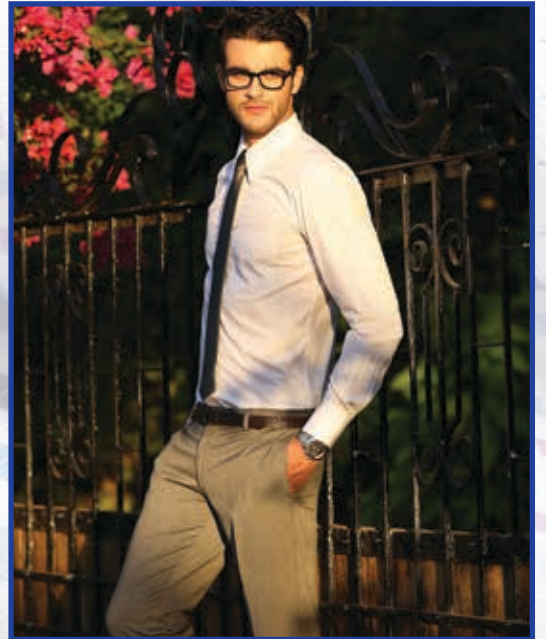




19TH
ANNUAL REPORT
2013-14

MORARJEE TEXTILES LTD.



**BOARD OF DIRECTORS**

| | |
|-------------------------------|---|
| Ms. Urvi A. Piramal | <i>Chairperson</i> |
| Mr. Harsh A. Piramal | <i>Executive Vice Chairman</i> |
| Mr. Mahesh S. Gupta | |
| Mr. Ranjan Sanghi | |
| Mr. Shobhan Thakore | |
| Mr. Aditya Mangaldas | |
| Mr. Pradipta Mohapatra | (Ceased w.e.f. 2 nd August, 2014) |
| Mr. Ranjan Pant | (Appointed w.e.f. 1 st August, 2014) |

CEO & EXECUTIVE DIRECTOR**Mr. R. K. Rewari****CHIEF FINANCIAL OFFICER****Mr. S. C. Kashimpuria****DEPUTY COMPANY SECRETARY****Ms. Karina Vaz****STATUTORY AUDITORS****M/s. Shah & Co.***Chartered Accountants***BANKERS**

Allahabad Bank
 Saraswat Co-op. Bank Limited
 IDBI Bank Limited
 AXIS Bank Limited
 Export - Import Bank of India

REGISTERED OFFICE

Peninsula Spenta,
 Mathuradas Mills Compound,
 Senapati Bapat Marg,
 Lower Parel, Mumbai - 400 013.
 CIN : L52322MH1995PLC090643

SHARE TRANSFER AGENT**Freedom Registry Limited****Registered Office**

Plot No. 101/102, 19th Street, MIDC Area,
 Satpur, Nasik - 422 007.

Email : amtrac_nsk@sancharnet.in

Mumbai Liaisoning Office

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

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19th Annual General Meeting of the Company will be held on **Monday, 29th September 2014**, at 11.00 a.m. at M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Goda, Mumbai - 400 001.

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the members of Morarjee Textiles Limited will be held at M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Goda, Mumbai-400 001 on Monday, 29th September, 2014 at 11.00 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on preference and equity shares of the Company.
3. To appoint a Director in place of Mr. Mahesh S. Gupta (holding DIN 00046810), who retires by rotation and is eligible for re-appointment.
4. To re-appoint M/s. Shah & Co., Chartered Accountants (ICAI Registration No. 109430W) the retiring auditors, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

Special Business:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Ranjan Pant (holding DIN 00005410) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and who holds Office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director,

be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from conclusion of this Annual General Meeting.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Aditya Mangaldas (holding DIN 00032233), Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from conclusion of this Annual General Meeting.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Shobhan Thakore (holding DIN 00031788), Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from conclusion of this Annual General Meeting.”

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



“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and Clause 49 of the Listing Agreement, Mr. Ranjan Sanghi (holding DIN 00275842), Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from conclusion of this Annual General Meeting.”

9. To consider and, if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013, if any (including any amendments thereto), and SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (including any amendments there to) and in accordance with relevant provisions of the Memorandum and Articles of Association of the Company and subject to such other approvals, consents, sanctions and permissions of the appropriate authorities as may be required, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as ‘the Board’, which term shall be deemed to include any Committee thereof to exercise its powers including powers conferred by this resolution), to terminate/cancel/rescind the “Morarjee Textiles Limited (ESOP Plan-2006)”, which was approved by the shareholders on 14th June, 2006;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Committee be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, without being required to seek any further approval or

consent of the shareholders.”

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

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 1,35,000/- payable to M/s. Pathak Paliwal & Co., Cost Accountants, who are appointed as Cost Auditors of the Company to conduct Cost Audits relating to such businesses of the Company as may be ordered by the Central Government under the Act and the Rules thereunder, for the year ending 31st March, 2015.”

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- The Explanatory Statements pursuant to Section 102 (1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto.
- The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 20th September,

2014 to Monday, 29th September, 2014 (both days inclusive).

4. Payment of Dividend as recommended by the Board of Directors, if approved at the meeting, will be made on or after Monday, 29th September, 2014 to those members whose names appear on the Company's Register of Members Monday, 29th September, 2014 for shares held in physical form and in respect of shares held in electronic form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories for this purpose as on Friday, 19th September, 2014. After dispatch of dividend warrants, any request for change in the bank account will not be entertained by the Company or its Share Transfer Agent.
5. Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014 permits nomination by shareholders of the Company in prescribed Form No. SH.13. Shareholders are requested to avail this facility. The duly filled in and signed Form No. SH.13 should be sent to the Share Transfer Agent of the Company at their Nashik address.
6. In order to render better and efficient services, we request you to consolidate the multiple folios which are in the same names and in identical order. Consolidation of folios does not amount to transfer of shares and therefore no stamp duty or other expenses are payable by you. In case you decide to consolidate your folios, you are requested to forward your share certificates to the Share Transfer Agent of the Company at their Nashik address.
7. To ensure against misappropriation of dividend warrants to be mailed to you, members holding shares in physical form who have not sent their bank details are requested to provide their bank account number, name and address of the bank branch to the Company's Share Transfer Agent for incorporating the same on the dividend warrants.
8. Members whose shareholding is in electronic mode are requested to inform change of address and updates of bank account details to their respective depository participants. Members are requested to utilize Electronic Clearing Service (ECS) for receiving dividends.
9. Members holding shares in physical form are requested to immediately intimate to the Company / Share Transfer Agent, changes, if any, in their registered addresses alongwith the pin code number. Members holding shares in dematerialized mode are requested to forward intimation for change of address, if any, to their respective Depository Participants.
10. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Company Secretary, at the Company's Registered Office. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.
11. Trading in the Company's shares through Stock Exchanges is permitted only in dematerialized / electronic form. The equity shares of the Company have been inducted in both National Securities Depository Limited and Central Depository Services (India) Limited to enable members to hold and trade the securities in dematerialized / electronic form. In view of the numerous advantages offered by the Depository System, members holding shares of the Company in physical form are requested to avail of the facility of dematerialization.
12. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
13. Brief resume of all the Directors seeking appointment/ re-appointment and other details as stipulated under Clause 49 of the Listing Agreement, are provided in the Annexure to the Notice.
14. Queries on accounts of the Company if any, may be sent to the Company at least 7 days in advance of the meeting so as to enable the management to keep the information ready at the meeting.



15. Members / Proxies are requested to bring the attendance slip duly filled in.
16. Electronic copy of the Notice of the 19th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 19th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
17. Members may also note that the Notice of the 19th Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.morarjeetextiles.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same. For any communication, the shareholders may also send requests to the Company's investor email id: investors@morarjee.com

18. Voting through electronic means

The instructions for members for voting electronically are as under:-

- (A) The voting period begins on Tuesday, 23rd September, 2014 at 10.00 a.m. and ends on Wednesday, 24th September, 2014 at 6.00 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 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) 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.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) 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.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

| | |
|------|--|
| PAN* | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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 last 8 digits of the demat account/folio number in the PAN field. In case the folio 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 folio number 100 then enter RA00000100 in the PAN field. |
|------|--|

For Members holding shares in Demat Form and Physical Form

| | |
|-----------------------|--|
| DOB | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details | Enter the dividend bank details as recorded in your demat account or in the company records for the said demat account or folio |
| Important Note | Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut-off date in the Dividend Bank details field. |

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant Company on which you choose to vote.
- (xi) 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.

- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) 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 they have to create 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.



- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xviii) 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.

In case of members receiving the physical copy:

(B) Please follow all steps from sl. no. (i) to sl. no. (iv) above to cast vote.

- I. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e 22nd August, 2014.
- II. Mr. Dhrumil M Shah, Practising Company Secretary (Membership No. 22541) and has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- III. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairperson of the Company.
- IV. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.morarjeetextiles.com and communicated to the Stock Exchanges.

19. All documents referred to in the accompanying

Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 a.m. to 5.00 p.m.) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

By Order of the Board

R. K. Rewari
CEO & Executive Director

Registered Office :

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

Mumbai, 1st August, 2014

Explanatory Statement

Explanatory Statement under Section 102 of the Companies Act, 2013 ("the Act")

Item No. 5

Mr. Ranjan Pant was appointed as Additional Director of the Company with effect from 1st August, 2014 under the provisions of the Companies Act, 2013 and as per Articles of Association of the Company and he holds office up to the date of this Annual General Meeting.

The matter regarding appointment of Mr. Ranjan Pant as Independent Director was placed before the Nomination & Remuneration Committee, which approved the appointment as Independent Director.

The Company has received a notice alongwith requisite deposit as required under the provisions of the Companies Act, 2013 from a member proposing the candidature of Mr. Ranjan Pant as Independent Director of the Company for a term of consecutive 5 (five) years from the conclusion of this Annual General Meeting. Mr. Ranjan Pant Shall not be liable to retire by rotation.

Brief Resume of Mr. Ranjan Pant and his experience and other Directorships held is annexed with this notice.

In the opinion of the Board, Mr. Ranjan Pant, fulfills the conditions specified in the Act & Rules made thereunder for appointment as Independent Directors & he is Independent of the management. The Directors, therefore, recommend the resolution appearing under the item no 5 of the accompanying Notice for your approval.

None of the Directors / key managerial personnels (KMP's) or their relatives except Mr. Ranjan Pant are concerned or interested in the above mentioned resolution.

Item No. 6 to 8

Pursuant to Section 149 of the Companies Act, 2013 (the Act) which came into effect on 1st April, 2014, the Independent Directors of the Company are not liable to retire by rotation. Further, as per Section 149(10) of the Act, an Independent Director shall be appointed for a term of upto 5 (five) consecutive years and as per Section 152(2), every Director has to be appointed in the General Meeting.

Accordingly, Mr. Shobhan Thakore, Mr. Aditya Mangaldas, Mr. Ranjan Sanghi, Directors of the Company qualifying to be "Independent" pursuant to the Act and Clause 49 of the Listing Agreement, have to be appointed as Independent Directors for a period of 5 (five) consecutive years with effect from conclusion of this Annual General Meeting

The matter regarding appointment of the above Directors as Independent Director was placed before the Nomination & Remuneration Committee, which approved the appointment as Independent Directors.

The Company has received notice along with the requisite Deposit for each of the Directors named in resolutions set out in item no. 6 to 8, as required under the provisions of Section 160 of the Act from members proposing their appointment as Independent Directors of the Company.

In the opinion of the Board, all Independent Directors fulfill the conditions specified in the Act and the Rules

made thereunder for appointment as Independent Director and are independent of the management. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of above directors as Independent Director is now being placed before the Members in general meeting for their approval.

Brief Resume of the above mentioned Directors, their experience and other Directorships held is annexed with this notice.

None of the Directors / Key Managerial Personnels (KMP's) or their relatives apart from those who are proposed to appointed are concerned or interested in the Resolutions mentioned in Item No. 6 to 8.

Justification for appointment of director under item No. 5 to 8.

The Directors are experienced and have expertise in respective field as more specifically mentioned in the brief resume appended to this report.

Item No. 9

Pursuant to the Shareholders resolution on 14th June, 2006, your company had launched "Morarjee Textiles Limited – Stock Option Plan 2006" (Scheme) and granted options to its employees as per the terms and conditions mentioned therein.

As on 31.03.2014 none of the employees have exercised their options and there are no options outstanding for conversion. The company does not intend to grant any more options under the said scheme. In the present scenario, the Board of Directors feels that the Scheme is ineffective and hence your board has recommended to terminate the "Morarjee Textiles Limited – Stock Option Plan 2006".

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 9 of the Notice.