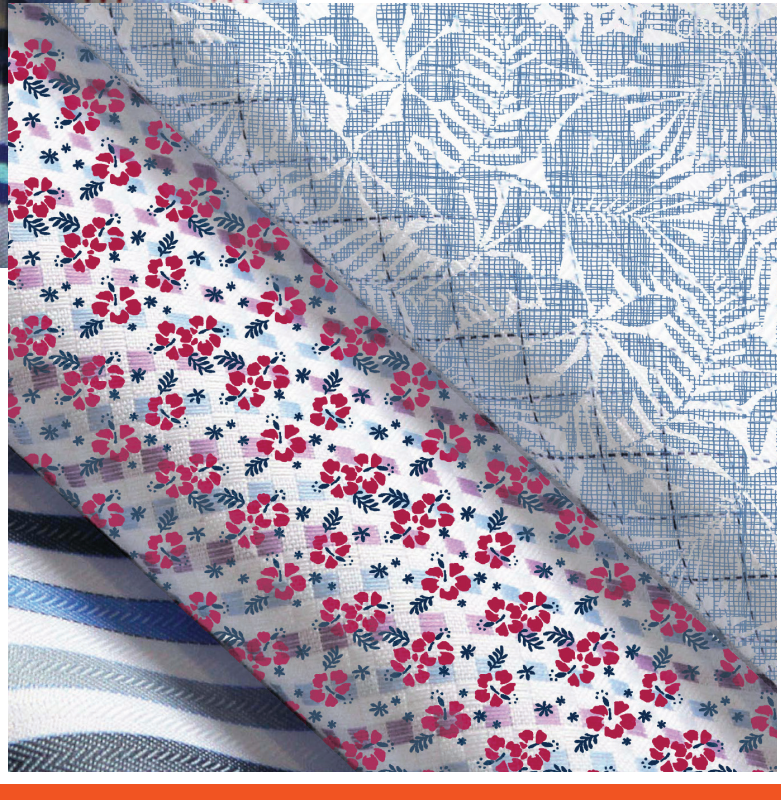
ASHOK PIRAMAL GROUP





MORARJEE

MORARJEE TEXTILES LTD.

21st Annual Report 2015-2016

BOARD OF DIRECTORS

Ms. Urvi A. Piramal	*Chairperson*
Mr. Harsh A. Piramal	*Executive Vice Chairman*
Mr. R. K. Rewari	*Managing Director*
Mr. Mahesh S. Gupta	
Mr. Ranjan Sanghi	
Mr. Shobhan Thakore	
Mr. Aditya Mangaldas	
Mr. Ranjan Pant	

CHEIF 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

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 - 441108

SHARE TRANSFER AGENT
Freedom Registry Limited
Registered Office:
Plot No. 101/102, 19th Street, MIDC Area,
Satpur, Nasik - 422 007.
Email : support@freedomregistry.in

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

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21st Annual General Meeting

Date: July 27, 2016 at 3.00 p.m.

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

NOTICE

Notice is hereby given that the 21st Annual General Meeting ("AGM") of the members of Morarjee Textiles Limited will be held at the "Hall of Harmony", Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 on Wednesday, July 27, 2016 at 3.00 p.m. 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 March 31, 2016 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 2015-16.

3. To appoint a director in place of Mr. Mahesh S. Gupta (DIN: 00046810), who retires by rotation and is eligible for re-appointment.

4. To appoint M/s. Manubhai & Shah LLP, Chartered Accountants (Registration No. 106041W), the retiring Auditors, as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business:

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

   "**RESOLVED THAT** pursuant to provisions of Sections 196, 197, 203 and any other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modifications or re-enactments thereof for the time being in force, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), applicable provisions of the Articles of Association of the Company and subject to such other approvals/permissions as may be required in this regard, the consent of the members of the Company be and is hereby accorded to the re-appointment of Mr. R. K. Rewari (DIN: 00619240) as the Managing Director of the Company, for a period of 3 (three) years with effect from February 1, 2016;

   RESOLVED FURTHER THAT the remuneration payable to Mr. R. K. Rewari shall not exceed 5% of the net profits of the Company calculated in the manner prescribed under Section 198 of the Companies Act, 2013 and the Board of Directors of the Company (includes Committee thereof) be and is hereby authorised to alter and/or vary the remuneration payable to Mr. R. K. Rewari including the payment of commission as may be determined provided that the annual remuneration including the commission shall not exceed the limits mentioned below:

Salary	
Basic	In the scale of ₹ 4,50,000/- to ₹ 7,50,000/- per month
Special Allowance	₹ 4,50,000/- per month
Performance Linked variable pay	As per the policy of the Company (Subject to a maximum of ₹ 24,00,000/- per annum)
Perquisites	
Leave Travel Allowance	Upto ₹ 2,50,000/- per annum for self and family
Reimbursement of Medical Expenses	₹ 15,000/- per annum for self and family
Children Education Allowance	₹ 2,400/- per annum
Contribution to Providend Fund, Super Annuation Fund, Graduity & Leave Encashment	As per the Rules of the Company

Furnished Accommodation or HRA equivalent thereto and electricity, company maintained car with driver and reimbursement of fuel expenses for official use, reimbursement of expense being telephone at residence and mobile for official use and such other perquisites other than those quantified above in accordance with Company's Rules, the monetary value of such perquisites to be determined in accordance with Income Tax Rules, 1962, being restricted to ₹ 25,00,000/- per annum.

RESOLVED FURTHER THAT where in any financial year during the currency of his tenure, the Company has no profits or inadequate profits, Mr. R. K. Rewari shall be paid remuneration as mentioned above, as minimum remuneration for a period of three years w.e.f. February 1, 2016 subject however that 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.

i) Contribution to Provident Fund;
ii) Contribution to Superannuation Fund;
iii) Payment of Gratuity;
iv) Encashment of leave.

RESOLVED FURTHER THAT the term of office of Mr. R. K. Rewari as the Managing Director of the Company shall be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors and/or Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary, expedient or desirable to settle any questions or doubts that may arise in relation thereto, in order to give effect to this resolution and to seek such approvals from any authorities, as may be required in this regard."

6. To consider and if thought fit, to 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 ₹ 1,35,000/- (Rupees One Lakh Thirty Five 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 March 31, 2017.

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 th e Board
For Morarjee Textiles Limited

Sanjeev Singh Sengar
Company Secretary

Place: Mumbai
Date: May 3, 2016

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 Thursday, July 21, 2016 to Wednesday, July 27, 2016 (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 July 20, 2016. The dividend will be paid on or before August 26, 2016.

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.morarjeetextiles.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.morarjeetextiles.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. July 20, 2016. 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.morarjeetextiles.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:

a. The voting period begins on Sunday, July 24, 2016 at 10.00 a.m. and ends on Tuesday, July 26, 2016 at 05.00 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 i,e. July 20, 2016, may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

b. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. July 27, 2016.

i) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

ii) The shareholders should log on to the e-voting website www.evotingindia.com.

iii) Click on Shareholders.

iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

v) Next 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 the Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	• 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. The sequence number is printed on the address lable 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. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	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. • 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).

viii) After entering these details appropriately, click on the "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 'MORARJEE TEXTILES LIMITED'.

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 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. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after June 30, 2016. 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 emailed 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.

xx) 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. R. K. Rewari was appointed as CEO and Executive Director of the Company for a period of 3 years with effect from February 1, 2013. Subsequently, he was re-designated as the Managing Director of the Company by passing an ordinary resolution at the AGM held on August 26, 2015 for the rest of his tenure in the Company. The tenure of Mr. R. K. Rewari as the Managing Director expired on January 31, 2016.

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 February 1, 2016, approving the re-appointment of Mr. R. K. Rewari as the Managing Director for a further period of three years with effect from February 1, 2016 to January 31, 2019 subject to the approval of the shareholders at this AGM.

The Board of Directors recommend the resolution in relation to the re-appointment of the Managing Director, 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 consider the appointment of Mr. Rewari in the best interest of the Company.

The Company has received a notice from a member of the Company signifying his intention to propose the appointment of Mr. R. K. Rewari as the Managing Director of the Company along with a deposit of the requisite amount in terms of Section 160 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. R. K. Rewari are concerned or interested in the said resolution.

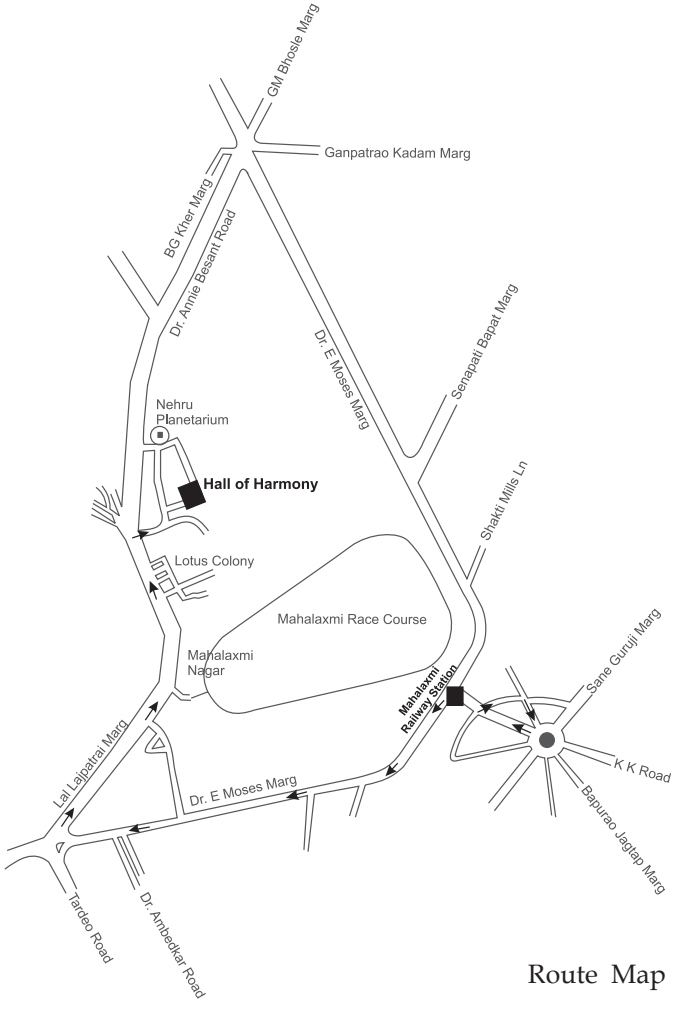
Item No: 6

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 May 3, 2016 appointed M/s. Phatak Paliwal & Co., as the Cost Auditor of the Company for the year 2016-17. 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 to be paid to Cost Auditors at ₹ 1,35,000/- (Rupees One Lakh Thirty Five Thousand Only). The remuneration to be paid to the Cost Auditor requires 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 Directors, therefore, recommend the resolution appearing under the Item No. 6 of the accompanying Notice for your ratification.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interest in the said resolution.



Route Map

ANNEXURE - I

Details of the Directors Seeking 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	**Mr. Mahesh S. Gupta**	**Mr. R. K. Rewari**
Age	59 Years	59 years
Qualifications, experience, brief resume of the Director & Nature of his expertise	Brief resume with qualifications, experience and nature of expertise of Mr. Mahesh S. Gupta is stated in the Directors' Profile section of the Corporate Governance Report.	Brief resume with qualifications, experience and nature of expertise of Mr. R. K. Rewari is stated in the Directors' Profile section of the Corporate Governance Report.
Relationship with other directors and Key Managerial Personnel	None	None
Names of the Listed entities in which the director holds directorships	• Peninsula Land Limited • CEAT Limited • RPG Life Sciences Limited • Morarjee Textiles Limited • Goodtime Real Estate Development Private Limited	• Integra Garments and Textiles Limited • Morarjee Textiles Limited • Goodtime Real Estate Development Private Limited
Chairman/ Member of the Committees of the Board of Directors as on March 31, 2016	**Peninsula Land Limited** • Stakeholder Relationship Committee– Member **CEAT Limited** • Audit Committee – Chairman • Stakeholder Relationship Committee – Chairman • Nomination & Remuneration Committee – Member **RPG Life Sciences Limited** • Stakeholder Relationship Committee – Chairman • Audit Committee – Member **Morarjee Textiles Limited** • Stakeholder Relationship Committee – Member	**Integra Garments and Textiles Limited** • Stakeholder Relationship Committee cum Share Transfer Committee – Member **Morarjee Textiles Limited** • Stakeholder Relationship Committee– Member **Goodtime Real Estate Development Private Limited** • Audit Committee – Chairman • Nomination & Remuneration Committee – Member
Number of Board Meetings attended during FY 2015-16	3 of 4	4 of 4
Date of the first appointment on the Board of the Company	January 19, 2006	February 1, 2010
Shareholding in the Company as on March 31, 2016	1,16,000 Equity Shares jointly with Ms. Sunita Gupta	Nil

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 21st Annual Report and the Audited Accounts for the Financial Year ended March 31, 2016 together with the Auditor's Report thereon.

1) Financial Results

(₹ in Lacs)

Particulars	Current Year March 31, 2016	Previous Year March 31, 2015
Total Income	33,745	36,558
EBIDTA	5,615	6,101
Interest And Finance Expenses	2,259	1,905
Depreciation	996	956
Profit before tax	2,360	3,240
Provision for tax (MAT)	539	715
Deferred Tax	628	1,168
MAT of earlier period	80	-
MAT Credit Entitlement	(539)	(715)
Profit After Tax	1,652	2,072

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 for the year ended March 31, 2016 stood at ₹ 33,745 Lacs as against ₹ 36,558 Lacs for the previous year ended March 31, 2015. The Company earned a profit of ₹ 2,360 Lacs from ordinary activities before tax, for the year ended March 31, 2016 as against a profit of ₹ 3,240 Lacs, for the Financial Year ended March 31, 2015. After providing for tax, the Company reported a net profit of ₹ 1,652 Lacs for the year ended March 31, 2016 as against a profit of ₹ 2,072 Lacs for the Financial Year ended March 31, 2015.

On a Consolidated basis, the Total Income for the Financial Year ended March 31, 2016 was ₹ 33,746 Lacs as against ₹ 36,571 Lacs for the previous year ended March 31, 2015. The Company has earned a profit before tax of ₹ 2,358 Lacs, from ordinary activities for the Financial Year ended March 31, 2016 as against a profit of ₹ 3,252 Lacs for the Financial Year ended March 31, 2015. After providing for tax, the Company reported a net profit of ₹ 1,649 Lacs for the Financial Year ended March 31, 2016 as against a net profit of ₹ 2,084 Lacs for the Financial Year ended March 31, 2015.

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:

- Enhancing the Spinning (40128 Spindles) & Weaving Capacity (112 new looms)
- Installation of "Ready for Dyeing" (RFD) Machinery
- Enhancement of Printing Capacity (by 78 Lac meter p.a.)

The cost of the project is estimated at ₹ 300 Crores, which is being funded by a combination of debt and internal accruals. The project has been approved by both the Central and Maharashtra Governments under the Technology Upgradation Fund Scheme– (TUFs) for receipt of capital subsidy and interest subsidy.

The Weaving, Printing & Processing facility had been commissioned in March 2016 and the Spinning facility is expected to be commissioned by 2nd Quarter of FY 2016-17.

4) Share Capital

The paid up Equity Share Capital of the company is ₹ 25.43 Crore. During the year under review, the Company has neither issued any shares nor granted any Stock Options nor any Sweat Equity Shares.

The term of 9% Redeemable Cumulative Non-Convertible Preference Shares has been extended by a further period of 5 years. i.e. upto (December 2, 2020) with an option for early repayment after 18 months from the date of the extension at the option of Preference Shareholder.

5) Dividend

Your directors are pleased to recommend a dividend on the shares of the Company, as per the details given below, for the Financial Year ended March 31, 2016.

- **Preference Shares**

(Amount in ₹)

Particulars	Dividend F.Y 2015-2016
5% Redeemable Cumulative Non-Convertible Preference Share of ₹ 100/- each	50,00,000
9% Redeemable Cumulative Non-Convertible Preference Share of ₹ 100/- each	1,35,00,000

- **Equity Shares**

A dividend of ₹ 1.40/- per Equity Share of ₹ 7/- each (@ 20%).

6) Deposits

During the year under review, the Company has neither accepted nor renewed any deposits.

7) 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 under the provision of Section 186 of the Companies Act, 2013.

8) 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 appended to this report.

9) Corporate Social Responsibility

Corporate Social Responsibility (CSR) has been an integral part of the way in which the company conducts its business. The Company has made a conscious effort to involve communities in its development journey and has received appreciation from stakeholders, which gives us a sense of pride and encouragement to continue to perform better. The Company has contributed and spent an amount of ₹ 61.52/- Lacs towards the CSR activities of the Company during the Financial Year 2015-16. The Company has undertaken CSR activities as per the CSR policy of the Company read with Schedule VII of the Companies Act, 2013.

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 made thereunder, the Annual Report on the CSR activities of the Company alongwith the CSR initiatives undertaken during the Financial Year 2015-2016 is enclosed to this report as "**Annexure 1**".

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

10) Business Risk Management

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. 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.

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

11) Internal Control System and their adequacy

The 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 Companies Act, 2013 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 efficacy 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.

12) 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.

13) Subsidiary/ Joint Venture Companies

The Company does not have any subsidiary Company. However, the Company has two Joint Ventures as under

i. Morarjee Castiglioni (India) Private Limited

ii. Just Textiles Limited

A Statement containing the salient features of the Financial Statement of said Joint Ventures is annexed in the prescribed Form AOC-1 to this Report as "**Annexure 2**".

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

14) Directors and Key Managerial Personnel

On the recommendation of the Nomination and Remuneration Committee, Mr. R. K. Rewari (DIN: 00619240) was re-appointed as the Managing Director of the Company at the Board meeting held on February 1, 2016 for a period of 3 years with effect from February 1, 2016 pursuant to Section 196, 197 of the Act and the rules made thereunder read with Schedule V of the Act. The re-appointment of Mr. R. K. Rewari 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. Mahesh S. Gupta, Director of the Company is liable to retire by rotation and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment to the shareholders at the ensuing AGM.

Ms. Karina Vaz resigned as the Company Secretary with effect from April 1, 2015 and Mr. Sanjeev S. Sengar was appointed as the Company Secretary and Compliance officer of the Company with effect from September 1, 2015.

All the Independent Directors of your company have given their declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 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.

15) 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 Report.

16) Board Evaluation

During the year, pursuant to Section 134, 149 and Schedule IV of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board had adopted a formal mechanism for evaluating its own performance and that of its Committees and individual Directors, including the Chairperson of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board's functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, governance issues etc. A Separate exercise was carried out to evaluate the performance of the individual Directors including the Chairperson of the Board, who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment etc.

The evaluation of all the Directors including Independent Directors was carried out by the entire Board, except for the Director being evaluated. Performance evaluation of the Board, Chairperson and the Non-Independent Directors was carried out by the Independent Directors in their meeting held on February 1, 2016.

The members of the Nomination and Remuneration Committee at their meeting held on February 1, 2016, evaluated the performance of every Director of the Company.

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 present term of appointment of the Independent Directors shall be continued with the Company.

17) 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 Companies Act, 2013 and Listing Regulations.

The details of the meetings are more specifically given in the Corporate Governance Report which forms a part of this Report.

18) 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 Report.

19) Directors' Responsibility Statement

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

i) in the preparation of the annual accounts, the applicable accounting standards have been followed 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 March 31, 2016 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 March 31, 2016 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.

20) Related Party Transactions

The Related Party Transactions that were entered into during the Financial Year were on an arm's length basis and in the ordinary course of business. There were no material Related Party Transactions entered into by your Company during the year. The details of Related Party Transactions are disclosed in Form AOC-2 which is enclosed as "**Annexure 3**"

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

The policy governing related party transactions is hosted on the Company's website at www.morarjeetextiles.com.

21) Auditors

A. Statutory Auditors and Audit Reports

The Statutory Auditors, M/s. Manubhai & Shah LLP, Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a confirmation letter from the Auditors to the effect that their re-appointment, if made, will be within the limits prescribed under of the Companies Act, 2013 and that they are not disqualified to be appointed under the Act. As required under SEBI Listing Regulations the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The Board recommends their reappointment as the Auditors of the Company for the Financial Year 2016-2017.

The Auditor's Report on the Standalone and Consolidated Financial Statements of the Company for the Financial Year 2015-2016, did not contain any qualifications, reservations or adverse remarks and is self explanatory.

The Directors of your Company further confirm that no frauds or instances of mis-management were reported by the Statutory Auditor under Section 143(12) of the Companies Act, 2013.

B. Cost Auditors and Cost Audit Reports

Pursuant to Section 148 of the Companies Act, 2013, the Board of Directors, on the recommendation of the Audit Committee, appointed M/s. Phatak Paliwal & Co., as the Cost Auditors of the Company for the Financial Year 2016-2017. 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 members has been set out in the Notice of the 21st Annual General Meeting of your Company. 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 Companies Act, 2013.

C. Secretarial Audit and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed Ms. Kala Agarwal, Company Secretary in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report issued by Ms. Kala Agarwal is annexed herewith and marked as "**Annexure 4**" to this report, which is self explanatory.

22) Corporate Governance Report and Management Discussion Analysis

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 report.

23) Extract of Annual Return

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

24) 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, is annexed to this report. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the said information which will be made available for inspection by the members at the Registered Office of the company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any member is interested in inspecting the same, such a member may write to the Company Secretary in advance.

25) Energy Conservation and Technology Absorption

The information on Conservation of Energy and Technology absorption under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is Annexed herewith as "**Annexure 6**".

26) Foreign Exchange Earnings and Outgo

During the year under review, foreign exchange earnings were ₹ 14,584.82 Lacs and outgoings were ₹ 9,700.76 Lacs making the Company a net foreign exchange earner with net inflow of ₹ 4884.06 Lacs.

27) Significant and Material Orders

There were no significant and material orders passed by any Regulators or Courts or Tribunals during the year ended March 31, 2016 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 in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Company has constituted an Internal Complaints Committee (ICC) to redress the complaints received regarding sexual harassment. During the Financial Year under review, the Company has not received any complaints of sexual harassment.

29) 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 every member of the Company and for the continuous cooperation and support of Customers, Suppliers, Executives, Staff and workers at all levels.

On behalf of the Board
For Morarjee Textiles Limited

Urvi A. Piramal
Chairperson

Place : Mumbai
Date : May 3, 2016

ANNEXURE 1

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 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 hosted on the Company's website at www.morarjeetextiles.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: ₹ 3,076.14 Lacs

4 Prescribed CSR Expenditure (two per cent of the amount as mentioned in item 3 above) : ₹ 61.52 Lacs

5 Details of the CSR spent during the financial year:

a) Total Amount spent during the Financial year ended March 31, 2016: ₹ 61.52 Lacs

b) Amount unspent, if any; Nil

c) Manner in which the amount 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 2015 to March 2016	Amount Spent: Direct or through implementiing agency
1	Health	Mobile Health Unit	Dist: Nagpur State: Maharashtra	23.00	22.99	22.99	Through Urvi Ashok Piramal Foundation (UAPF)
		Site Clinic	Dist: Nagpur State: Maharashtra	2.20	2.04	2.04	
		Mobile Health Unit	Bagar, Dist: Jhunjhunu, State: Rajashtan	16.00	13.64	13.64	
		Mobile Health Unit	Karjat, Dist: Raigad State: Maharashtra	—	4.37	4.37	
2	Education	Supplimentary Education - (Pathshala)	Dist: Nagpur State: Maharashtra	1.10	0.93	0.93	
		Scholarship	Dist: Nagpur State: Maharashtra	1.24	1.14	1.14	

(₹ 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 2015 to March 2016	Amount Spent: Direct or through implementiing agency
3	Livelihood	Vocational Skill Training Center	Dist: Nagpur State: Maharashtra	4.47	3.76	3.76	Through Urvi Ashok Piramal Foundation (UAPF)
		Vocational Skill Training Center	Mumbai, State: Maharashtra	6.90	6.32	6.32	
4	Environment	Model Village	Salaidhabha Nagpur, State: Maharashtra	5.80	5.30	5.30	
5	Administration	–	–	1.40	1.03	1.03	
			Total	**62.11**	**61.52**	**61.52**	

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

Sd/-
Urvi A. Piramal
Chairperson of CSR Committee

Sd/-
Harsh A. Piramal
Executive Vice Chairman

Corporate Social Responsibility Initiatives

Vision & Mission: "Enriching the lives of communities by empowering them to develop and execute sustainable social development models."

The Urvi Ashok Piramal Foundation (UAPF) works mainly in Maharashtra, Rajasthan and Pench- Madhya Pradesh. At UAPF, we strongly believe in the power of community. To this end, we have taken up various projects that will develop sustainable livelihood models. We broadly work around 5 verticals, Education, Healthcare, Environment, Village Developement and Livelihood.

OUR VERTICALS:

Education: Through our 'Pathshala' programme, we reach out to the children from local communities. Especially in rural areas, where schools face infrastructural challenge, lack guidance and support. Our supplementary education programme helps them secure an improved learning experience. Children are given a helping hand and academic support through teachers appointed by the foundation.

Scholarship: We don't just educate these children; we also provide financial support to them and their families. Every year, over 50 children get scholarship from the foundation, to help them pursue higher education. Over the years, this has helped several children pursue technical and non-technical courses.

Crèche: UAPF has set up day-care centres and crèches that look after the 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 three separate locations, house 500 children and provide wholesome and nutritious meals for them.

Healthcare: At UAPF, we firmly believe that, the only sure-shot way to achieve good citizenship is through

good, robust health. To this end, we have been running our healthcare programme, titled "Aayushi". Under this project, we organise Mobile Health Units (MHU) in various tribal, semi-urban and rural areas — across Maharashtra, Rajasthan and Madhya Pradesh. These vans go to predefined villages, screening villagers and running basic tests on them. In all, the van covers 125 villages and a total population of 3,00,000. The foundation has one van in Rajasthan, three at Nagpur, and one each at Pench in Madhya Pradesh and at Karjat in Maharashtra. These vans are equipped with paramedics who conduct basic investigations and disburse quality medicines. The foundation has initiated ophthalmology services in Rajasthan's Jhunjhunu district. The project, "**Ophthalmology on wheels**", recently commenced in the entire district and will treat refractive errors. If and when it detects cataract formations, it will perform surgeries with the assistance of a base hospital.

The mobile health clinics help us:

a) Provide basic healthcare right at people's door steps.
b) Reach out to as many people as possible. To ensure a larger surface area is monitored, the van covers newer locations periodically.
c) Provide quality medicines to all people at an affordable cost.
d) Organise holistic health services utilising government machinery and Public-Private Partnership model.
e) Organise monthly health camps that address general health of a community and also specific individual concerns.
f) Improve awareness levels among villages and towns.
g) Conduct basic tests like blood pressure, sugar, etc.

Site Clinic: The UAPF organises five site clinics, each operating twice a week. These clinics are equipped with an MBBS/MD physician, who is on hand for consultations. The clinics take care of all basic health issues and provide primary healthcare. We also organise periodic health camps for thorough check-ups through the site clinics. In all 7,163 patients had benefitted through the site clinic last year.

Environment & Village Development Work: Through the Conservation Wildlands Trust we work in Pench, Madhya Pradesh. It has established e-base, which is first of its kind in India and only second in the world. The project runs entirely on clean solar energy.

The foundation had conducted a satellite study with art of living (AOL) in Nagpur, whereby soil and water conservation measures were checked and dams were constructed in select villages. The water conservation project has benefitted some 2,000 people in all. We have also donated water pumps to BPL families, LED lights and tree guards in Jhunjhunu District. As part of our campaign "Swachh Bagar- Swasthya Bagar", we have donated Auto- Tipper to Bagar Municipality at Jhunjhunu, for house to house garbage collection.

Livelihood: 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. These centres are either run solely by the foundation or in partnership with other local groups. The skills imparted include computer training, fashion designing, repairing electrical appliances, beauty therapy, etc. Apart from these, a few more are being planned and will soon come up. In Maharashtra, the foundation has partnered with local NGOs to conduct an MS-CIT course. Over 100 students have been grateful beneficiaries of our computer skills course, while 788 have picked up skills like sewing, electronics, etc.

The foundation has also tied up with the Rajasthan Skill and Livelihood Development Corporation (RSLDC) to conduct various technical programmes in the state. On an initial basis, we imparted training in electronics and garment-making. Our target is to train 600 youth from Rajasthan in these two sectors. Furthermore, we have also set up two skill development centres, one each at Bagar and Chirawa, Jhunjhunu. In all 100 students have passed out of the Bagar centre and 50 from Chirawa.

We recently got affiliated with Maharashtra State Skill Development Mission to impart textile training at Nagpur. These programmes will not only give rural residents a chance to earn an honest living, it will also groom the youth of the nation to become good entrepreneurs. Accordingly, we also have English speaking and soft skills training to empower them with a holistic set of skills needed to prosper in modern society.

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 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

Part A - Subsidiaries

Sr. No.	Name of the subsidiary	Reporting Period	Reporting currency	Share capital / Contribution	Reserves & surplus	Total assets	Total Liabilities (Excluding Share capital and Reserves & Surplus)	Investments	Turnover (Includes Other Income)	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Share holding	Remarks
Not Applicable															

Notes :

1. Names of the Subsidiaries which are yet to commence operations: NIL
2. 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

(₹ in lacs)

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	Extent of Holding %				Considered in Consolidation	Not Considered in Consolidation	
1	Morarjee Castiglioni (India) Private Ltd.	31-Mar-16	10,00,000	64.10	50%	Shareholding	-	65.80	-2.33	-	Joint Venture
2	Just Textiles Limited @	31-Mar-16	7,95,560	795.56	49%	Shareholding	Refer Note No.36	708.02	–	14.91	Joint Venture

@ Unaudited

Notes :

1. Names of the Associates or Joint ventures which are yet to commence operations: NIL
2. 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	*Chairperson*	Harsh A. Piramal	*Executive Vice Chairman*
R. K. Rewari	*Managing Director*	Mahesh S. Gupta	*Director*
Ranjan Sanghi	*Director*	Shobhan Thakore	*Director*
Aditya Mangaldas	*Director*	S. C. Kashimpuria	*Chief Financial Officer*
Sanjeev Singh Senger	*Company Secretary*		

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

ANNEXURE 4

Form MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2016

[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 March 31, 2016 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 March 31, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder:

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008;

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

  (i) The Securities and Exchange Board of India (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. Master Circular on External Commercial borrowings and trade credits (Master Circular Number 12/2013-2014)
27. Central Excise Act, 1944
28. Central Excise Rules, 2002
29. Central Sales Act, 1956
30. Cenvat Credit Rules, 2004
31. Custom Act, 1962
32. Maharashtra Value Added Tax, 2002
33. Service Tax Rules, 1994
34. Boiler Act, 1923
35. Boiler Regulation, 1950
36. Explosives Act, 1884
37. Explosives Rules, 2008
38. Gas Cylinder Rules, 2004
39. Indian Electricity Rules, 1956
40. Legal Metrology Act, 2009
41. Maharashtra Fire Prevention and Life Safety Measures Act, 2006
42. Petroleum Act, 1934
43. Petroleum Rules, 2002
44. The Solvent, Raffinete and Slop (Acquisition, sale, storage and Prevention of use in Automobile) Order, 2000
45. Trade Marks Act, 1999
46. Apprentices Act, 1961
47. Child labour (Prohibition and Regulation) Act, 1986
48. Employees' State Insurance Act, 1948
49. The Employees' Compensation Act, 1923
50. Employees' State Insurance (General) Regulations, 1950
51. Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
52. Equal Remuneration Act, 1976
53. Factories Act, 1948
54. Maharashtra Factories Rules, 1963
55. Maharashtra Labour Welfare Fund Act, 1953
56. Maharashtra State Tax on Professions, Trades, Calling and Employments Rules, 1975.
57. Maharashtra Workmen's Minimum House Rent Allowance Act, 1983
58. Maternity Benefit Act, 1961
59. Minimum Wages Act, 1948
60. Payment of Bonus Act, 1965
61. The Employees' Provident Fund Scheme, 1952
62. The Payment of Bonus Rules, 1975
63. The Payment of Gratuity Act, 1972
64. Weekly Holidays Act, 1942
65. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock Exchange.

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

The Company received a Notice from the National Stock Exchange of India Limited for delayed submission of the Annual Report. However, the Company has filed the Annual Report with a delay and paid ₹ 2000/- as penalty for the delayed submission of the Annual Report.

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

All the Board/Committee decisions are taken unanimously.

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

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

Mumbai, May 3, 2016

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

'ANNEXURE A'

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

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

Mumbai, May 3, 2016

ANNEXURE 5

Form No. MGT-9

EXTRCT OF ANNUAL RETURN

As on the Financial Year ended on March 31, 2016

[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)	Registraion Date:-	July 14, 1995
iii)	Name of the Company:-	MORARJEE TEXTILES LIMITED
iv)	Category / Sub-Category of the Company:-	Company limited by Shares
v)	Address of Registered Office and Contact details:-	Peninsula Spenta, Mathuradas Mills Compound, Senapati Bapat Marg, Lower Parel. Mumbai 400013. 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 4220047 Satpur, Nashik 422007. 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 98%

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 K-5, Additional M.I.D.C. Anand Nagar, Ambernath (East), Thane, MH 421506.	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	0.00	0	0	0	0.00	0.00
State Govt (s)	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									
- 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	2,711	2,711	0.01	0	2,583	2,583	0.01	0.00
Banks / FI	1,015	2,046	3,061	0.01	1,015	2,174	3,189	0.01	0.00
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	18,36,258	0	18,36,258	5.05	17,09,644	0	17,09,644	4.71	-0.35
FIIs	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):	**18,37,273**	**5,892**	**18,43,165**	**5.07**	**17,10,659**	**5,892**	**17,16,551**	**4.72**	**-0.34**
Non-Institutions									
Bodies Corporate	**15,98,743**	**46,833**	**16,45,576**	**4.53**	**18,69,768**	**46,833**	**19,16,601**	**5.28**	**0.75**
Individuals									
Individual Shareholders holding nominal share capital upto share capital upto ₹ 1 lakh	44,35,670	3,39,256	47,74,926	13.14	47,63,928	3,31,057	50,94,985	14.02	0.88
Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	43,30,194	27,736	43,57,930	11.99	40,85,664	27,736	41,13,400	11.32	-0.67
Others (specify)	**4,79,716**	**24,379**	**5,04,095**	**1.39**	**2,61,861**	**22,294**	**2,84,155**	**0.78**	**-0.61**
Clearing Member	2,47,339	0	2,47,339	0.68	18,028	0	18,028	0.05	-0.63
NRIs	2,32,377	24,379	2,56,756	0.71	2,43,833	22,294	2,66,127	0.73	0.02
Sub-Total (B)(2):	**1,08,44,323**	**4,38,204**	**1,12,82,527**	**31.05**	**1,09,81,221**	**4,27,970**	**1,14,09,141**	**31.40**	**0.35**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**1,26,81,596**	**4,44,096**	**1,31,25,692**	**36.13**	**1,26,91,880**	**4,33,812**	**1,31,25,692**	**36.13**	**0.00**
Shares held by Custodian for GDRs & ADRs (C)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**	**0.00**
Grand Total (A+B+C)	**3,58,88,253**	**4,44,096**	**3,63,32,349**	**100**	**3,58,98,537**	**4,33,812**	**3,63,32,349**	**100.00**	**0.00**

ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged/ encum-bered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encum-bered 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	15119945	4.16	0.00	1511994	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) - As per Separate Sheet

Sr No.	Name of the Shareholder	Date	Transaction	Shareholding at the Beginning of the year – April 1, 2015		Cumulative Shareholding during the year – March 31, 2016	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Life Insurance Corporation of India	–	–	16,44,972	4.53	0	0.00
		17.07.2015	Sale	(20,250)	0.06	16,24,722	4.47
		24.07.2015	Sale	(2,807)	0.01	16,21,915	4.46
		31.07.2015	Sale	(19,264)	0.05	16,02,651	4.41
		07.08.2015	Sale	(84,293)	0.23	15,18,358	4.18

Sr No.	Name of the Shareholder	Date	Transaction	Shareholding at the Beginning of the year – April 1, 2015		Cumulative Shareholding during the year – March 31, 2016	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
2	Minal Bharat Patel	–	–	10,35,607	2.85	0	0.00
		07.08.2015	Sale	(1,35,607)	0.37	9,00,000	2.48
		30.09.2015	Sale	(9,00,000)	2.48	0	0.00
		31.12.2015	Purchase	9,00,000	2.48	9,00,000	2.48
		08.01.2016	Sale	(9,00,000)	2.48	0	0.00
		18.03.2016	Purchase	9,00,000	2.48	9,00,000	2.48
3	Shrikrishna Finvest and Capital Management Private Limited	–	–	6,17,651	1.70	6,17,651	1.70
4	PAT Financial Consultants Private Limited	–	–	3,05,148	0.84	0	0.00
		28.08.2015	Sale	(3,05,148)	0.84	0	0.00
		30.09.2015	Purchase	3,11,945	0.86	3,11,945	0.86
		09.10.2015	Sale	(3,11,945)	0.86	0	0.00
		30.10.2015	Purchase	250	0.00	250	0.00
		06.11.2015	Purchase	37,571	0.10	37,821	0.10
		20.11.2015	Sale	(37,821)	0.10	0	0.00
		31.12.2015	Purchase	4,42,213	1.22	4,42,213	1.22
		08.01.2016	Sale	(4,42,213)	1.22	0	0.00
		26.02.2016	Purchase	10,597	0.03	10,597	0.03
		04.03.2016	Purchase	12,289	0.03	22,886	0.06
		11.03.2016	Purchase	1,980	0.01	24,866	0.07
		18.03.2016	Purchase	4,50,897	1.24	4,75,763	1.31
		25.03.2016	Purchase	4,192	0.01	4,79,955	1.32
		31.03.2016	Purchase	8,934	0.02	4,88,889	1.35
5	JV and Associates LLP	–	–	68,265	0.19	0	0.00
		10.04.2015	Purchase	10,566	0.03	78,831	0.22
		17.04.2015	Purchase	14,416	0.04	93,247	0.26
		24.04.2015	Purchase	16,448	0.05	1,09,695	0.30
		01.05.2015	Purchase	2,002	0.01	1,11,697	0.31
		08.05.2015	Purchase	6,000	0.02	1,17,697	0.32
		15.05.2015	Purchase	4,000	0.01	1,21,697	0.33
		29.05.2015	Purchase	14,275	0.04	1,35,972	0.37
		05.06.2015	Purchase	35,631	0.10	1,71,603	0.47
		12.06.2015	Purchase	13,338	0.04	1,84,941	0.51

Sr No.	Name of the Shareholder	Date	Transaction	Shareholding at the Beginning of the year – April 1, 2015		Cumulative Shareholding during the year – March 31, 2016	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
		19.06.2015	Purchase	3,049	0.01	1,87,990	0.52
		03.07.2015	Purchase	3,200	0.01	1,91,190	0.53
		10.07.2015	Purchase	14,964	0.04	2,06,154	0.57
		17.07.2015	Purchase	33,548	0.09	2,39,702	0.66
		28.08.2015	Purchase	3,000	0.01	2,42,702	0.67
		04.09.2015	Purchase	32,085	0.09	2,74,787	0.76
		11.09.2015	Purchase	32,414	0.09	3,07,201	0.85
		18.09.2015	Purchase	101	0.00	3,07,302	0.85
		30.09.2015	Purchase	13,000	0.04	3,20,302	0.88
		09.10.2015	Purchase	15,200	0.04	3,35,502	0.92
		06.11.2015	Purchase	16,000	0.04	3,51,502	0.97
		13.11.2015	Purchase	11,000	0.03	3,62,502	1.00
		20.11.2015	Purchase	8,000	0.02	3,70,502	1.02
		27.11.2015	Sale	(500)	0.00	3,70,002	1.02
		11.12.2015	Sale	(10,267)	0.03	3,59,735	0.99
6	V. Vaidyanathan	–	–	2,34,250	0.64	0	0.00
		10.04.2015	Purchase	19,053	0.05	2,53,303	0.70
		17.04.2015	Purchase	18,629	0.05	2,71,932	0.75
		01.05.2015	Purchase	12,101	0.03	2,84,033	0.78
		08.05.2015	Purchase	16,947	0.05	3,00,980	0.83
		15.05.2015	Purchase	4,295	0.01	3,05,275	0.84
		22.05.2015	Purchase	27,860	0.08	3,33,135	0.92
		29.05.2015	Purchase	2,800	0.01	3,35,935	0.92
		05.06.2015	Purchase	1,250	0.00	3,37,185	0.93
		30.06.2015	Purchase	10,422	0.03	3,47,607	0.96
		03.07.2015	Purchase	1,000	0.00	3,48,607	0.96
		10.07.2015	Purchase	900	0.00	3,49,507	0.96
		17.07.2015	Purchase	468	0.00	3,49,975	0.96
		11.09.2015	Purchase	4,000	0.01	3,53,975	0.97
7	Santosh Murarilal Gupta	–	–	3,47,836	0.96	0	0.00
		31.12.2015	Sale	(836)	0.00	3,47,000	0.96
8	Hitesh Ramji Javeri	–	–	3,00,000	0.83	3,00,000	0.83

Sr No.	Name of the Shareholder	Date	Transaction	Shareholding at the Beginning of the year – April 1, 2015		Cumulative Shareholding during the year – March 31, 2016	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
9	The Oriental Insurance Company Limited	–	–	1,91,286	0.53	1,91,286	0.53
10	Lal Tolani	–	–	1,69,986	0.47	0	0.00
		22.01.2016	Purchase	6,100	0.02	1,76,086	0.48
		19.02.2016	Purchase	4,099	0.01	1,80,185	0.50
11	Hardik Patel	–	–	3,08,322	0.85	0	0.00
		10.07.2015	Sale	(1,39,763)	0.38	1,68,559	0.46
		17.07.2015	Sale	(2,892)	0.01	1,65,667	0.46
		07.08.2015	Sale	(38,725)	0.11	1,26,942	0.35
		28.08.2015	Sale	(1,26,942)	0.35	0	0.00
		11.03.2016	Purchase	1,26,942	0.35	1,26,942	0.35

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
Harshvardhan 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	0	0.00	0	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
Ranjan Pant	0	0.00	0	0.00
S. C. Kashimpuria	850	0.00	850	0.00
Sanjeev Singh Sengar	0	0.00	0	0.00

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

V. Indebtedness

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

(₹ In lacs)

Sr. No.		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
A	**Indebtedness at the beginning of the financial year**				
i.	Principal Amount	14,992.68	4,459.33	–	19,452.01
ii.	Interest due but not paid	–	–	–	–
iii.	Interest accrued but not due	24.40	22.51	–	46.91
	Total (i+ii+iii)	**15,017.08**	**4,481.84**	**–**	**19,498.92**
B	**Change in Indebtedness during the financial year**				
	Addition	13,856.77	2,382.96	–	16,239.73
	Reduction	–	–	–	–
	Net Change	13,856.77	2,382.96	–	16,239.73
C	**Indebtedness at the end 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**

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	130.12	129.20	**259.32**
(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0.00	0.78	**0.78**
(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)	**130.12**	**129.98**	**260.10**
Ceiling as per the Act (10% of Net Profit of the Company)	5%	5%	

B. Remuneration to Other Directors (₹ In lacs)

Sr. No	Particulars of Remunaration	Ms. Urvi A. Piramal	Mr. Mahesh S. Gupta	Mr. Ranjan Sanghi	Mr. Shobhan Thakore	Mr. Aditya Mangaldas	Mr. Ranjan Pant	Total Amount
I.	**INDEPENDENT DIRCTORS**							
1)	Fees For attending Board/Committee meetings	0.00	0.00	3.20	3.20	3.20	1.50	11.10
2)	Commission	0.00	0.00	3.00	3.00	3.00	3.00	12.00
3)	Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL (I)			**6.20**	**6.20**	**6.20**	**4.50**	**23.10**
II.	**NON-EXECUTIVE DIRECTORS**							
1)	Fees For attending Board/Committee meetings	2.20	1.50	0.00	0.00	0.00	0.00	3.70
2)	Commission	6.00	4.50	0.00	0.00	0.00	0.00	10.50
3)	Others	0.00	0.00	0.00	0.00	0.00	0.00	–
	TOTAL (II)	**8.20**	**6.00**	0.00	0.00	0.00	0.00	**14.20**
	Total (B) = (I+II)							**37.30**
	Total Managerial Remuneration (A+B)							**297.40**
	Overall Ceiling as per the Act	**11% of the Net Profits of the Company**						

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

(₹ In lacs)

Sr. No	Particulars of Remuneration	Key Managerial Personnel		
		Mr. S C Kashimpuria (Chief Financial Officer)	***Mr. Saneejv Singh Sengar (Company Secretary)**	**Total Amount**
1	**Gross Salary**			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	**48.68**	**8.73**	**57.41**
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961 0.16 0.24 0.40	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	**48.68**	**8.73**	**57.41**

**Appointed w.e.f. September 1, 2015*

VII. Penalties/Punishment/Compounding of Offences

There were no penalties/punishment/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.

ANNEXURE 6

Conservation of energy and technology absorption

A. Conservation of Energy:

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

- The Electrical tube rods of 36 Watts with Electronic ballasts were replaced with LED type tube rods of 20 watts, thereby reduction in power consumption.
- VFDs were installed in Humidification Plant pumps of Weaving resulting saving of power consumption of pump motors.

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

- Recycle and reuse of ETP water for our process.
- We have designed our new Process house in such a way that we can use day light inside the shed and there is no electrical lighting load during the day time.

(iii) Total energy consumption

As per Form A herein below.

B. Technology absorption :-

(i) The efforts – made towards technology absorption

- Installed high speed Calander machine to give extra fine finish (Good feel finish) to fabric.
- Installed Hydro pneumatic system pumping to save water and electricity

(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.	Winding machine	2013-14
2.	Optimax 4-R Looms	2014-15
3.	Airjet Looms	2015-16
4.	Continuous open width Pre Treatment range	2015-16
5.	Compressive shrinking Range	2015-16
6.	Mercerizing Range	2015-16
7.	High speed Calander machine	2015-16
8.	Singeing Pretreating line	2015-16
9.	Drawing in & Sectional warping machine	2015-16
10.	Blow Room	2015-16
11.	Continuous Rope Washing Line	2015-16
12.	Rotary Printing Machine	2015-16
13.	Sizing Machine	2015-16
14.	Stenter	2015-16

b. Whether the technology is fully absorbed : No

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

Technology Imported	**Year of Import**	
Airjet Looms	2015-16	The machines are under process of installation.
Blow Room	2015-16	
Continuous Rope Washing Line	2015-16	
Rotary Printing Machine	2015-16	
Sizing Machine	2015-16	
Stenter	2015-16	

C. The expenditure incurred on Research and Development

₹ In lacs

(a)	Capital	3.20
(b)	Recurring	50.19
(c)	Total	53.39
(d)	Tota R&D expenditure as a percentage of total turnover	0.16%

FORM -'A'

Form of disclosure of particulars with respect to conservation of energy

			Units	**Current Year 31.03.2016**	Previous Year 31.03.2015
A)	**Power & Fuel consumption**				
1	Electricity				
	a)	Purchased Units	Lacs Kwhs.	397.84	404.07
		Total Cost	₹ Lacs	2,740.46	2,574.40
		Rate/Unit	₹	6.89	6.37
	b)	Own Generation			
		Through Diesel Generator			
		Units	Lacs Kwhs.	2.07	0.89
		Unit per ltr.of Diesel oil	Kwhs.	3.02	2.91
		Cost/Unit (Diesel Oil Only)	₹	14.90	21.18
		Total Cost of Diesel	₹ Lacs	30.84	18.80
2	Coal (slack coal for Boiler)				
		Quantity	M.T.	20,485.96	22,722.19
		Total Cost	₹ Lacs	892.06	1,076.60
		Average rate per M.T.	₹	4,354.51	4,738.11
3	Furnace Oil				
		Quantity	K.ltrs.	59.24	114.11
		Total Amount	₹ Lacs	18.93	42.16
		Average rate per K.Ltr.	₹	31,955	36,945

B) Consumption per unit of Production

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

CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the financial year ended March 31, 2016.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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 it's stakeholders. Transparency and integrity continue to be the cornerstones for good governance and the Company is strongly committed to these principles for enhancing it's stakeholders' values.

Morarjee Textiles Limited 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 8 (eight) Directors out of which 4 (four) 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. Except for Mr. Harsh A. Piramal, Executive Vice Chairman and Mr. R. K. Rewari, Managing Director, all the other directors are Non-Executive Directors.

Category	Name of the Directors	Designation	No. of shares held (including joint shareholding) as on 31st March, 2016
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	Nil
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

*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 is 63 years of age. Ms. Piramal 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 Wildlands Conservation 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

Mr. Harsh A. Piramal, 42, is the Vice-Chairman of the Company. In addition, he is also the Vice-Chairman of PMP Auto Components Private Limited and Piramal Renewable Energy Private Limited, also 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 is now on an expansion mode of its operations to regain its position as one of India's leading textile companies.

Under his stewardship, PMP Auto Components Private Limited acquired two companies in Europe and scaled up and internationalized its operations. PMP Auto has manufacturing plants in the Czech Republic and Mexico in addition to three plants in India. Since its inception three years ago, Piramal Renewable Energy Private Limited has entered the fast-growing renewable energy sector in India.

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 Wildland 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 is 59 years of age. He 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 has been associated with the Piramal Enterprise for about 18 years. As Group CFO and was also on the board of several companies, including whole-time director of Nicholas Piramal Ltd (now Piramal Enterprise Ltd). During this tenure, he was part of the core team which was instrumental in transforming Nicholas Piramal from a small enterprise to amongst the top three Pharmaceutical Companies, mainly through mergers and acquisitions.

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

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

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

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

Mr. R. K. Rewari

Mr. R. K. Rewari is 59 years of age and heads the textiles business at the Ashok Piramal Group. As the MD, Mr. Rewari overseas all aspects of the textiles business from strategy to fabric manufacturing, from sourcing of yarn to exporting the finished fabric.

Mr. Rewari took over the reign at Morarjee Textiles six years ago. He has been associated with the textiles sector for 31 years. Mr. Rewari is a Science graduate and has done his LLB and post-graduate degree in Business Management from Kurukshetra University in Haryana. He has also done MEP from IIM, Ahmedabad.

He is the Chairman of The Mill Owners' Association, Mumbai (MOA). He is on the Board of Cotton Association of India (CAI). He is also a Committee Member of Confederation of Indian Textile Industry (CITI).

Prior to joining Morarjee Textiles, Mr. Rewari had been associated with Vardhman Group of Industries for 28 years and his last assignment was Chief Executive (Marketing).

Mr. Ranjan Sanghi

Mr. Ranjan Sanghi, Independent Director of the Company is 72 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 25 years. Mr. Sanghi has been trained in the automobile field at the Vauxhall Motors, Louton, 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 68 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 30 years, he has instructed leading Indian Counsel before various courts and forums including High Courts around India as well as the Supreme Court of India in various matters involving indirect tax, commercial and corporate law. He was a partner of Bhaishanker Kanga & Girdharlal, Advocates & Solicitors for more than 30 Years, until March 31, 2004 when he became a partner of AZB & Partners, Advocates & Solicitors until December 31, 2006. From January 01, 2007 he along with Mr. Suresh Talwar (ex-partner of Crowford 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, Uni Deritend 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 52 years of age. Mr. Mangaldas is a Mechanical Engineer from L. D. College of Engineering, Ahmedabad and has an MBA from Babson College, USA. He has been the Chairman and the Managing Director of the Victoria Mills Limited since 1999. He has a wide experience and has spent approximately 20 years in the Textiles Industry. Mr. Mangaldas is also involved in the real estate industry and actively involved in an organization involved in housing and caring for children with serious chronic diseases.

Mr. Ranjan Pant

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

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 March 31, 2016, are given below:

Name	Category	Relationship with other Directors	Attendance Particulars			No of other Director-ships	Committee position in India	
			Board Meetings		AGM held on August 26, 2015		Chairman	Member
			Held	Attended				
Ms. Urvi A. Piramal	Non-Executive Chairperson	Mother of Mr. Harsh A. Piramal	4	4	Yes	5	-	-
Mr. Harsh A. Piramal	Executive Vice-Chairman	Son of Ms. Urvi A. Piramal	4	3	Yes	4	1	2
Mr. Mahesh S. Gupta	Non-Executive Non Independent Director	None	4	3	Yes	7	3	4
Mr. R. K. Rewari	Managing Director	None	4	4	Yes	9	5	1
Mr. Ranjan Sanghi	Independent Director	None	4	4	Yes	4	3	2
Mr. Shobhan Thakore	Independent Director	None	4	4	Yes	9	8	1
Mr. Aditya Mangaldas	Independent Director	None	4	4	No	3	1	2
Mr. Ranjan Pant	Independent Director	None	4	3	No	2	2	-

The Directorships as mentioned above, do not include alternate directorships, directorships in Private Limited Companies other than Subsidiaries of Public Limited Companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

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. The Committees considered for the above purpose are those specified in the Listing Regulations i.e. Audit Committee and Stakeholders' Relationship Committee.

2(iv) Meetings of the Board of Directors

4 (Four) Board Meetings were held during the financial year 2015-2016 and the gap between the two consecutive Board Meetings did not exceed one hundred and twenty days.

The dates on which the meetings were held and attendance of directors at those meetings are as follows:

Sr. No.	Date of Meetings	Board Strength	No. of Directors Present
1.	May 8, 2015	8	6
2.	August 5, 2015	8	8
3.	November 2, 2015	8	8
4.	February 1, 2016	8	7

2(v) Details of Directors being re-appointed

As per the statute, two-third of the Directors, other than Independent Directors, should be the Directors liable to retire by rotation and one-third of those directors liable to retire by rotation shall retire every year and are eligible for re-appointment. Accordingly, Mr. Mahesh S. Gupta retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

A detailed profile of Mr. Mahesh S. Gupta is given above. Additional information as required under Regulation 36(3) of the Listing Regulations is provided in the notice convening the Annual General Meeting.

2(vi) Familiarization program

As required under the Listing Regulations and the Companies Act, 2013 the Board of Directors has framed a familiarization program for the Independent Directors, wherein they are acquainted with their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc. The familiarization programme aims to provide Independent Directors with the 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 decisions in a timely manner. The familiarization programme also seeks to update the Directors on the roles, responsibilities, rights and duties under the Companies Act, 2013, Listing Regulations and other statutes.

The said familiarization program is available on the website of the Company viz. www.morarjeetextiles.com.

2(vii) Performance Evaluation

Regulation 17 of Listing Regulations and Schedule IV of the Companies Act, 2013 (the Act) mandates the performance evaluation of Independent Directors by the entire Board. Further, Section 134 of the Act requires disclosure of manner in which formal annual evaluation was carried out by the Board of its own performance and that of its Committees and individual directors. Section 178 of the Act requires Nomination and Remuneration Committee to carry out evaluation of every director's performance. Further, Schedule IV of the Act states that the Independent Directors shall evaluate Non-Independent Directors and Chairperson.

During the financial year, the Performance Evaluation was carried out by way of a structured evaluation process covering various aspects of the Board's functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board and the Chairperson who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest, etc.

The Nomination and Remuneration Committee has evaluated the performance of each of the Directors of the Company. Besides the above, 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 reflected the overall engagement of the Board and its Committees with the Company.

Criteria for performance evaluation of Directors

The Board of Directors has approved the criteria for performance evaluation of 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 of Independent Directors under Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on February 1, 2016 to review the performance of the 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 which is necessary to effectively and reasonably perform and discharge their duties.

3. Audit Committee

The Board has constituted a well-qualified Audit Committee. All the members of the Committee are Independent Directors who are 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 August 26, 2015. The Executive Vice Chairman, Managing Director, Group CFO, CFO of the Company, Company Secretary and General Manager - Group Legal & Company Secretary are permanent invitees to the meetings.

During the financial year 2015-2016, the Audit Committee met 4 (four) times on May 8, 2015, August 5, 2015, November 2, 2015 and February 1, 2016. The gap between two consecutive meetings did not exceed 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 listed entity'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 there on;

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 Companies Act, 2013 and the Listing Regulations, the Board has constituted the Nomination and Remuneration Committee as follows:

4(i) Composition, Meeting and Attendance

The Nomination and Remuneration Committee consists of Four (4) Directors viz. Mr. Ranjan Sanghi (Chairman), Mr. Aditya Mangaldas and Mr. Shobhan Thakore, Independent Directors and 1 (One) Non Executive Director, Ms. Urvi A. Piramal. The Chairman of the Nomination and Remuneration Committee was present at the previous Annual General Meeting of the Company held on August 26, 2015.

The Committee had 3 meetings on May 8, 2015, August 5, 2015 and February 1, 2016 during the year 2015 – 2016 and the attendance was as under:

Name of the Director	Designation	No. of meetings during the year	
		Held	Attended
Mr. Ranjan Sanghi	Chairman	3	3
Mr. Aditya Mangaldas	Member	3	3
Mr. Shobhan Thakore	Member	3	3
Ms. Urvi A. Piramal	Member	3	3

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

The terms of reference of the Nomination and Remuneration Committee stated below are wide enough to cover the matters specified in Listing Regulations and Section 177 of the Companies Act, 2013.

i. 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 and other employees;

ii. formulation of criteria for evaluation of performance of independent directors and the board of directors;

iii. devising a policy on diversity of board of directors;

iv. 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.

v. 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 the provisions of 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, Key Managerial Personnel (KMP) and other employees in reproduced below:

i. The terms of employment and remuneration of MD, WTD, KMPs and SMPs shall be competitive in order to ensure that the Company can attract and retain competent talent.

ii. The remuneration policy shall ensure that :
   a. 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.
   b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
   c. 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.

iii. While determining the remuneration and incentives for the MD/WTD and KMPs, the following shall be considered:
   a. Pay and employment conditions with peers/elsewhere in the competitive market.
   b. 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 www.morarjeetextiles.com

4(iii) Remuneration paid to the Directors

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

The Non Executive Directors shall be entitled for sitting fees within the limits specified under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and reimbursement of expenses for participation in the Board/Committee meetings. In addition to the sitting fee, the NEDs are also entitled for receiving remuneration by way of commission.

The details of sitting fees and commission paid for the year ended March 31, 2016 are given below:

(₹ in lacs)

Name of the Directors	Designation	Sitting Fees	Commission	Total
Ms. Urvi A. Piramal	Chairperson	2.20	6.00	**8.20**
Mr. Mahesh S. Gupta	Director	1.50	4.50	**6.00**
Mr. Ranjan Sanghi	Director	3.20	3.00	**6.20**
Mr. Shobhan Thakore	Director	3.20	3.00	**6.20**
Mr. Aditya Mangaldas	Director	3.20	3.00	**6.20**
Mr. Ranjan Pant	Director	1.50	3.00	**4.50**

No stock options were granted to Non-Executive Directors during Financial Year 2015-2016. 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 Nomination and Remuneration Committee and approved by the Board of Directors and shareholders. Any change in remuneration is also effected in the same manner and / or in 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 are as under:

(₹ in lacs)

Remuneration Details	Mr. Harsh A. Piramal (Executive Vice-Chairman)	Mr. Rajendra Kumar Rewari (Managing Director)
Basic Salary	129.90	59.36
Allowances		
1) HRA	0	18.00
2) Special Allowance	0	36.11
3) Children Education Allowance	0	0.02
4) Incentive	0	3.72
5) Leave Travel Allowance	0	1.24
6) Medical Expenses	0	0.15
Commission	0	0
Perquisite	0	0.79
Leave Encashement	0	2.47
Provident Fund	0.22	7.12
Superannuation Fund	0	1.00
Total	**130.12**	**129.98**

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Listing Regulations, the Board has constituted the "Stakeholders' Relationship Committee" as follows:

5(i) Composition, Meeting and Attendance

The Stakeholders Relationship Committee 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 and one Executive Director i.e. Mr. R. K. Rewari. The Chairman of the Committee was present at the Annual General Meeting held on August 26, 2015.

During the year under review, the Stakeholders' Relationship Committee met on May 8, 2015 and February 1, 2016. All the members of the Committee were present at the said meeting.

5(ii) Terms of Reference

The terms of reference of the Committee are:

i. To consider and resolve the grievance of all the security holders related to transfer/transmission of shares, non receipts of Annual report and non receipts of dividends etc.;

ii. To review and deal with complaints and queries received from the Shareholders, Debentures holders, Deposit holders, and other security holders of the Company;

iii. 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 of the Compliance Officer	Mr. Sanjeev Singh Sengar
Address	Peninsula Spenta Mathuradas Mills Compound Senapati Bapat Marg Lower Parel, Mumbai 400 013.
Telephone Number	+91-22-6615 4651 - 53
Fax Number	+91-22-6615 4602
E-mail	corporatesecretarial@ashokpiramalgroup.com

5(iv) Details of Shareholders' Complaints

Details of investor complaints received and resolved during the year ended March 31, 2016 are as follows:

Complaints Pending as on 01/04/2015	Complaints Received during the year	Complaints Resolved during the year	Complaints Pending as on 31/03/2016
Nil	Nil	Nil	Nil

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

6(i) Composition, Meetings and Attendance:

The Corporate Social Responsibility Committee which was constituted on November 11, 2013, consists of Ms. Urvi A. Piramal (Chairperson), Mr. Harsh A. Piramal and Mr. Ranjan Sanghi. The Corporate Social Responsibility Committee met on May 8, 2015 and November 2, 2015.

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:

i. Formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013;
ii. Recommend the amount of expenditure to be incurred on the CSR activities;
iii. Monitor the CSR activities of the company from time to time; and
iv. Such other matters as the board may delegate from time to time.

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

6(iii) CSR Activities

The details of the CSR activities carried out by the Company during the Financial Year 2015-2016 are provided as an Annexure-1 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 Board of Directors of the Company has constituted a Risk Management Committee comprising of Mr. R. K. Rewari, Managing Director as the Chairman, Mr. Harsh A. Piramal, Executive Director, Mr. Mahesh S Gupta, Director and Mr. Dinesh Jain, Group CFO and Mr. S. C. Kashimpuria, CFO as members.

7(ii) Terms of Reference

- To identify potential Business Risks
- To analyse 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 affects risks on a continuous basis.

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
2014-2015	20th AGM	August 26, 2015	11.00 a.m.	"Hall of Culture", Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018
2013-2014	19th AGM	September 29, 2014	11: 00 a.m.	M.C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Goda, Mumbai- 400 001
2012-2013	18th AGM	August 14, 2013	11: 00 a.m.	M.C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Goda, Mumbai- 400 001

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

AGM	Date of AGM	Special Resolution
20th AGM	August 26, 2015	No Special Resolution
19th AGM	September 29, 2014	Resolution No. 9 - To Terminate/Cancel/ rescind the Morarjee Textiles Limited (ESOP Plan 2006)
18th AGM	August 14, 2013	No Special Resolution

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

8(iii) Postal Ballot

There was no Postal Ballot conducted in the Financial Year 2015-16. The Company does not propose to pass any Special Resolution 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.morarjeetextiles.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) 21st Annual General Meeting

Date	Time	Venue
July 27, 2016	3.00 p.m.	"Hall of Harmony", Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018

10(ii) Financial Year: 2015-2016

10(iii) Book Closure Dates:

July 21, 2016 to July 27, 2016 (both days inclusive) to determine the entitlement of shareholders to receive the dividend as may be declared for the year ended March 31, 2016.

10(iv) Payment of Dividend:

The Final Dividend, if declared by shareholders at the AGM, shall be paid on or before August 26, 2016 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, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 023
	National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Mumbai 400 051

Name of the Exchange	Stock Code/ID
BSE Limited	532621
National Stock Exchange of India Limited	MORARJEE (Series EQ)
ISIN Demat	INE161G01027

The Company has paid Annual Listing Fees to the Stock Exchanges for the year 2016 -2017 within the due date.

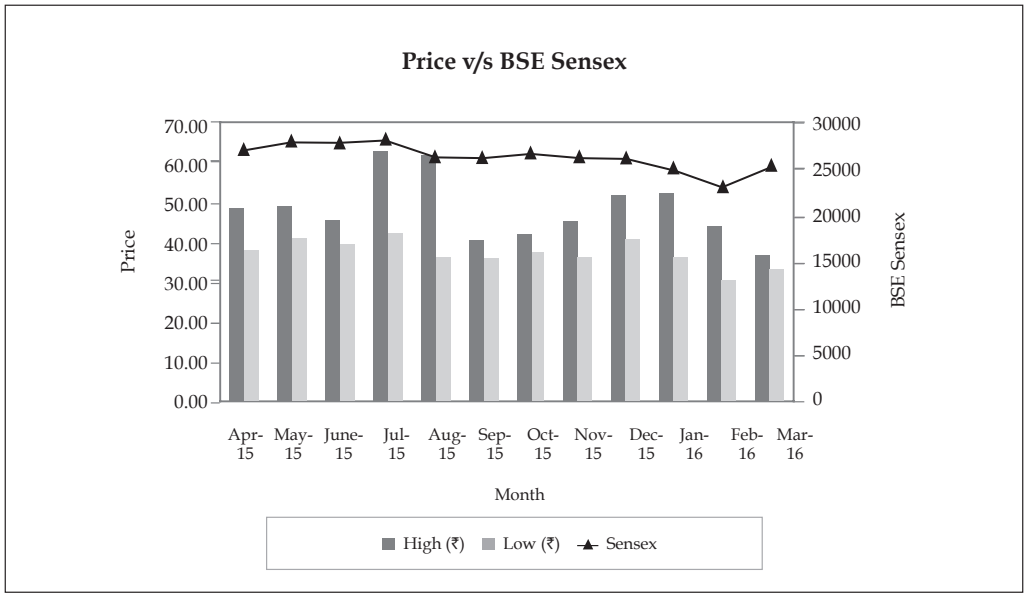
10(vi) Stock Market Date and their Performance v/s S&P BSE Sensex and CNX Nifty

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 Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Sensex	High (₹)	Low (₹)	CNX Nifty
Apr-15	48.45	37.85	27011.31	48.60	37.25	8181.50
May-15	49.00	41.00	27828.44	51.80	40.25	8433.65
Jun-15	45.35	39.50	27780.83	45.35	39.55	8368.50
Jul-15	62.60	42.15	28114.56	62.40	42.50	8532.85
Aug-15	61.45	36.05	26283.09	61.50	35.40	7971.30

Month	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Sensex	High (₹)	Low (₹)	CNX Nifty
Sep-15	40.40	36.10	26154.83	40.85	35.60	7948.90
Oct-15	42.00	37.40	26656.83	42.00	37.00	8065.80
Nov-15	45.00	36.40	26145.67	44.80	36.20	7935.25
Dec-15	51.50	40.50	26117.54	54.10	40.20	7946.35
Jan-16	52.15	36.25	24870.69	52.90	36.50	7563.55
Feb-16	43.95	30.40	23002.00	44.00	30.15	6987.05
Mar-16	36.70	33.05	25341.86	37.50	32.15	7738.40

Sources: BSE and NSE websites

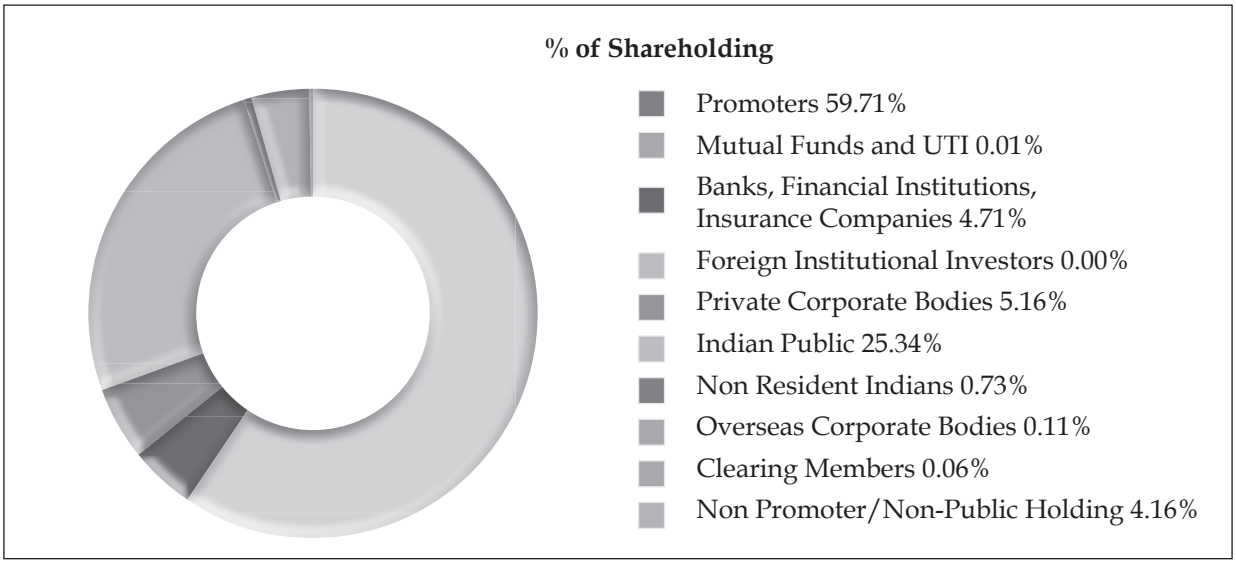


10(vii) Distribution of shareholding as on March 31, 2016

Slab of Shareholding	No of Shareholders	% of Shareholders	Amount (₹)	% of Shares held
1 to 5000	17,468	98.65%	2,89,73,091	11.39%
5001 to 10000	125	0.71%	63,50,078	2.50%
10001 to 20000	65	0.37%	63,21,196	2.49%
20001 to 30000	14	0.08%	24,78,812	0.97%
30001 to 40000	1	0.01%	2,70,424	0.11%
40001 to 50000	8	0.05%	25,73,144	1.01%
50001 to 100000	9	0.05%	45,70,678	1.80%
100001 & Above	17	0.10%	20,27,89,020	79.73%
TOTAL	**17,707**	**100.00%**	**25,43,26,443**	**100.00%**

10(viii) Shareholding Pattern as on March 31, 2016:

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**
B	**Non promoters Holding**		
	3 Institutional Investors		
	a Mutual Funds and UTI	2,583	0.01
	b Banks, Financial Institutions, Insurance Companies (Central/ State Govt., Institutions/ Non Govt. Institutions)	17,12,833	4.71
	c Foreign Institutional Investors	1,135	0.00
	Sub total (3)	**17,16,551**	**4.73**
	4 Others		
	a Private Corporate Bodies	18,77,270	5.16
	b Indian Public	92,08,385	25.34
	c Non Resident Indians	2,66,127	0.73
	d Overseas Corporate Bodies	39,331	0.11
	e Clearing Members	18,028	0.06
	Sub-Total (4)	**1,14,09,141**	**31.40**
C	**Non-Promoter/Non-Public Holding**	**15,11,994**	**4.16**
	Grand total (A+B+C)	**3,63,32,349**	**100.00**



10(ix) Share Transfer Agent

Freedom Registry Limited, Share Transfer Agent 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 Liasioning 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 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 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 by the Company Secretary in practice as required under Regulation 40(9) of the LODR Regulations, confirms the compliance with the share transfer 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., Practising 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) Dematerialisation of shares and liquidity

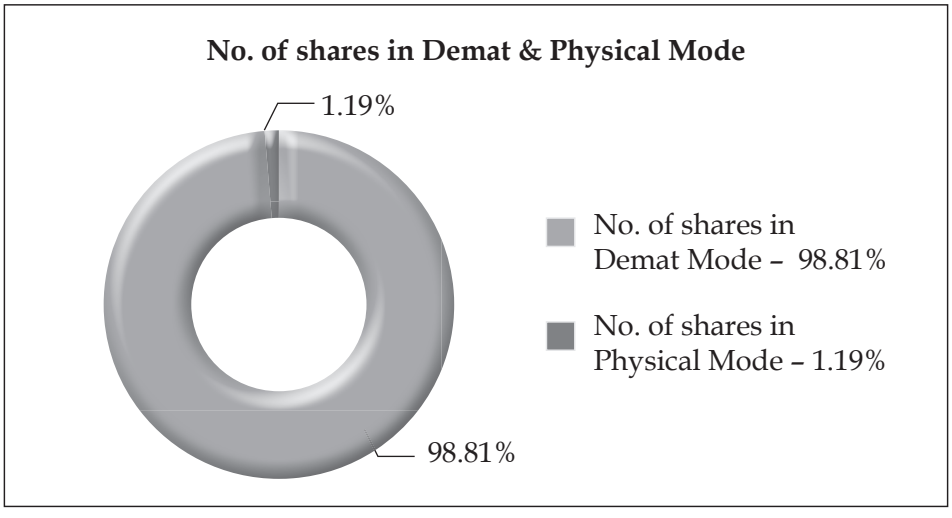
As on March 31, 2016, 3,58,98,537 Equity Shares representing 98.81% of the Company's paid-up Equity Share Capital have been dematerialized.

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

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

with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

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



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

10(xiii) Plant Location

Plot No.G1, G2- M.I.D.C. Industrial Estate Post: Salai Dhaba, Butibori Nagpur - 441108

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@ashokpiramalgroup.com	+91-22-66154651-53	+91-22-66154602

Correspondence address:

Morarjee Textiles Limited
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. 37 of the Notes to the 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 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. The same has been uploaded on the website of the Company at www.morarjeetextiles.com.

11(ii) Details of non – compliance, penalties, strictures imposed by the Stock Exchanges or Securities and Exchange Board of India

Except for a one-off instance of delayed filing of Annual Report for the year 2014-15 with the Stock Exchange, there were no other instances of non-compliance by the Company nor have any penalties, strictures been imposed by the Securities and Exchange Board of India or any other statutory authority during the last three years 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 Internal Compliant Committee set up for this purpose and in exceptional circumstances, 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.morarjeetextiles.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:

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

11(vi) Subsidiary Companies

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.morarjeetextiles.com.

11(vii) Unclaimed dividends

The following table gives information relating due date of transfer of unclaimed dividend amounts declared by the Company to be transferred to Investor Education & Protection Fund (IEPF);

Financial Year	Date of Declaration	Date of Payment	Date on which dividend will be transferred to IEPF
31.03.2013	14.08.2013	16.08.2013	23.10.2020
31.03.2014	29.09.2014	29.09.2014	04.11.2021
31.03.2015	26.08.2015	27.08.2015	31.10.2022

11(viii) Transfer to Investor Education and Protection Fund

Pursuant to Section 205C/125 of the Companies Act, 1956/2013 to the extent notified, dividends that are unclaimed for a period of seven years are to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government and no claim shall lie against IEPF. There were no dividends due for transfer to IEPF during the year.

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 lodgement of transfer deeds and other documents or for any grievance/complaints, shareholders/investors may contact Share Transfer Agent, Freedom Registry Limited at the address mentioned above. Any queries relating to share transfers, dividend payments, annual report, etc. may be mailed at 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 April 1, 2015	Nil
2	Number of shareholders who approached issuer for transfer of shares from suspense account during the year 2015-2016	Nil
3	Number of shareholders to whom shares were transferred from suspense account during the year 2015-2016	Nil
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year March 31, 2016	Nil

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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 March 31, 2016.

R.K. Rewari
Managing Director

Place: Mumbai
Date: May 3, 2016

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, 2016, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India and SEBI (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 the above mentioned Listing Agreements and SEBI (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 3, 2016

MANAGEMENT DISCUSSION & ANALYSIS

Global Economy

In 2015, global economic activity remained subdued. The pickup in global activity is projected to be more gradual. The global economy growth which hovered around 3.1% in 2015 is expected to rise moderately at 3.4% in 2016 and 3.6% in 2017.

Manufacturing activity and trade remained weak globally, reflecting not only developments in China, but also more broadly–notably a decline in investments. In addition, the dramatic decline in imports in number of emerging markets and developing economies distress is also weighing heavily on global trade.

Oil prices have declined markedly, straining the fiscal positions of fuel exporters and weigh on their growth prospects. While supporting household demand and lowering business energy costs of oil importers, especially in advanced economies, where price declines are fully passed on to end users several factors have dampened the positive impact of lower oil prices. First and foremost, financial strains in many oil exporters reduce their ability to smooth the shock, entailing a sizable reduction in their domestic demand. The oil price decline has had a notable impact on decline in investment.Limited pass-through of price declines to consumers may also have been a factor in several emerging markets and developing economies.

Indian Textile Market:

India's textile sector is one of the mainstays of the national economy. The industry currently estimated at around US$ 108 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$ 1.77 billion during April 2000 to September 2015.

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

With the Modi wave came the clarion call for "Make in India".

Besides allowing 100% FDI in the Indian Textile sector under the automatic route the Indian government has come up with a number of export promotion policies for the textiles sector. Some of initiatives taken by the government to further promote the industry are as under:

- The Government of India is expected to soon announce a new National Textile Policy. The new policy aims at creating 35 million new jobs by way of increased investments by foreign companies
- Capital Subsidies and interest reimbursement on machinery and infrastructure under The Revised Restructured Technology Upgradation Fund Scheme (RRTUFS)
- The Government of India has implemented several export promotion measures such as Focus Market Scheme, Focus Product Scheme and Market Linked Focus Product Scheme for increasing share of India's textile exports.
- Under the Market Access Initiative (MAI) Scheme, financial assistance is provided for export promotion activities on focus countries and focus product countries.
- Under the Market Development Assistance (MDA) Scheme, financial assistance is provided for a range of export promotion activities implemented by Textiles Export Promotion Councils.

Morarjee Textiles

The overall volume of Yarn Dyed shirting and voiles remained gloomy in 2015–16 primarily on account of slower recovery of the export markets than expected, lower demand for Yarn Dyed Shirts, volatile geopolitical conditions in the Middle East and highly volatile currency fluctuation in Middle East.

The revenue for the year declined by 7.69% at ₹ 33,745 lakhs as against ₹ 36,558 lakhs in the previous year.

The company continues to maintain a strong foothold in Printed fashion voiles which is supplied to the Ready-Made Garment manufacturers and prominent international brands has registered a growth of 6%. Domestic Yarn Dyed Retail market bucked the trend and posted a growth of 10% over last year.

The company also augmented its product basket with the introduction of 100% Cotton Yarn Dyed Trouser and Jacket collection to the market.

Morarjee's culture of world-class quality is inculcated in every employee through continuous training, Lean Six Sigma projects and Quality Circles. This year skills

of around 1,985 employees were enhanced with around 3.41 man days of training to each participant.

Morarjee is a company with a deep commitment to the environment. The company continues to optimize energy use and other resources. We are reviewing and changing our processes and input streams to cut down on demand for energy, which in turn will boost competitiveness. The company was able to reduce 51 litters of water/kg of yarn dyed, steam by 8%, heat by 5% and electricity by 2%. During the year, the company also successfully reduced wastage in several areas.

Outlook

The Vision, Strategy and the Action Plan for Indian Textile and Apparel Sector, submitted by the Expert Committee to the Textile Ministry, speaks of 20% growth in exports over the next decade and an annual growth rate of 12% in the domestic market. If Vietnam could achieve a peak export growth rate of 30% and Bangladesh a growth rate of 18%, there is no reason why India, provided it takes the necessary steps, cannot achieve better growth. If all goes well, India should by then have a market share of 20% of the global textile and apparel trade from the present level of 5%.

China's move towards a service economy from a manufacturing economy to result in changing supply chain landscape, at the benefit of South East Asian countries including India receiving spillovers from China's economic rebalancing and global manufacturing weakness.

With the inauguration of the new weaving shed and new process house, your company is growing cautiously and selectively for maximum capital efficiency as well as de-risked business model. It has moved steadily towards a backward vertical setup of fabric manufacturing which will offer much better returns along with more robust manufacturing and business model.

Risk Management

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

Industry Risk

The demand for textiles is perennial and major fluctuations occur largely due to changes in overall economic growth and manufacturing competitiveness. However, the business is cyclical on the supply side considering the quantum of capital investment involved in capacity expansion. This makes it necessary for the Company to incur large capital 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.

Financial Snapshot

Standalone

Total revenue of the company during the year under review was ₹ 33,745 Lacs as against ₹ 36,558 Lacs in the

previous year, a decline by 7.69%. EBIDTA also declined to at ₹ 5615 Lacs as against ₹ 6101 Lacs in the previous year.

₹ in Lacs

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Income	33,745	36,558
EBITDA	5,615	6,101
% to income	16.64%	16.69%
Interest	2,259	1,905
Depreciation	996	956
Profit Before Tax	2,360	3,240
Deferred Tax & MAT	708	1,168
Profit After Tax	1,652	2,072

Consolidated

On a consolidated basis the revenue declined by 7.72%, from ₹ 36,571 Lacs to ₹ 33,746 Lacs. EBIDTA stood at 16.63% in FY16 against 16.72% in the previous year. PAT stood at ₹ 1649 Lacs in FY16 against ₹ 2,084 Lacs in the previous year.

₹ In Lacs

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Income	33,746	36,571
EBITDA	5,612	6,113
% to income	16.63	16.72%
Interest	2,259	1,905
Depreciation	996	956
Profit Before Tax	2,357	3,252
Deferred Tax & MAT	708	1,168
Profit After Tax	1,649	2,084

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 internal control system is further supplemented by a rigorous programme of internal audit conducted by an independent firm of chartered accountants.

The Board of Directors 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, 2016, 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, 2016, 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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.

FOR MANUBHAI & SHAH LLP
Chartered Accountants
Firm Registration No.: 106041W / W100136

Ashish H. Shah
Partner
Membership No: 103750

Mumbai, May 3, 2016

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 fixed assets.

   (b) There is a regular program of physical verification of fixed assets which in our opinion is reasonable having regard to the size of the Company and the nature of fixed assets. No material discrepancies have been noticed in respect of the assets physically verified during the year.

   (c) The title deeds of immovable properties forming part of Fixed Assets 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 complied with the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

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

7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

   According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable were in arrears as at 31st March 2016 for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, wealth tax, service tax, duty of customs duty of excise, value added tax or cess as at 31St March 2016 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of Dues	Financial Year	Amount ₹ in lacs	Forum where Dispute is Pending
Central Excise Act 1944	Interpretation of Act	1979-80 to 1985-86	6.84	First Appeal (Commissioner Level)
		1990-91	0.09	
		1993-94 to 1995-96	146.49	
		1999-2000 to 2008-09	417.81	
Central Excise Act 1944	Interpretation of Act	1976-77	0.19	Second Appeal (CESTAT)
		1990-91 to 1991-92	2.35	
		1995-96 to 2005-06	585.45	
		2006-07 to 2008-09	218.14	
Central Excise Act 1944	Interpretation of Act	1997-98 to 2001-02	3.19	High Court
Central Excise Act 1944	Interpretation of Act	1981-1984	296.14	Supreme Court
		2001-02 to 2002-03	124.43	
Maharashtra Value Added Tax Act, 2002	Interpretation of Act	2003-04	119.70	Joint Commissioner of Sales Tax
Maharashtra Value Added Tax Act, 2002	Interpretation of Act	2006-07 to 2007-08	66.20	
Maharashtra Value Added Tax Act, 2002	Interpretation of Act	2010-11	23.47	
Maharashtra Value Added Tax Act, 2002	Interpretation of Act	2003-04	112.06	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, government or debenture holders 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. The Company has paid managerial remuneration to the wholetime directors which is in excess of limits prescribed under section 197 read with Schedule V of the Companies Act 2013 by ₹ 8.84 Lacs. The same is shown as recoverable under head Short Term Loans & Advances (Refer note no. 19) & will be recovered by the Company from the relevant directors.

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 no. 37 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 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 3, 2016

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, 2016 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 depositions 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, 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
Membership No: 103750

Mumbai, May 3, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

	Note	₹ in Lacs	31.03.2016 ₹ in Lacs	₹ in Lacs	31.03.2015 ₹ in Lacs
I. EQUITIES AND LIABILITIES					
1. Shareholders' Funds					
a) Share Capital	2	**5,043.26**		5,043.26	
b) Reserves and Surplus	3	**9,102.10**		8,285.34	
			14,145.36		13,328.60
2. Non Current Liabilities					
a) Long Term Borrowings	4	**23,559.54**		8,918.28	
b) Deferred Tax Liability (Net)	5	**2,416.89**		1,788.93	
c) Other Long Term Liabilities	6	**120.72**		113.85	
d) Long Term Provisions	7	**283.17**		316.11	
			26,380.32		11,137.17
3. Current Liabilities					
a) Short Term Borrowings	8	**10,929.14**		8,847.31	
b) Trade Payables	9	**5,643.00**		3,790.30	
c) Other Current Liabilties	10	**1,535.86**		1,995.99	
d) Short Term Provisions	11	**2,794.91**		3,464.24	
			20,902.91		18,097.84
	TOTAL		**61,428.59**		42,563.61
II. ASSETS					
1. Non Current Assets					
a) Fixed Assets	12				
Tangible assets		**29,383.66**		21,532.38	
Intangible assets		**169.06**		162.16	
Capital Work In Progress		**7,045.33**		1,492.02	
		36,598.05		23,186.56	
b) Non Current Investments	13	**65.00**		65.00	
c) Long Term Loans and Advances	14	**4,816.53**		2,386.23	
			41,479.58		25,637.79
2. Current Assets					
a) Current Investments	15	**795.56**		795.56	
b) Inventories	16	**8,605.66**		7,880.38	
c) Trade Receivable	17	**7,061.44**		6,396.72	
d) Cash and Bank Balances	18	**825.04**		44.51	
e) Short Term Loans & Advances	19	**2,446.08**		1,521.82	
f) Other Current Asset	20	**215.23**		286.83	
			19,949.01		16,925.82
	TOTAL		**61,428.59**		42,563.61
Accounting Policies	1				
Notes are an Integral part of the financial 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 3, 2016

For and on behalf of Board of Directors

Urvi A. Piramal	*Chairperson*
Harsh A. Piramal	*Executive Vice Chairman*
R. K. Rewari	*Managing Director*
Mahesh S. Gupta	*Director*
Ranjan Sanghi	*Director*
Shobhan Thakore	*Director*
Aditya Mangaldas	*Director*
S. C. Kashimpuria	*Chief Financial Officer*
Sanjeev Singh Senger	*Company Secretary*

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note	31.03.2016 ₹ in Lacs		31.03.2015 ₹ in Lacs	
INCOME					
Income from Operations	21	**33,675.08**		36,522.73	
Other Income	22	**69.77**		35.31	
Total Income			**33,744.85**		36,558.04
EXPENDITURE					
Materials Consumed	23	**12,200.56**		14,560.52	
Changes in inventories of Work-in-progress and Finished Goods	24	**(343.01)**		(511.38)	
Manufacturing and Other expenses	25	**9,842.43**		10,367.37	
Employee Benefit Expenses	26	**3,502.06**		3,282.69	
Administrative, Selling & Other Expenses	27	**3,054.81**		2,858.20	
Net Loss/(Gain) on Foreign Currency Transactions and Translations		**(126.54)**		(99.96)	
Total Expenditure			**28,130.31**		30,457.44
Profit Before Finance Cost, Depreciation & Tax			**5,614.54**		6,100.60
Finance Cost	28		**2,258.51**		1,904.81
Depreciation / Amortisation	12		**995.99**		955.84
Profit Before Tax			**2,360.04**		3,239.95
Less : Provision for Tax (MAT)			**539.21**		715.18
Less : Deferred Tax	5		**627.97**		1,168.35
Less : MAT of earlier period			**80.45**		–
Add : MAT Credit Entitlement			**539.21**		715.18
Profit After Tax			**1,651.62**		2,071.60
Earning Per Equity Share - Basic & Diluted (₹)	40		**3.93**		5.09
(Face value ₹ 7/-each)					
Accounting Policies	1				
Notes are an Integral part of the financial 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 3, 2016

For and on behalf of Board of Directors

Urvi A. Piramal	*Chairperson*
Harsh A. Piramal	*Executive Vice Chairman*
R. K. Rewari	*Managing Director*
Mahesh S. Gupta	*Director*
Ranjan Sanghi	*Director*
Shobhan Thakore	*Director*
Aditya Mangaldas	*Director*
S. C. Kashimpuria	*Chief Financial Officer*
Sanjeev Singh Senger	*Company Secretary*

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Note 1 : Significant Accounting Policies

1. Basis of preparation of financial statement

(a) Basis of Accounting:

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

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

(b) Use of Estimates

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

2. Fixed Assets

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

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

3. Depreciation and Amortisation

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

4. Lease Accounting

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

5. Inventory

a) Raw materials, work in progress, finished goods, packing materials, stores, spares, traded goods and consumables are carried at the lower of cost and net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis. Damaged, unserviceable and inert stocks are suitably depreciated.

b) In determining cost of raw materials, packing materials, traded goods, stores, spares and consumables, weighted average cost method is used.

c) Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

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.

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 extant 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 extant there is a convincing evidence that the Company will pay normal tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT Credit asset is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

11. Provisions and Contingencies

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

12. Earnings per share

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

13. Proposed Dividend

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

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31.03.2016 ₹ in Lacs	31.03.2015 ₹ 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:		
3,63,32,349 (Previous Year 3,63,32,349) Equity Shares of ₹ 7/- each Fully Paid up (above includes 1,81,62,886 Equity Shares of ₹ 10/- each fully paid issued to existing shareholder on rights basis in financial year 2009-10) (Does not include 6577 Equity Shares Kept in abeyance)	**2,543.26**	2,543.26
25,00,000 (Previous year 25,00,000) Redeemable Cumulative Non Convertible Preference Shares	**2,500.00**	2,500.00
— 10,00,000 (Previous year 10,00,000) 5% Redeemable Cumulative Non - Convertible Preference Shares of ₹ 100/- each		
— 15,00,000 (Previous year 15,00,000) 9% Redeemable Cumulative Non - Convertible Preference Shares of ₹ 100/- each		
	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

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

		31.03.2016	31.03.2015
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

C) Terms / rights attached to Equity Shares

Each Equity share of Company has a par value of ₹ 7/- as at 31st March, 2016 (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

1. 5% Redeemable Cumulative Non- Convertible Preference Shares of ₹ 100/- each, redeemable anytime between 15th Nov. 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.

2. 9% Redeemable Cumulative Non- Convertible Preference Shares of ₹ 100/- each, redeemable anytime between 4th June, 2012 and 3rd December, 2015 has been extended for further period of 5 years from the due date of redemption i.e. 3rd December, 2015 , however, it is repayable after period of 18 months from the date of renewal , 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.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31.03.2016 ₹ in Lacs	31.03.2015 ₹ in Lacs
Note 3 : Reserves and Surplus		
a) General Reserve		
Opening balance	**5,627.91**	5,419.91
Add: Transfer from Profit & Loss Account	**—**	208.00
	5,627.91	5,627.91
b) Profit & Loss Account		
Opening balance	**2,657.43**	1,820.79
Add : Net Profit for the year	**1,651.62**	2,071.60
Less:		
Carrying amount of Fixed Assets where remaining usefull life as of 01.04.2014 is assessed as NIL as per the provisions of schedule II of Compnaies Act, 2013. (Refer Note no.12)	**—**	39.04
Proposed Dividend on Preference Shares	**185.00**	185.00
Dividend Distribution Tax	**37.66**	37.66
Proposed Dividend on Equity Shares	**508.65**	635.82
Dividend Distribution Tax	**103.55**	129.44
Transfer to General Reserve	**—**	208.00
	3,474.19	2,657.43
	9,102.10	8,285.34

Note : The Board of Directors at its meeting held on May 3, 2016 has recommended a dividend of ₹ 1.40 per equity share.

	Non Current		Current	
	31.03.2016 ₹ in Lacs	**31.03.2015 ₹ in Lacs**	**31.03.2016 ₹ in Lacs**	**31.03.2015 ₹ in Lacs**
Note 4 : Long Term Borrowings				
Secured				
Term Loan from Bank	**20,934.54**	7,918.28	**733.00**	686.42
Unsecured				
Term Loan from Bank	**2,625.00**	1,000.00	**375.00**	1,000.00
	23,559.54	8,918.28	**1,108.00**	1,686.42

a) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 6900 lacs (Previous year ₹ 7200 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 ₹ 6,900 lacs repayble in 16 quarterly installments (excluding current maturities)

b) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 10907.43 lacs (Previous year ₹ 66.50 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 alongwith existing lenders).

Terms of Repayment for Long Term Secured borrowings :

- Loan of ₹ 10907.43 lacs repayble in 22 quarterly installments effective from 01.05.2017

c) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 53.54 lacs (Previous year ₹ 574.29 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 compnay's plant at Butibori, Nagpur).

Terms of Repayment for Long Term Secured borrowings :

- Loan of ₹ 53.54 lacs (Previous year ₹ 574.28) repaybale in 7 monthly installments (excluding current maturities)

d) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 133.57 lacs (Previous year ₹ 77.49 lacs)

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

Terms of Repayment for Long Term Secured borrowings :

- Loan of ₹ 59.14 lacs repaybale in 32 monthly installments (excluding current maturities)
- Loan of ₹ 51.90 lacs repaybale in 47 monthly installments (excluding current maturities)
- Loan of ₹ 22.53 lacs repaybale in 35 monthly installments (excluding current maturities)

e) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 2,940 lacs (Previous year ₹ NIL 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 ₹ 2,940 lacs repaybale in 22 quarterly installments (excluding current maturities)

f) Terms of Repayment for Long Term Unsecured borrowings :

- Loan of ₹ 2,625 lacs (Previous year ₹ Nil) repaybale in 7 quarterly installments (excluding current maturities) One of the promotor director has given personal guarantee for the above unsecured loan

g) The interest rate on the above is in the range from 10.60% to 14.25% per annum

h) Default in repayment of principal and interest - Nil

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31.03.2016 ₹ in Lacs	31.03.2015 ₹ in Lacs
Note 5 : Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
Tax due to difference between written down value of fixed assets as per books of accounts and Income Tax Act, 1961	**2,785.91**	**2,354.31**
Total Deferred tax liabilities	**2,785.91**	2,354.31
Deferred tax assets		
Tax due to Provision for employment benefits allowed for tax purposes on payment basis	**140.51**	122.46
Tax due to unabsorbed depreciation / business losses carried forward under Income Tax Act 1961	**228.51**	442.92
Total Deferred tax assets	**369.02**	565.38
Net Deferred tax asset / (liability)	**(2,416.89)**	(1,788.93)
Opening Balance	**(1,788.93)**	(620.58)
Closing Net Deferred tax asset / (liability)	**(2,416.89)**	(1,788.93)
Net Deferred tax expense for the year	**627.97**	1,168.35
Note 6 : Other Long Term Liabilities		
Trade Deposits	**120.72**	113.85
Note 7 : Long Term Provisions		
Employees Retirement Benefits	**283.17**	316.11
Note 8 : Short Term Borrowings		
Secured		
Cash Credit / Packing Credit from Banks **	**7,094.96**	6,387.98
Unsecured		
Bodies Corporate	**813.28**	222.49
Cash Credit / Packing Credit from Bank	**3,020.90**	2,236.84
	10,929.14	8,847.31

** 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.

The interest rate on the above is in the range from 10.60% to 14.25% per annum.

-Default in repayment of principal and interest - Nil

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31.03.2016 ₹ in Lacs	31.03.2015 ₹ in Lacs
Note 9 : Trade Payables		
Dues of Micro and small Enterprises (Refer Note no. 32)	**51.03**	22.03
Others	**5,591.97**	3,768.27
	5,643.00	3,790.30
Note 10 : Other Current Liabilities		
Current Maturities of Long Term Loan from Bank (Refer Note no. 4)	**1,108.00**	1,686.42
Interest Accrued but not due	**141.97**	46.91
Unclaimed Dividend	**14.11**	9.79
Statutory Liabilities	**145.96**	63.02
Advances from Customers & Other current liabilities	**125.82**	189.85
	1,535.86	1,995.99
Note 11 : Short Term Provisions		
Proposed Dividend	**693.65**	820.82
Dividend Distribution Tax	**141.21**	167.10
Provision for Employees Retirement Benefits	**122.83**	44.18
Provision for Expenses & Others	**1,837.22**	2,432.14
	2,794.91	3,464.24

Note 12 : Fixed Assets

₹ in Lacs

	GROSS BLOCK				ACCUMULATED DEPRECIATION					NET BLOCK	
Particulars	Balance as on 01.04.2015	Additions	Deletion / adjust-ments	**Balance as on 31.03.2016**	Balance as on 01.04.2015	Depre-ciation for the year	Deletion / adjust-ments	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	6,647.70	432.67	–	**7,080.37**	184.24	33.54	–	–	**217.78**	**6,862.59**	6,463.46
Building	8,251.48	2,565.02	–	**10,816.50**	2,670.10	276.39	–	–	**2,946.49**	**7,870.01**	5,581.38
Plant & Machinery	20,401.72	6,788.16	2,650.53	**24,539.35**	11,086.14	607.64	1,514.47	–	**10,179.31**	**14,360.04**	9,315.58
Computer	346.38	6.34	–	**352.72**	320.73	9.92	–	–	**330.65**	**22.07**	25.65
Furniture, Fixture & Office Equipments	208.68	8.10	–	**216.78**	177.51	12.58	–	–	**190.09**	**26.69**	31.17
Motor Vehicles	132.12	154.60	–	**286.72**	16.98	27.48	–	–	**44.46**	**242.26**	115.14
Total - Tangible Assets	35,988.08	9,954.89	2,650.53	**43,292.44**	14,455.70	967.55	1,514.47	–	**13,908.78**	**29,383.66**	21,532.38
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**	162.16
Total - Intangible Assets	711.85	35.34	–	**747.19**	549.69	28.44	–	–	**578.13**	**169.06**	162.16
Grand Total	36,699.93	9,990.23	2,650.53	**44,039.63**	15,005.39	995.99	1,514.47	–	**14,486.91**	**29,552.72**	21,694.54
Previous Year	36,246.01	509.71	55.79	**36,699.93**	14,035.33	955.84	24.82	39.04	**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 towards capital subsidy receivable from the Government.

NOTE 12 : FIXED ASSETS (For Previous year)

₹ in lacs

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION					NET BLOCK	
	Balance as on 01.04.2014	Additions	Deletion / Adjustments	**Balance as on 31.03.2015**	Balance as on 01.04.2014	Depre-ciation For The Year	Deletion / Adjust-ments	Adjustments on Account of use-ful Life as per new schedule II of Companies Act, 2013	**Balance as on 31.03.2015**	**Balance as on 31.03.2015**	Balance as on 31.03.2014
Tangible Assets											
Land - Leasehold	6,647.70	–	–	**6,647.70**	152.20	32.04	–	–	**184.24**	**6,463.46**	6,495.50
Building	8,251.48	–	–	**8,251.48**	2,395.17	274.93	–	–	**2,670.10**	**5,581.38**	5,856.31
Plant & Machinery	20,132.33	318.77	49.38	**20,401.72**	10,515.37	592.14	21.37	–	**11,086.14**	**9,315.58**	9,616.96
Computer	334.47	11.91	–	**346.38**	301.24	16.17	–	3.32	**320.73**	**25.65**	33.23
Furniture,Fixture & Office Equipments	197.57	11.34	0.23	**208.68**	133.56	12.54	0.09	31.50	**177.51**	**31.17**	64.01
Motor Vehicles	23.42	114.88	6.18	**132.12**	9.68	6.44	3.36	4.22	**16.98**	**115.14**	13.74
Total - Tangible Assets	35,586.97	456.90	55.79	**35,988.08**	13,507.22	934.26	24.82	39.04	**14,455.70**	**21,532.38**	22,079.75
Intangible Assets											
Designs & Archives*	277.42	–	–	**277.42**	277.42	–	–	–	**277.42**	**–**	–
Computer Software	381.62	52.81	–	**434.43**	250.69	21.58	–	–	**272.27**	**162.16**	130.93
Total - Intangible Assets	659.04	52.81	–	**711.85**	528.11	21.58	–	–	**549.69**	**162.16**	130.93
Grand Total	36,246.01	509.71	55.79	**36,699.93**	14,035.33	955.84	24.82	39.04	**15,005.39**	**21,694.54**	22,210.68
Previous Year @	35,870.53	398.90	23.42	**36,246.01**	12,458.60	1,593.58	16.85	–	**14,035.33**	**22,210.68**	–
Capital work in Progress										**1,492.02**	893.80
										23,186.56	23,104.48

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

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

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31.03.2016 ₹ in Lacs	31.03.2015 ₹ in Lacs
Note 13 : Non Current Investments (Unquoted)		
Others		
a) Investment in Equity Shares		
Joint Venture		
Morarjee Castiglioni (India) Pvt. Ltd.	**64.10**	64.10
(10,00,000 (previous year 10,00,000) Equity Shares of ₹ 10 each fully paid up)		
Other Entities		
Saraswat Bank	**0.25**	0.25
(2500 (Previous Year 2500) Equity shares of ₹ 10 each fully paid)		
Morarjee Goculdas Spg. & Wvg. Co. Pvt. Ltd.	**0.01**	0.01
(Formerly known as Morarjee Legler Pvt. Ltd.)		
(2000 (Previous Year 2000) Equity Shares of ₹ 10 each fully paid up)		
b) Investment in Government Securities		
Govt securities	**0.64**	0.64
	65.00	65.00
Note 14 : Long Term Loans & Advances (Unsecured & considred good)		
Capital Advances	**1,852.69**	10.85
Deposit / balance with govt authorities etc.	**126.81**	126.81
MAT Credit Entitlement	**2,650.71**	2192.97
Deposit and Other advances	**144.11**	13.63
Advance Tax	**42.21**	41.97
	4,816.53	2,386.23
Note 15 : Current Investments (Unquoted)		
Investment in Equity Shares of Joint Venture		
Just Textiles Ltd.	**795.56**	795.56
(795560 (Previous year 7,95,560) Equity Shares of ₹100 each fully paid up)		
	795.56	795.56
Note 16 : Inventories		
Raw materials	**1,453.88**	1,128.61
Work-In- Progress	**3,534.37**	2,917.38
Finished Goods	**3,177.41**	3,473.30
Consumable , Stores, spares..etc	**440.00**	361.09
	8,605.66	7,880.38

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31.03.2016 ₹ in Lacs	31.03.2015 ₹ in Lacs
Note 17 : Trade Receivables (Unsecured, considered good)		
Overdue for more than Six months	**237.10**	165.54
Others	**6,824.34**	6,231.18
	7,061.44	6,396.72
Note 18 : Cash and Bank Balances		
Cash and Cash Equivalents		
Cash in hand	**19.73**	13.59
Bank Balances	**32.17**	21.13
Cash & Cash Equivalents	**51.90**	34.72
Other Bank Balances		
-- in Unclaimed dividend Account	**14.10**	9.79
-- in Fixed Deposit (Margin Money with Bank)	**759.04**	–
Other Bank Balances	**773.14**	9.79
Cash & Bank Balances	**825.04**	44.51
Note 19: Short Term Loans & Advances		
Advances recoverable in cash or kind or for value to be received	**1,646.03**	688.57
Recovery of Excess Remuneration paid to Directors	**8.84**	–
Deposit and other advances	**8.30**	3.50
Advances to Staff	**31.27**	13.67
Deposit with Government Authorities	**751.64**	816.08
	2,446.08	1,521.82
Note 20 : Other Current Assets		
Interest Receivable	**215.23**	286.83
	215.23	286.83
Notes 21 : Income from Operations		
Revenue from Sale of Goods	**33,342.23**	36,081.46
Other Operating Income	**425.39**	564.51
	33,767.62	36,645.97
Less : Excise duty	**92.54**	123.24
	33,675.08	36,522.73
Notes 22 : Other Income		
Interest Income	**35.03**	6.98
Rent Received	**0.24**	0.18
Insurance Claim Received	**–**	27.04
Profit on Sale of Assets	**33.75**	–
Miscellaneous Income (Refer Note No.39)	**0.75**	1.11
	69.77	35.31

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31.03.2016 ₹ in Lacs	31.03.2015 ₹ in Lacs
Notes 23 : Material Consumed		
Opening Stock	**1,128.61**	1,238.53
Add: Purchases	**12,525.83**	14,450.60
Less : Closing Stock	**1,453.88**	1,128.61
Material Consumed	**12,200.56**	14,560.52
Notes 24 : Change in Inventories of Work-in-progress and Finished Goods		
Opening Stock		
Work in Progress	**2,917.38**	3,022.03
Finished Goods	**3,473.30**	2,822.68
	6,390.68	5,844.71
Closing Stock		
Work in Progress	**3,534.37**	2,917.38
Finished Goods	**3,177.41**	3,473.30
	6,711.78	6,390.68
Excise Duty (Increase) / Decrease on Finished Goods	**21.91**	(34.59)
(Increase) / Decrease	**(343.01)**	(511.38)
Note 25 : Manufacturing & Other Expenses		
Processing Charges	**1,542.05**	1,442.93
Dyes & Chemicals	**3,179.69**	3,212.48
Packing Expenses	**376.35**	366.45
Stores & Spares	**915.55**	946.81
Other Consumables	**122.24**	177.50
Repairs & Maintenance -Building	**7.95**	7.53
Repairs & Maintenance -Plant & Machinery	**166.29**	190.91
Repairs & Maintenance -Others	**7.01**	6.89
Power & Fuel (Refer Note No.41)	**3,300.86**	3,712.79
Rates ,Taxes & Water charges	**224.44**	303.08
	9,842.43	10,367.37
Notes 26 : Employee Benefit Expenses		
Salaries & Wages	**3,258.55**	3,020.84
Contribution to Provident and Other Funds	**162.91**	150.29
Staff Welfare Expenses	**80.60**	74.56
Executive Directors - Commission	**—**	37.00
	3,502.06	3,282.69

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31.03.2016 ₹ in Lacs	31.03.2015 ₹ in Lacs
Note 27 : Administrative, Selling & Other Expenses		
Freight Out	**492.02**	537.38
Insurance Charges	**30.48**	22.16
Legal & Profession Expenses	**605.12**	590.91
Rent	**219.05**	145.29
Telephone Expenses	**23.18**	23.83
Loss on sale of Assets	**—**	1.03
Travelling	**251.43**	184.25
Marketing Service fee & Commission	**512.75**	589.07
Audit Fees, Certification & Out of Pocket Expenses	**21.49**	18.99
CSR related contribution / Donations	**61.52**	42.00
Non - Executive Directors - Commission	**22.50**	28.00
Miscellaneous Expenses	**815.27**	675.29
	3,054.81	2,858.20
Notes 28 : Finance Cost		
Interest on Term Loan	**1,335.11**	1,017.74
Interest on Others (Refer Note no 38)	**814.18**	707.44
	2,149.29	1,725.18
Other Borrowing Cost	**99.77**	107.15
Applicable loss on foreign currency transactions and translation	**9.45**	72.48
	2,258.51	1,904.81

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

29	**Contingent Liability and commitments**	**Year ended 31.03.2016 (₹ in Lacs)**	Year ended 31.03.2015 (₹ in Lacs)
	A) Contingent Liability not provided for in respect of		
	(i) Contingent Liability for bill discounted	**569.31**	237.75
	(ii) The Excise & Sales Tax department has raised claims on the company. The company has disputed the same with the appropriate authority.	**2,122.54**	2,539.97
	(iii) Claim against the company not acknowledged as debts	**1,344.40**	1,344.40
	B) Commitments		
	(i) Bank Guarantees	**815.28**	685.48
	(ii) Estimated amount of contracts remaining to be executed on capital accounts and not provided	**4,803.46**	4,311.47
	(iii) Open Letters of credit	**7,643.75**	116.81

30	(a) **Consumption of Raw Material**	**Year ended 31.03.2016 (₹ in Lacs)**	Year ended 31.03.2015 (₹ in Lacs)
	Cotton	**2,144.72**	2,685.48
	Yarn	**3,990.13**	4,494.45
	Cloth	**6,065.71**	7,380.59
		12,200.56	14,560.52

	(b) Value of Imported and Indigenous Raw Materials, Stores, Spares parts, dyes & chemicals.	**31.03.2016 (₹ in Lacs)**	**%**	31.03.2015 (₹ in Lacs)	%
I)	Raw Material				
	i) Imported	**835.44**	**6.85**	1,206.01	8.28
	ii) Indigenous	**11,365.12**	**93.15**	13,354.51	91.72
		12,200.56	**100.00**	14,560.52	100.00
II)	Stores & Spares , Dyes & Chemicals				
	i) Imported	**125.98**	**3.08**	151.02	3.63
	ii) Indigenous (Including imported items purchased locally)	**3,969.26**	**96.92**	4,008.27	96.37
		4,095.24	**100.00**	4,159.29	100.00

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

			Year Ended 31.03.2016 (₹ in Lacs)	Year Ended 31.03.2015 (₹ in Lacs)
(c)	I)	**Value of Imports calculated on C.I.F. basis**		
		i) Raw Materials	**837.79**	1,131.17
		ii) Consumables	**151.83**	125.10
		iii) Capital Goods	**8,292.60**	197.97
	II)	**Expenditure (Capital & Revenue) in Foreign Currency**		
		i) Professional Fees	**40.54**	437.19
		ii) Marketing Service fee and Sales Commission	**219.29**	219.34
		iii) Foreign Travel	**46.82**	29.74
		iv) Rent & Maintenance Expenses	**109.12**	–
		v) Others	**2.77**	2.22
	III)	**Earning in Foreign Currency**		
		FOB Value of Exports	**14,584.82**	16,878.41

31 Auditor's Remuneration

Audit Fees	**10.00**	9.00
Tax Audit Fees	**3.00**	3.00
Certification fees	**8.15**	6.30
Out of Pocket Expenses	**0.34**	0.69
Total	**21.49**	18.99

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, 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

		As on 31.03.2016 (₹ in Lacs)	As on 31.03.2015 (₹ in Lacs)
(a)	Principal amount and separately the interest due thereon remaining unpaid to any supplier at the end of the financial year	**51.03**	22.03
(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	**–**	–

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

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 & quaterly instalments by the Company.

Future minimum lease rentals payable as per the lease agreements:

		31.03.2016 (₹ in lacs)	31.03.2015 (₹ in lacs)
a)	Not later than one year	**391.57**	16.46
b)	Later than one year but not later than five years	**1,154.19**	42.07
c)	Later than five years	**–**	–
		1,545.76	58.53

Lease payment recognised in profit & Loss account for the year is ₹ 16.93 lacs (Previous year ₹ 12.49 lacs)

35 Employee Benefits:

(a) Short term employee benefits:

The liability towards short term employee benefits for the year ended 31st March, 2016 has been recognised in the Profit and Loss Account.

(b) Post - employment benefits:

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

	Unfunded 31.03.2016		Unfunded 31.03.2015	
	Gratuity	**Leave Encashment**	Gratuity	Leave Encashment
	(₹ In Lacs)	**(₹ In Lacs)**	(₹ In Lacs)	(₹ In Lacs)
Amount Recognised in Balance sheet				
Present Value of Unfunded Obligation	**307.76**	**98.24**	270.13	90.17
Unrecognised Past Service Cost	**–**	**–**	–	–
Amount not recognised as Asset, because of the limit in Para 59(b)	**–**	**–**	–	–
Amount in Balance Sheet				
Liability	**307.76**	**98.24**	270.13	90.17
Assets	**–**	**–**	–	–
Net Liability	**307.76**	**98.24**	270.13	90.17

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Unfunded 31.03.2016		Unfunded 31.03.2015	
	Gratuity	**Leave Encashment**	Gratuity	Leave Encashment
	(₹ In Lacs)	**(₹ In Lacs)**	(₹ In Lacs)	(₹ In Lacs)
Expense Recognised in the Statement of Profit & Loss				
Current Service Cost	**34.79**	**14.84**	28.81	13.97
Interest Cost on Defined Benefit Obligation	**20.02**	**6.36**	16.81	5.87
Expected Return on Plan Assets	**–**	**–**	–	–
Net Acturial Losses / (Gains) Recognised in Year	**(8.49)**	**6.70**	35.66	16.46
Past Service Cost	**–**	**–**	–	–
Effect of the limit in Para 59(a)	**–**	**–**	–	–
Losses / (Gains) on "Curtailments and Settlements"	**–**	**–**	–	–
Total Included in "Employee Benefit Expense"	**46.32**	**27.90**	81.28	36.30
Change in Define Benefit Obligation				
Opening Defined Benefit Obligation as at 01.04.2015	**270.13**	**90.17**	215.63	78.56
Current Service Cost	**34.79**	**14.84**	28.81	13.97
Interest Cost	**20.02**	**6.36**	16.81	5.87
Acturial Losses / (Gain)	**(8.49)**	**6.70**	35.66	16.46
Liabilities Extinguised on Curtailment	**–**	**–**	–	–
Liabilities Extinguised on Settlements	**–**	**–**	–	–
Liabilities Assumed on Acquisation	**–**	**–**	–	–
Exchange Difference on Foreign Plans	**–**	**–**	–	–
Benefits Paid	**(8.69)**	**(19.83)**	(26.78)	(24.69)
Closing Defined Benefit Obligation as at 31.03.2016	**307.76**	**98.24**	270.13	90.17

Gratuity (₹ in lacs)

	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Defined Benefit Obligation	**307.76**	270.13	215.63	182.43	153.68
Plan Assets	**–**	–	–	–	–
Surplus/ (Deficit)	**(307.76)**	(270.13)	(215.63)	(182.43)	(153.68)
Leave Encashment					
Defined Benefit Obligation	**98.24**	90.17	78.56	67.38	57.27
Plan Assets	**–**	–	–	–	–
Surplus/ (Deficit)	**(98.24)**	(90.17)	(78.56)	(67.38)	(57.27)

Summary of the Acturial Assumptions :-

Discount Rate : 7.70% (previous year : 7.80%)

Note :

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

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

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:

a) The proportion of interest of the Company in the JV is by way of 49% equity participation. The balance 51% held by Mr. Pradeep Modi and others.

b) The Company's share of capital commitments of the JV as at 31st, March, 2016 is ₹ Nil (Previous year ₹ Nil)

c) The Company's share of contingent liabilities of the JV as at 31st, March, 2016 is ₹ 74 lacs. (Previous year ₹ 74 lacs)

d) The aggregate amount of assets, liabilities, income and expenses related to the Company's interest in the JV as at 31st March, 2016.

	Particulars	**31.03.2016 (₹ in lacs)**	31.03.2015 (₹ in lacs)
i	Assets	**2,406.24**	2,406.04
ii	Liabilities	**1,546.67**	1,561.38
iii	Income	**2,197.43**	1,959.10
iv	Expenses	**2,182.52**	1,952.40

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

(a) The Propotion of interest of the Company in the JV is by way of equal equity participation with Manifattura Castiglioni S.P.A.

(b) The aggregate amount of assets, liabilities, income and expenses related to the Company's interest in the JV as at 31st March, 2016

	Particulars	**31.03.2016 ₹ in lacs**	31.03.2015 ₹ in lacs
i	Assets	**66.61**	68.88
ii	Liabilities	**0.81**	0.73
iii	Income	**0.88**	0.87
iv	Expenses	**3.23**	3.07

(c) The Company's share of capital commitments of the JV as at 31st, March, 2016 is ₹ Nil. (Previous year ₹ Nil)

(d) The Company's share of contingent liabilities of the JV as at 31st, March, 2016 is ₹ Nil. (Previous year ₹ Nil)

37 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 excercise 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)

Ms. Karina Vaz (Resigned w.e.f. 01.04.15)

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, 2016

		31.03.2016 (₹ in lacs)	31.03.2015 (₹ in lacs)
	Details of Transactions are as follows:		
A	**Sales to related parties**		
	Enterprises over which Directors/Key Management personnel exercise significant influence		
	Argento Home Products LLP	**15.99**	60.75
	Peninsula Land Ltd.	**0.42**	–
B	**Services to related parties**		
	Rent Received		
	Enterprises over which Directors/Key Management personnel exercise significant influence		
	Integra Garments and Textiles Ltd.	**0.24**	0.18
C	**Services from related parties**		
	Enterprises over which Directors/Key Management personnel exercise significant influence		
	Ashok Piramal Management corporation Ltd	**325.00**	345.00
D	**Remuneration, Commission & Sitting Fees**		
	Key Management Personnel		
	Remuneration		
	Shri Harsh A. Piramal	**130.12**	177.57
	Shri R. K. Rewari	**129.98**	136.51
	Shri S. C. Kashimpuria	**48.68**	47.64
	Shri Sanjeev Singh Sengar (w.e.f. 01.09.15)	**8.73**	–
	Ms. Karina Vaz (Resigned w.e.f. 01.04.15)	**–**	11.47
	Directors having significant influence over the Enterprise		
	Commission & Sitting Fees		
	Smt. Urvi A. Piramal	**8.20**	10.40
	Shri. Mahesh S. Gupta	**6.00**	6.20
E	**Rent & Maintenance Expenses paid**		
	Enterprises over which Directors/Key Management personnel exercise significant influence		
	PMP Components Pvt. Ltd.	**0.68**	0.67
	Peninsula Land Ltd.	**127.62**	127.62
	Rosewalk Enterprises Ltd.	**109.12**	–

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

		31.03.2016 (₹ in lacs)	31.03.2015 (₹ in lacs)
F	**CSR Contribution / Donation**		
	Enterprises over which Directors/Key Management personnel exercise significant influence		
	Urvi Ashok Piramal Foundation	**61.52**	42.00
G	**Outstanding balance**		
	Due to Enterprises over which Directors/Key Management personnel exercise significant influence		
	Peninsula Land Ltd.	**24.52**	17.17
	PMP Auto Components Pvt. Ltd.	**0.11**	—
	Due to Joint Venture Companies		
	Morarjee Castiglioni (India) Pvt. Ltd.	**108.27**	113.72
	Just Textiles Ltd.	**0.71**	0.71
	Due from Enterprises over which Directors/Key Management personnel exercise significant influence		
	Argento Home Products LLP	**6.59**	39.61

Note : One of the promoter director of the company has given personal guarantee for unseured loan of ₹ 30 crore obtained by the company during the year.

38. Interest includes ₹ 0.56 lacs on payment of advance tax for the financial year 2014-15 (Prevous Year ₹ 6.13 lacs)

39 During the Previous year, Morarjee International s.r.l, registered in Italy and wholly owned subsidiary (hereinafter referred to as subsidiary company) of the Company was liquidated on 23.02.2015 as per local jurisdiction. As per the liquidation order, the Company is not entitled to receive any amount against its investment in the subsidiary company. Thus, investment of the Company amounting to ₹ 5.61 lacs and liability (payable to subsidiary company) amounting to ₹ 6.72 lacs as on 23.02.2015 is knocked off and net gain of ₹ 1.11 lacs is shown as other income in the statement of Profit & Loss for the current year.

40 Earnings Per Share (Basic / Diluted)

		31.03.2016		31.03.2015	
		₹ In lacs	**₹ In lacs**	₹ In lacs	₹ In lacs
(a)	Profit after Tax	**1,651.62**		2,071.60	
	Less: Preference Share Dividend & Taxes	**222.68**	**1,428.94**	222.66	1,848.94
(b)	Number of Shares (weighted average)		**3,63,32,349**		3,63,32,349
(c)	Earnings Per Share (₹)		**3.93**		5.09

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

41 The power & fuel cost of the current year is net of write back of excess provision of earlier years of ₹ 393 lacs.

42 During the previous year, the Company had received interest subsidy under the TUF Scheme from the Maharashtra State Government, in view of which the Company had accrued interest subsidy of ₹ 263.90 lacs by crediting to interest account of previous year.

43 Previous year's figures have been regrouped / reclassified wherever necessary.

As per our report of even date.

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

ASHISH H. SHAH
Partner
Membership No. 103750
Mumbai : May 3, 2016

For and on behalf of Board of Directors

Urvi A. Piramal	*Chairperson*
Harsh A. Piramal	*Executive Vice Chairman*
R. K. Rewari	*Managing Director*
Mahesh S. Gupta	*Director*
Ranjan Sanghi	*Director*
Shobhan Thakore	*Director*
Aditya Mangaldas	*Director*
S. C. Kashimpuria	*Chief Financial Officer*
Sanjev Singh Sengar	*Company Secretary*

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31st March, 2016		31st March, 2015	
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		**2,360.04**		3,239.95
Adjustments for :				
Depreciation / Amortisation	**995.99**		955.84	
Finance Expenses	**2,258.51**		1,904.81	
Miscellaneous Income	**–**		(1.11)	
Insurance Claim	**–**		(27.04)	
(Profit) / Loss on Sale of Assets	**(33.75)**		1.03	
Interest Income	**(35.03)**		(6.98)	
		3,185.72		2,826.55
Operating Profit Before Working Capital Changes		**5,545.76**		6,066.50
Adjustments for Changes in Working Capital				
(Increase)/ Decrease in Trade and Other Receivables	**(1,647.87)**		(217.89)	
(Increase) /Decrease in Inventories	**(725.28)**		(485.03)	
Increase/(Decrease) in Trade Payables & Other Liabilities	**1,175.14**		108.42	
		(1,198.01)		(594.50)
Cash From Operating Activities		**4,347.75**		5,472.00
Less: Income Tax Paid (MAT)		**379.98**		695.76
Net Cash From Operating Activities		**(A) 3,967.77**		(A) 4,776.24
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets (Including capital advances)	**(17,385.38)**		(1,118.78)	
Sale of Fixed Assets	**1,169.81**		1.93	
Interest Received	**35.03**		6.98	
Insurance Claim Received	**–**		55.05	
Net Cash Used in Investing Activities		**(B) (16,180.54)**		(B) (1,054.82)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31st March, 2016		31st March, 2015	
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	**16,956.27**		7,664.71	
Repayment of Long Term Borrowings	**(2,893.43)**		(8,341.29)	
Dividend and Dividend Tax Paid	**(987.92)**		(1,257.86)	
Increase/ (Decrease) in Short term Borrowings	**2,081.83**		169.94	
Interest Paid	**(2,163.45)**		(1,982.57)	
Net Cash Used in Financing Activities		**(C) 12,993.30**		(C) (3,747.07)
Net Increase / (Decrease) in Cash and Bank Balances (A)+(B)+(C)		**780.53**		(25.65)
Cash and Bank Balances at the beginning of the year		**44.51**		70.16
Cash and Bank Balances at the end of the year		**825.04**		44.51

As per our report of even date.

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

ASHISH H. SHAH
Partner
Membership No. 103750
Mumbai : May 3, 2016

For and on behalf of Board of Directors

Urvi A. Piramal	*Chairperson*
Harsh A. Piramal	*Executive Vice Chairman*
R. K. Rewari	*Managing Director*
Mahesh S. Gupta	*Director*
Ranjan Sanghi	*Director*
Shobhan Thakore	*Director*
Aditya Mangaldas	*Director*
S. C. Kashimpuria	*Chief Financial Officer*
Sanjev Singh Sengar	*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, 2016, 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, 2016, 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, 2016 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, 2016 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.

FOR MANUBHAI & SHAH LLP
Chartered Accountants
Firm Registration No.: 106041W / W100136

Ashish H. Shah
Partner
Membership No: 103750

Mumbai, May 3, 2016

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 depositions 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
Membership No: 103750

Mumbai, May 3, 2016

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

	Note	₹ in lacs	31.03.2016 ₹ in lacs	₹ in lacs	31.03.2015 ₹ in lacs
I. EQUITIES AND LIABILITIES					
1. Shareholders' Funds					
a) Share Capital	2	**5,043.26**		5,043.26	
b) Reserves and Surplus	3	**9,088.99**		8,274.56	
c) Capital Reserve on Consolidation		**14.83**		14.83	
			14,147.08		13,332.65
2. Non Current Liabilities					
a) Long Term Borrowings	4	**23,559.54**		8,918.28	
b) Deferred Tax Liability (Net)	5	**2,416.89**		1,788.93	
c) Other Long Term Borrowings	6	**120.72**		113.85	
d) Long Term Provisions	7	**283.17**		316.11	
			26,380.32		11,137.17
3. Current Liabilities					
a) Short Term Borrowings	8	**10,929.14**		8,847.31	
b) Trade Payables	9	**5,643.50**		3,790.71	
c) Other Current Liabilties	10	**1,535.98**		1,995.99	
d) Short Term Provisions	11	**2,795.09**		3,464.56	
			20,903.71		18,098.57
	TOTAL		**61,431.11**		42,568.39
II. ASSETS					
1. Non Current Assets					
a) Fixed Assets	12				
I) Tangible Assets		**29,383.66**		21,532.38	
II) Intangible Assets		**169.06**		162.16	
III) Capital Work In Progress		**7,045.33**		1,492.02	
		36,598.05		23,186.56	
b) Non Current Investments	13	**0.90**		0.90	
c) Long Term Loans and Advances	14	**4,817.88**		2,387.58	
			41,416.83		25,575.04
2. Current Assets					
a) Current Investments	15	**795.56**		795.56	
b) Inventories	16	**8,605.66**		7,880.38	
c) Trade Receivables	17	**7,083.36**		6,418.65	
d) Cash and Bank Balances	18	**835.91**		54.68	
e) Short Term Loans and Advances	19	**2,478.40**		1,557.08	
f) Other Current Assets	20	**215.39**		287.00	
			20,014.28		16,993.35
	TOTAL		**61,431.11**		42,568.39
Accounting Policies	1				
Notes are an Integral part of the financial 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 3, 2016

For and on behalf of Board of Directors

Urvi A. Piramal	*Chairperson*
Harsh A. Piramal	*Executive Vice Chairman*
R. K. Rewari	*Managing Director*
Mahesh S. Gupta	*Director*
Ranjan Sanghi	*Director*
Shobhan Thakore	*Director*
Aditya Mangaldas	*Director*
S. C. Kashimpuria	*Chief Financial Officer*
Sanjeev Singh Sengar	*Company Secretary*

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2016

	Note		**31.03.2016**		31.03.2015
		₹ in lacs	**₹ in lacs**	₹ in lacs	₹ in lacs
INCOME					
Income from Operations	21	**33,675.08**		36,522.73	
Other Income	22	**70.66**		48.36	
Total Income			**33,745.74**		36,571.09
EXPENDITURE					
Materials Consumed	23	**12,200.56**		14,560.52	
Changes in Inventories of work in progress and Finished Goods	24	**(343.01)**		(511.38)	
Manufacturing and Other Expenses	25	**9,842.43**		10,367.37	
Employee Benefit Expenses	26	**3,504.84**		3,285.23	
Administrative, Selling & Other Expenses	27	**3,054.98**		2,858.43	
Net Loss on Foreign Currency Transactions and Translations		**(126.54)**		(102.35)	
Total Expenditure			**28,133.26**		30,457.82
Profit Before Finance Expenses, Depreciation & Tax			**5,612.48**		6,113.27
Finance Cost	28		**2,258.51**		1,904.84
Depreciation / Amortisation	12		**995.99**		955.84
Profit Before Tax			**2,357.98**		3,252.59
Less: Provision for Tax (Including MAT)			**539.48**		715.45
Less: Deferred Tax	5		**627.97**		1,168.35
Less : MAT of earlier period			**80.45**		–
Add: MAT Credit Entitlement			**539.21**		715.18
Consolidated Profit after Tax			**1,649.29**		2,083.97
Earning Per Equity Share - Basic & Diluted (₹)	42		**3.93**		5.12
(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 3, 2016

For and on behalf of Board of Directors

Urvi A. Piramal	*Chairperson*
Harsh A. Piramal	*Executive Vice Chairman*
R. K. Rewari	*Managing Director*
Mahesh S. Gupta	*Director*
Ranjan Sanghi	*Director*
Shobhan Thakore	*Director*
Aditya Mangaldas	*Director*
S. C. Kashimpuria	*Chief Financial Officer*
Sanjeev Singh Sengar	*Company Secretary*

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Note 1 : Significant Accounting Policies

1. Basis of preparation of financial statement

(a) Basis of Accounting:

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

(b) Use of Estimates

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

2. Fixed Assets

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

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

3. Depreciation

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

4. Lease Accounting

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

5. Inventory

a) Raw materials, work in progress, finished goods, packing materials, stores, spares, traded goods and consumables are carried at the lower of cost and net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis. Damaged, unserviceable and inert stocks are suitably depreciated.

b) In determining cost of raw materials, packing materials, traded goods, stores, spares and consumables, weighted average cost method is used.

c) Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

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, 2016

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 extant 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 extant there is a convincing evidence that the Company will pay normal tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT Credit asset is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

15. Provisions and Contingencies

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

16. Earnings per share

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

17. Proposed Dividend

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

		31.03.2016 ₹ in lacs	31.03.2015 ₹ 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:			
3,63,32,349	(Previous Year 3,63,32,349) Equity Shares of ₹ 7/- (Previous year ₹ 7/-) each Fully Paid up (Above includes 1,81,62,886 Equity Shares of ₹ 10/- each fully paid issued to Existing shareholder on Rights basis in financial year 2009-10) (Does not include 6577 Equity Shares Kept in abeyance)	**2,543.26**	2,543.26
25,00,000	(Previous year 25,00,000) Redeemable Cumulative Non Convertible Preference Shares	**2,500.00**	2,500.00
	– 10,00,000 (Previous year 10,00,000) 5% Redeemable Cumulative Non-Convertible Preference Shares of ₹ 100/- each		
	– 15,00,000 (Previous year 15,00,000) 9% Redeemable Cumulative Non- Convertible Preference Shares of ₹ 100/- each		
		5,043.26	5,043.26

A) The reconcilition 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, 2016

C) Terms / rights attached to Equity Shares

Each Equity shares of Company has a par value of ₹ 7/- as at 31st March, 2016 . Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

D) Terms / rights attached to Preference Shares

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

2) 9% Redeemable Cumulative Non- Convertible Preference Shares of ₹ 100/- each, redeemable anytime between 4th June, 2012 and 3rd December, 2015 has been extended for further period of 5 years from the due date of redemption i.e .3rd December, 2015 , however, it is repayable after period of 18 months from the date of renewal, 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.

	31.03.2016 ₹ in lacs	31.03.2015 ₹ in lacs
Note 3 : Reserves and Surplus		
a) General Reserve		
Opening balance	**6,868.84**	6,660.84
Add: Amount Transferred from Profit & Loss Account	**—**	208.00
	6,868.84	6,868.84
b) Foreign Exchange Reserve		
Opening Balance	**—**	15.13
Less : Adjusted during the year	**—**	15.13
	—	—
c) Profit & Loss Account		
Opening balance	**1,405.72**	556.72
Add : Net Profit for the year	**1,649.29**	2,083.97
Less:		
Carrying amount of Fixed Assets where remaining usefull life as of 01.04.2014 is assessed as NIL as per the provisions of schedule II of Companies Act, 2013. (Refer Note no.12)	**—**	39.05
Proposed Dividend on Preference Shares	**185.00**	185.00
Dividend Distribution Tax	**37.66**	37.66
Proposed Dividend on Equity Shares	**508.65**	635.82
Dividend Distribution Tax	**103.55**	129.44
Transfer to General Reserve	**—**	208.00
	2,220.15	1,405.72
	9,088.99	8,274.56

Note : The Board of Directors at its meeting held on May 3, 2016 has recommended a dividend of ₹ 1.40 per Equity Share.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Non Current		Current	
	31.03.2016 ₹ in lacs	31.03.2015 ₹ in lacs	**31.03.2016 ₹ in lacs**	31.03.2015 ₹ in lacs
Note 4: Long Term Borrowings				
Secured				
Term Loan from Bank	**20,934.54**	7,918.28	**733.00**	686.42
Unsecured				
Term Loan from Bank	**2,625.00**	1,000.00	**375.00**	1,000.00
	23,559.54	8,918.28	**1,108.00**	1,686.42

a) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 6,900 lacs (Previous year ₹ 7,200 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 ₹ 6,900 lacs repayble in 16 quarterly installments (excluding current maturities)

b) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 10,907.43 lacs (Previous year ₹ 66.50 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 G2 and on the existing plant and machinery and 2nd pari passu charge on the existing current assets of the company at Butibori, Nagpur alongwith existing lenders).

Terms of Repayment for Long Term Secured Borrowings :

- Loan of ₹ 10,907.43 lacs repayble in 22 quarterly installments effective from 01.05.2017

c) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 53.54 lacs (Previous year ₹ 574.29 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 ₹ 53.54 lacs (Previous year ₹ 574.28) repaybale in 7 monthly installments (excluding current maturities)

d) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 133.57 lacs (Previous year ₹ 77.49 lacs)

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

Terms of Repayment for Long Term Secured Borrowings :

- Loan of ₹ 59.14 lacs repaybale in 32 monthly installments (excluding current maturities)
- Loan of ₹ 51.90 lacs repaybale in 47 monthly installments (excluding current maturities)
- Loan of ₹ 22.53 lacs repaybale in 35 monthly installments (excluding current maturities)

e) Nature of Security and Term of Repayment for Long Term Secured Borrowings of ₹ 2,940 lacs (Previous year ₹ NIL 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 compnay'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 ₹ 2,940 lacs repaybale in 22 quarterly installments (excluding current maturities)

f) Terms of Repayment for Long Term Unsecured Borrowings :

- Loan of ₹ 2,625 lacs (Previous year ₹ Nil) repaybale in 7 quarterly installments (excluding current maturities) One of the promotor director has given personal guarantee for the above unsecured loan.

g) The interest rate on the above is in the range from 10.60% to 14.25 % per annum

h) Default in repayment of principal and interest - Nil

	31.03.2016 ₹ in Lacs	31.03.2015 ₹ in Lacs
Note 5 : Deferred Tax Liability (Net)		
Deferred Tax Liabilities		
Tax due to difference between written down value of fixed assets as per books of accounts and Income Tax Act, 1961	**2,785.91**	2,354.31
Total Deferred tax liabilities	**2,785.91**	2,354.31
Deferred tax assets		
Tax due to Provision for employment benefits allowed for tax purposes on payment basis	**140.51**	122.46
Tax due to unabsorbed depreciation / business losses carried forward under Income Tax Act 1961	**228.51**	442.92
Total Deferred tax assets	**369.02**	565.38
Net Deferred tax asset / (liability)	**(2,416.89)**	(1,788.93)
Opening Balance	**(1,788.93)**	(620.58)
Closing Net Deferred tax asset / (liability)	**(2,416.89)**	(1,788.93)
Net Deferred tax expense for the year	**627.97**	1,168.35

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31.03.2016 ₹ in Lacs	31.03.2015 ₹ in Lacs
Note 6 : Other Long Term Liabilities		
Trade Deposits	**120.72**	113.85
Note 7 : Long Term Provisions		
Employee Retirement Benefits	**283.17**	316.11
Note 8 : Short Term Borrowings		
Secured		
Cash Credit / Packing Credit from Banks *	**7,094.96**	6,387.98
Unsecured		
Bodies Corproate	**813.28**	222.49
Cash Credit / Packing Credit from Bank	**3,020.90**	2,236.84
	10,929.14	8,847.31
*(Secured by way of hypothecation of Current Assets of the Co. 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 Co's moveable assets including its moveable plant and machinery, spares, tools and accessories and other moveable, both present and future) The interest rate on the above is in the range from 10.60% to 14.25 % per annum. -Default in repayment of principal and interest - Nil		
Note 9 : Trade Payables		
Due of Micro and small Enterprises	**51.03**	22.03
Others	**5,592.47**	3,768.68
	5,643.50	3,790.71
Note 10 : Other Current Liabilities		
Current Maturities of Long Term Loan from Bank (Refer Note no. 4)	**1,108.00**	1,686.42
Interest accured but not due	**141.97**	46.91
Unclaimed Dividend	**14.11**	9.79
Statutory Liabilities	**145.96**	63.02
Advances from Customers & Other current liabilities	**125.94**	189.85
	1,535.98	1,995.99
Note 11 : Short Term Provisions		
Proposed Dividend	**693.65**	820.82
Dividend Distribution Tax	**141.21**	167.10
Provision for Employees Retirement Benefits	**122.83**	44.18
Provision for Expenses & others	**1,837.40**	2,432.46
	2,795.09	3,464.56

Schedule 12 : Fixed Assets ₹ in Lacs

Particulars	Gross Block				Accumulated Depreciation					Net Block	
	Balance as on 01.04.2015	Additions	Deductions/ Adjustments	**Balance as on 31.03.2016**	Balance as on 01.04.2015	Depreciation for the Year	Deduction/ Adjustment	Adjustments on account of useful life as per new schedule II of Company's act, 2013	**Balance as on 31.03.2016**	**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**	6,463.46
Building	8,251.48	2,565.02	–	**10,816.50**	2,670.10	276.39	–	–	**2,946.49**	**7,870.01**	5,581.38
Plant & Machinery	20,401.72	6,788.16	2,650.53	**24,539.35**	11,086.14	607.64	1,514.47	–	**10,179.31**	**14,360.04**	9,315.58
Computer	347.04	6.34	–	**353.38**	321.39	9.92	–	–	**331.31**	**22.07**	25.65
Furniture & Fixture, Office Equipments	208.84	8.10	–	**216.94**	177.67	12.58	–	–	**190.25**	**26.69**	31.17
Motor Vehicles	133.59	154.60	–	**288.19**	18.45	27.48	–	–	**45.93**	**242.26**	115.14
Total - Tangible Assets	35,990.37	9,954.89	2,650.53	**43,294.73**	14,457.99	967.55	1,514.47	–	**13,911.07**	**29,383.66**	21,532.38
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**	162.16
Total - Intangible Assets	711.85	35.34	–	**747.19**	549.69	28.44	–	–	**578.13**	**169.06**	162.16
Total	36,702.22	9,990.23	2,650.53	**44,041.92**	15,007.68	995.99	1,514.47	–	**14,489.20**	**29,552.72**	21,694.54
Previous Year	36,265.07	509.71	72.56	**36,702.22**	14,054.38	955.84	41.59	39.05	**15,007.68**	**21,694.54**	–
Capital Work in Progress										**7,045.33**	1,492.02
										36,598.05	23,186.56

The addition of the Plant & Machinery is net of Rs.963.90 lacs towards capital subsidy receivable from the Governement.

NOTE 12 : FIXED ASSETS (For Previous Year) ₹ in lacs

Particulars	Gross Block				Accumulated Depreciation					Net Block	
	Bal as on 01.04.2014	Additions	Deductions / Adjustments	**Bal as on 31.03.2015**	Bal as on 01.04.2014	Depreciation for the Year	Deduction/ Adjustment	Adjustments on account of useful Life as new per Schedule ii of Company's Act, 2013	**Bal as on 31.03.2015**	**Bal as on 31.03.2015**	Bal as on 31.03.2014
Tangible Assets											
Land - Leasehold	6,647.70	–	–	**6,647.70**	152.20	32.04	–	–	**184.24**	**6,463.46**	6,495.50
Building	8,251.48	–	–	**8,251.48**	2,395.17	274.93	–	–	**2,670.10**	**5,581.38**	5,856.31
Plant & Machinery	20,132.33	318.77	49.38	**20,401.72**	10,515.37	592.14	21.37	–	**11,086.14**	**9,315.58**	9,616.96
Computer	338.65	11.91	3.52	**347.04**	305.42	16.17	3.52	3.32	**321.39**	**25.65**	33.23
Furniture & Fixture ,Office Equipments	210.98	11.34	13.48	**208.84**	146.97	12.54	13.34	31.50	**177.67**	**31.17**	64.01
Motor Vehicles	24.89	114.88	6.18	**133.59**	11.14	6.44	3.36	4.23	**18.45**	**115.14**	13.75
Total - Tangible Assets	35,606.03	456.90	72.56	**35,990.37**	13,526.27	934.26	41.59	39.05	**14,457.99**	**21,532.38**	22,079.76
Intangible Assets											
Designs & Archives *	277.42	–	–	**277.42**	277.42	–	–	–	**277.42**	**–**	–
Computer Software	381.62	52.81	–	**434.43**	250.69	21.58	–	–	**272.27**	**162.16**	130.93
Total - Tangible Assets	659.04	52.81	–	**711.85**	528.11	21.58	–	–	**549.69**	**162.16**	130.93
Total	36,265.07	509.71	72.56	**36,702.22**	14,054.38	955.84	41.59	39.05	**15,007.68**	**21,694.54**	22,210.69
Previous Year @	35,889.59	398.90	23.42	**36,265.07**	12,477.63	1,593.60	16.85	–	**14,054.38**	**22,210.69**	–
Capital Work In Progress										**1,492.02**	893.80
Total										**23,186.56**	23,104.49

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

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31.03.2016 ₹ in lacs	31.03.2015 ₹ 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 2500) Equity Shares of ₹10/- each)		
Morarjee Goculdas Spg.& Wvg. Co. Pvt.Ltd.	**0.01**	0.01
(Formerly - Morarjee Legler Pvt.Ltd.)		
(2000 (Previous Year 2000) Equity Shares of ₹10 each		
fully paid up)		
b) Investment in Government Securities		
Govt securties (Unquoted)	**0.64**	0.64
	0.90	0.90
Note 14 : Long Term Loans & Advances		
Capital Advances	**1,852.69**	10.85
Deposit / balance with government authorities etc.	**126.81**	126.81
MAT Credit Entitlement	**2,650.71**	2,192.97
Deposit and Other advances	**144.11**	13.63
Advance Tax	**43.56**	43.32
	4,817.88	2,387.58
Note 15 : Current Investments		
Joint Venture		
Just Textiles Ltd.	**795.56**	795.56
(795560 Equity shares of ₹10/- each fully paid) (Refer Note No.38)		
	795.56	795.56
Note 16 : Inventories		
Raw materials & Accessories	**1,453.88**	1,128.61
Work-In- Progress	**3,534.37**	2,917.38
Finished Goods	**3,177.41**	3,473.30
Consumable, Stores, spares, etc.	**440.00**	361.09
	8,605.66	7,880.38

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31.03.2016 ₹ in lacs	31.03.2015 ₹ in lacs
Note 17 : Trade Receivables (unsecured considered good)		
Overdue for more than Six months	**259.02**	187.47
Others	**6,824.34**	6,231.18
	7,083.36	6,418.65
Note 18 : Cash and Bank Balances		
Cash in hand	**19.73**	13.59
Bank Balances	**32.26**	21.33
Cash and Cash Equivalents	**51.99**	34.92
Other Bank Balances		
• In Unclaimed dividend Account	**14.10**	9.79
• In Fixed Deposit (Margin Money)	**769.82**	9.97
Other Bank Balances	**783.92**	19.76
Cash and Bank Balances	**835.91**	54.68
Note 19 : Short Term Loans and Advances (Unsecured and considered good)		
Advances recoverable in cash or kind or for value to be received	**1,678.35**	723.83
Recovery of excess remuneration paid to Directors	**8.84**	–
Deposit and other advances	**8.30**	3.50
Advances to Staff	**31.27**	13.67
Deposit / balance with government authorities etc.	**751.64**	816.08
	2,478.40	1,557.08
Note 20 : Other Current Assets		
Interest Receivable	**215.39**	287.00
	215.39	287.00

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31.03.2016 ₹ in lacs	31.03.2015 ₹ in lacs
Note 21 : Income from Operations		
Revenue from sale of Goods	**33,342.23**	36,081.47
Other Operating Income	**425.39**	564.50
	33,767.62	36,645.97
Less : Excise Duty	**92.54**	123.24
	33,675.08	36,522.73
Note 22 : Other Income		
Interest Income	**35.92**	7.85
Profit on Sale of Assets	**33.75**	–
Rent Received	**0.24**	0.18
Insurance Claim	**–**	27.04
Miscellaneous Receipt	**0.75**	13.29
	70.66	48.36
Note 23 : Material Consumed		
Opening Stock	**1,128.61**	1,238.53
Add: Purchases	**12,525.83**	14,450.60
Less: Closing Stock	**1,453.88**	1,128.61
Material Consumed	**12,200.56**	14,560.52
Note 24 : Changes in Inventories of Work in Progress and Finished Goods		
Opening Stock		
Work in Progress	**2,917.38**	3,022.03
Finished Goods	**3,473.30**	2,822.68
	6,390.68	5,844.71
Closing Stock		
Work in Progress	**3,534.37**	2,917.38
Finished Goods	**3,177.41**	3,473.30
	6,711.78	6,390.68
Excise Duty (Increase) / Decrease on Finished Goods	**21.91**	(34.59)
(Increase) / Decrease	**(343.01)**	(511.38)

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31.03.2016 ₹ in lacs	31.03.2015 ₹ in lacs
Note 25 : Manufacturing & Other Expenses		
Processing Charges	**1,542.05**	1,442.93
Dyes & Chemicals	**3,179.69**	3,212.48
Packing Material	**376.35**	366.45
Stores & Spares	**915.55**	946.81
Other Consumables	**122.24**	177.50
Repairs & Maintenance -Building	**7.95**	7.53
Repairs & Maintenance -Plant & Machinery	**166.29**	190.91
Repairs & Maintenance -Others	**7.01**	6.89
Power & Fuel (Refer Note No. 43)	**3,300.86**	3,712.79
Rates, Taxes & Water charges	**224.44**	303.08
	9,842.43	10,367.37
Note 26 : Employee Benefit Expenses		
Salaries & Wages	**3,261.01**	3,023.10
Contribution to Provident and Other Funds	**163.23**	150.57
Staff Welfare Expenses	**80.60**	74.56
Executive Directors - Commission	**–**	37.00
	3,504.84	3,285.23
Note 27 : Administrative, Selling & Other Expenses		
Freight Out	**492.02**	537.38
Insurance Charges	**30.48**	22.16
Legal & Professional expenses	**605.15**	590.94
Rent	**219.05**	145.29
Telephone Expenses	**23.18**	23.83
Loss on Sale of Assets	**–**	1.03
Travelling	**251.43**	184.25
Marketing Service fee & Commission	**512.75**	589.07
Audit Fees, Certification & Out of Pocket expenses	**21.55**	19.05
CSR related contribution / Donation	**61.52**	42.00
Non - Executive Directors - Commission	**22.50**	28.00
Miscellaneous Expenses	**815.35**	675.43
	3,054.98	2,858.43
Note 28 : Finance Cost		
Interest on Term Loan	**1,335.11**	1,017.74
Interest on Others (Refer Note no 40)	**814.18**	707.47
	2,149.29	1,725.21
Other Borrwing Cost	**99.77**	107.15
Applicable loss on Foreign Currency Transactions and Translation	**9.45**	72.48
	2,258.51	1,904.84

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

29 Contingent Liability and commitments

A) Contingent Liability not provided for in respect of

		31.03.2016 ₹ in Lacs	31.03.2015 ₹ in Lacs
(i)	Contingent Liability for bill discounted	**569.31**	237.75
(ii)	The Excise & Sales Tax department has raised claims on the company The company has disputed the same with the appropriate authority.	**2,122.54**	2,539.97
(iii)	Claim against the company not acknowledged as debts	**1,344.40**	1,344.40

B) Commitments

(i)	Bank Guarantees	**815.28**	685.48
(ii)	Estimated amount of contracts remaining to be executed on capital accounts and not provided	**4,803.46**	4,311.47
(iii)	Open Letters of credit	**7,643.75**	116.81

30 Auditor's Remuneration

	31.03.2016 ₹ in Lacs	31.03.2015 in Lacs
Audit Fees	**10.06**	9.06
Tax Audit Fees	**3.00**	3.00
Certification fees	**8.15**	6.30
Out of Pocket Expenses	**0.34**	0.69
	21.55	19.05

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

Future minimum lease rentals payable as per the lease agreements:

		31.03.2016 ₹ in lacs	31.03.2015 ₹ in lacs
a)	Not later than one year	**391.57**	16.46
b)	Later than one year but not later than five years	**1,154.19**	42.07
c)	Later than five years	**–**	–
		1,545.76	58.53

Lease payment recognised in profit & Loss account for the year is ₹ 16.93 lacs. (Previous year ₹ 12.49 lacs)

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

32 A In the Financial Year 2012-13 The Board of Directors had passed a resolution to divest 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:

(a) The proportion of interest of the Company in the JV is by way of 49% equity participation. The balance 51% held by Mr. Pradeep Modi and others.

(b) The Company's share of capital commitments of the JV as at 31st, March, 2016 is ₹ Nil (Previous year ₹ Nil)

(c) The Company's share of contingent liabilities of the JV as at 31st, March, 2016 is ₹ 74 lacs. (Previous year ₹ 74 lacs)

(d) The aggregate amount of assets, liabilities, income and expenses related to the Company's interest in the JV as at 31st March, 2016

	Particulars	**31.03.2016 ₹ in lacs**	31.03.2015 ₹ in lacs
i	Assets	**2,406.24**	2,406.04
ii	Liabilities	**1,546.67**	1,561.38
iii	Income	**2,197.43**	1,959.10
iv	Expenses	**2,182.52**	1,952.40

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 referrred 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 15 to March 16 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 2016 is ₹ Nil (Previous year Nil)

The parent company's share of contingent liabilities of the JV as at 31st March 2016 is ₹ Nil (Previous year Nil)

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

33 Additional information required to be discolosed 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.	0.44	65.81	(0.14)	(2.33)

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

35 Details of Subsidiary , Joint Venture

	Nature	Country of Incorporation	% of Voting Power
Just Textiles Ltd.	Joint Venture	India	49%
Morarjee Castiglioni (India) Pvt.Ltd.	Joint Venture	India	50%

36 Principles of Consolidation:-

a) The Consolidated Financial statements are based on the audited financial statements of the jointly controlled entity for the year ended 31st March, 2016 . No significant transactions have occurred after the Balance Sheet date of jointly controlled entity.

b) 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.

c) 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.

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, 2016 has been recognised in the Profit and Loass Account.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(b) Post - employment benefits:

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

	Unfunded 31.03.2016		Unfunded 31.03.2015	
	Gratuity	**Leave Encashment**	Gratuity	Leave Encashment
Amount Recognised in Balance sheet	**₹ in Lacs**	**₹ in Lacs**	₹ in Lacs	₹ in Lacs
Present Value of Unfunded Obligation	**307.76**	**98.24**	270.13	90.17
Unrecognised Past Service Cost	**–**	**–**	–	–
Amount not recognised as Asset, because of the limit in Para 59(b)	**–**	**–**	–	–
Amount in Balance Sheet				
Liability	**307.76**	**98.24**	270.13	90.17
Assets	**–**	**–**	–	–
Net Liability	**307.76**	**98.24**	270.13	90.17
Expense Recognised in the Statement of Profit & Loss				
Current Service Cost	**34.79**	**14.84**	28.81	13.97
Interest Cost on Defined Benefit Obligation	**20.02**	**6.36**	16.81	5.87
Expected Return on Plan Assets	**–**	**–**	–	–
Net Acturial Losses / (Gains) Recognised in Year	**(8.49)**	**6.70**	35.66	16.46
Past Service Cost	**–**	**–**	–	–
Effect of the limit in Para 59(a)	**–**	**–**	–	–
Losses / (Gains) on "Curtailments and Settlements"	**–**	**–**	–	–
Total Included in "Employee Benefit Expense"	**46.32**	**27.90**	81.28	36.30
Change in Define Benefit Obligation				
Opening Defined Benefit Obligation as at 01.04.2015	**270.13**	**90.17**	215.63	78.56
Current Service Cost	**34.79**	**14.84**	28.81	13.97
Interest Cost	**20.02**	**6.36**	16.81	5.87
Acturial Losses / (Gain)	**(8.49)**	**6.70**	35.66	16.46
Liabilities Extinguised on Curtailment	**–**	**–**	–	–
Liabilities Extinguised on Settlements	**–**	**–**	–	–
Liabilities Assumed on Acquisation	**–**	**–**	–	–
Exchange Difference on Foreign Plans	**–**	**–**	–	–
Benefits Paid	**(8.69)**	**(19.83)**	(26.78)	(24.69)
Closing Defined Benefit Obligation as at 31.03.2016	**307.76**	**98.24**	270.13	90.17

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Gratuity ₹ in lacs

	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Defind Benefit Obligation	**307.76**	270.13	215.63	182.43	163.25
Plan Assets	**–**	–	–	–	–
Surplus/ (Deficit)	**(307.76)**	(270.13)	(215.63)	(182.43)	(163.25)
Leave Encashment					
Defind Benefit Obligation	**98.24**	90.17	78.56	67.38	57.27
Plan Assets	**–**	–	–	–	–
Surplus/ (Deficit)	**(98.24)**	(90.17)	(78.56)	(67.38)	(57.27)

Summary of the Acturial Assumptions :-

Discount Rate : 7.70% (prevoius year : 7.80%)

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, and accordingly for opening balance of Reserves , inventory etc have been adjusted in the consolidated financial statements of previous period.

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 2016 available with the Company.

39 As required by accounting standard - AS 18 "Related Parties Disclosure" issued by the Institute of Chartered Accountants of India are as follows:

List of Related Parties with whom transactions have taken place during the year and outstanding as on 31.3.2016.

A. Enterprises over which Directors/Key Management personnel excercise 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 Garments & Textiles Ltd.
(Formerly Five Star Mercantile Ltd)

Argento Home Products LLP

Rosewalk Enterprises Ltd.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

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)

Ms. Karina Vaz (Resigned w.e.f. 01.04.15)

Details of Transactions are as follows:

		31.03.2016 ₹ in lacs	31.03.2015 ₹ in lacs
A	**Sales to related parties**		
	Enterprises over which Directors/Key Management personnel excercise significant influence		
	Argento Home Products LLP	**15.99**	60.75
	Peninsula Land Ltd.	**0.42**	–
B	**Services to related parties**		
	Rent Received		
	Enterprises over which Directors/Key Management personnel excercise significant influence		
	Integra Garments and Textiles Ltd.	**0.24**	0.18
C	**Services from related parties**		
	Enterprises over which Directors/Key Management personnel excercise significant influence		
	Ashok Piramal Management corporation Ltd.	**325.00**	345.00
D	**CSR Contribution**		
	Enterprises over which Directors/Key Management personnel excercise significant influence		
	Urvi Ashok Piramal Foundation	**61.52**	42.00
E	**Remuneration, Commission & sitting fees**		
	Key Management personnel		
	Remuneration		
	Shri Harsh A. Piramal	**130.12**	177.57
	Shri R. K. Rewari	**129.98**	136.51
	Shri S. C. Kashimpuria	**48.68**	47.64
	Shri Sanjeev Singh Sengar (w.e.f. 01.09.15)	**8.73**	–
	Ms. Karina Vaz (Resigned w.e.f. 01.04.15)	**–**	11.47

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

		31.03.2016 ₹ in lacs	31.03.2015 ₹ in lacs
	Directors having significant influence over the enterprise		
	Commission & Sitting fees		
	Smt. Urvi A. Piramal	**8.20**	10.40
	Shri Mahesh S. Gupta	**6.00**	6.20
F	**Rent Paid**		
	Enterprises over which Directors/Key Management personnel excercise significant influence		
	Peninsula Land Ltd.	**127.62**	127.62
	PMP Components Pvt. Ltd.	**0.68**	0.67
	Rosewalk Enterprises Ltd.	**109.12**	—
G	**Outstanding balance**		
	Enterprises over which Directors/Key Management personnel excercise significant influence		
	Peninsula Land Ltd.	**24.52**	17.17
	PMP Auto Components Pvt. Ltd.	**0.11**	—
H	**Due from Enterprises over which Directors/Key Management personnel excercise significant influence**		
	Argento Home Products LLP	**6.59**	39.61

Note : One of the promoter director of the company has given personal guarantee for unsecured loan of ₹ 30 crore obtained by the company during the year.

40 Interest includes ₹ 0.56 lacs on payment of advance tax for the financial year 2014-2015 (Previous year ₹ 6.13 lacs)

41 During the Previous year, Morarjee International s.r.l, registered in Italy and wholly owned subsidiary (hereinafter referred to as subsidiary company) of the Company was liquidated on 23.02.2015 as per local jurisdiction. As per the liquidation order, the Company is not entitled to receive any amount against its investment in the subsidiary company.

		31.03.2016		31.03.2015	
42	**Earnings Per Share (Basic / Diluted)**	**₹ in lacs**	**₹ in lacs**	₹ in lacs	₹ in lacs
a.	Profit / (Loss) after Tax (₹ in lacs)	**1,649.29**		2,083.97	
	Less : Preference Share dividend & tax thereon	**222.68**	**1,426.61**	222.66	1,861.31
b.	Number of Shares (weighted average basis)		**3,63,32,349**		3,63,32,349
c.	Earnings Per Share (₹)		**3.93**		5.12

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

43 The power & fuel cost of the current year is net of write back of excess provision of earlier years of ₹ 393 lacs.

44 During the Previous year, the Company had received interest subsidy under the TUF Scheme from the Maharashtra State Government, in view of this the Company had accrued interest subsidy of ₹ 263.90 lacs by crediting to interest account of previous year.

45 Previous year's figures have been regrouped / reclassified wherever necessary.

As per our report of even date.

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

ASHISH H. SHAH
Partner
Membership No. 103750
Mumbai : May 3, 2016

For and on behalf of Board of Directors

Urvi A. Piramal	*Chairperson*
Harsh A. Piramal	*Executive Vice Chairman*
R. K. Rewari	*Managing Director*
Mahesh S. Gupta	*Director*
Ranjan Sanghi	*Director*
Shobhan Thakore	*Director*
Aditya Mangaldas	*Director*
S. C. Kashimpuria	*Chief Financial Officer*
Sanjeev Singh Sengar	*Company Secretary*

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

		31st March, 2016		31st March, 2015	
		₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit Before Tax		**2,357.98**		3,252.59
	Adjustments for :				
	Provision for Tax (MAT)	**(0.27)**		(0.27)	
	Depreciation	**995.99**		955.84	
	Interest Expense	**2,258.51**		1,904.84	
	Interest Income	**(35.92)**		(7.85)	
	(Profit) / Loss on Sale of Assets	**(33.75)**		1.03	
	Insurance Claim	**–**		(27.04)	
	Foreign Exchange Reserve	**–**		(15.13)	
			3,184.56		2,811.42
	Operating Profit Before Working Capital Changes		**5,542.54**		6,064.01
	Adjustments for Changes in Working Capital				
	(Increase)/ Decrease in Trade and Other Receivables	**(1,644.90)**		(211.54)	
	(Increase) / Decrease in Inventories	**(725.28)**		(485.03)	
	Increase/(Decrease) in Trade Payables	**(800.51)**		(2,411.65)	
			(3,170.69)		(3,108.22)
	Cash From Operating Activities		**2,371.85**		2,955.79
	Less: Income Tax Paid (MAT)		**380.07**		695.85
	Net Cash From Operating Activities		**(A) 1,991.78**		(A) 2,259.94

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

		31st March, 2016		31st March, 2015	
		₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets (Including Capital Advances)	**(17,385.42)**		(1,118.77)	
	Sale of Fixed Assets	**1,169.81**		1.93	
	Interest Received	**35.92**		7.85	
	Insurance Claim Received	**–**		55.05	
	Net Cash Used in Investing Activities		**(B) (16,179.69)**		(B) (1,053.94)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Long Term Borrowings	**16,956.27**		7,664.71	
	Repayment of Long Term Borrowings	**(2,893.43)**		(8,341.29)	
	Dividend and Dividend Tax paid	**987.92**		1,257.86	
	Increase/ (Decrease) in Short term Borrowings	**2,081.83**		169.94	
	Interest Paid	**(2,163.45)**		(1,982.60)	
	Net Cash Used in Financing Activities		**(C) 14,969.14**		(C) (1,231.38)
	Net Increase in Cash and Bank Balances (A)+(B)+(C)		**781.23**		(25.38)
	Cash and Bank Balances at the beginning of the year		**54.68**		80.06
	Cash and Bank Balances at the end of the year		**835.91**		54.68

As per our report of even date.

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

ASHISH H. SHAH
Partner
Membership No. 103750
Mumbai : May 3, 2016

For and on behalf of Board of Directors

Urvi A. Piramal	*Chairperson*
Harsh A. Piramal	*Executive Vice Chairman*
R. K. Rewari	*Managing Director*
Mahesh S. Gupta	*Director*
Ranjan Sanghi	*Director*
Shobhan Thakore	*Director*
Aditya Mangaldas	*Director*
S. C. Kashimpuria	*Chief Financial Officer*
Sanjeev Singh Sengar	*Company Secretary*

FINANCIAL HIGHLIGHTS

₹ in Lacs

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Total Income	33,744.85	36,558.04	39,197.86	36,411.59	29,076.50
Profit / (Loss) Before Depreciation, Interest & Tax	5,614.54	6,100.60	7,581.99	6,535.79	4,396.57
Interest	2,258.51	1,904.81	2,548.91	2,725.66	2,758.30
Cash Profit / (Loss)	3,356.03	4,195.79	5,033.08	3,810.13	1,638.27
Depreciation	995.99	955.84	1,593.58	1,416.05	1,326.90
Profit / (Loss) Before Tax	2,360.04	3,239.95	3,439.50	2,394.08	311.37
Provision for Tax (MAT)*	80.45	–	–	–	–
Deferred Tax	627.97	1,168.35	620.58	–	–
Profit / (Loss) after Tax	1,651.62	2,071.60	2,818.92	2,394.08	311.37
Earnings per share (₹)	3.93	5.09	7.16	5.99	0.27
Equity Dividend (%)	20%	25%	35%	25%	–
Book Value per share (₹)	38.93	36.68	33.81	29.51	26.95

*MAT of earlier period.

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: investors@morarjee.com
CIN : L52322MH1995PLC090643

ATTENDANCE SLIP

(To be presented at the entrance)

I/We hereby record my/our presence at the 21st Annual General Meeting of the Company held at "Hall of Harmony", Nehru Centre, Dr. Annie Besant Road, Worli. Mumbai 400018 on Wednesday, 27th July, 2016 at 3.00 p.m.

Folio No. / Client ID No. / DP ID No. ……

Number of Shares held : - ……

Name of the Member:- …….. Signature :- ……

Name of Proxy holder :- …… Signature :- ……

1. Only Member / Proxy holder / can attend the Meeting.
2. Member/ Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.

MORARJEE TEXTILES LIMITED

Regd. Office:
Peninsula Spenta, Mathuradas Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.
Telephone No: : 022 –66154651 Website: www.morarjee.com email : investors@morarjee.com
CIN : L52322MH1995PLC090643

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s):- ……

Address :- ……

E-mail id :- ……

Folio No. / Client ID No. :-……..……...……DP ID No. ……...……

I/We, being the member (s) of…….....…. shares of Morarjee Textiles Limited, hereby appoint

1. Name: ……..……

   Address: ……

   E-mail Id:- …….. Signature:……or failing him

2. Name: ……..……

   Address: ……

   E-mail Id:- …….. Signature:……or failing him

3. Name: ……..……

   Address: ……

   E-mail Id:- …….. Signature:……or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the company, to be held on Wednesday, 27th July, 2016 at 3.00 p.m. at "Hall of Harmony", 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 adoption of Financial Statement for the year ended 31st March, 2016
2. Ordinary Resolution for declaration of dividend on equity and preference shares
3. Ordinary Resolution for re-appointment of Mr. Mahesh S. Gupta as a Director
4. Ordinary Resolution for re-appointment of M/s. Manubhai & Shah LLP as the Statutory Auditors of the Company for the Financial Year 2016-2017 and fixing their Remuneration.
5. Special Resolution for re-appointment of Mr. R.K. Rewari as Managing Director of the Company
6. Ordinary Resolution for ratification of remuneration to M/s Phatak Paliwal & Co., Cost Auditors for the Financial Year ended 31st March, 2017

Signed this……. Day of ……. 2016

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.

Notes

Notes

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