



ASHOK
PIRAMAL
GROUP



MORARJEE TEXTILES LTD.

**16th
Annual Report
2010-2011**



Spinning



Finishing



Weaving

Printing

Quality Assurance



**BOARD OF DIRECTORS**

Ms. Urvi A. Piramal *Chairperson*
Mr. Harshvardhan A. Piramal *Executive Vice Chairman*
Mr. Mahesh S. Gupta
Mr. Ranjan Sanghi
Mr. Shobhan Thakore
Mr. Aditya Mangaldas
Mr. Pradipta Mohapatra

CEO & EXECUTIVE DIRECTOR

Mr. R. K. Rewari

HEAD - FINANCE & ACCOUNTS

Mr. S. C. Kashimpuria

DEPUTY COMPANY SECRETARY

Ms. Karina Vaz

STATUTORY AUDITORS

M/s. Shah & Co.
Chartered Accountants

BRANCH AUDITORS

M/s. D. Dadhech & Co.
Chartered Accountants

BANKERS

Allahabad Bank
 Export - Import Bank of India
 AXIS Bank Ltd.
 IDBI Bank Ltd.
 Saraswat Co-op. Bank Ltd.
 Yes Bank Ltd.
 Corporation Bank

REGISTERED OFFICE

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

SHARE TRANSFER AGENT

Freedom Registry Limited
Registered Office

Plot No. 101/102, 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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16th Annual General Meeting of the Company will be held on **Wednesday, 10th August, 2011**, at 3.00 p.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 16th Annual General Meeting of the members of Morarjee Textiles Limited will be held on Wednesday, 10th August, 2011, at 3.00 p.m. at M.C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Goda, Mumbai-400 001 to transact the following business :

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mahesh S. Gupta, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Aditya Mangaldas, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors 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 with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), M/s. D. Dadheech & Co., Chartered Accountants, Mumbai (registration no. 101981W) be and are hereby re-appointed as the Branch Auditors of the Company to audit the accounts in respect of Integra, a division of Morarjee Textiles Limited for the year ending 31st March, 2012 and to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on a remuneration to be decided by the Board of Directors in addition to the reimbursement of the actual out-of-pocket expenses.”

6. 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 provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Articles of Association of the Company be and are hereby altered in the manner and to the extent set out below:

That the existing Article 85 (2) be substituted by the following new Article 85 (2) :

Article 85(2)

Every deed or other instrument to which the Seal is required to be affixed shall, unless the same is affixed and executed by a duly constituted attorney, be affixed and signed in the presence of at least one Director or the Secretary or such other person as the Board/Committee of the Board may appoint for this purpose. Provided that the certificates of shares or debentures shall be sealed in the manner and in conformity with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 or such other statutory modification s or amendments thereof for the time being in force.

RESOLVED FURTHER THAT any one of the Directors and / or the Company Secretary be and is hereby authorized to do all such acts, deeds, matters and things, as may be required to be done to give effect to the aforementioned resolution.”

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES 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.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto.
3. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 6th August, 2011 to Wednesday, 10th August, 2011 (both days inclusive).



4. Section 109A of the Companies Act, 1956 permits nomination by shareholders of the Company in prescribed Form No. 2B. Shareholders are requested to avail this facility. The duly filled in and signed Form No. 2B should be sent to the Share Transfer Agent of the Company at its Nasik address.
5. 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 its Nasik address.
6. 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.
7. To support the Green Initiative in Corporate Governance, by The Ministry of Corporate Affairs ("MCA") which allows paperless compliance, the Company has sent notices by e-mode/physical mode requesting shareholders to register/update their email addresses with their respective Depository Participant(s)/Company and accordingly to opt for receiving the Annual Report, etc. by e-mode.
8. Members holding shares in physical form are requested to immediately intimate to the Company/Share Transfer Agent, changes, if any, in their registered address 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.
9. 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 shares 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.
10. 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.
11. Brief resume of the Directors seeking re-appointment and other details as stipulated under Clause 49 of the Listing Agreement, are provided in the Annexure to the Notice.
12. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Shareholders who have not yet encashed their dividend warrant(s) for the financial year 31st March, 2006 or any subsequent financial years are requested to approach the Company / Share Transfer Agent for claiming the same. It may be noted that the unpaid dividend for the financial year ended 31st March, 2006 is due for transfer to the IEPF on 29th October, 2013.
13. Queries on accounts of the Company, if any, may be sent to the Company Secretary atleast 7 days in advance of the meeting so as to enable the management to keep the information ready at the meeting.

By Order of the Board

Karina Vaz
Dy. Company Secretary

Registered Office :
Peninsula Spenta,
Mathuradas Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai 400 013.
Mumbai: 11th May, 2011

EXPLANATORY STATEMENT

Explanatory Statement under Section 173(2) of the Companies Act, 1956 ("the Act")

Item No. 5

It is proposed to re-appoint M/s. D. Dadheech & Co., Chartered Accountants, Mumbai, as the Branch Auditors of Integra, a division of Morarjee Textiles Limited.

M/s. D. Dadheech & Co., Chartered Accountants have given their consent to act as the Branch Auditors, if re-appointed.

The Directors recommend the resolution appearing under the Item No. 5 of the accompanying Notice for your approval.

None of the Directors of the Company are deemed to be concerned or interested in the above mentioned resolution.

Item No. 6:

The Company proposes to alter the Article 85(2) of the Articles of Association of the Company relating to the Common Seal for administrative and operational convenience.

Your Directors therefore recommend the resolution at Item No. 6 of the accompanying Notice for the approval of the members.

The existing Articles of Association as also a copy of the proposed amendments to the Articles are available for inspection at the Registered Office of the Company between 2.00 p.m. and 3.00 p.m. on any working day.

None of the Directors of the Company is, in any way concerned or interested in the said resolution.

By Order of the Board

Karina Vaz

Dy. Company Secretary

Registered Office :

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

Mumbai, 11th May, 2011



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

Mr. Mahesh S. Gupta

Date of Birth

30th June, 1956.

Date of Appointment

19th January, 2006.

Professional and Educational Qualification

Bachelor of Commerce, Chartered Accountant, Company Secretary and Law Graduate.

Profile and Experience

As the Group Managing Director, Mr Gupta oversees all the businesses of Ashok Piramal Group which comprises mainly Real Estate (Peninsula Land Limited), Textiles (Morarjee Textiles Ltd., Integra Apparels), Engineering (PMP Auto Components Pvt. Ltd, Miranda Tools & PMP PAL International s.r.o.)

Mr. Gupta has over 3 decades of professional experience in business management and in all aspects of corporate finance such as treasury management, business management, mergers and acquisitions, strategic planning, direct taxation, company law matters etc.

He is in the current position for more than 5 years and formerly he has worked with the Piramal Group for over 22 years including 9 years as Group CFO and whole-time director of Nicholas Piramal (India) Ltd. He has also worked with RPG group as Group CFO and Management Board Member and as CEO-Welspun India Ltd.

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

Shareholding in the Company

Mr. Mahesh S. Gupta does not hold any equity shares of the Company.

Directorships held in other Companies

- AGP Education and Academy Pvt. Ltd
- AGP Infra Pvt. Ltd

- APG Airports Infrastructure Pvt. Ltd.
- APG Constructions and Infra Pvt. Ltd.
- APG Educational Consultants Pvt. Ltd.
- APG Infra Projects Pvt. Ltd.
- APG Infrastructure Pvt. Ltd.
- APG Ports Infrastructure Pvt Ltd
- APG Renewable Energy Pvt. Ltd
- APG Road and Rail Transports Pvt. Ltd.
- APG Roads Infrastructure Pvt. Ltd.
- APG Transformers And Energy Pvt. Ltd.
- Ashok Piramal Management Corporation Ltd.
- Bridgepoint Learning Pvt. Ltd.
- CAMS Learning Pvt. Ltd.
- Ceat Limited
- City Parks Pvt. Ltd.
- Delta Corp Ltd. (formerly known as Arrow Webtex Limited)
- Delta Magnets Ltd. (formerly known as G. P. Electronics Ltd.)
- Edustar Learning Pvt. Ltd.
- Just Textiles Ltd.
- Morarjee Castiglioni (India) Pvt. Ltd.
- Peninsula Holdings and Investments Pvt. Ltd. (formerly known as Boom Realty Pvt. Ltd.)
- Peninsula Investment Management Company Ltd.
- Peninsula Land Ltd.
- Peninsula Pharma Research Centre Pvt. Ltd.
- Peninsula Real Estate Management Pvt. Ltd.
- Piramal Airports Infrastructure Pvt. Ltd.
- Piramal Constructions and Infra Pvt. Ltd.
- Piramal Education and Academy Pvt. Ltd.
- Piramal Energy Pvt. Ltd
- Piramal Infrastructure Pvt. Ltd.
- Piramal Ports Infrastructure Pvt Ltd

- Piramal Renewable Energy Pvt. Ltd.
- Piramal Road and Rail Transports Pvt. Ltd
- Piramal Roads Infra Pvt. Ltd.
- Piramal Transportation Pvt. Ltd.
- RPG Life Sciences Ltd.
- Renato Finance & Investments Pvt. Ltd.
- Topvalue Brokers Pvt. Ltd.
- Valecha LM Toll Pvt. Ltd.
- West Star Agro-Realties Pvt. Ltd.

Chairperson/Chairman/Member of the Committee of Board of Directors of Companies

- Ceat Limited - Audit Committee (Member) and Shareholders / Investors Grievance Committee(Chairman)
- Delta Corp Limited (formerly known as Arrow Webtex Ltd.) - Audit Committee (Chairman)
- Delta Magnets Ltd. (formerly known as G. P. Electronics Ltd.) - Audit Committee (Chairman)
- Just Textiles Ltd. - Audit Committee (Member)
- Peninsula Investment Management Company Ltd. - Audit Committee (Member)
- RPG Life Sciences Ltd. - Audit Committee (Member) and Shareholders / Investors Grievance Committee (Chairman)

Mr. Aditya Mangaldas

Date of Birth

16th September, 1963.

Date of Appointment

18th February, 2005.

Professional and Educational Qualification

Mechanical Engineer from L.D.College of Engineering, Ahmedabad and an MBA from Babson College, USA.

Profile and Experience

Mr. Mangaldas has professional expertise in finance and business strategy. He also has wide experience in the Textile Industry.

He has been the Chairman and Managing Director of The Victoria Mills Limited since October, 1999. He has wide experience and has spent approximately 20 years in the textile industry. Mr. Mangaldas is also actively involved in organizations involved in housing and caring for children with serious chronic diseases.

Shareholding in the Company

Mr. Aditya Mangaldas does not hold any equity shares of the Company.

Directorships held in other Companies

- Arrow Textiles Ltd.
- Bromelia Trading Pvt. Ltd.
- The Victoria Mills Ltd.
- Victoria Land Pvt. Ltd.

Chairperson/Chairman/Member of the Committee of Board of Directors of Companies

- Arrow Textiles Ltd. - Audit Committee (Chairman)



DIRECTORS' REPORT

Dear Shareholders,

The Directors present their 16th Annual Report on the business and operations of the Company together with the Audited Accounts for the year ended 31st March, 2011.

Financial Results

Particulars	Rs. in lacs	
	Year ended 31 st March, 2011	Year ended 31 st March, 2010
Total Income	34,078.23	26,192.22
PBIDTA	4,564.64	3,163.14
Interest	2,579.68	2,297.61
Depreciation	1,521.85	1,233.97
Profit/(Loss) before tax	463.11	(368.44)
Fringe Benefit Tax & Income Tax - Prior Period	-	6.64
Profit/(Loss) after Tax	463.11	(375.08)
Profit / (Loss) brought forward from previous year	(5,083.75)	(4,708.67)
Less: Set off against Share Premium Account	4,158.73	-
Profit/(Loss) carried to the Balance Sheet	(461.91)	(5,083.75)

Dividend

In order to conserve resources for expansion, your Directors do not recommend any dividend on the Shares of the Company.

Operations Highlights - Standalone

During the year under review, the total income of the Company was Rs. 34,078.23 lacs as against Rs. 26,192.22 in the previous year, an increase of 30.11%. The year ended at a profit of Rs. 463.11 lacs as against the loss of Rs. 375.08 lacs in the previous year.

The figures for the current financial year are not strictly comparable with the previous financial year because the previous year includes financials of Integra, a division of the Company for only three months i.e., from 1st January

2010 to 31st March 2010 as Integra Apparels and Textiles Limited got amalgamated with the Company with effect from 1st January 2010.

Subsidiary Companies / Consolidated Accounts

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

The Annual Report will also be displayed on our website, www.morarjeetextiles.com

Details of various Subsidiary Companies are as under: Morarjee International s.r.l.

Morarjee International s.r.l., the Company's 100% subsidiary continued to perform well in the highly demanding European premium fabric market.

Men's Club s.p.a.

Men's Club s.p.a. is under Voluntary Liquidation and a Liquidator has been appointed to oversee its affairs.

Joint Ventures

Just Textiles Limited ("JTL")

During the year, JTL has achieved a turnover of Rs. 4,473.23 lacs as against Rs.4,298.02 lacs in the previous year, an increase of 4.08%. Profit before tax is Rs.129.24 lacs as against Rs.56.88 lacs the previous year.

Conservation of energy and technology absorption

A statement showing particulars required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, read with Section 217(1)

(e) of the Companies Act, 1956, in the prescribed forms (Form A and Form B) is attached herewith and marked as Annexure A.

Reduction of Capital (Securities Premium Account) of the Company

The Petition for confirming Reduction of Capital (Securities Premium Account) was approved by the High Court of Judicature at Bombay on 28th January, 2011 for utilizing the sum of Rs. 41,58,73,807/- standing to the credit of the Securities Premium Account against the debit balance in the Profit and Loss Account.

The Company has filed the certified copy of the Court Order with the Ministry of Corporate Affairs (MCA) on 4th March, 2011 and as mandated as per the provisions of Section 103 of the Companies Act, 1956, has registered the same with the MCA on 10th March, 2011, which has been taken as the effective date of the Reduction of Capital (Securities Premium Account) of the Company.

Employees

The Directors acknowledge with thanks the contribution made by the employees towards the growth of the Company and appreciate their unstinted co-operation and support to the Management.

Any member interested in obtaining a copy of the statement of particulars of employees referred to in Section 217(2A) of the Companies Act, 1956 may write to the Dy. Company Secretary at the Registered Office of the Company.

Employee Stock Option Scheme

During the year under review, the Company has not granted any stock options. Disclosures as required by Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines - 1999 are attached herewith and marked as Annexure B.

Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Mahesh S. Gupta and Mr. Aditya Mangaldas, Directors of the Company retire by rotation at this Annual General

Meeting and being eligible offer themselves for re-appointment.

The Ministry of Corporate Affairs, has, vide its letter dated 22nd December, 2010 approved the appointment and payment of remuneration to Mr. R. K. Rewari, CEO & Executive Director of the Company for a period of 3 years with effect from 1st February, 2010.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 ("the Act"), we hereby state that :

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- b. your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and its profit for the year ended on that date;
- c. your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. your Directors have prepared the Annual Accounts for the year ended 31st March, 2011 on a going concern basis.

Foreign Exchange earnings and outgo

During the year under review, foreign exchange earnings were Rs. 17,934.99 lacs and outgoings were Rs.1,527.93 lacs making the Company a net foreign exchange earner with a net inflow of Rs. 16,407.06 lacs.

Fixed Deposits

During the year under review, the Company has not accepted any fixed deposits neither does it have any unclaimed / unpaid fixed deposits.