh A. Piramal as a Whole Time Director of the Company for a period of 5 years w.e.f. 1st April, 2017 at a remuneration for a period of 3 years w.e.f. 1st April, 2017
6. Ordinary Resolution for the appointment of Lt. Gen. A.K. Singh as an Independent Director of the Company
7. Special Resolution for adoption of new Articles of Association of the Company.
8. Ordinary Resolution for the ratification of remuneration payable to M/s. Phatak Paliwal & Co., Cost Auditors for the Financial Year ended 31st March, 2018

Signed this..... Day of 2017

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.



Pic 3 : Ring Frame



Pic 4 : Speed Frame



MORARJEE TEXTILES LIMITED

Peninsula Spenta, Mathuradas Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai - 400013.