



ASHOK
PIRAMAL
GROUP



MORARJEE TEXTILES LTD.



22nd Annual Report
2016-2017



Pic 1 : New Spinning Unit



Pic 2 : Ring Frame



Corporate Information

BOARD OF DIRECTORS

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

GROUP CFO

Mr. Dinesh Jain

CHIEF FINANCIAL OFFICER

Mr. S. C. Kashimpuria

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Sanjeev Singh Sengar

STATUTORY AUDITORS

M/s. Manubhai & Shah LLP
Chartered Accountants

BANKERS

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

SECURITY TRUSTEE

AllBank Finance Limited

REGISTERED OFFICE

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

CIN : L52322MH1995PLC090643

PLANT

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

REGISTRAR & SHARE TRANSFER AGENT (RTA)

Freedom Registry Limited

Registered Office:

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

Email : support@freedomregistry.in

Mumbai Liaisoning Office

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

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22nd Annual General Meeting

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

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

NOTICE

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

Ordinary Business:

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

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

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

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

Special Business:

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

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

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

Salary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Sanjeev Singh Sengar
Company Secretary**

Place: Mumbai

Date: 1st June, 2017

NOTES:

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**

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

single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- 2) Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
- 3) **MEMBER/PROXY SHOULD BRING THE ATTENDANCE SLIP SENT HERewith, DULY FILLED IN, FOR ATTENDING THE MEETING.**
- 4) The proxy shall not have the right to speak at the meeting.
- 5) An Explanatory Statement required under Section 102(1) of the Companies Act, 2013 in respect of the Special Businesses to be transacted at the meeting is annexed hereto.
- 6) Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of Directors proposed to be appointed/re-appointed in this AGM are annexed to this notice.
- 7) The Register of Members and Share Transfer Books of the Company will remain closed from 12th August, 2017 to 22nd August, 2017 (both days inclusive).
- 8) The dividend, if declared at the Annual General Meeting, will be paid to those Members of the Company whose names stand on the Register of Members of the Company as on 11th August, 2017. The dividend will be paid on or before 21st September, 2017.
- 9) All relevant documents referred to in the Explanatory Statement shall be open for inspection, upto two days prior to the said meeting, at the Registered Office of the Company on all working days during 12.00 PM to 02.00 PM and at the meeting.
- 10) Members holding shares in physical form are requested to address all their correspondence including change of address, mandates etc. to the Registrar and Transfer Agents (RTA) viz. M/s. Freedom Registry Limited, Plot No. 101/102, 19th Street, MIDC Area, Satpur, Nashik 422007 and the Members holding shares in dematerialized form should approach their respective Depository Participants for the same.



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

14) E-Voting:

- i) In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide an e-voting (remote e-voting) facility to its members and the business set out in the notice may be transacted through remote e-voting.
- ii) The Company also offers the facility for voting by way of physical ballot at the AGM. The Members attending the meeting should note that those who are entitled to vote but have not exercised their right to vote by remote e-voting, may vote at the AGM through ballot for all businesses specified in the notice. However, the Members who have exercised their right to vote by remote e-voting may attend the AGM but shall not be entitled to vote at the AGM.
- iii) **Voting rights of the members (for remote e-voting and voting at AGM) shall be reckoned on shares registered in the name of the**

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

- iv) The Company has engaged the services of Central Depository Services Limited ("CDSL") as the Agency to provide e-voting facility.
- v) The Board of Directors has appointed Ms. Kala Agarwal, Practicing Company Secretary, as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner and she has communicated her willingness to be appointed for the said purpose.
- vi) The Scrutinizer will, after scrutinizing the votes cast at the meeting and through remote e-voting, not later than three days of conclusion of the Meeting, make a consolidated Scrutinizer's Report and submit the same to the Chairperson/ Managing Director who shall declare the results. The results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company viz. www.morarjee.com and on the website of CDSL viz. www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.

The instructions for shareholders voting electronically are as under:

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

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

For Members holding shares in Demat or Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. <p>The sequence number is printed on the address label affixed to the Annual Report and will also be mentioned in the email which will be sent to the Shareholders whose email ID's are registered with the Company.</p>
	<ul style="list-style-type: none"> • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).
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- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant <MORARJEE TEXTILES LIMITED> on which you choose to vote.
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation



box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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

www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.com**, under help section or write an email to **helpdesk.evoting@cdslindia.com**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

Item No: 5

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

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

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

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

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

Item No. 6

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

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

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

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

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

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

Item No. 7

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

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