



ASHOK
PIRAMAL
GROUP



MORARJEE TEXTILES LTD.

**16th
Annual Report
2010-2011**



Spinning



Finishing



Printing

Weaving



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 modifications 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.



Management Discussion and Analysis

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis Report is appended to this report.

Corporate Governance

The Company has complied with the mandatory provisions of the Corporate Governance as prescribed in the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance compliance is included as a part of this Annual Report along with requisite certificate from the Statutory Auditors.

As a part of good Corporate Governance, the Board of Directors of the Company has appointed Mr. Nilesh G. Shah, Practising Company Secretary to conduct the Secretarial Audit of the Company. The Secretarial Compliance Certificate in respect of compliance of all rules, regulations under the various applicable provisions of the Companies Act, 1956, SEBI Regulations and the applicable regulations under the Listing Agreement entered with the Stock Exchanges is provided in the Annual Report.

Auditors & Branch Auditors

The Auditors, M/s. Shah & Co., retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Board recommends their re-appointment as the Auditors to audit the accounts of the Company for the financial year 2011-2012.

The Branch Auditors, M/s. D. Dadheech & Co., retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Board recommends their re-

appointment as the Branch Auditors to audit the accounts of Integra, a division of Morarjee Textiles Limited for the financial year 2011-2012.

The Company has received letters from M/s. Shah & Co. and M/s. D. Dadheech & Co. respectively to the effect that their re-appointment, if made, will be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified within the meaning of Section 226 of the said Act.

Group for Interse Transfer of Shares

As required under Clause 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, persons constituting group (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulations 10 to 12 of the aforesaid SEBI Regulations are attached herewith and marked as Annexure C and the said Annexure C forms part of this Annual Report.

Acknowledgements

We owe all our employees, customers, bankers and vendors our gratitude for their co-operation and continued support.

By Order of the Board

Urvi A. Piramal
Chairperson

Mumbai : 11th May, 2011

ANNEXURE 'A'

FORM - "A"

Form of disclosure of particulars with respect to conservation of energy

	Units	Current Year 31.03.2011	Previous Year 31.03.2010
A) Power & Fuel Consumption			
1. Electricity			
a) Purchased Units	Lacs Kwhs	422.35	409.45
Total Cost	Rs. Lacs	2,050.01	1,790.10
Rate / Unit	Rupees	4.85	4.37
b) Own Generation			
Through Diesel Generator Units	Lacs Kwhs	2.58	1.19
Unit per litre of Diesel Oil	Kwhs	2.95	3.19
Cost / Unit (Diesel Oil Only)	Rupees	12.20	11.32
Total Cost of Diesel	Rs. Lacs	31.48	13.47
2. Coal (slack coal for Boiler)			
Quantity	M. T.	22,221.00	21,247.67
Total Cost	Rs. Lacs	836.91	665.85
Average rate per M. T.	Rupees	3,766.29	3,133.77
3. Furnace Oil			
Quantity	K. Ltrs	63.65	135.25
Total Amount	Rs. Lacs	15.50	31.82
Average rate per K. Ltr	Rupees	24,352	23,525
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			

FORM - "B"

RESEARCH AND DEVELOPMENT (R&D)

The addition of the latest state of the art 4th Generation of tensil cum seam slippage tester "TESTOMETRIC M350-CT" has enhance our inhouse testing capabilities in determing the seaming and tensil properties of fabric.

Expenditure on R&D

a. Capital expenditure	Rs. Nil
b. Recurring	Rs. 47.58 lacs
c. Total	Rs. 47.58 lacs
d. Total R&D expenditure as a percentage of total turnover	0.14%

TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

Nil



ANNEXURE - "B"

DISCLOSURES REGARDING STOCK OPTIONS

Disclosure pursuant to the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the SEBI Guidelines") are given below:

Options granted	1,85,000
The pricing formula	The options were granted at a consideration of Rs. 75/- per option.
Options vested	Nil
Options exercised and the total number of shares arising as a result of exercise of options	Nil
Options Lapsed	1,68,875
Variation of terms of options	Nil
Money realized by exercise of options	Nil
Total number of options in force	16,125
Employee wise details of options granted to (i) Senior managerial personnel;	All options have been granted by the Company as aforesaid, to Senior Management Personnel.
(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year;	None
(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	None
Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with (AS) 20 "Earnings Per Share"	Rs. 0.98
Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	Had the Company followed fair value method for accounting the stock options, the employee compensation expense for the year would have been higher by Rs. 0.23 lacs. Consequently, profit after tax would have been lower by Rs. 0.23 lacs and the basic & diluted EPS would have been Rs. 0.98 per share . The assumptions used to estimate fair value options include the following : Risk free interest rate - 7.1%, expected life - 3 years, Volatility - 7%, Dividend yield - 2.7%, Market price of share at the time of grant of options - Rs. 68.55
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock on the grant date.	Weighted average exercise price of options is Rs. 75 Weighted average fair value of options is Rs. 4.20

ANNEXURE - "C"

GROUP

The following are the list of persons constituting group coming within the definition of 'group' as defined in the Monopolies and Restrictive Trade Practices Act, 1969 ('MRTP') for the purpose of availing exemption from the applicability of the provisions of Regulations 10 to 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ('the Regulations'), as provided in Clause 3(1)(e)(i) of the Regulations :

Ms. Urvi A. Piramal
Mr. Harshvardhan A. Piramal
Mr. Rajeev A. Piramal
Mr. Nandan A. Piramal
Ms. Reshma H. Piramal
Ms. Roopali R. Piramal
Ashok Piramal Group Textiles Trust
Ashok Piramal Management Corporation Limited
Ashop Piramal Enterprises Private Limited
Goldlife Mercantile Company Private Limited
Lifestar Hospitality Private Limited
Onestar Trading Company Private Limited
Toptech Mercantile Company Private Limited



MANAGEMENT DISCUSSION & ANALYSIS

Global textile scenario

During the financial year 2010-11, the revival in global textile demand saw consumption rise by 6%. The Indian textile sector has also seen growth for the last seven quarters, recovering quickly from the global economic recession.

The main challenge facing the industry during the last year was the surging and fluctuating price of raw materials, especially cotton. Global cotton production decreased by 7% this year, the sharpest decline in the last six seasons. On the other hand, the increasing gap between demand and supply resulted in cotton prices soaring to all-time highs. Certain varieties of cotton saw prices increase by almost 150% during the year. This brought into focus the importance for companies to prudently hedge against raw material price fluctuations.

Nevertheless, Indian textile and garment exports overcame these challenges, increasing 11.4% in the first half of 2010-11 over the same period last year. However, in the same period, Indian garment exports decreased by 5.5% to \$4.7 bn as compared to \$5 bn in the previous year.

In 2011-12, apparel exports are expected to grow by 6.9%, driven both by volumes and price increases due to the increased cost of raw materials.

Morarjee Textiles: Back in black

Morarjee Textiles registered a profit in 2010-11 due to a continued focus on a result-driven strategy. As it did in 2009-10, the Company once again beat its previous year's performance in 2010-11, with revenue registering growth and the bottom line turning positive.

On a consolidated basis, total revenue increased by 7% from Rs. 340.12 crores to Rs. 363.84 crores. The year ended with a profit of Rs. 4.45 crores as against a loss of Rs. 6.77 crores in 2009-10.

On standalone basis, Morarjee Textiles ended the year with a profit of Rs. 4.63 crores as against a loss of Rs. 3.75 crores in 2009-10. Total revenue increased by 30.1%, from Rs. 261.92 crores to Rs. 340.78 crores. EBIDTA stood at Rs 45.65 crores as against Rs 31.63 crores in 2009-10. EBIDTA margin increased from 12.08% last year to 13.40% in 2010-11, mainly due to vastly improved operational efficiencies and a strong focus on profitable products and customers.

In addition to improving operational performance, Morarjee also refocused and redoubled its marketing efforts. The Company entered new markets such as

Germany and Tunisia during the year. Morarjee products are now exported to 42 countries around the world. Sales increased in all major export markets, namely Europe and the USA. The Company acquired several new customers, for both the prints & yarn dyed businesses. New markets generated sales revenue worth Rs. 10 crores in the very first year.

During the year, Morarjee Textiles was awarded the Texprocil Silver Trophy for the second highest exports for an Indian Company of yarn-dyed and printed fabric in 2009-10.

The Company continued its focus on the domestic retail and trade channels, which resulted in domestic sales going up by 20% over the previous year. During the same period, the Company increased its presence from 13 states to 17 states. The next step will be to penetrate deeper into these states in order to maximise the potential of the growing affluence in Tier I and Tier II cities.

The Company will be embarking on a modernisation and expansion program in 2011-12, the first major program it has undertaken recently.

With the bottom line turning positive, strong brand recognition and a world class product, we are confident that Morarjee Textiles will go from strength to strength in the coming years.

Integra Apparels: Consolidation

Total revenue at Integra Apparels, the garment division of Morarjee Textiles, fell by 6.8% to Rs. 68 crores due to difficult conditions in the garment export market. It suffered a loss due to pricing pressure and a general de-growth trend amongst Indian garment companies as a whole.

During the year, Integra completed the process of consolidating its operations. It has consolidated its operations into two factories, which will result in savings in administration costs and improve operational control.

Despite the sluggish sales trend, Integra continued to serve existing customers such as Arrow, Wrangler and Benetton, to name but a few. It has also gained new customers like Puma and S. Oliver during 2010-11.

We expect an improved operating performance from Integra in 2011-12.

Just Textiles

During the year, Just Textiles Limited recorded a sales growth of 4.1%. The Company contributed to the growth

in Morarjee Textiles' consolidated sales and profitability in 2010-11, as it did in 2009-10. We expect this trend to continue in the future.

Outlook

The current economic scenario appears to be robust as the Indian economy is currently growing at a rate of above 8% annually. It is estimated that by the year 2025, India would have a national income close to \$10 trillion, which would possibly make it the third largest economy in the world, after the United States and China.

The expanding economy and increase in organised retail will have a significant impact on the textile & clothing industry. Apart from the growth in the export market, we will continue to focus on a booming domestic market which promises continuing and healthy growth opportunities.

Risks & Concerns

With the volatility in the cotton prices, raw material planning has become a challenge for the textile industry. The continuous and steep increase in yarn and cotton rates in the financial year 2010-11 has started declining over the past month. However, margins will continue to be under pressure due to companies covering their raw material requirements at higher prices.

Slowing demand in the North American and European markets is also a challenge. Penetrating high-growth emerging economies is the next challenge that Indian companies have to face and overcome.

A slow but significant shift in fibre preferences from cotton to non-cotton has been experienced.

The appreciating rupee could also affect textile and garment exports.

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.

Financial performance

Particulars	Rs. in lakhs	
	Year ended 31.03.2011	Year Ended 31.03.2010
Income	36,384	34,012
EBIDTA	4,771	3,760
% to income	13.12%	11.05%
Interest	2,688	2,865
Depreciation	1,627	1,610
Profit / (Loss) Before Tax	456	(715)
Provision for Tax (MAT & FBT) Net	11	(38)
Profit/(Loss) After Tax but before Minority Interest	445	(677)

Particulars	Rs. in lakhs	
	Year ended 31.03.2011	Year ended 31.03.2010
Income	34,078	26,192
EBIDTA	4,565	3,163
% to income	13.40%	12.08%
Interest	2,580	2,297
Depreciation	1,522	1,234
Profit / (Loss) Before Tax	463	(368)
Provision for Tax (MAT & FBT) Net	-	7
Profit / (Loss) After Tax	463	(375)

Cautionary Statement

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 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.



CORPORATE GOVERNANCE

Introduction

Your Company has complied in all material respects with the requirements of Corporate Governance Code as per Clause 49 of the Listing Agreement with the Stock Exchanges.

A report on the implementation of the Corporate Governance Code of the Listing Agreement by the Company is furnished below:

1. Company's philosophy on Corporate Governance

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization. Good Corporate Governance leads to long term shareholder value and enhances interest of other stake holders. It brings into focus the fiduciary and the trusteeship role of the Board to align and direct the actions of the organization towards creating wealth and shareholder value.

2. Board of Directors ("Board")

2.1 Composition and size of the Board

The Company has an optimum combination of Executive Directors and Non-Executive Directors. The Board consists of 8 (eight) Directors of which 4 (four) are Independent 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. Harshvardhan A. Piramal, Executive Vice Chairman and Mr. R. K. Rewari, CEO & Executive Director, all other directors are Non-Executive Directors.

The composition of the Board and category of Directors are given below :

Category	Name of the Directors	Designation	No. of shares held (including joint share holding) as on 31.03.2011
Promoter Directors	Ms. Urvi A. Piramal	Chairperson	49,566
	Mr. Harshvardhan A. Piramal	Executive Vice Chairman	16,522
Executive Director	Mr. R. K. Rewari	CEO & Executive Director	Nil
Non Executive Non Independent Director	Mr. Mahesh S. Gupta	Director	Nil
Independent Directors	Mr. Ranjan Sanghi	Director	4,000
	Mr. Shobhan Thakore	Director	Nil
	Mr. Aditya Mangaldas	Director	Nil
	Mr. Pradipta Mohapatra	Director	Nil

2.2 Directors Profile

Brief Resume of the Directors, nature of their expertise in specific functional areas are given below :-

Ms. Urvi A. Piramal

The Chairperson of Ashok Piramal Group, Ms. Urvi A. Piramal is 58 years of age, oversees a professionally managed business group in India with business interest in real estate, textiles, engineering, entertainment and sports. 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 around the globe.

She has a Bachelor of Science degree and has attended the Advanced Management Program at Harvard Business School.

She joined the Group's Textile division in 1984 and modernized the operations while focusing on higher levels of quality and productivity. Ms. Piramal plays a leading role in envisioning and formulating the Group's strategies in the businesses. The Group's real estate foray has been driven by her foresight and her sharp business acumen has played an immeasurable role in placing the real estate business of the Group through Peninsula Land Limited, as one of the top real estate companies in India.

She has been a member of Technology and Quality Improvement Committee of the Indian Merchants' Chamber since its inception in 1994, and also the Chairperson of Supply Chain and Retail Business (Internal Trade) Committee (2004-2005).

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 is a Trustee of the Piramal Education Trust, Ashok G. Piramal Trust, Urvi Ashok Piramal Foundation and Urvi Ashok Piramal Education Trust which has been set up for the underprivileged. Piramal Education Trust runs a childrens' school at Bagar in Rajasthan.

She is on the board of Population First, an NGO working on population and health issues within the framework of women's rights and social development.

Ms. Piramal is a keen wild lifer and spends her leisure time reading, listening to music and traveling extensively.

Mr. Harshvardhan A. Piramal

Mr. Harshvardhan A. Piramal, Executive Vice Chairman of the Company is 37 years of age and holds a Bachelor of Science (Physics) degree from Kings College, London. Mr. Piramal has completed his MBA, specializing in finance and strategy, from the London Business School, United Kingdom in 1999.

Mr. Piramal began his career at venture capital firm Indocean Chase Capital Partners (now part of JP Morgan Chase). After his MBA, Mr. Piramal founded Thundercloud Technologies (India) Private Limited, an IT Company, in May 2000. In August 2001, Mr. Piramal became COO - Allied Pharma Businesses at Nicholas Piramal India Limited (now Piramal Healthcare Limited), where he was responsible for robust growth in all divisions under his leadership. Mr. Piramal was in this position till April 2004, when he took up his current position. He is also the Vice Chairman of PMP Auto Components Private Limited. Under his stewardship, PMP Auto Components Private Limited had acquired two companies in Europe, to scale up and internationalize its operations.

Mr. Piramal is an avid football and polo player and follower. He enjoys travel and photography in his spare time.

**Mr. Mahesh S. Gupta**

Mr. Mahesh S. Gupta, Non Executive Non Independent Director of the Company is 54 years of age.

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 plays the role of formulating the Group's business strategy and steering the Group to achieve its goals. As a senior member in the Group, he plays a very significant role in guiding each business to attain profitable and sustained growth. In the last five years, under his leadership, the Group formulated an aggressive plan which has seen the businesses grow few folds.

Mr Gupta's expertise in mergers and acquisitions has further accelerated growth in all the businesses, particularly in the real estate and auto-components businesses. Under his stewardship, the Group made two acquisitions in the auto-components business in Europe. In 2007, PMP Auto acquired Bakony Wipers from Hungary and the following year, PAL International from the Czech Republic was acquired.

Mr. Gupta has over 3 decades of professional experience in business management and in all aspects of Corporate Finance such as treasury 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.

He is on the Board of several Public Listed Companies such as Peninsula Land Limited, Morarjee Textiles Limited, Ceat Limited, RPG Life Sciences Limited, Delta Corp Ltd etc. From time to time, he has also been associated with various Committees of The Institute of Chartered Accountants of India (ICAI), 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 rank holder and a Silver Medalist in Company Secretaries Final examination.

Mr. R. K. Rewari

Mr. R. K. Rewari, CEO & Executive Director of the Company is 54 years of age. Mr. Rewari is a B.Sc., LLB, PGDPM & MEP from Indian Institute of Management, Ahmedabad.

Mr. Rewari started his career as an Executive Trainee in Vardhman Textiles Limited and rose to the level of Chief Executive (Fabric Marketing) before he left on 30th January, 2010.

While having a vast experience of working in various leadership positions in Vardhman Textiles Limited, Mr. Rewari also remained President of BBN Industrial Association of Himachal Pradesh.

Mr. Rewari was also associated with Rotary Club for many years.

Mr. Ranjan Sanghi

Mr. Ranjan Sanghi, Independent Director of the Company is 67 years of age. Mr. Sanghi has a Honours Degree in B.Com and has also studied Law, and has been associated with the automobile industry since over 25 years. Mr. Sanghi has been trained in the automobile field at the Vauxhall Motors, Luton, England, U.K., which was subsidiary of General Motors Limited, U.S.A. in 1970. Mr. Sanghi was the President of the Western India Automobile Association, Mumbai in 1990-91. He is the Director of Sah & Sanghi Group of Companies and manages the trading, manufacturing and investment operations of the Sah & Sanghi Group. He was the President of the Bombay Gymkhana Limited between 1995-1997.

Mr. Shobhan Thakore

Mr. Shobhan Thakore, Independent Director of the Company is 63 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. He is presently the Senior Partner of M/ s. Talwar Thakore & Associates, a leading solicitor firm.

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 in 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 31st March, 2004 when he became a partner of AZB & Partners, Advocates & Solicitors until 31st December, 2006. From 1st January, 2007 he along with Mr. Suresh Talwar (ex-partner of Crowford Bayley & Company) founded Talwar Thakore & Associates.

Shobhan Thakore is also a Director in Alkyl Amines Chemicals Ltd., Bharat Forge Ltd., Carraro India Pvt. Ltd., Carraro PNH Components (India) Private Ltd., Carborundum Universal Ltd., Uni Deritend Ltd., Uni Klinger Ltd., DSP BlackRock Investment Managers (Mauritius) Limited He is also a member of the Advisory Board of DSP Merrill Lynch Fund Managers Limited.

Mr. Aditya Mangaldas

Mr. Aditya Mangaldas, Independent Director of the Company is 47 years of age. Mr. Mangaldas is a Mechanical Engineer from L.D.College of Engineering, Ahmedabad. He also completed his MBA from Babson College, USA. 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.

Mr. Pradipta Mohapatra

Mr. Pradipta Mohapatra, Independent Director of the Company is 61 years of age. Mr. Mohapatra is an Engineer from NIT, Rourkela and studied Management from Jamnalal Bajaj and Harvard Business School. He is also a graduate of Behavioral Coaching Institute, U. K. and was invited to be a fellow of Chartered Management Institute, U. K.



Mr. Mohapatra coaches executives and entrepreneurs after two decades of experience in supervising CEOs across business. During his long innings at the RPG Group, Mr. Mohapatra incubated a series of first time business in India such as Foodworld, Musicworld, Health & Glow, Saaregama.com & HamaraCd.com (first custom cd manufacturing portal in the world). He sits on the Board of many public as well as startup companies across India, Asia-Pacific, UK and USA.

Mr. Mohapatra served as Chairman, Confederation of Indian Industries (Southern Region) and President of Madras Management Association and co-founded Coaching Foundation India Limited as well as Chennai Business School Limited.

Mr. Mohapatra co-authored 2009's best selling book, 'India's Global Powerhouses' published by Harvard Business Publishing, Boston.

2.3 The details of directorship of the Company's Directors in other Public Limited Companies and subsidiaries of Public Limited Companies as on 31st March, 2011 are given below:

Sr. No.	Name of the Director	Other Directorships held
1.	Ms. Urvi A. Piramal	<ul style="list-style-type: none"> • Ashok Piramal Management Corporation Limited • Delta Magnets Limited • Just Textiles Limited • Peninsula Land Limited • Peninsula Trustee Limited • Pune Football Club Limited • Peninsula Crossroads Private Limited (Formerly known as L & T Crossroads Private Limited)
2.	Mr. Harshvardhan A. Piramal	<ul style="list-style-type: none"> • Arrow Textiles Limited • Ashok Piramal Management Corporation Limited • Camphor and Allied Products Limited • Just Textiles Limited • Peninsula Facility Management Services Limited • Peninsula Mega Properties Private Limited • Pune Football Club Limited
3.	Mr. Mahesh S. Gupta	<ul style="list-style-type: none"> • Ashok Piramal Management Corporation Limited • Ceat Limited • City Parks Private Limited • Delta Corp Limited • Delta Magnets Limited • Just Textiles Limited • Peninsula Holdings and Investments Private Limited • Peninsula Investment Management Company Limited • Peninsula Land Limited • Peninsula Pharma Research Centre Private Limited • Peninsula Real Estate Management Pvt. Ltd. • Renato Finance and Investments Private Limited • RPG Life Sciences Limited

4.	Mr. R. K. Rewari	<ul style="list-style-type: none"> Just Textiles Limited
5.	Mr. Ranjan Sanghi	<ul style="list-style-type: none"> Bajaj Auto Finance Limited Borax Morarjee Limited HDFC Trustee Company Limited Kemp & Company Limited Suraj Sanghi Finance Limited
6.	Mr. Shobhan Thakore	<ul style="list-style-type: none"> Alkyl Amines Chemicals Limited Bharat Forge Limited Carborundum Universal Limited DSP Blackrock Investment Managers Limited (Advisory Board) Uni Deritend Limited Uni Klinger Limited
7.	Mr. Aditya Mangaldas	<ul style="list-style-type: none"> Arrow Textiles Limited The Victoria Mills Limited
8.	Mr. Pradipta Mohapatra	<ul style="list-style-type: none"> Chennai Business School Limited Dusters Hospitality Services Limited Executive & Business Coaching Foundation India Limited RPG Life Sciences Limited Saregama India Limited Totus Consulting Ltd. Zensar OBT Technologies Limited Zensar Technologies Limited

2.4 Attendance at Board Meetings and last Annual General Meeting

Attendance of each Director at the Board Meetings and last Annual General Meeting (AGM) and the number of Companies and Committees where she / he is a Director / Member.

Name	Category	Relationship with other Directors	Attendance		No. of Board/ Committee (other than Morarjee Textiles Limited as at 31.03.2011)		
			Board Meetings	AGM held on 25.11.2010	No of other Directorships	Chairperson/ Chairman	Member
Ms. Urvi A. Piramal	Chairperson	Mother of Mr. Harshvardhan A. Piramal	5	Yes	7	–	1
Mr. Harshvardhan A. Piramal	Executive Vice Chairman	Son of Ms. Urvi A. Piramal	5	Yes	7	3	–
Mr. Mahesh S. Gupta	Non Executive Non Independent Director	None	5	Yes	13	4	4



Mr. R. K. Rewari	CEO & Executive Director	None	5	Yes	1	–	–
Mr. Ranjan Sanghi	Independent Director	None	5	Yes	6	–	3
Mr. Shobhan Thakore	Independent Director	None	4	Yes	6	1	1
Mr. Aditya Mangaldas	Independent Director	None	5	Yes	2	1	–
Mr. Pradipta Mohapatra	Independent Director	None	5	Yes	8	–	4

The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships in Foreign Companies, Companies registered under Section 25 of the Companies Act, 1956 and Private Limited Companies other than Subsidiaries of Public Limited Company.

None of the Directors is a member in more than 10 committees nor is a Chairperson / Chairman of more than 5 committees amongst the Companies mentioned above. The Committees considered for the above purpose are those specified in existing Clause 49 of the Listing Agreement i.e. Audit Committee and Shareholders' / Investors' Grievance Committee.

2.5 Meetings of the Board of Directors

5 (five) Board Meetings were held during the financial year 2010 - 2011 and the gap between two Board Meetings did not exceed four calendar months.

The dates on which the meetings were held are as follows:

Sr. No.	Date of Meetings	Board Strength	No. of Directors Present
1	28 th April, 2010	8	8
2	23 rd July, 2010	8	7
3	22 nd September, 2010	8	8
4	25 th October, 2010	8	8
5	17 th January, 2011	8	8

2.6 Board Procedures

The Dy. Company Secretary prepares the Agenda in consultation with the Chairperson of the Board of Directors, the Chairperson / Chairman of various Committees and the Executive Directors. The information as required under Annexure 1A to Clause 49 of the Listing Agreement is made available to the Board. The Agenda for the Meetings of the Board and its Committees, together with the appropriate supporting documents and papers are circulated well in advance of the meetings to enable the Board to take informed decisions.

The meetings are generally held in Mumbai.

2.7 Details of Directors being re-appointed

As per the statute, two-thirds of the Directors should be retiring Directors. One-third of these retiring directors are required to retire every year, and if eligible, these directors qualify for re-appointment.

- A detailed profile of Directors eligible for re-appointment alongwith additional information required under Clause 49 of the Listing Agreement is provided separately by way of an Annexure to the Notice for the Annual General Meeting.
- Mr. Mahesh S. Gupta and Mr. Aditya Mangaldas, retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

2.8 Directors with materially significant related party transactions, pecuniary or business relationship with the Company

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors that may have potential conflict with the interests of the Company at large.

3. Audit Committee

3.1 Composition, Meetings and Attendance

The Audit Committee of the Company comprises of 3 (three) Directors, all of whom are Independent Directors namely Mr. Ranjan Sanghi (Chairman), Mr. Aditya Mangaldas and Mr. Shobhan Thakore. Mr. Ranjan Sanghi and Mr. Aditya Mangaldas have expert knowledge of Finance and Accounting. Mr. Shobhan Thakore is an eminent Solicitor. Mr. Ranjan Sanghi, the Chairman of the Audit Committee was present at the last Annual General Meeting held on 25th November, 2010. The Executive Vice Chairman, CEO and Executive Director, Group CFO, Head Finance & Accounts and General Manager - Group Legal & Company Secretary are permanent invitees for the meetings. The Statutory Auditors and the Internal Auditors are also invited to the meetings. The Dy. Company Secretary functions as Secretary to the Committee. The Committee oversees the accounting and financial reporting process of the Company, the performance of the internal auditors, performance and remuneration of the statutory auditors and the safeguards employed by them.

During the financial year 2010 - 2011, the Audit Committee met 5 (five) times on 28th April, 2010, 23rd July, 2010, 22nd September, 2010, 25th October, 2010 and 17th January, 2011. The attendance details are given below:

Name of the Director	Designation	No. of meetings during the year	
		Held	Attended
Mr. Ranjan Sanghi	Chairman	5	5
Mr. Shobhan Thakore	Member	5	4
Mr. Aditya Mangaldas	Member	5	5

3.2 Terms of Reference

The terms of reference of this Committee are wide enough to cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement, as well as in Section 292A of the Companies Act, 1956 and are as follows :

1. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. to review with the management, the financial statements at the end of the quarter, half year and the annual financial statements before submission to the Board for approval, focusing particularly on:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956;



- 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. Qualifications in the draft audit report.
3. to recommend to the Board the appointment, re-appointment, replacement, removal of the statutory auditors, the audit fee, any question of resignation or dismissal and payment to statutory auditors for any other services rendered by them;
 4. to discuss with statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern (in absence of management, wherever necessary);
 5. reviewing, 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 utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
 6. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems and discuss the same periodically with the statutory auditors prior to the Board making its statement thereon;
 7. 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;
 8. discussion with internal auditors any significant findings and follow up there on;
 9. reviewing the findings of any internal investigation 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;
 10. 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;
 11. to review the functioning of the Whistle Blower mechanism, in case the same is existing;
 12. to approve the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate
 13. to consider other topics, as defined by the Board;
 14. to review the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions, submitted by the management;
 - c. Management letters / letters of internal control weakness issued by the Statutory Auditors;

- d. Internal audit reports relating to internal control weakness; and
- e. The appointment, removal and terms of remuneration of the Internal Auditor.

4. Remuneration Committee

4.1 Composition, Meeting and Attendance

The Remuneration Committee presently comprises of 4 (four) Directors of which 3 (three) are Independent Directors, namely, Mr. Ranjan Sanghi (Chairman), Mr. Aditya Mangaldas and Mr. Shobhan Thakore and one Non Executive Director, Ms. Urvi A. Piramal.

During the year 2010-2011, there was no meeting of the Remuneration Committee.

4.2 Terms of Reference & Remuneration Policy

The Committee decides the remuneration of the Executive Director and commission to Non Executive Directors. The broad terms of reference of the Remuneration Committee are to recommend to the Board, salary (including annual increments), perquisites and commission to be paid to the Executive Director and to suggest the package of perquisites within the overall ceiling fixed by the Board and also to formulate and administer the Employee Stock Option Scheme including the review and grant of options to eligible employees under this Scheme.

Remuneration to the Executive Director is determined after taking into account their valuable guidance received for the various business initiatives and decisions at the Board level.

5. Investors' Grievance Committee

5.1 Composition, Meeting and Attendance

The Investors' Grievance Committee currently comprises of 2 (two) Non-Executive Directors and one Executive Director, i.e. Mr. Shobhan Thakore (Chairman), Mr. Mahesh S. Gupta and Mr. R. K. Rewari.

The Committee met four times on 28th April, 2010, 27th July, 2010, 25th October, 2010 and 17th January, 2011. The attendance details are given below:

Name of the Director	Designation	No. of meetings during the year	
		Held	Attended
Mr. Shobhan Thakore	Chairman	4	4
Mr. Mahesh S. Gupta	Member	4	4
Mr. R. K. Rewari	Member	4	4

5.2 Terms of Reference

The Investors' Grievance Committee specifically looks into the redressal of investors' complaints such as transfer of shares, non-receipt of annual reports, non-receipt of declared dividends, non-receipt of interest / redemption of debentures. In addition, the Committee also looks into matters which can facilitate investors' services and relations.

5.3 Details of Shareholders' Complaints

Details of investor complaints received and resolved during the year 2010-11 are as follows:-

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	9	9	Nil



5.4 Dy. Company Secretary and Compliance Officer

Name of the Dy. Company Secretary and the Compliance Officer	Ms. Karina Vaz *
Address	Peninsula Spenta, Mathuradas Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.
Telephone Numbers	+91-22-6615 4651 - 53
Fax Number	+91-22-6615 4593
E-mail ID	investors@morarjee.com

*Ms. Karina Vaz was appointed as the Dy. Company Secretary and Compliance Officer w.e.f. 10th November, 2010 in place of Mr. Haresh Vala.

6. Remuneration of Directors

6.1 Remuneration paid to Non Executive Directors of the Company

The Non Executive Directors of the Company are paid sitting fees for attending each meeting of the Board of Directors and Committees thereof.

The details of sitting fees paid during the year 2010-2011 are given below:

Name of the Director	Designation	Sitting Fees (Rs.)
Ms. Urvi A. Piramal	Chairperson	80,000/-
Mr. Mahesh S. Gupta	Director	80,000/-
Mr. Ranjan Sanghi	Director	1,40,000/-
Mr. Shobhan Thakore	Director	1,10,000/-
Mr. Aditya Mangaldas	Director	1,40,000/-
Mr. Pradipta Mohapatra	Director	90,000/-

6.2 Remuneration paid to the Executive Director of the Company

The remuneration of the Executive Director is decided on the recommendation of the 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 Director comprises of salary, perquisites and allowances, contribution to provident fund and superannuation fund, etc.

The details are summarized as under:

Name of the Director	Designation	Salary, Perquisites and Allowances (Rs.)	Company's contribution to Provident Fund and Superannuation Fund (Rs.)
Mr. R. K. Rewari	CEO & Executive Director	70,81,493	4,60,000

6.3 Employee Stock Option Scheme

During the year, the Company has not granted any fresh Stock Options.

7. General Body Meetings and Postal Ballot

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

Financial Year	Annual General Meeting (AGM)	Date	Time	Location
2007-2008	13 th AGM	11 th August, 2008	3.00 p.m	Walchand Hirachand Hall, Indian Merchants' Chamber Building, Churchgate, Mumbai 400 020.
2008-2009	14 th AGM	16 th September, 2009	3.00 p.m	Walchand Hirachand Hall, Indian Merchants' Chamber Building, Churchgate, Mumbai 400 020.
2009-2010	15 th AGM	25 th November, 2010	3.00 p.m	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018.

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

7.2 Special Resolutions passed in the previous Annual General Meetings (AGM)

AGM	Date of AGM	Special Resolution
13 th AGM	11 th August, 2008	Resolution No. 5 - Payment of Minimum Remuneration to Mr. P. K. Gothi, Managing Director Resolution No. 6 - Payment of Minimum Remuneration to Mr. Harshvardhan A. Piramal, Executive Vice Chairman Resolution No. 7 - Alteration of Articles of Association of the Company
14 th AGM	16 th September, 2009	No Special Resolution was passed
15 th AGM	25 th November, 2010	Resolution No. 8 - Issue and Allot 15,00,000 - 9% Cumulative Redeemable Non Convertible Preference Shares. Resolution No. 9 - Reduction of Share Capital

7.3 Special Resolution passed through Postal Ballot

No postal ballot was conducted during the year under review. At present, there is no proposal for passing any Special Resolution through Postal Ballot.

8. Disclosures

8.1 Statutory Compliance, Penalties and Strictures

There were no instances of non-compliance nor have any penalties, strictures been imposed by Stock Exchanges or Securities and Exchange Board of India or any other statutory authority during the last three years on any matter related to the capital markets.

8.2 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. 20 to Schedule 15 to Notes to the Accounts 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.



8.3 Code of Conduct

All the members of the Board and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct of the Company as on 31st March, 2011. The Code of Conduct has been posted on the Company's website (www.morarjeetextiles.com).

A declaration to this effect signed by the CEO & Executive Director is appended to this Report.

8.4 Listing Agreement Compliance

The Company complies with all the requirements of the Listing Agreement including the mandatory requirements of Clause 49 of the Listing Agreement.

8.5 Risk Management

The Audit Committee and the Board of Directors regularly review the risk management strategy of the Company to ensure the effectiveness of the risk management policy and procedures. The Company has set up a system to appraise the Board of Directors of the Company on the key risk assessment areas and suggestive risk mitigation mechanism.

8.6 CEO and CFO Certification

The CEO and the CFO of the Company have given the certification on financial reporting and internal controls to the Board of Directors in terms of Clause 49 of the Listing Agreement with the Stock Exchanges.

8.7 Corporate Social Responsibility Policy

Morarjee Textiles Limited has undertaken community development activities through Ashok G. Piramal Trust as part of its Corporate Social Responsibility ("CSR") activities.

The Company has initiated community based health care activities in 27 villages in and around its textile factory area in Nagpur, Maharashtra. The Company has also started regular health camps, health check-ups for school children, health education & awareness programs, etc. Besides carrying out this, cloth bag making skills have been imparted to community women and women's Self Help Groups (Micro Credit) have been formed in the villages.

As a part of its Education scholarship program drive, scholarships have been given to children to complete their higher education after SSC/HSC.

The Company has also supported the "Save the Tiger" campaign by participating in the Mumbai Marathon 2011.

9. Monitoring of Subsidiary Companies

The Company monitors the performance of Subsidiary Companies, by the following means :

- (a) Financial statements, in particular the investments made by the unlisted Subsidiary Companies, are reviewed regularly by the Audit Committee of the Company.
- (b) All minutes of the Board meetings of the unlisted Subsidiary Companies are placed before the Board regularly.

10. Means of Communication

The quarterly results and annual results are published in Free Press Journal and Navshakti and simultaneously posted on the Company's website (www.morarjeetextiles.com). The Management Discussion and Analysis Report has been included in the Annual Report.

The Company's website (www.morarjeetextiles.com) contains a separate dedicated section financials' where shareholders information is available. The Annual Report of the Company is also available on the website in a user friendly and downloadable form.

11. General Shareholder Information

11.1 16th Annual General Meeting

Date	Time	Venue
10 th August, 2011	3.00 p.m	M.C. Ghia Hall, 4 th Floor, Bhogilal Hargovindas Building, 18/20, K. Dubhas Marg, Kala Goda, Mumbai-400001

11.2 Financial Calendar for the Year 2010 -2011

Financial year	1 st April, 2011 to 31 st March, 2012
Book Closure Dates	6 th August, 2011 to 10 th August, 2011
Financial reporting for the quarter ending (tentative and subject to change)	
30 th June, 2011	By 15 th August, 2011
30 th September, 2011	By 15 th November, 2011
31 st December, 2011	By 15 th February, 2012
Year ending 31 st March, 2012	By 15 th May, 2012 if, Un-audited Results By 30 th May, 2012 if Audited Results
Annual General Meeting for the year ending 31 st March, 2012	By September, 2012

11.3 Dividend History

Sr. No.	Financial year	Equity Dividend per share (Rs.)	Date of Declaration (Annual General Meeting)	Date of payment (Date of Dividend Warrant)
1	2005 - 2006	2.50	23 rd August, 2006	28 th August, 2006
2	2006 - 2007	1.50	26 th July, 2007	2 nd August, 2007
3	2007 - 2008	NIL	NA	NA
4	2008 - 2009	NIL	NA	NA
5	2009 - 2010	NIL	NA	NA

11.4. Unclaimed dividends

All the shareholders whose dividend is unclaimed are requested to claim their dividend. Under the Transfer of Unclaimed Dividend Rules, it would not be possible to claim the dividend amount once deposited in Investor Education & Protection Fund.

The statement of Unclaimed Dividend as per clause 5A of the Listing agreement is mentioned below:

1. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year as on 1st April, 2010 were nil;



2. Number of shareholders who approached issuer for transfer of shares from suspense account during the year 2011 were nil;
3. Number of shareholders to whom shares were transferred from suspense account during the year 2011 were nil;
4. aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year 2011 were nil;

The following table gives information relating to outstanding dividend accounts and the dates by which they need to be transferred:-

Financial Year	Date of Declaration	Date of Payment	Date on which dividend will become part of IEPF
31-Mar-05	5-Sep-05	6-Sep-05	11-Nov-12
31-Mar-06	23-Aug-06	28-Aug-06	29-Oct-13
31-Mar-07	26-Jul-07	2-Aug-07	1-Oct-14

11.5 Transfer to the Investor Education and Protection Fund

Pursuant to Section 205C of the Companies Act, 1956, 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. At present, there are no dividends due for transfer to IEPF.

11.6. Registered Office

The Registered Office of the Company is situated at:
 Peninsula Spenta,
 Mathuradas Mills Compound,
 Senapati Bapat Marg,
 Lower Parel, Mumbai 400 013.

11.7 Listing of Equity Shares on Stock Exchanges and Stock Code

Listing on Stock Exchanges	Bombay Stock Exchange 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
Bombay Stock Exchange Limited	532621
National Stock Exchange of India Limited	MORARJETEX (Series EQ)
ISIN Demat	INE161G01019

The Company has been regular in paying the Annual Listing Fees to the Stock Exchanges. Listing fees for the year 2011 -2012 have also been paid within the due date.

11.8 Stock Market Data

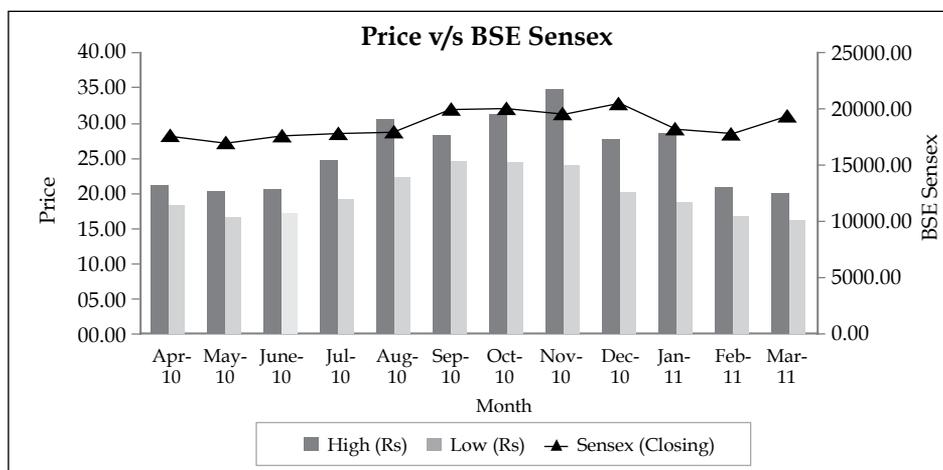
The high / low of the market price of the shares of the Company is given below :

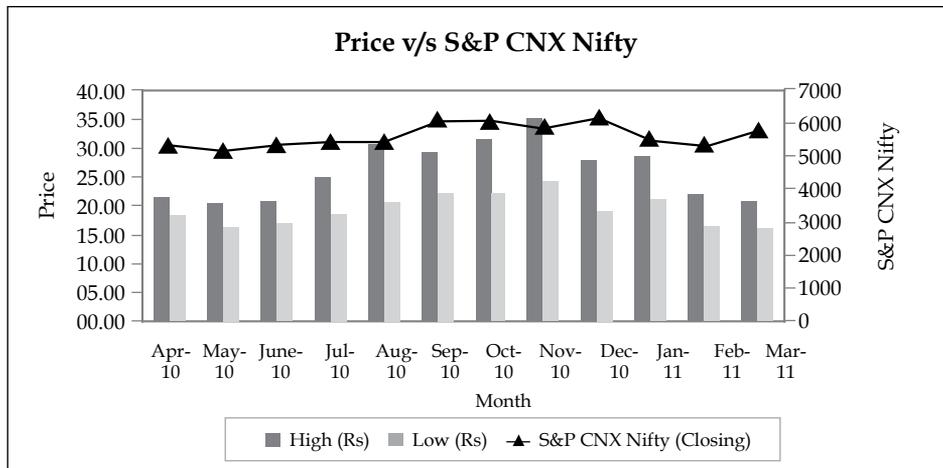
Month	Bombay Stock Exchange Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High (Rs.)	Low (Rs.)	Sensex (closing)	High (Rs.)	Low (Rs.)	S&P CNX NIFTY (Closing)
April, 2010	21.20	18.45	17558.71	21.35	18.25	5278.00
May, 2010	20.35	16.55	16944.63	20.25	16.25	5086.30
June, 2010	20.60	17.15	17700.90	20.75	16.75	5312.50
July, 2010	24.75	19.15	17868.29	24.95	18.75	5367.60
August, 2010	30.45	22.35	17971.12	30.50	20.40	5402.40
September, 2010	28.25	24.65	20069.12	29.00	22.15	6029.95
October, 2010	31.25	24.25	20032.34	31.50	22.15	6017.70
November, 2010	34.90	24.20	19521.25	34.95	24.00	5862.70
December, 2010	27.70	20.20	20509.09	27.60	19.00	6134.50
January, 2011	28.50	18.80	18327.76	28.20	18.15	5505.90
February, 2011	20.70	16.55	17823.40	22.00	16.40	5333.25
March, 2011	20.00	16.15	19445.22	20.50	15.85	5833.75

Sources : BSE, NSE, Sensex and S&P CNX Nifty websites

Stock Performance v/s BSE Sensex and S&P CNX Nifty

The performance of Morarjee Textiles Limited's Equity Shares relative to the BSE Sensex and S& P CNX Nifty is given in the charts below :



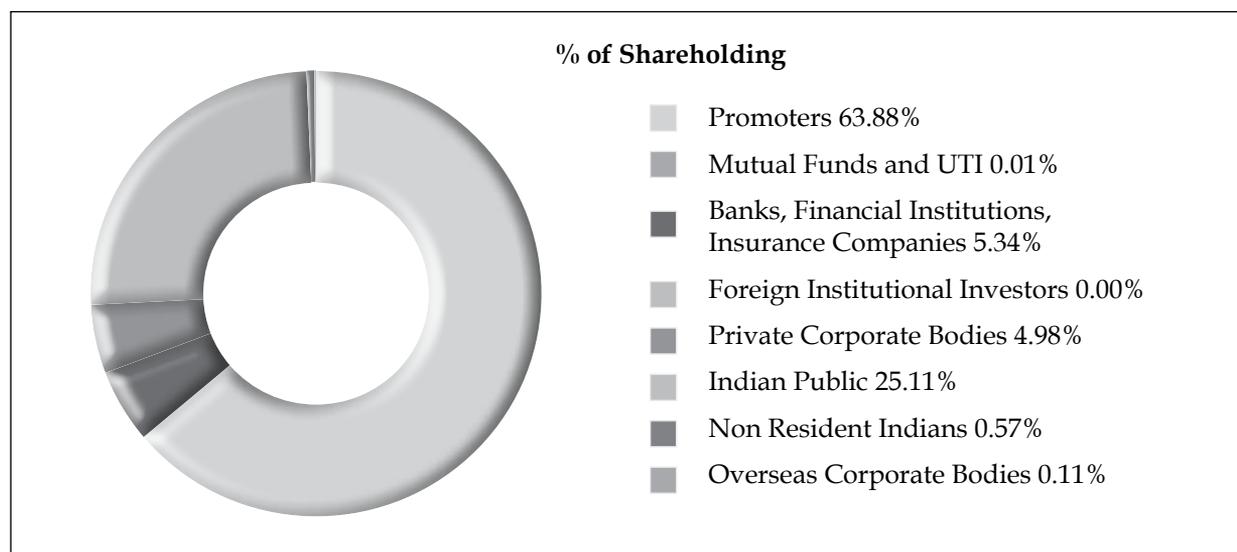


11.9 Distribution of shareholding as on 31st March, 2011

Slab of Shareholding	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares held
1 to 5000	19101	98.67	4284606	11.79
5001 to 10000	125	0.65	918903	2.53
10001 to 20000	68	0.34	938920	2.58
20001 to 30000	25	0.13	640790	1.76
30001 to 40000	3	0.02	117705	0.32
40001 to 50000	10	0.05	452862	1.25
50001 to 100000	13	0.07	947315	2.62
100001 & above	14	0.07	28031248	77.15
	19359	100	36332349	100.00

11.10 Shareholding Pattern as on 31st March, 2011

Sr. No.	Category	No. of Shares held	% of Shares held
A	Promoters Holding		
1	Indian promoters	23207635	63.88
	Foreign promoters	—	—
2	Persons acting in concert	—	—
	Sub total (1 + 2)	23207635	63.88
B	Non Promoters Holding		
3	Institutional Investors		
a	Mutual Funds and UTI	2711	0.01
b	Banks, Financial Institutions, Insurance Companies (Central/ State Govt., Institutions/ Non Govt. Institutions)	1941347	5.34
c	Foreign Institutional Investors	1135	0.00
	Sub total (3)	1945193	5.35
4	Others		
a	Private Corporate Bodies	1809844	4.98
b	Indian Public	9122209	25.11
c	Non Resident Indians	208117	0.57
d	Overseas Corporate Bodies	39331	0.11
	Sub total (4)	11179521	30.77
	Grand total (1 + 2 + 3 + 4)	36332349	100.00





11.11 Share Transfers (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. Harshvardhan A. Piramal, Mr. R. K. Rewari and Mr. Mahesh S. Gupta. The share certificates in physical form are generally processed and returned within 30 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 to approve share transfers upto specified limits.

A summary of the transfer / transmission so approved by the Committee and the authorized Executives is placed at every Board Meeting.

The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

The Company conducts a Secretarial 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 such audit. The Secretarial 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.

11.12 Dematerialisation of shares and liquidity

As on 31st March, 2011, 3,58,58,143 Equity Shares representing 98.69% 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.

No. of shares in Demat & Physical Mode



- No. of shares in Demat Mode - 98.69%
- No. of shares in Physical Mode - 1.31%

11.13 Share Transfer Agent

Freedom Registry Limited 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 hereinbelow:

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 : amtrac_nsk@sancharnet.in

Mumbai Liaisoning Office

Freedom Registry Limited,
104, Bayside Mall,
35, C. M. M. Malviya Marg,
Tardeo Road, Haji Ali,
Mumbai 400 034.
Tel : (022) - 2352 5589 / 6743 2799

11.14 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 investors@morarjee.com.



11.15 Investor Correspondence

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

Name	E-mail ID	Telephone No.	Fax No.
Ms. Karina Vaz	investors@morarjee.com	+91-22-66154651-53	+91-22-66154593

Shareholders can contact the following Official for Financial matters of the Company :

Name	E-mail ID	Telephone No	Fax No
Mr. S. C. Kashimpuria	info@morarjee.com	+91-22-66154651-53	+91-22-66154593

Correspondence address:

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

11.16 Plant Location

Morarjee Textiles Limited

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

Integra, A Division of Morarjee
Textiles Limited

36/5, 27th Main, Haralukunte Village,
Somasundrapalya, HSR Layout,
Bangalore - 560 102.

11.17 Status of Compliance with Non Mandatory Requirements

- For Remuneration Committee, please refer No. 4 above.
- Since the financial results are published in newspapers having wide circulation, only the annual accounts are sent to each of the shareholders.
- The provisions relating to postal ballot shall be complied with on matters as may be applicable.

12. Code for Prevention of Insider Trading

The Company has adopted a Code for Prevention of Insider Trading in the shares of the Company which is in line with the Model Code as prescribed by the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended. The said Code inter alia prohibits purchase / sale of shares of the Company by Directors and Employees while in possession of unpublished price sensitive information in relation to the Company.

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 CEO & Executive Director under Clause 49 of the Listing Agreement

I, R. K. Rewari, CEO & Executive 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 for the year ended 31st March, 2011.

R. K. Rewari
CEO & Executive Director

Mumbai, 11th May, 2011

AUDITORS' REPORT ON CORPORATE GOVERNANCE TO THE MEMBERS OF MORARJEE TEXTILES LIMITED

We have examined the compliance of conditions of Corporate Governance by Morarjee Textiles Limited for the year ended March 31, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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 abovementioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor's grievances remaining unattended pending for more than 30 days as at March 31, 2011.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SHAH & CO.**
Chartered Accountants
FRN. 109430W

H.N. Shah
Partner
M. No. 8152

Mumbai: 11th May, 2011



SECRETARIAL COMPLIANCE CERTIFICATE

To,
The Board of Directors,
MORARJEE TEXTILES LIMITED
MUMBAI

We have examined the necessary registers, records, books and papers of Morarjee Textiles Limited ('MTL' or 'the Company') as required to be maintained under the provisions of the Companies Act, 1956, ('the Act') and the Rules made thereunder, provisions of Listing Agreement, applicable SEBI Rules & Regulations and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify in respect of the aforesaid financial year that:

1. The Company has kept and maintained the requisite statutory registers as per the provisions of the Act and the Rules made there under either in physical or electronic mode as applicable.
2. The Company has filed the requisite forms and returns as required to be filed with the Registrar of Companies, Maharashtra, Mumbai and other authorities with additional filing fees, in case of delay, as prescribed under the Act and the Rules made thereunder.
3. The Board of Directors of the Company is duly constituted. Following changes had taken place in the Board of Directors during the financial year under review:
 - Mr. Rajendra Rewari who was appointed as an Additional Director w.e.f. 01.02.2010 u/s 260 of the Act has been appointed as Director at the Annual General Meeting held on 25.11.2010.

The Board of Directors duly met 5 (five) times for meetings held on 28.04.2010, 23.07.2010, 22.09.2010, 25.10.2010 and 17.01.2011 respectively, and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

Ms. Rupa Desai has resigned as a Company Secretary w.e.f. 23.07.2010 and Mr. Haresh Vala, has been appointed as a Company Secretary w.e.f. 23.07.2010 who also resigned w.e.f. 10.11.2010 and Ms. Karina

Vaz was appointed as a Dy. Company Secretary w.e.f. 10.11.2010.

4. As required under the provisions of the Listing Agreement and the Companies Act, 1956, the Company has the following Committees:
 - Audit Committee: The Committee had met 5 times during the year under review.
 - Investor Grievance Committee: The Committee had met 4 times during the year under review.
 - Share Transfer Committee: The Committee had held 11 meetings during the financial year under review.
 - Besides the above, the Company has also non-mandatory committees like Committee of Directors (Borrowings), Committee of Directors (Bank) and Management Committee.

Minutes of the above named committee meetings were properly recorded.

5. The Company closed its Register of Members from 18.11.2010 to 25.11.2010 (Both Days Inclusive) and necessary compliance of Section 154 of the Companies Act, 1956 and of the Listing Agreement has been made in respect of the same.
6. The Annual General Meeting for the financial year ended on 31st March, 2010 was held on 25.11.2010 with due approval of Registrar of Companies for extension of holding Annual General Meeting as required under section 166 of the Act after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.

The Company has passed special resolution at the said Annual General Meeting as follows.

- To Create, Offer, Issue & Allot 15,00,000 -9% Cumulative Redeemable Non Convertible Preference Shares of Rs. 100/- each on private placement basis u/s 80 & 81(1A) of the Act; and
- To Utilize Credit Balance of Securities Premium Account of the Company for Adjusting Debit balance of Profit & Loss Account u/s 78, 100 to 103 of the Act.

- The Company has not passed any resolution by postal ballot process during the financial year under review.
7. The Company has complied with the requirements of the Depositories Act, 1996 pertaining to dematerialization of shares and wherever required, share certificates have been issued and delivered to the shareholders within the statutory period and the transfers / transmissions thereof have been carried out and registered as per requirements.
 8. The Company has not declared any dividend during the financial year under review.
 9. Charges created and modified by the Company were filed and noted and entered in the Register maintained for the purpose during the financial year under review.
 10. The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the Rules made thereunder.
 11. The Company has not issued and allotted any Equity Shares during the year under review. The Company has allotted 15,00,000 - 9% Cumulative Redeemable Non Convertible Preference Shares of Rs. 100/- each during the financial year under review on private placement basis and complied with the provisions of the Act.
 12. The Company has not redeemed any preference shares during the financial year under review.
 13. The Company has not accepted any fixed deposits and has not declared any dividend. The Annual Return and Annual Reports have been filed as required under the Act. The Company has, therefore not defaulted in any of the provisions of Section 274(1)(g) of the Act, which may otherwise disqualify the Directors of the Company from acting as a Director of any other Public Company.
 14. The amount borrowed by the Company from various sources is within the borrowing limits as approved by members u/s 293(1)(d) of the Act.
 15. The Company had complied with the provisions of Section 372A and other provisions of the Act in respect of guarantees given, loans granted, investments made in other bodies corporate including subsidiaries during the financial year under review, wherever applicable.
 16. The Company has complied with the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as amended from time to time.
 17. The Company has substantially complied with the provisions of SEBI (Provisions of Insider Trading) Regulations, 1992 as amended from time to time.
 18. The Company has substantially complied with the provisions of the Listing Agreement entered with the Stock Exchanges pertaining to submissions of the statements, documents, disclosure requirements, publication in newspapers, Corporate Governance Standards as prescribed in Clause 49 of Listing Agreement.
 19. The Company has instituted the Code of Conduct for Directors and Senior Executives of the Company and has complied with the Code of Conduct for Directors and other Senior Executives as required under Clause 49 of the Listing Agreements.
 20. The Company has not granted any fresh stock options during the financial year under review.
 21. The Company has not altered the provisions of Memorandum of Association with respect to name of the Company, objects of the Company save and except Increase in Authorised Share Capital of the Company during the financial year under review in compliance with the provisions of the Act.
 22. The Company has not altered any provisions of its Articles of Association during the financial year under review.

(NILESH G. SHAH)
Company Secretary
C.P.No: 2631

Place: Mumbai

Date: 11th May, 2011



AUDITORS' REPORT

TO THE MEMBERS OF MORARJEE TEXTILES LIMITED

We have audited the attached Balance Sheet of Morarjee Textiles Limited as at 31st March 2011, and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto, in which are included the audited accounts of Integra - Division of Morarjee Textiles Limited which are audited by other auditors. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order to the extent applicable.

Further to our comments in the Annexure referred to in paragraph 3 above, we state that:

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our Opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (c) The reports on the accounts of Integra - Division of Morarjee Textiles Limited audited by other auditors have been forwarded to us and have been dealt with by us in preparing this report.

- (d) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement referred to in this report are in agreement with the books of account.
- (e) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of Companies Act, 1956.
- (f) On the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (g) In our opinion and as per the information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss Account, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as on 31st March 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date;

and

 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For SHAH & CO.
Chartered Accountants
FRN: 109430W

H. N. SHAH
Partner
M. No. 8152

Place : Mumbai

Date: 11th May, 2011

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT TO THE MEMBERS OF MORARJEE TEXTILES LIMITED FOR THE YEAR ENDED 31ST MARCH, 2011.

- 1 (a) The Company has maintained proper records showing full particulars including quantitative details and location of the Fixed Assets except in garment division (Integra) at Bangalore where Company is still in the process of compiling the above mentioned data.

(f & g) are not applicable to the Company.
- (b) There is a regular program of physical verification, 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 Company has not disposed of substantial part of fixed assets during the year.
- 2 (a) Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of stocks followed by the management are adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.
- 3 (a) The Company has not granted any loans during the year to the parties covered in the register maintained under section 301 of the Companies Act, 1956.

In view of clause 4 (iii)(a) of the Companies (Auditor's Report) Order, 2003, clause 4 (iii) (b, c & d) are not applicable to the Company.
- (b) The Company has not accepted any loans during the year from the parties covered in the register maintained under section 301 of the Companies Act, 1956.

In view of clause 4 (iii)(e) of the Companies (Auditor's Report) Order, 2003, clauses 4 (iii)
- 4 In our opinion, and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, packing materials, plant and machinery, equipment and other assets and with regard to sale of goods and services. There is no major weakness in the internal control procedures.
- 5 (a) The particulars of all contracts and arrangements referred to in section 301 of the Companies Act, 1956 have been properly entered in the register maintained under section 301 of the Act.
- (b) In our opinion, and according to the information and explanations given to us, the contracts and arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market price.
- 6 The Company has not accepted any deposits from public and hence provisions of clause 4 (vi) are not applicable to the Company.
- 7 In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8 We are informed that the cost records are required to be maintained by the Company under Section 209(1) (d) of the Companies Act, 1956 for textile products of the Company. We have not reviewed the cost records maintained by the Company, but we are informed that the Company maintained the prescribed cost records.
- 9 (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, cess and other statutory dues with the appropriate authorities.



(b) Following dues are not deposited on account of disputes pending at various forums.

Nature of Statute	Nature of Dues	Financial Year	Amount Rs. in Lacs	Forum where Dispute is Pending
Central Excise Act, 1944	Interpretation of Act	1976-1977	00.19	First Appeal (Commissioner Level)
		1979-80 to 1985-86	06.84	
		1990-91	00.09	
		1993-94 to 1995-1996	146.49	
		1999-2000 to 2008-09	475.32	
Central Excise Act, 1944	Interpretation of Act	1990-91 to 1991-92	02.35	Second Appeal (CESTAT)
		1995-96 to 2005-06	817.20	
		2007-08 to 2008-09	84.27	
Central Excise Act, 1944	Interpretation of Act	1997-98 to 2001-02	03.19	High Court
Central Excise Act, 1944	Interpretation of Act	1981-1984	296.14	Supreme Court
		1998-99 to 2000-01	715.11	
Customs Tariff Act 1975	Customs Duty	Upto 2005-2006	88.11	Joint Director General of Foreign Trade

- 10 The Company has not incurred cash loss in the current year and also in the immediately preceding financial year and there are accumulated losses in the balance sheet as on 31/3/2011.
- 11 The Company has not defaulted during the year in repayment of dues to any financial institutions, banks.
- 12 The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 As the Company is not a chit fund, nidhi, mutual benefit fund or society the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- 14 As the Company is not dealing or trading in shares, securities, debentures and other investments, the provision of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- 15 The Company has given guarantees on behalf of its subsidiary during the year under review. In our opinion based on the information and explanations received, the terms and conditions of these guarantees are not prejudicial to the interest of

the Company.

- 16 The term loans taken during the year are utilised for the purpose for which it was taken.
- 17 According to the information and explanations received the Company has not applied short-term borrowings for long-term use.
- 18 The Company has not made any preferential allotment of shares during the year.
- 19 The Company has not issued any debentures during the year.
- 20 The Company has not raised money by way of public issue during the year.
21. As per the information and explanation given to us no material fraud on or by the Company has been noticed during the year.

For SHAH & CO.
Chartered Accountants
FRN: 109430W

H. N. SHAH
Partner
M. No. 8152

Place : Mumbai
Date: 11th May, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule Nos	Rs. in Lacs	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
I. SOURCES OF FUNDS				
1. Shareholders' Funds	1			
a) Capital		6,133.24		4,633.24
b) Reserves and Surplus		1,644.13		4,163.76
			7,777.37	8,797.00
2. Loan Funds	2			
a) Secured		20,153.77		15,384.42
b) Unsecured		4,587.44		9,526.20
			24,741.21	24,910.62
	TOTAL		32,518.58	33,707.62
II. APPLICATION OF FUNDS				
1. Fixed Assets	3			
a) Gross Block		33,770.55		33,475.17
Less : Depreciation		11,396.85		9,884.68
Net Block		22,373.70		23,590.49
b) Capital Work In Progress		33.93		9.30
			22,407.63	23,599.79
2. Investments	4		866.17	865.92
3. Current Assets, Loans and Advances	5			
a) Inventories		6,718.93		5,831.59
b) Sundry Debtors		4,890.47		4,035.26
c) Cash and Bank Balances		165.42		127.34
d) Loans and Advances		3,067.98		3,541.06
		14,842.80		13,535.25
Less : Current Liabilities and Provisions	6	5,598.02		7,271.05
Net Current Assets			9,244.78	6,264.20
4. Profit & Loss Account Debit Balance (Net of General Reserve Adjustment)			-	2,977.71
	TOTAL		32,518.58	33,707.62
Accounting Policies	14			
Notes to the Accounts	15			

As per our report of even date.

SHAH & CO.
Chartered Accountants
FRN. 109430W

H. N. SHAH
Partner
Membership No. 8152
Mumbai : 11th May, 2011

For and on behalf of Board of Directors

Ms. Urvi A. Piramal	<i>Chairperson</i>
Mr. Harshvardhan A. Piramal	<i>Executive Vice Chairman</i>
Mr. R. K. Rewari	<i>CEO & Executive Director</i>
Mr. Mahesh S. Gupta	<i>Director</i>
Mr. Ranjan Sanghi	<i>Director</i>
Mr. Aditya Mangaldas	<i>Director</i>
Mr. Pradipta Mohapatra	<i>Director</i>
Mr. S. C. Kashimpuria	<i>Head - Finance & Accounts</i>
Ms. Karina Vaz	<i>Deputy Company Secretary</i>



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule Nos	Rs. in Lacs	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
INCOME				
Income from Operations			33,489.99	25,763.94
Less : Excise Duty			486.71	295.67
Net Income from Operations (net)			33,003.28	25,468.27
Other Income	7		9.86	0.85
Increase / (Decrease) in WIP & Finished Goods	8		1,065.09	723.10
Total Income			34,078.23	26,192.22
EXPENDITURE				
Materials Consumed	9	14,445.25		9,304.77
Manufacturing & Other Expenses	10	8,505.80		8,459.16
Employment Cost	11	3,694.12		2,464.83
Administrative, Selling & Other Expenses	12	3,447.46		3,057.18
Forex Loss / (Gain)		(579.04)		(256.86)
Interest	13	2,579.68		2,297.61
Total Expenditure			32,093.27	25,326.69
Profit / (Loss) Before Depreciation & Tax			1,984.96	865.53
Less : Depreciation			1,521.85	1,233.97
Profit / (Loss) Before Tax			463.11	(368.44)
Less : 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 as per order from the Hon'able Bombay High Court (Refer Note No 19 of Schedule 15)		4,158.73		—
Profit / (Loss) carried to the Balance Sheet			(925.02)	(4,708.67)
Earning Per Equity Share (Rs.) (Face value Rs.10/-each) (Refer Note No 21 of Schedule 15)			(461.91)	(5,083.75)
			0.98	(1.67)
Accounting Policies	14			
Notes to Accounts	15			

As per our report of even date.

SHAH & CO.
Chartered Accountants
FRN. 109430W

H. N. SHAH
Partner
Membership No. 8152
Mumbai : 11th May, 2011

For and on behalf of Board of Directors

Ms. Urvi A. Piramal
Mr. Harshvardhan A. Piramal
Mr. R. K. Rewari
Mr. Mahesh S. Gupta
Mr. Ranjan Sanghi
Mr. Aditya Mangaldas
Mr. Pradipta Mohapatra
Mr. S. C. Kashimpuria
Ms. Karina Vaz

Chairperson
Executive Vice Chairman
CEO & Executive Director
Director
Director
Director
Director
Head - Finance & Accounts
Deputy Company Secretary

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	Rs. in Lacs	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
SCHEDULE 1 : SHAREHOLDERS FUNDS			
A) Share Capital			
Authorised :			
4,50,00,000 (Previous Year 4,30,00,000) Equity Shares of Rs. 10/- each		4,500.00	4,300.00
25,00,000 (Previous year 10,00,000) Redeemable Cumulative Non Convertible Preference Shares of Rs. 100/- each		2,500.00	1,000.00
		<u>7,000.00</u>	<u>5,300.00</u>
Issued, Subscribed and Paid-up:			
3,63,32,349 (Previous Year 3,63,32,349) Equity Shares of Rs. 10/- each fully paid up (Refer Note 15 of Schedule 15)		3,633.24	3,633.24
25,00,000 Redeemable Cumulative Non Convertible Preference Shares- 10,00,000 (Previous year 10,00,000) 5 % Redeemable Cumulative Non- Convertible Preference Shares of Rs.100/- each Redeemable anytime between 15 th November, 2014 and 15 th November, 2019 at the option of the Company. 15,00,000 (Previous year - Nil) 9% Redeemable Cumulative Non- Convertible Preference Shares of Rs.100/- each. These Preference Shares are redeemable on the expiry of 5 years from the date of allotment with an option for the company for early redemption not before 18 months from the date of allotment.		2,500.00	1,000.00
		<u>6,133.24</u>	<u>4,633.24</u>
B) Reserves and Surplus			
1. General Reserve			
- Opening balance		2,106.04	1,506.42
Add: As per Scheme of Amalgamation (Refer Note 3 of Schedule 15)		-	599.62
Less : Deducted from Profit & Loss Account per contra		461.91	2,106.04
		<u>1,644.13</u>	<u>-</u>
2. Share Premium Account			
- Opening balance		4,163.76	3,353.80
Add : Received during the year		-	908.14
Less : Rights issue expenses		5.03	98.18
Less: Set-off of Debit Balance of Profit & Loss Account as per order from the Hon'able Bombay High Court (Refer Note No.19 of Schedule 15)		4,158.73	-
		<u>-</u>	<u>4,163.76</u>
		<u>1,644.13</u>	<u>4,163.76</u>



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	Rs. in Lacs	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
SCHEDULE 2 : LOAN FUNDS			
A) Secured Loans			
Term Loan from Bank		12,061.26	7,538.84
<p>(Secured by a 1st pari passu charge on the movable assets including its movable plant and machinery, spare, tools and accessories, secured by a pari passu equitable mortgage on company's immovable properties at Butibori, Nagpur and 2nd pari passu charge by way of hypothecation of Current Assets of the Company viz., Raw Materials, Stock-in-Process, Finished Goods, Consumable Store and Spares, Book debts and other movable both present and future in respect of Rs.10543.71 lacs) (Previous year Rs.5594.12 lacs)</p> <p>- Secured by first charge on the present and future movable and immovable fixed assets at Bangalore , karnataka of the Company in respect of Rs.1517.55 lacs (Previous year Rs.1944.72 lacs)</p>			
Term Loan from Financial Institution		—	62.50
<p>(Secured by way of Equitable Mortgage on Company's Immovable Properties at Butibori, Nagpur and by a charge created on Co's movable assets including its movable plant and Machinery spares, tools and accessories , both present and future, subject to prior charge of Company's Bankers)</p>			
Cash Credit / Packing Credit from Banks		8,092.51	7,783.08
<p>(Secured by way of hypothecation of Current Assets of the Co. viz., Raw Materials, Stock - In - Process, Finished Goods, consumables store and spares, book debts and other movable both present and future and secured by pari passu second charge created on Co's movable assets including its movable plant and machinery, spares, tools and accessories both present and future)</p>			
TOTAL		20,153.77	15,384.42
B) Unsecured Loans			
Bodies Corporate		4,587.44	9,447.68
Others		—	78.52
TOTAL		4,587.44	9,526.20

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE 3 : FIXED ASSETS

Rs. in Lacs

Particulars	Gross Block			Depreciation			Net Block	
	Bal as on 01.04.2010	Additions	Deduction	Bal as on 31.03.2011	For the Year	Deduction	Bal as on 31.03.2011	Bal as on 31.03.2010
<u>Tangible Assets</u>								
Land - Leasehold	2,596.70	-	-	2,596.70	30.18	-	2,545.13	2,575.31
Building	8,378.31	-	-	8,378.31	275.58	-	6,658.23	6,933.81
Plant & Machinery	20,736.88	228.95	-	20,965.83	1,068.40	-	12,402.35	13,241.80
Computer	440.63	9.01	2.95	446.69	34.83	2.91	113.03	138.89
Furniture, Fixture & Office Equipments	576.78	0.36	-	577.14	31.13	-	206.69	237.46
Motor Vehicles	42.67	-	7.73	34.94	(0.70)	6.77	13.18	13.44
<u>Intangible Assets</u>								
Designs & Archives	277.42	-	-	277.42	9.26	-	168.53	177.79
Computer Software	425.78	67.74	-	493.52	73.17	-	266.56	271.99
Total	33,475.17	306.06	10.68	33,770.55	1,521.85	9.68	22,373.70	23,590.49
Previous Year*	22,118.52	11,362.59	5.94	33,475.17	1,233.97	4.08	23,590.49	-
Capital W.I.P.							33.93	9.30
							22,407.63	23,599.79

* Previous year addition include Rs. 10,886.74 lacs towards Scheme of Amalgamation of Integra Apparels & Textiles Limited with company w.e.f. 1st Jan, 2010.


SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	31.03.2011	31.03.2010
	Rs. in Lacs	Rs. in Lacs
SCHEDULE 4 : INVESTMENTS		
LONG TERM INVESTMENTS		
Govt. Securities (Unquoted)	0.64	0.64
Trade Investments (Unquoted)		
Wholly owned Subsidiary		
Morarjee International srl (EURO 10000) 10000 (Previous year 10000) Equity Shares of EURO 1 each fully paid up	5.61	5.61
Subsidiary		
Mens Club s.p.a. 1020000 (Previous year 1020000) Equity Shares of EURO 1 each fully paid up	587.25	587.25
Less : Provision for Diminution in Investment	587.25	587.25
	—	—
Joint Venture		
Morarjee Castiglioni (India) Private Limited 10,00,000 (Previous year 10,00,000) Equity Shares of Rs. 10/- each fully paid up	64.10	64.10
Just Textiles Limited 795560 (Previous year 795560) Equity Shares of Rs. 100/- each fully paid up	795.56	795.56
Others		
Saraswat Co-Operative Bank Ltd. (2500 Equity shares of Rs.10 each fully paid)	0.25	—
Morarjee Goculdas Spg. & Wvg. Private Limited (Formerly known as Morarjee Legler Private Limited) (2000 Equity Shares of Rs. 10/- each fully paid up)	0.01	0.01
TOTAL	866.17	865.92

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	Rs. in Lacs	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
SCHEDULE 5 : CURRENT ASSETS, LOANS AND ADVANCES			
a) Inventories			
Raw materials	916.39		1,170.87
Work-In- Progress	2,343.06		2,586.58
Finished Goods	3,212.43		1,830.50
Consumable, Stores, Spares, etc.	247.05		243.64
		6,718.93	5,831.59
b) Sundry Debtors (Unsecured, considered good)			
Outstanding for more than Six months	233.82		433.44
Others	4,656.65		3,601.82
		4,890.47	4,035.26
c) Cash and Bank Balances			
Cash in hand	42.30		27.19
Bank Balances			
- in current account	63.39		32.58
- in Fixed Deposits	59.73		67.57
		165.42	127.34
d) Loans and Advances (Unsecured and considered good)			
i) Advances recoverable in cash or kind or for value to be received	1,237.30		1,571.09
ii) Deposit and other advances	587.83		604.74
iii) Loans to Subsidiaries	307.99		293.92
iv) Advances to Staff	20.22		35.60
v) Deposit with Excise / Sales Tax authorities	679.96		801.02
vi) MAT Credit Entitlement	234.68		234.69
		3,067.98	3,541.06
TOTAL		14,842.80	13,535.25



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
SCHEDULE 6 : CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
I) Acceptances	1,102.61	1,283.10
II) Sundry Creditors		
i) Dues of Micro and small Enterprises (See Note No. 9 of Schedule 15)	40.09	64.53
ii) Others	3,952.40	5,469.09
	<u>3,992.49</u>	<u>5,533.62</u>
III) Interest Accrued but not due	139.20	73.78
IV) Investor Education and Protection Fund*		
- Unclaimed Dividend	8.80	8.78
V) Trade Deposits	103.38	108.72
	<u>5,346.48</u>	<u>7,008.00</u>
Provisions		
Provision for MAT & Fringe Benefit Tax (net)	—	14.84
Employees Retirement Benefits	251.54	248.21
	<u>251.54</u>	<u>263.05</u>
TOTAL	<u><u>5,598.02</u></u>	<u><u>7,271.05</u></u>
* There is no amount due and outstanding to be paid to the Investor Education and Protection Fund as at 31 st March, 2011. These amounts shall be paid to the fund as and when they become due.		

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2011**

	Rs. in Lacs	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
SCHEDULE 7 : OTHER INCOME			
Insurance Claim Received		3.05	0.06
Profit on Sale of Assets		0.30	0.73
Miscellaneous Receipt		6.51	0.06
TOTAL		<u>9.86</u>	<u>0.85</u>
SCHEDULE 8 : INCREASE / (DECREASE) IN WORK IN PROGRESS AND FINISHED GOODS			
Opening Stock			
Work in Progress	2,586.58		1,998.80
Finished Goods & Stock in Trade	1,830.50		1,445.88
Add: As per Scheme of Amalgamation (Refer Note 3 of Schedule 15)			
Work in Progress	—		160.17
Finished Goods & Stock in Trade	—		52.74
		<u>4,417.08</u>	<u>3,657.59</u>
Closing Stock			
Work in Progress	2,343.06		2,586.58
Finished Goods & Stock in Trade	3,212.43		1,830.50
		<u>5,555.49</u>	<u>4,417.08</u>
Excise Duty (Increase) / Decrease on Finished Goods Increase / (Decrease)		<u>(73.32)</u>	<u>(36.39)</u>
		<u>1,065.09</u>	<u>723.10</u>
SCHEDULE 9 : MATERIAL CONSUMED			
Opening Stock		1,170.87	1,012.95
Add: As per Scheme of Amalgamation (Refer Note 3 of Schedule 15)		—	52.57
Add : Purchases		14,190.77	9,410.12
Less : Closing Stock		916.39	1,170.87
Material Consumed		<u>14,445.25</u>	<u>9,304.77</u>



**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2011**

	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
SCHEDULE 10 : MANUFACTURING EXPENSES & OTHER EXPENSES		
Processing Charges	1,956.08	2,214.20
Dyes & Chemicals	2,166.28	2,352.55
Packing Material	264.55	244.88
Stores & Spares	416.19	366.65
Other Consumables	137.97	140.39
Repairs & Maintenance - Building	14.43	10.69
Repairs & Maintenance - Plant & Machinery	210.74	281.27
Repairs & Maintenance - Others	10.85	43.60
Power & Fuel	3,071.91	2,579.95
Rates, Taxes & Water charges	246.18	214.94
Other Expenses	10.62	10.04
TOTAL	8,505.80	8,459.16
SCHEDULE - 11 : EMPLOYEE COST		
Salaries & Wages	3,231.15	2,198.49
Provident Fund - Employers Contribution	372.10	183.82
Staff Welfare Expenses	90.87	82.52
TOTAL	3,694.12	2,464.83
SCHEDULE 12 : ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Freight Out	832.46	678.48
Insurance Charges	14.21	23.52
Legal & Professional Expenses	308.99	341.94
Rent	456.46	236.41
Telephone Expenses	28.69	49.79
Travelling	208.18	254.52
Marketing Service fee & Commission	542.93	454.05
Directors Remuneration	64.28	62.39
Audit Fees, Certification & Out of Pocket Expenses	17.69	11.48
Miscellaneous Expenses	973.57	944.60
TOTAL	3,447.46	3,057.18
SCHEDULE 13 : INTEREST		
Interest on Term Loan	881.11	399.29
Others	1,712.05	1,925.36
	2,593.16	2,324.65
Less: Interest Income	13.48	27.04
TOTAL	2,579.68	2,297.61

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE 14 : 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 prescribed in the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

(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 the fixed assets are stated at historical cost. In respect of Assets acquired under new project/ expansion/ restructuring, interest cost on borrowings and other related expenses during trial runs and upto satisfactory commencement of commercial production have been capitalised to Plant & Machinery and any subsidy given for a specific asset is reduced from cost. The Accounting Standard -10 of the Institute of Chartered Accountants of India has been compiled with in this respect.

3. Depreciation

Depreciation has been provided net of reversal of excess provision if any on straight line method on all fixed assets except Leasehold land at the rates specified in Schedule XIV to the Companies Act, 1956. Premium on lease hold land is amortised over the period of lease. Intangible assets are amortised over their estimated useful life.

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. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
- c) Cost of finished goods and work-in-process 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.

6. Investments

Long term 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. Short term 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

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Profit and loss account of the year.

Monetary assets and liabilities denominated in foreign currencies, which are outstanding as at the year end are translated at the closing exchange rate and the resultant exchange differences are recognized in the Profit and loss account.

The premium or discount on forward exchange contracts is recognized over the period of the contracts in the profit and loss account.

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) Defined benefit gratuity plan

The Company operates a defined benefit gratuity plan for employees.

The cost of providing defined benefits is determined using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date. Past service cost is recognized immediately to the extent that the benefits are already vested, else is amortised on a straight-line basis over the average period until the amended benefits become vested.

The defined benefit obligations recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service costs, and as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the unrecognized past service cost plus the present value of available refunds and reductions in future contributions to the plan.

(iii) Other long term employee benefits

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leaves. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit Method with actuarial valuations being carried out at each balance sheet date.

10. Provision for Taxation

Income tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and fringe benefit tax (computed in accordance with the relevant provisions of the Income tax Act, 1961).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date to reassess realisation.

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.



SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE 15 : NOTES FORMING PART OF THE ACCOUNTS

	31.03.2011	31.03.2010
	Rs. In Lacs	Rs. In Lacs
1. a) Contingent Liability not provided for in respect of		
i. Bank Guarantees	203.92	357.94
ii. Contingent Liability for bill discounted	998.82	183.46
iii. Dividend on Redeemable Cumulative Non Convertible Preference shares together with dividend Tax	283.17	175.50
b) Estimated amount of contracts remaining to be executed on capital accounts and not provided for Rs.373.54 lacs (Previous year (Rs.Nil lacs)		
c) The Excise department and Income Tax department has raised claims on the Company for Rs.2547.19 lacs and Rs.Nil lacs (previous year Rs.2511.82 & 167.75 lacs) respectively. The Company has disputed the same with the appropriate authority.		

	31.03.2011	31.03.2010
	Rs. In Lacs	Rs. In Lacs
2. Open Letters of credit	573.58	476.87

3. The figures for the current financial year are not comparable with the previous financial year because the previous year includes financials of Integra division for only three months i.e., from 1st January 2010 to 31st March 2010 as Integra division got amalgamated with the Company with effect from 1st January 2010.

	Year Ended 31.03.2011			Year Ended 31.03.2010		
	Unit	Quantity	Value Rs. in Lacs	Unit	Quantity	Value Rs. in Lacs
4. a) Consumption of Raw Material						
Cotton	Tons	1489.75	1914.79	Tons	1541.09	1685.00
Yarn	Tons	828.68	3657.29	Tons	962.76	3546.84
Cloth	Lac Mtrs.	95.90	8168.53	Lac Mtrs.	67.79	3905.19
Others			704.64			167.74
			14445.25			9304.77
b) Value of Imported and Indigenous Raw Materials, Stores, Spare parts, Components, Dyes & Chemicals.		31.03.2011	%	31.03.2010		%
		Value		Value		
		Rs. in Lacs		Rs. in Lacs		
I. Raw Material						
i) Imported		961.81	6.66	1,552.83		16.69
ii) Indigenous		13,483.44	93.34	7,751.94		83.31
		14,445.25	100.00	9,304.77		100.00

	31.03.2011 Value Rs. in Lacs	%	31.03.2010 Value Rs. in Lacs	%
II. Stores & Spares Components, Dyes & Chemicals				
i) Imported	264.74	10.25	396.26	14.57
ii) Indigenous (including imported items purchased locally)	2,317.73	89.75	2,322.94	85.43
	<u>2,582.47</u>	<u>100.00</u>	<u>2,719.20</u>	<u>100.00</u>

	31.03.2011 Value Rs. in Lacs	31.03.2010 Value Rs. in Lacs
c) I) Value of Imports calculated on C.I.F. basis		
i) Raw Materials	440.24	1,412.74
ii) Consumables	226.31	434.70
iii) Capital Goods	60.41	52.67
II) Expenditure in Foreign Currency		
i) Professional Fees	40.05	5.03
ii) Marketing Service fee and Sales Commission	368.88	382.41
iii) Foreign Travel	37.93	75.64
iv) Processing Charges	311.15	510.41
v) Others	42.96	154.30
III) Earning in Foreign Currency FOB Value of Exports	17,934.99	14,359.01

5. Turnover / Production	Year Ended 31.03.2011				Year Ended 31.03.2010			
	Unit	Production (Quantity)	Turnover		Unit	Production (Quantity)	Turnover	
		Qty.	Value Rs. in Lacs			Qty.	Value Rs. in Lacs	
a) Manufactured Goods								
Finished Fabrics	Mtrs. (lacs)	198.68	192.65	25,623.44	Mtrs. (Lacs)	197.35	196.72	22,875.23
Yarn	Tons	1,051.92	53.79	45.74	Tons	1,011.56	121.02	139.86
Finished Fabrics Shirt	Nos. (lacs)	17.08	16.61	6,799.25	Nos. (lacs)	4.76	4.59	1,618.03
Others *				1,021.56				1,130.82
	Total			<u>33,489.99</u>				<u>25,763.94</u>

* Consists of sale / use of DEPB licence, waste, cotton, etc.



		Year Ended 31.03.2011		Year Ended 31.03.2010	
		Licensed Capacity	Installed Capacity	Licensed Capacity	Installed Capacity
LOOMS	NOS.	Not Applicable	248	Not Applicable	248
SPINDLES	NOS.	Not Applicable	31568	Not Applicable	31568
Commercial Production	PCS.	Not Applicable	2400000	Not Applicable	2400000
(b) Inventory		Stock as on 31.03.2011		Stock as on 31.03.2010	
		Quantity (Lac Mtrs.)	Value Rs. in Lacs	Quantity (Lac Mtrs.)	Value Rs. in Lacs
Finished Fabric		16.46	2,975.30	10.43	1,800.72
Finished Fabrics Shirt (Nos. lacs)		0.97	237.13	0.50	29.78
6. Auditor's Remuneration			31.03.2011	31.03.2010	
			Rs. in Lacs	Rs. in Lacs	
Audit Fees			7.00	6.50	
Tax Audit Fees			2.00	1.50	
Certification fees			3.93	3.40	
Out of Pocket Expenses			0.07	0.08	
Total			13.00	11.48	
7. Branch Auditor's Remuneration			31.03.2011	31.03.2010	
			Rs. in Lacs	Rs. in Lacs	
Audit Fees			2.50	—	
Tax Audit Fees			0.75	—	
Certification fees			1.00	—	
Service Tax			0.44	—	
Total			4.69	—	
8. (a) Managerial Remuneration paid			31.03.2011	31.03.2010	
			Rs. in Lacs	Rs. in Lacs	
Remuneration			55.23	51.08	
Contribution to provident and Other Funds			4.60	10.28	
Perks			15.59	13.72	
			75.42	75.08	
Non Executive Directors sitting fees			6.40	3.20	
			81.82	78.28	

The above remuneration does not include gratuity and leave encashment entitlement for which provision is made in books at lumpsum amount for all eligible employees based on actuarial valuation.

(b) Computation of Net Profit in accordance with section 309 (5) of the Companies Act, 1956.

	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
Net Profit as per Profit and(Loss) Account	463.11	(375.08)
Less: Profit on sale of assets	0.30	0.73
Profit as per section 349 of the Companies Act, 1956	462.81	(375.81)
Add: Managerial Remuneration	81.82	78.28
Profit as per section 198 of the Companies Act, 1956	544.63	(297.53)
Remuneration to Whole time Director		
Subject to a ceiling of 10% of profit as computed above	54.46	—
Total remuneration actually paid is minimum under Schedule XIII	—	75.08
Total remuneration actually paid (*)	75.42	75.08

* In current year, the total remuneration paid is within the limits as approved by the Central Government in terms of Section 198 (4) of the Companies Act, 1956

9. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
(a) Principal amount and separately the interest due thereon remaining unpaid to any supplier at the end of the financial year	40.09	64.53
(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	—	—

10. The accumulated deferred tax assets of the Company has not provided in the books of accounts due to virtual uncertainty of realisation of such assets.

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

12. Employee Benefits:

- a) Short term employee benefits:

The liability towards short term employee benefits for the year ended 31st March, 2011 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 31.03.2011		Unfunded 31.03.2010	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
<u>Amount Recognised in Balance sheet</u>				
Present Value of Unfunded Obligation	175.01	76.53	169.37	78.83
Unrecognised Past Service Cost	—	—	—	—
Amount not recognised as an Asset, because of the limit in Para 59(b)	—	—	—	—
<u>Amount in Balance Sheet</u>				
Liability	175.01	76.53	169.37	78.83
Assets	—	—	—	—
Net Liability	175.01	76.53	169.37	78.83
<u>Expense Recognised in the Statement of Profit & Loss</u>				
Opening Defined Benefit Obligation less benefits Paid	—	—	—	—
Current Service Cost	39.73	17.43	22.17	11.30
Interest Cost on Defined Benefit Obligation	13.97	6.63	11.94	4.27
Expected Return on Plan Assets	—	—	—	—
Net Actuarial Losses / (Gains) Recognised in Year	(1.99)	38.06	1.74	2.46
Past Service Cost	—	—	—	—
Effect of the limit in Para 59(a)	—	—	—	—
Losses / (Gains) on "Curtailements and Settlements"	—	—	—	—
Total Included in "Employee Benefit Expense"	51.71	62.12	35.85	18.03
<u>Change in Defined Benefit Obligation</u>				
Opening Defined Benefit Obligation as at 01.04.2010	169.35	78.83	181.76	77.63
Current Service Cost	39.72	17.43	22.17	14.26
Interest Cost	13.98	6.63	11.94	4.72
Actuarial Losses / (Gain)	(1.99)	38.06	1.74	5.79
Liabilities Extinguished on Curtailment	—	—	—	—
Liabilities Extinguished on Settlements	—	—	—	—
Liabilities Assumed on Acquisition	—	—	—	—
Exchange Difference on Foreign Plans	—	—	—	—
Benefits Paid	(46.05)	(64.42)	(48.24)	(23.57)
Closing Defined Benefit Obligation as at 31.03.2011	175.01	76.53	169.37	78.83
Summary of the Actuarial Assumptions :				
Discount Rate 8.25% to 8.50%				
Note :				
1. The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors.				
2. Comparative values of defined benefit plans for the past four financial years as required by AS-15 (Revised) are not provided, being March 2008 first year of adoption of the standard.				

13. Till date no options under the Employees Stock Option Plan has been exercised by any of the eligible employees. Considering the present market price of the Equity Share of the Company it is unlikely that the options will be exercised in future also and accordingly the options granted under the Plan are not treated as potential equity shares as defined in Accounting Standard -20 "Earning Per Share" and thus no impact of dilution on EPS is considered.
14. During the year, the Company issued 15,00,000 9% Redeemable Cumulative Non Convertible Preference Shares of 100/- each.
15. In the previous year, the Company raised Rs.2724.43 lacs by issue of 1,81,62,886 fully paid equity shares of Rs.10/- each at a premium of Rs.5/- per equity share to the existing equity shareholders on rights basis. Post this issue the Company's share capital has increased to Rs.3633.24 lacs . The net proceeds from the Rights issue of equity shares of the Company after meeting issue expenses , have been used for repayment of debt.
16. The Company has taken vehicles on an operating lease basis for a period of 48 & 60 months. The lease rentals are payable on monthly installments by the Company.

Future minimum lease rentals payable as per the lease agreements:

	31.03.2011	31.03.2010
	Rs. in lacs	Rs. in lacs
a) Not later than one year	14.93	45.96
b) Later than one year but not later than five years	26.17	35.02
c) Later than five years	—	—
Total	41.10	80.98

Lease payment recognised in profit & Loss account for the year is Rs.54.63 lacs (Previous year Rs.34.69 lacs)

17. A) 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 aggregate amount of assets, liabilities, income and expenses related to the Company's interest in the JV as at 31st March, 2011
- | | 31.03.2011 | 31.03.2010 |
|-----------------|--------------------|-------------|
| | Rs. in lacs | Rs. in lacs |
| i) Assets | 2,802.52 | 2,639.79 |
| ii) Liabilities | 1,687.01 | 1,578.62 |
| iii) Income | 2,166.28 | 2,026.12 |
| iv) Expenses | 2,111.93 | 1,955.16 |
- c) The Company's share of capital commitments of the JV as at 31st March, 2011 is Rs.Nil (Previous year Rs.Nil)
- d) The Company's share of contingent liabilities of the JV as at 31st March, 2011 is Nil. (Previous year Rs.Nil)
- e) No contingent liabilities and capital commitments have been incurred as at 31st March, 2011 in relation to the Company's interest in the JV alongwith the other venture.



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 Proportion 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, 2011

	31.03.2011 Rs. in lacs	31.03.2010 Rs. in lacs
i) Assets	81.04	82.24
ii) Liabilities	3.85	3.53
iii) Income	0.48	2.14
iv) Expenses	2.00	2.68

- c) The Company's share of capital commitments of the JV as at 31st, March, 2011 is Rs.Nil. (Previous year Nil)
- d) The Company's share of contingent liabilities of the JV as at 31st, March, 2011 is Nil. (Previous year Nil)
- e) No contingent liabilities and capital commitments have been incurred as at 31st March, 2011 in relation to the Company's interest in the JV alongwith the other venture. (Previous year Nil)

18. The Sundry Debtors include Rs. 12.89 lacs (Previous year Rs. 34.43 lacs) due from subsidiary companies.

19. Securities Premium amount has been adjusted pursuant to the order from the Hon'ble Bombay High Court of the Capital Reduction Scheme under Section 100 -103 read with Section 78 of the Companies Act, 1956 for setting off the debit balance of the Profit & Loss Account to the extent and against the balance of Rs.4158.73 lacs lying to the credit of Securities Premium Account. The Reduction of the Capital has been registered by Registrar of Companies, Maharashtra on 10th March, 2011.

20. 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:

A. Enterprises over which Directors/Key Management Personnel exercise significant influence

Peninsula Land Ltd.
Ashok Piramal Management Corporation Ltd.
Morarjee Goculdas Spg. & Wvg. Co.Pvt.Ltd.
(Formerly Morarjee Legler Pvt.Ltd.)
Peninsula Facility Management Services Ltd.
Ashok G. Piramal Trust

B. Subsidiary Companies

Morarjee International s.r.l.
Integra Apparels & Textiles Limited (previous year upto 31.12.2009)
Mens Club s.p.a.

C. Joint Ventures

Morarjee Castiglioni (I) Private Limited
Just Textiles Limited

D. Key Management Personnel

Mr.Harshvardhan Piramal

Mr.P.K.Gothi (previous year up to 31.12.2009)

Mr. R. K. Rewari

Mr. R Krishna Kumar (previous year up to 26.02.2010)

E Relatives of Key Management Personnel

Mrs.Jayashree Krishnakumar (previous year up to 26.02.2010)

Details of Transactions are as follows :

	31.03.2011 Rs in lacs	31.03.2010 Rs in lacs
A) Sales to and recoveries from related parties		
<u>Subsidiary Companies</u>		
Integra Apparels & Textiles Ltd. (previous year up to 31.12.2009)	—	227.33
Mens Club s.p.a.	9.36	3.44
Enterprises over which Directors/Key Management personnel exercise significant influence		
Ashok G. Piramal Trust	0.04	—
B) Purchase from related parties		
<u>Joint Ventures</u>		
Just Textiles Ltd.	22.02	2.07
C) Services from related parties		
<u>Subsidiary Companies</u>		
Morarjee International srl	34.82	63.10
<u>Enterprises over which Directors/Key Management personnel exercise significant influence</u>		
Ashok Piramal Management Corporation Limited	21.67	54.60
Peninsula Facility Management Services Limited	49.38	36.82
D) Loan/ Advance paid to related parties		
<u>Subsidiary Companies</u>		
Morarjee International s.r.l.	—	14.27
E) Investments		
<u>Subsidiary Companies</u>		
Integra Apparels & Textiles Ltd. (previous year up to 31.12.2009)	—	909.06
F) Interest received from related parties		
<u>Subsidiary Companies</u>		
Integra Apparels & Textiles Ltd. (previous year up to 31.12.2009)	—	5.81
G) Remuneration/ Sitting Fees		
<u>Key Management Personnel</u>		
Shri Harshvardhan A Piramal	—	25.25
Mr.P.K.Gothi (previous year up to 31.12.2009)	—	35.66
Shri R. K. Rewari	75.42	8.56
Mr. R Krishna Kumar (Previous year up to 26.02.2010)	—	5.61
Sitting Fees & Commission	6.40	3.20



	31.03.2011 Rs in lacs	31.03.2010 Rs in lacs
H) Relatives of Key Management Personnel		
Mrs. Jayashree Krishnakumar (previous year up to 26.02.2010)	—	2.50
I) Rent paid		
<u>Enterprises over which Directors/Key Management personnel exercise significant influence</u>		
Peninsula Land Ltd	111.67	111.67
J) Donations		
<u>Enterprises over which Directors/Key Management personnel exercise significant influence</u>		
Ashok G. Piramal Trust	3.33	—
K) Outstanding balance		
<u>Due to Enterprises over which Directors/Key Management personnel exercise significant influence</u>		
Ashok Piramal Management corporation Ltd	10.40	10.40
Peninsula Land Ltd	16.77	16.62
<u>Due to Joint Venture Companies</u>		
Morarjee Castiglioni (I) Pvt Ltd.	135.83	139.47
Just Textiles Ltd.	6.78	24.60
<u>Due from Subsidiary Companies</u>		
Morarjee International srl	307.99	293.92
Mens club s.p.a.	12.89	34.43
<u>Due from Enterprises over which Directors/Key Management personnel exercise of significant influence</u>		
Ashok G. Piramal Trust	0.03	—
21. Earnings Per Share (Basic / Diluted)	31.03.2011	31.03.2010
	Rs. in Lacs	Rs. in Lacs
a. Profit / (Loss) after Tax	463.11	(375.08)
Less: Preference Share Dividend & Taxes	108.84	58.50
b. Number of Shares (weighted average)	36332349	25981992
c. Earnings Per Share (Rs.)	0.98	(1.67)
22. Previous year's figures have been regrouped / reclassified wherever necessary.		
Signature to Schedules 1 to 15 As per our report of even date.	For and on behalf of Board of Directors	
SHAH & CO. Chartered Accountants FRN. 109430W	Ms. Urvi A. Piramal	Chairperson
	Mr. Harshvardhan A. Piramal	Executive Vice Chairman
	Mr. R. K. Rewari	CEO & Executive Director
	Mr. Mahesh S. Gupta	Director
	Mr. Ranjan Sanghi	Director
H. N. SHAH Partner	Mr. Aditya Mangaldas	Director
Membership No. 8152	Mr. Pradipta Mohapatra	Director
Mumbai : 11 th May, 2011	Mr. S. C. Kashimpuria	Head - Finance & Accounts
	Ms. Karina Vaz	Deputy Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	31.03.2011		31.03.2010
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit / (Loss)		463.11	(375.08)
Provision for Tax - FBT	0.00		6.64
Depreciation	1521.85		1233.97
Interest Expense	2593.16		2324.65
Interest Income	(13.48)		(27.04)
Profit on Sale of Assets	(0.30)		(0.73)
		<u>4101.23</u>	<u>3537.49</u>
Operating Profit Before Working Capital Changes		4564.34	3162.41
Adjustments for Changes in Working Capital			
(Increase)/ Decrease in Trade and Other Receivables	(368.06)		232.42
(Increase) /Decrease in Inventories	(887.34)		(847.21)
Increase/(Decrease) in Trade Payables	(1723.61)		(333.04)
		<u>(2979.01)</u>	<u>(947.83)</u>
Cash From Operating Activities		1585.33	2214.58
Less: Income Tax Paid (FBT&MAT)		14.84	13.20
Net Cash From Operating Activities		(A) 1570.49	2201.38
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(330.69)		(482.41)
Sale of Fixed Assets	1.30		2.59
Loans (to) / from subsidiaries	(14.07)		6.80
Interest Income	13.48		27.04
Purchase of Investments	(0.25)		(909.06)
Net Cash Used in Investing Activities		(B) (330.23)	(1355.04)



	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	6500.00	—
Repayment of Long Term Borrowings	(2040.08)	(1204.61)
Proceeds from Rights Issue (net)	(5.03)	2626.25
Proceeds from Issue of Preference shares	1500.00	—
Increase/ (Decrease) in Short term Borrowings	(4629.33)	(72.81)
Interest Paid	(2527.74)	(2296.53)
Net Cash Used in Financing Activities	(C) (1202.18)	(947.70)
Net Increase in Cash and Cash Equivalents (A)+(B)+(C)	38.08	(101.36)
Cash and Cash Equivalents at the beginning of the year	127.34	138.24
Cash and Cash Equivalents as per scheme of amalgamation	—	90.46
Cash and Cash Equivalents at the end of the year	165.42	127.34

As per our report of even date.

SHAH & CO.
Chartered Accountants
FRN. 109430W

H. N. SHAH
Partner
Membership No. 8152
Mumbai : 11th May, 2011

For and on behalf of Board of Directors

Ms. Urvi A. Piramal	<i>Chairperson</i>
Mr. Harshvardhan A. Piramal	<i>Executive Vice Chairman</i>
Mr. R. K. Rewari	<i>CEO & Executive Director</i>
Mr. Mahesh S. Gupta	<i>Director</i>
Mr. Ranjan Sanghi	<i>Director</i>
Mr. Aditya Mangaldas	<i>Director</i>
Mr. Pradipta Mohapatra	<i>Director</i>
Mr. S. C. Kashimpuria	<i>Head - Finance & Accounts</i>
Ms. Karina Vaz	<i>Deputy Company Secretary</i>

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No. 90643

State Code 11

Balance Sheet Date 31.03.2011

II Capital raised during the year (Amount Rs. in Lacs)

Public Issue

NIL

Right Issue

NIL

Bonus Issue

NIL

Private Placement

1500.00

III Position of Mobilisation and Deployment of Funds (Amount Rs. in Lacs)

Total Liabilities

30339.23

Total Assets

38116.60

Sources of Funds

Paid-up Capital

6133.24

Reserve & Surplus

1644.13

Secured Loans

20153.77

Unsecured Loans

4587.44

Application of Funds

Net Fixed Assets

22407.63

Investments

866.17

Net Current Assets

9244.78

Misc. Expenditure

NIL

Accumulated Losses

NIL

IV Performance of Company (Amount Rs. in Lacs)

Turnover

33489.99

Total Expenditure

33036.74

Profit/(Loss) Before Tax

463.11

Profit/(Loss) After Tax

463.11

Earning Per Share in Rs.

0.98

Dividend Rate %

NIL

V Generic Name of Three Principal Products/Service of Company (As per Monetary Terms)

Item Code No. 520880

Product Description COTTON WOVEN FABRIC



ANNEXURE TO THE BALANCE SHEET AS AT 31ST MARCH, 2011

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT,1956

1.	NAME OF THE SUBSIDIARY COMPANY	MORARJEE INTERNATIONAL srl	MENS CLUB S.P.A. *
2.	FINANCIAL YEAR OF THE SUBSIDIARY COMPANY	31.03.2011	31.12.2010
3.	DATE FROM WHICH IT BECAME SUBSIDIARY	27.01.2005	25.01.2007
4.	EXTENT OF THE HOLDING COMPANY'S INTEREST IN THE SUBSIDIARY COMPANY AT THE END OF THE FINANCIAL YEAR OF THE SUBSIDIARY COMPANY	10000 EQUITY SHARES OF 1 EURO EACH (100%)	1340000 EQUITY SHARES OF 1 EURO EACH (67%)
5.	NET AGGREGATE AMOUNT OF THE PROFIT/(LOSS) OF THE SUBSIDIARY COMPANY NOT DEALT WITH IN THE HOLDING COMPANY'S ACCOUNTS(CONCERNING THE MEMBERS OF THE HOLDING COMPANY):		
	A) FOR THE CURRENT YEAR (Rs in lacs)	(10.81)	(60.09)
	B) FOR THE PREVIOUS YEARS SINCE IT BECAME A SUBSIDIARY (Rs in lacs)	(266.81)	(719.62)
6.	NET AGGREGATE AMOUNT OF THE PROFIT OF THE SUBSIDIARY COMPANY DEALT WITH IN THE HOLDING COMPANY'S ACCOUNTS:		
	A) FOR THE CURRENT YEAR	NIL	NIL
	B) FOR THE PREVIOUS YEARS SINCE IT BECAME A SUBSIDIARY	NIL	NIL

* Including 16% held by Morarjee International srl.

For and on behalf of Board of Directors

Ms. Urvi A. Piramal

Chairperson

Mr. Harshvardhan A. Piramal

Executive Vice Chairman

Mr. R. K. Rewari

CEO & Executive Director

Mr. Mahesh S. Gupta

Director

Mr. Ranjan Sanghi

Director

Mr. Aditya Mangaldas

Director

Mr. Pradipta Mohapatra

Director

Mr. S. C. Kashimpuria

Head - Finance & Accounts

Ms. Karina Vaz

Deputy Company Secretary

Mumbai : 11th May, 2011

AUDITORS' REPORT

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF MORARJEE TEXTILES LIMITED GROUP ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MORARJEE TEXTILES LIMITED AND ITS SUBSIDIARIES

We have audited the attached consolidated Balance Sheet of Morarjee Textiles Limited group as at 31st March 2011, and also the Consolidated Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Morarjee Textiles Limited's management and have been prepared by the management on the basis of the separate financial statements and other financial information regarding its subsidiaries. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with and identified financial reporting framework and are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of subsidiaries mentioned in Annexure to this report whose total assets and total revenues are mentioned in the annexure to this report whose financial statements have been audited by other auditors and whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of subsidiaries, is based solely on the reports of the other auditors. The financial statements of other subsidiaries and joint venture companies have been audited by us and have been considered in above consolidation.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS-21) - Consolidated Financial Statements, (AS-23) Accounting for Investments in Associates in Consolidated Financial Statements and (AS-27) Financial reporting of interests in Joint Ventures issued by the Institute of Chartered Accountants of India.

Based on our audit of financial statements of Morarjee Textiles Limited and on consideration of reports of other auditors of subsidiaries, included in the consolidated financial statements read with Notes 10 and 11 of Schedule 15, and to the best of our information and according to explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

In the case of consolidated Balance Sheet, of the state of affairs of Morarjee Textiles Limited group as at 31st March 2011;

In the case of consolidated Profit and Loss Account, of the profit for the year ended on that date;

and

in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For SHAH & CO.
Chartered Accountants
FRN. 109430W

H.N. Shah
Partner
M. No. 8152

Place : Mumbai
Mumbai : 11th May, 2011



The subsidiary companies considered in the consolidated financial statements and audited by other Auditors are:

Rs. In Lacs

Name of the Company	Financial Year	Total Assets	Total Revenues
Morarjee International srl	April 2010 to March 2011	46.06	36.93
Mens Club S.P.A.	January 2010 to December 2010	678.31	146.32

Joint Venture:

The Joint Venture units considered in the consolidated financial statements as audited by us are:

- I. Morarjee Castiglioni (I) Pvt. Ltd., a Joint Venture between the parent Company and the Manifattura Castiglioni S.P.A. where in the parent Company has equal equity participation.
- II. Just Textiles Limited, a Joint Venture Company where in the parent Company has 49% equity participation.

For SHAH & CO.,
Chartered Accountants
FRN: 109430W

H. N. SHAH
Partner
M. No. 8152

Place : Mumbai
Mumbai : 11th May, 2011

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2011

	Schedule Nos	Rs. in Lacs	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
I. SOURCES OF FUNDS				
1. Shareholders' Funds	1			
a) Capital		6,133.24		4,633.24
b) Reserves and Surplus		2,036.69		4,197.78
c) Capital Reserve on Consolidation		14.83		14.83
			8,184.76	8,845.85
2. Loan Funds	2			
a) Secured		20,792.52		16,001.89
b) Unsecured		4,833.64		9,755.92
			25,626.16	25,757.81
3. Minority Interest			181.97	201.80
4. Deferred Tax Liability (includes amount acquired on acquisition)			140.83	131.85
TOTAL			34,133.72	34,937.31
II. APPLICATION OF FUNDS				
1. Fixed Assets	3			
a) Gross Block		36,785.57		36,305.12
Less : Depreciation		12,416.69		10,829.60
Net Block		24,368.88		25,475.52
b) Capital Work In Progress		36.35		151.69
			24,405.23	25,627.21
2. Investments	4		1.97	1.72
3. Current Assets, Loans and Advances	5			
a) Inventories		7,240.15		6,353.60
b) Sundry Debtors		5,487.23		4,733.45
c) Cash and Bank Balances		290.28		249.78
d) Loans and Advances		3,135.61		3,569.46
		16,153.27		14,906.29
Less : Current Liabilities and Provisions	6	6,426.75		8,163.13
Net Current Assets			9,726.52	6,743.16
4. Debit Balance of Profit & Loss Account (Net of General Reserve Adjustment)			-	2,565.22
TOTAL			34,133.72	34,937.31
Accounting Policies	14			
Notes to the Accounts	15			

As per our report of even date.

SHAH & CO.
Chartered Accountants
FRN. 109430W

H. N. SHAH
Partner
Membership No. 8152
Mumbai : 11th May, 2011

For and on behalf of Board of Directors

Ms. Urvi A. Piramal
Mr. Harshvardhan A. Piramal
Mr. R. K. Rewari
Mr. Mahesh S. Gupta
Mr. Ranjan Sanghi
Mr. Aditya Mangaldas
Mr. Pradipta Mohapatra
Mr. S. C. Kashimpuria
Ms. Karina Vaz

Chairperson
Executive Vice Chairman
CEO & Executive Director
Director
Director
Director
Director
Head - Finance & Accounts
Deputy Company Secretary



CONSOLIDATED PROFIT & LOSS A/C FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule Nos	Rs. in Lacs	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
INCOME				
Income from Operations			35798.96	32,948.51
Less : Excise Duty			486.71	295.67
Net Income from Operations (net)			35312.25	32,652.84
Other Income	7		36.83	121.47
Increase / (Decrease) in WIP & Finished Goods	8		1034.51	1,237.37
Total Income			36383.59	34,011.68
EXPENDITURE				
Materials Consumed	9	14961.93		12,250.64
Manufacturing & Other Expenses	10	9609.52		9,908.24
Employment Cost	11	3905.70		4,331.91
Administrative, Selling & Other Expenses	12	3707.67		3,991.49
Forex Loss / (Gain)		(572.76)		(230.94)
Interest	13	2688.10		2,865.52
Total Expenditure			34300.16	33,116.86
Profit / (Loss) Before Depreciation & Tax			2083.43	894.82
Less: Depreciation			1627.44	1,610.10
Profit / (Loss) Before Tax			455.99	(715.28)
Less: Provision for Tax (Including MAT)			13.73	4.38
Less: Income Tax & Fringe Benefit Tax- Earlier Years			-	26.24
Less: Deferred Tax Adjustment			8.98	(64.47)
Add: MAT Credit Entitlement			(11.74)	(4.38)
Profit / (Loss) After Tax			445.02	(677.05)
Prior Period items			-	(2.45)
Add / (Less) : Share of Minority Interest			19.83	57.20
Consolidated Profit / (Loss) after Prior Period items & Minority			464.85	(617.40)
Interest Profit / (Loss) brought forward from previous year		(5915.28)		(5,297.88)
Less : Set-off against Share Premium Account as per order from the		4158.73		-
Hon'ble Bombay High Court (Refer Note 17 of Schedule 15)			(1756.55)	(5,297.88)
Profit / (Loss) carried to the Balance Sheet			(1291.70)	(5,915.28)
Earning Per Equity Share (Rs.) (Face value Rs.10/- each) (Refer Sr.No. 19 of Schedule 15)			0.98	(2.60)
Accounting Policies	14			
Notes to the Accounts	15			

As per our report of even date.

SHAH & CO.
Chartered Accountants
FRN. 109430W

H. N. SHAH
Partner
Membership No. 8152
Mumbai : 11th May, 2011

For and on behalf of Board of Directors

Ms. Urvi A. Piramal
Mr. Harshvardhan A. Piramal
Mr. R. K. Rewari
Mr. Mahesh S. Gupta
Mr. Ranjan Sanghi
Mr. Aditya Mangaldas
Mr. Pradipta Mohapatra
Mr. S. C. Kashimpuria
Ms. Karina Vaz

Chairperson
Executive Vice Chairman
CEO & Executive Director
Director
Director
Director
Director
Head - Finance & Accounts
Deputy Company Secretary

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH, 2011**

	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
SCHEDULE 1 : SHAREHOLDERS FUNDS		
A) Share Capital		
Authorised :		
4,50,00,000 (Previous Year 4,30,00,000) Equity Shares of Rs. 10/- each	4,500.00	4,300.00
25,00,000 (Previous Year 10,00,000) Redeemable Cumulative Non-Convertible 1 st Preference Shares of Rs. 100/- each	2,500.00	1,000.00
	<u>7,000.00</u>	<u>5,300.00</u>
Issued, Subscribed and Paid-up:		
3,63,32,349 (Previous Year 3,63,32,349) Equity Shares of Rs. 10/- each fully paid up (Refer Note 14 of Schedule 15)	3,633.24	3,633.24
25,00,000 Redeemable Cumulative Non-convertible Preference Shares 10,00,000 (Previous year 10,00,000) 5% Redeemable Cumulative Non-convertible Preference shares of Rs. 100/- each (Redeemable anytime between 15 th November 2014 to 15 th November 2019 at the option of the Company) 15,00,000 (Previous year - Nil) 9% Redeemable Cumulative Non-Convertible Preference Shares of Rs.100/- each These Preference Shares are redeemable on the expiry of 5 years from the date of allotment with an option for the company for early redemption but not before 18 months from the date of allotment.	2,500.00	1,000.00
	<u>6,133.24</u>	<u>4,633.24</u>
B) Reserves and Surplus		
1. General Reserve		
- Opening balance	3,350.06	1,506.42
Add: As per Scheme of Amalgamation (Refer Note 3 of Schedule 15)	—	1,843.64
	<u>3,350.06</u>	<u>3,350.06</u>
Less : Deducted from Profit & Loss Account per contra	1,291.70	3,350.06
	<u>2,058.36</u>	<u>—</u>
2. Share Premium Account		
- Opening Balance	4,163.76	4,662.80
Add : Received during the year	—	908.14
Less : Rights issue expenses	5.03	98.18
Less: Adjusted on consolidation as per Scheme of Amalgamation (Refer Note 3 of Schedule 15)	—	1,309.00
Less: Set-off of Debit Balance of Profit & Loss Account as per order from the Hon'able Bombay High Court (Refer Note 17 Of Schedule 15)	4,158.73	—
	<u>—</u>	<u>4,163.76</u>
3. Foreign Exchange Reserve		
Opening Balance	34.02	38.33
Adjustment for the year	(55.69)	(4.31)
	<u>(21.67)</u>	<u>34.02</u>
	<u>2,036.69</u>	<u>4,197.78</u>



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
SCHEDULE 2 : LOAN FUNDS		
A) Secured Loans		
Term Loan from Bank	12,326.14	7,873.09
– Secured by a 1st pari passu charge on the movable assets including its movable plant and machinery, spare, tools and accessories secured by a pari passu equitable mortgage on company's immovable properties at Butibori, Nagpur and 2 nd pari passu charge by way of current assets of the Company viz , Raw Materials, Stock in Process, Finished Goods, Consumable Store and Spares, Book Debts and other movable both present and future in respect of Rs.10543.71 lacs (Previous year Rs.5594.12 lacs)		
– Secured by first charge on the present and future movable and immovable fixed assets of the Company in respect of Rs.1517.55 lacs (Previous year Rs.1944.72 lacs)		
– Secured against hypothecation of assets, stocks, book debts , vehicles and personal guarantee by directors in respect of Rs. 264.88 lacs - Previous year 334.25lacs)		
Term Loan from Institution	–	62.50
(Secured by way of Equitable Mortgage on Company's Immovable Properties at Butibori, Nagpur and by a charge created on Co's movable assets including its movable plant and Machinery spares, tools and accessories and other movables, both present and future, subject to prior charge of Company's Bankers)		
Cash Credit / Packing Credit from Banks	8,466.38	8,066.30
(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 movable both present and future and secured by pari passu second charge created on Co's movable assets including its movable plant and machinery, spares, tools and accessories and other movable, both present and future)		
TOTAL	20,792.52	16,001.89
B) Unsecured Loans		
Bodies Corporate	4,598.23	9,476.00
Director	48.28	27.53
Banks	4.66	3.88
Others	182.47	248.51
TOTAL	4,833.64	9,755.92

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE - 3 : FIXED ASSETS

Particulars	Gross Block						Depreciation			Net Block	
	Bal as on 01.04.2010	Additions	Deductions	Exchange Rate Difference	Bal as on 31.03.2011	Bal as on 01.04.2010	For the Year	Deduction/ Adjustment	Exchange Rate Difference	Bal as on 31.03.2011	Bal as on 31.03.2010
TANGIBLE ASSETS											
Land - Leasehold	2,596.70	-	-	-	2,596.70	21.39	30.18	-	-	2,545.13	2,575.31
Land	84.71	-	-	-	84.71	-	-	-	-	84.71	84.71
Building	8,657.60	0.33	-	-	8,657.93	1,486.49	284.92	-	-	6,886.52	7,171.10
Plant & Machinery	22,625.42	491.71	5.52	(5.08)	23,106.53	8,189.13	1,159.65	2.55	(3.58)	13,763.88	14,436.29
Computer	462.39	11.44	2.95	-	470.88	323.50	35.06	2.91	-	115.23	138.89
Furniture & Fixture ,Office Equipments	714.12	4.58	21.60	(9.79)	687.31	405.45	33.20	3.25	(4.02)	255.93	308.68
Motor Vehicles	81.44	5.62	15.57	(0.76)	70.73	48.61	2.00	12.63	(0.41)	33.16	32.83
INTANGIBLE ASSETS											
Designs & Archives	277.42	-	-	-	277.42	99.63	9.26	-	-	168.53	177.79
Goodwill	277.57	-	-	(29.07)	248.50	43.33	-	-	(4.69)	209.86	234.24
Computer Software	441.74	68.17	-	(1.73)	508.18	169.25	73.17	-	(1.67)	267.43	272.49
Startup Costs	28.26	-	-	(3.06)	25.20	15.57	-	-	(1.69)	11.32	12.69
Brand +Registered Trade Mark	32.27	-	-	(3.51)	28.76	12.73	-	-	(1.38)	17.41	19.54
Research & Development	25.48	-	-	(2.76)	22.72	14.52	-	-	(1.57)	9.77	10.96
TOTAL	36,305.12	581.85	45.64	(53.76)	36,785.57	10,829.60	1,627.44	21.34	(19.01)	24,368.88	25,475.52
Previous Year	31,177.69	7,045.56	1,908.84	(9.29)	36,305.12	9,251.21	1,610.10	29.24	(2.47)	25,475.52	
Capital W.I.P.										36.35	151.69
TOTAL										24,405.23	25,627.21



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
SCHEDULE 4 : INVESTMENTS		
Long Term Investments		
Govt. Securities (Unquoted)	0.64	0.64
Trade Investments (Unquoted)		
Morarjee Goculdas Spg. & Wvg. Private Limited (Formerly - Morarjee Legler Private Limited) (2000 Equity Shares of Rs. 10/- each fully paid up)	0.01	0.01
Just Exports Private Limited (2000 Equity Shares of Rs. 100/- each)	0.98	0.98
Others		
Saraswat Co-Operative Bank Ltd. (2500 Equity Shares of Rs.10/- each)	0.25	—
Development Credit Bank Limited (1800 Equity Shares of Rs.10/- each - Market value as of 31.03.11 Rs. 0.82 lacs)	0.09	0.09
	1.97	1.72
SCHEDULE 5 : CURRENT ASSETS, LOANS AND ADVANCES		
a) Inventories		
Raw materials & Accessories	962.23	1,195.88
Work-In-Progress	2,566.22	2,798.63
Finished Goods	3,382.69	2,042.45
Consumable, Stores, Spares etc.	329.01	316.64
	7,240.15	6,353.60
b) Sundry Debtors (Unsecured, considered good)		
Outstanding for more than Six months	256.23	455.85
Others	5,231.00	4,277.60
	5,487.23	4,733.45
c) Cash and Bank Balances		
Cash in hand	91.09	45.47
Bank Balances - In current Account	109.97	110.39
- In Fixed Deposit with Banks	89.22	93.92
	290.28	249.78

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
SCHEDULE 5 : CURRENT ASSETS, LOANS AND ADVANCES (Contd.)		
d) Loans and Advances (Unsecured and considered good)		
i) Advances recoverable in cash or kind or for value to be received	1,528.49	1,829.94
ii) Deposit and other advances	619.66	627.59
iii) Advances to Staff	21.92	37.07
iv) Deposit with excise, Sales Tax authorities	679.96	801.02
v) MAT Credit Entitlement	285.58	273.84
	<u>3,135.61</u>	<u>3,569.46</u>
TOTAL	<u>16,153.27</u>	<u>14,906.29</u>
SCHEDULE 6 : CURRENT LIABILITIES AND PROVISIONS		
A) Current Liabilities		
i) Acceptances	1,102.59	1,283.10
ii) Sundry Creditors		
a) Dues of macro and small enterprises	40.09	64.53
b) Others	4,682.91	6,277.74
	<u>4,723.00</u>	<u>6,342.27</u>
iii) Interest Accrued but not due	139.20	73.78
iv) Investor Education and Protection Fund *		
- Unclaimed Dividend	8.80	8.78
v) Trade Deposits	103.38	108.72
	<u>6,076.97</u>	<u>7,816.65</u>
B) Provisions		
Provision for Mat & Fringe Benefit Tax - (net)	82.34	83.35
Empolyees retirement benefit	267.44	263.13
	<u>349.78</u>	<u>346.48</u>
	<u>6,426.75</u>	<u>8,163.13</u>
* There is no amount due and outstanding to be paid to the Investor Education and Protection Fund as at 31 st March, 2011. These amounts shall be paid to the fund as and when they become due.		



**SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2011**

	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
SCHEDULE 7 : OTHER INCOME		
Insurance Claim Received	3.05	0.06
Profit on Sale of Assets	0.30	0.73
Miscellaneous Receipt	33.48	120.68
	<u>36.83</u>	<u>121.47</u>
SCHEDULE 8 : INCREASE / (DECREASE) IN WORK IN PROGRESS AND FINISHED GOODS		
Opening Stock		
Work in Progress	2798.63	3,057.46
Finished Goods & Stock in Trade	2042.45	2,091.53
Add: As per Scheme of Amalgamation (Refer Note 3 of Schedule 15)		
Work in Progress	—	160.17
Finished Goods & Stock in Trade	—	52.74
	<u>4841.08</u>	<u>5361.90</u>
Closing Stock		
Work in Progress	2566.22	4,141.50
Finished Goods & Stock in Trade	3382.69	2,494.16
	<u>5948.91</u>	<u>6,635.66</u>
Excise Duty (Increase) / Decrease on Finished Goods Increase / (Decrease)	<u>(73.32)</u>	<u>(36.39)</u>
	<u>1034.51</u>	<u>1237.37</u>
SCHEDULE 9 : MATERIAL CONSUMED		
Material Consumed		
Opening Stock	1195.88	1,868.92
Add: As per Scheme of Amalgamation (Refer Note 3 of Schedule 15)	—	52.57
Add: Purchases	14728.28	11,975.33
Less: Closing Stock	962.23	1,646.18
Material Consumed	<u>14961.93</u>	<u>12,250.64</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	31.03.2011	31.03.2010
	Rs. in Lacs	Rs. in Lacs
SCHEDULE 10 : MANUFACTURING EXPENSES & OTHER EXPENSES		
Processing Charges	2293.42	2,773.76
Dyes & Chemicals	2393.75	2,590.65
Packing Material	288.71	270.98
Stores & Spares	447.13	405.30
Other Consumables	137.97	159.42
Repairs & Maintenance - Building	18.52	13.87
Repairs & Maintenance - Plant & Machinery	210.88	287.84
Repairs & Maintenance - Others	39.11	93.41
Power & Fuel	3457.33	2,993.91
Rates, Taxes & Water charges	312.08	305.86
Other Expenses	10.62	13.24
TOTAL	9609.52	9,908.24
SCHEDULE 11 : EMPLOYEE COST		
Salaries & Wages	3425.00	3,768.87
PF- Employers Contribution	376.64	437.35
Staff Welfare Expenses	104.06	125.69
TOTAL	3905.70	4,331.91



SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
SCHEDULE 12 : ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Freight Out	868.30	809.43
Insurance Charges	22.50	32.05
Legal & Professional Expenses	364.84	443.45
Rent	484.64	521.62
Telephone Expenses	36.50	80.17
Travelling	223.15	327.07
Marketing Service fee & Commission	528.31	431.66
Directors Remuneration	66.09	62.39
Audit Fees, Certification & Out of Pocket Expenses	18.70	15.99
Loss on Sale of Assets	1.70	5.15
Miscellaneous Expenses	1092.94	1,262.51
TOTAL	3707.67	3,991.49
SCHEDULE 13 : INTEREST		
Interest on Term Loan	881.11	630.74
Others	1820.95	2,262.46
Total	2702.06	2,893.20
Less : Interest Income	13.96	27.68
TOTAL	2688.10	2,865.52

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE - 14 : 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 prescribed in the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

(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 the fixed assets are stated at historical cost. In respect of Assets acquired under new project/ expansion/ restructuring, interest cost on borrowings and other related expenses during trial runs and upto satisfactory commencement of commercial production have been capitalised to Plant & Machinery and any subsidy given for a specific asset is reduced from cost. The Accounting Standard -10 of the Institute of Chartered Accountants of India has been compiled with in this respect.

3. Depreciation

Depreciation has been provided on straight line method on all fixed assets except Leasehold land at the rates specified in Schedule XIV to the Companies Act, 1956. Premium on lease hold land is amortised over the period of lease. Intangible assets are amortised over their estimated useful life.

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. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
- c) Cost of finished goods and work-in-process 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.

6. Investments

Long term 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. Short term 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

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Profit and loss account of the year.

Monetary assets and liabilities denominated in foreign currencies, which are outstanding as at the year end are translated at the closing exchange rate and the resultant exchange differences are recognized in the Profit and loss account.

The premium or discount on forward exchange contracts is recognized over the period of the contracts in the profit and loss account.

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) Defined benefit gratuity plan

The Company operates a defined benefit gratuity plan for employees.

The cost of providing defined benefits is determined using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date. Past service cost is recognized immediately to the

extent that the benefits are already vested, else is amortised on a straight-line basis over the average period until the amended benefits become vested.

The defined benefit obligations recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service costs, and as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the unrecognized past service cost plus the present value of available refunds and reductions in future contributions to the plan.

(iii) Other long term employee benefits

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leaves. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit Method with actuarial valuations being carried out at each balance sheet date

13. Goodwill

Goodwill is written off over a period of ten years.

14. Provision for Taxation

Income tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and fringe benefit tax (computed in accordance with the relevant provisions of the Income tax Act, 1961).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date to reassess realisation.

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



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE - 15 : NOTES FORMING PART OF THE ACCOUNTS

1. a) Contingent Liability not provided for in respect of

	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
i. Bank Guarantees	203.92	357.94
ii. Contingent Liability for bill discounted	998.82	183.46
iii. Dividend on Redeemable Cumulative Non Convertible Preference shares together with dividend Tax	284.11	175.50
b) Estimated amount of contracts remaining to be executed on capital accounts and not provided for Rs.373.54 lacs. (Previous year Rs. Nil lacs)		
c) The Excise department and Income Tax department has raised claims on the company for Rs.2547.19 lacs and Rs.Nil lacs (previous year Rs.2511.82 lacs & Rs.167.75 lacs) respectively. The company has disputed the same with the appropriate authority.		

2. Open Letters of credit

	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
	573.58	476.87

3. The Hon'ble High Court of Karnataka at Bangalore vide its order dated 27th August, 2010 sanctioned the Scheme of Amalgamation of Integra Apparels & Textiles Ltd (Integra) a 100% subsidiary of the Company engaged in the business of manufacturing of textiles, with the Company as per the provisions of Sections 391 to 394 of the Companies Act, 1956. Since Integra was a 100% subsidiary company, no shares were issued pursuant to the Scheme of Amalgamation.

The Appointed Date of Scheme of Amalgamation was 1st January 2010, being the date on which the entire business including all assets and liabilities of Integra have been transferred to the Company. Hence, the financial statement of Integra is consolidated with that of the Company for the 9 months period ending 31st December 2009 in the previous year.

4 Auditor's Remuneration

	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
Audit Fees	7.74	10.74
Tax Audit Fees	2.27	1.77
Certification fees	3.93	3.40
Out of Pocket Expenses	0.07	0.08
Total	14.01	15.99

5. Branch Auditor's Remuneration

	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
Audit Fees	2.50	—
Tax Audit Fees	0.75	—
Certification fees	1.00	—
Service Tax	0.44	—
Total	4.69	—

6. The Company has taken vehicles on an operating lease basis for a period of 48 & 60 months. The lease rentals are payable on monthly installments by the Company.

Future minimum lease rentals payable as per the lease agreements:

	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
a) Not later than one year	14.93	45.96
b) Later than one year but not later than five years	26.17	35.02
c) Later than five years	—	—
Total	41.10	80.98

Lease payment recognised in profit & Loss account for the year is Rs. 54.63 lacs.(Previous year Rs.60.80 lacs)

7. The group recognises deferred tax arising on account of timing differences being the difference between the taxable income and accounting income, that originates in one period and is capable of reversal in one or more subsequent periods in compliance with the applicable accounting standards. The major components of deferred tax assets / (liabilities) arising on account of timing differences as at 31st March, 2011 are as follows except in case of parent company where deferred tax assets has not been provided in the books of accounts due to virtual uncertainty of realisation of such assets.

Particulars

	As at 31.03.11 Rs. in Lacs
Deferred Tax Assets / (Liabilities)	(284.58)
Accumulated losses as per IT Act 1961	143.75
Liability As on 31.03.2011	(140.83)

8. A) As required under accounting standard (AS 27) - Financial Reporting of interest in Joint Venture, the audited financial statement of Just Textiles Ltd, (hereinafter referred to as JV), is between the parent company and Mr.Pradeep Modi and others have been consolidated using proportionate consolidation method.
- The financial year of the JV is April, 2010 to March, 2011 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 2011 is Rs Nil
 - The parent company's share of contingent liabilities of the JV as at 31st March 2011 is Rs Nil
 - No contingent liabilities and capital commitments have been incurred as at 31st March 2011 in relation to the parent company's interest in the JV along with the other venturer.
- B) As required under accounting standard (AS 27) - Financial Reporting of interest in Joint Venture, the audited financial statement Morarjee castiglioni India Pvt.Ltd. , (hereinafter referred to as JV), is between the parent company and Manifattura Castiglioni S.P.A.have been consolidated using proportionate consolidation method.



- The financial year of the JV is April, 2010 to March, 2011 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 2011 is Rs Nil (Previous year Nil)
- The parent company's share of contingent liabilities of the JV as at 31st March 2011 is Rs Nil (Previous year Nil)
- No contingent liabilities and capital commitments have been incurred as at 31st March 2011 in relation to the parent company's interests in the JV along with the other venturer. (Previous year Nil)

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

10. Details of Subsidiary, Joint Venture

	Nature	Country of Incorporation	% of Voting Power
Morarjee International s.r.l.	Subsidiary	Italy	100%
Just Textiles Limited - Joint Venture	Joint Venture	India	49%
Morarjee Castiglioni (I) Private Limited - Joint Venture	Joint Venture	India	50%
Mens Club s.p.a.	Subsidiary	Italy	67%

11. Principles of Consolidation:-

- a) The Consolidated Financial statements are based on the audited financial statements of the subsidiary for the year ended 31st March, 2011 except for Mens club s.p.a. which is for the period January, 2010 to December, 2010 . No significant transactions have occurred after the Balance Sheet date of subsidiaries.
- b) The Financial statements of the company and its subsidiary 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.

12. Employee Benefits:

- a) Short term employee benefits:

The liability towards short term employee benefits for the year ended 31st March, 2011 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 31.03.2011		Unfunded 31.03.2010	
	Gratuity Rs. in Lacs	Leave Encashment Rs. in Lacs	Gratuity Rs. in Lacs	Leave Encashment Rs. in Lacs
<u>Amount Recognised in Balance sheet</u>				
Present Value of Unfunded Obligations	184.22	83.22	176.61	86.50
Unrecognised Past Service Cost	—	—	—	—
Amount not recognised as Asset, because of the limit in Para 59(b)	—	—	—	—
<u>Amount in Balance Sheet</u>				
Liability	184.22	83.22	176.61	86.50
Assets	—	—	—	—
<u>Net Liability</u>	<u>184.22</u>	<u>83.22</u>	<u>176.61</u>	<u>86.50</u>
<u>Expense Recognised in the Statement of Profit & Loss</u>				
Opening Defined Benefit Obligation less benefits Paid	—	—	—	—
Current Service Cost	41.95	18.26	40.06	24.83
Interest Cost on Defined Benefit Obligation	14.57	7.26	14.12	6.35
Expected Return on Plan Assets	—	—	—	—
Net Actuarial Losses / (Gains) Recognised in Year	(2.84)	36.46	6.42	19.69
Past Service Cost	—	—	—	—
Effect of the limit in Para 59(a)	—	—	—	—
Losses/(Gains) on "Curtailements and Settlements"	—	—	—	—
<u>Total Included in "Employee Benefit Expense"</u>	<u>53.68</u>	<u>61.98</u>	<u>60.60</u>	<u>50.87</u>
<u>Change in Define Benefit Obligation</u>				
Opening Defined Benefit Obligation as at 01.04.2010	176.59	86.51	171.17	76.96
Current Service Cost	41.94	18.26	40.06	24.83
Interest Cost	14.58	7.26	14.12	6.35
Actuarial Losses / (Gain)	(2.84)	36.46	6.42	19.69
Liabilities Extinguished on Curtailment	—	—	—	—
Liabilities Extinguished on Settlements	—	—	—	—
Liabilities Assumed on Acquisition	—	—	—	—
Exchange Difference on Foreign Plans	—	—	—	—
Benefits Paid	(46.05)	(65.27)	(55.16)	(41.33)
<u>Closing Defined Benefit Obligation as at 31.03.2011</u>	<u>184.22</u>	<u>83.22</u>	<u>176.61</u>	<u>86.50</u>

Summary of the Actuarial Assumptions :-

Discount Rate 8.25% to 8.50%



Note:

1. The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors.
2. Comparative values of defined benefit plans for the past four financial years as required by AS-15 (Revised) are not provided, being the March 2008 first year of adoption of the standard.
13. Till date no options under the Employees Stock Option Plan has been exercised by any of the eligible employees. Considering the present market price of the Equity Share of the company it is unlikely that the options will be exercised in future also and accordingly the options granted under the Plan are not treated as potential equity shares as defined in Accounting Standard -20 "Earning Per Share" and thus no impact of dilution on EPS is considered.
14. In the previous year, the company raised Rs.2724.43 lacs by issue of 1,81,62,886 fully paid equity shares of Rs.10/- each at a premium of Rs. 5 per equity share to the existing equity shareholders on rights basis. Post this issue the Company's share capital has increased to Rs. 3633.24 lacs. The net proceeds from the Rights issue of equity shares of the company after meeting issue expenses, have been used for repayment of debt.
15. The accumulated deferred tax assets of the company has not provided in the books of accounts due to virtual uncertainty of realisation of such assets.
16. During the year, the Company issued 15,00,000 9% Redeemable Cumulative Non Convertible Preference Shares of 100/- each.
17. Securities Premium amount has been adjusted pursuant to the approval from the Hon'ble Bombay High Court of the Capital Reduction Scheme under Section 100 -103 read with Section 78 of the Companies Act, 1956 for setting off the debit balance of the Profit & Loss Account to the extent and against the balance of Rs.4158.73 lacs lying to the credit of Securities Premium Account and the Reduction of the Capital has been registered by Registrar of Companies, Maharashtra on 10th March, 2011.
18. 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 31.03.2011

A. Enterprises over which Directors/Key Management Personnel exercise of significant influence

Peninsula Land Ltd
 Just Exports Pvt Ltd.
 Morarjee Goculdass Spg. & Wvg. Co. Pvt.Ltd. (Formerly - Morarjee Legler Pvt.Ltd.)
 Ashok Piramal Management Corporation Ltd.
 Peninsula Facility Management Services Ltd.
 Ashok G. Piramal Trust

B. Key Management Personnel

Mr.Harshvardhan Piramal
 Mr.P.K.Gothi (previous year up to 31.12.09)
 Mr. R. K. Rewari
 Mr.R.Krishnakumar (previous year up to 26.02.10)
 Mr.Pradeep Modi
 Ms. Rita Batra
 Ms. Neha Modi

C. Relatives of Key Management Personnel

Mrs. Jayashree Krishnakumar (previous year up to 26.02.2010)

Details of Transactions are as follows:

	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
A Services from related parties		
<u>Enterprises over which Directors/Key Management personnel exercise significant influence</u>		
Ashok Piramal Management Corporation Ltd.	21.67	54.60
Peninsula Facility Management Services Ltd.	49.38	36.82
Sales to and recoveries from related parties		
<u>Enterprises over which Directors/Key Management personnel exercise significant influence</u>		
Ashok G. Piramal Trust	0.04	
Donations		
<u>Enterprises over which Directors/Key Management personnel exercise significant influence</u>		
Ashok G. Piramal Trust	3.33	
B Remuneration / Sitting Fees		
Key Management Personnel		
Mr. Harshvardhan A Piramal	—	25.25
Mr. P. K.Gothi (previous year up to 31.12.2009)	—	35.66
Mr. R. K. Rewari	75.42	8.56
Mr. Krishnakumar	—	30.87
Mr. Pradeep Modi	8.64	12.27
Ms. Rita Batra	2.57	2.56
Ms. Neha Modi	4.51	3.47
- Sitting Fees & commission	6.40	3.20
C Rent Paid		
<u>Enterprises over which Directors/Key Management personnel exercise significant influence</u>		
Peninsula Land Ltd.	111.67	111.67
<u>Relatives of Key Management Personnel</u>		
Mrs. Jayashree Krishnakumar (previous year up to 31.12.09)	—	13.75
D Loan Received from Enterprises over which Directors/Key Management personnel exercise significant influence		
Just Exports Pvt. Ltd.	—	18.78

**E Outstanding balance****Due to Enterprises over which Directors/Key Management personnel exercise significant influence**

Peninsula Land Ltd.	16.77	16.62
Ashok Piramal Management Corporation Ltd.	10.40	10.40
Just Exports Pvt Ltd.	55.44	55.46

Due from Enterprises over which Directors/Key Management personnel exercise significant influence

Ashok G. Piramal Trust	0.03	—
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19. Earnings Per Share (Basic / Diluted)

(After Prior Period)

	Rs. in Lacs	31.03.2011 Rs. in Lacs	Rs. in Lacs	31.03.2010 Rs. in Lacs
a. Profit / (Loss) after Tax (Rs in lacs)	445.02		(677.05)	
Add : Share of Minority interest adjusted	19.83		57.20	
Less : Prior Period Expenses	—		(2.45)	
Less : Preference Share dividend & tax thereon	108.84	356.01	58.50	(675.90)
b. Number of Shares (weighted average basis)		36332349		25981992
c. Earnings Per Share (Rs)		0.98		(2.60)

20. Previous year's figures have been regrouped wherever necessary.

As per our report of even date.

SHAH & CO.
Chartered Accountants
FRN. 109430W

H. N. SHAH
Partner
Membership No. 8152
Mumbai : 11th May, 2011

For and on behalf of Board of Directors

Ms. Urvi A. Piramal	<i>Chairperson</i>
Mr. Harshvardhan A. Piramal	<i>Executive Vice Chairman</i>
Mr. R. K. Rewari	<i>CEO & Executive Director</i>
Mr. Mahesh S. Gupta	<i>Director</i>
Mr. Ranjan Sanghi	<i>Director</i>
Mr. Aditya Mangaldas	<i>Director</i>
Mr. Pradipta Mohapatra	<i>Director</i>
Mr. S. C. Kashimpuria	<i>Head - Finance & Accounts</i>
Ms. Karina Vaz	<i>Deputy Company Secretary</i>

INFORMATION WITH REGARD TO SUBSIDIARY COMPANIES AS ON / FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Rs. in Lacs	
	Morarjee International srl	Mens Club S.P.A.*
Share Capital	5.61	1196.20
Reserve & Surplus	(277.62)	(671.52)
Total Assets	46.06	678.30
Total Liabilities	318.07	153.62
Investment	-	-
Turnover	34.82	159.25
Profit / (Loss) Before Taxation	(8.98)	(60.09)
Provision for Taxation & FBT	1.84	-
Profit / (Loss) after Taxation	(10.82)	(60.09)
Prior period Items	-	-
Profit / (Loss) after prior period Item	(10.82)	(60.09)
Proposed Dividend	-	-

* Financials upto 31.12.2010


CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	31.03.2011		31.03.2010
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit / (Loss) for the year	445.02		(677.05)
Provision for Tax (MAT/FBT)	10.97		(38.23)
Depreciation	1,627.44		1,610.10
Interest Expense	2,702.06		2,893.20
Foreign Exchange Reserve on consolidation	(55.69)		(4.31)
Interest Income	(13.96)		(27.68)
Adjustment on consolidation	-		(34.98)
Prior Period Expenses	-		2.45
(Profit) / Loss on Sale of Assets (net)	1.40		4.42
	<u>4,272.22</u>		<u>4,404.97</u>
Operating Profit Before Working Capital Changes	4,717.24		3,727.92
Adjustments for Changes in Working Capital			
(Increase)/ Decrease in Trade and Other Receivables	(308.19)		523.64
(Increase) /Decrease in Inventories	(886.55)		(993.66)
Increase/(Decrease) in Trade Payables	(1,800.77)		(709.75)
	<u>(2,995.51)</u>		<u>(1,179.77)</u>
Cash From Operating Activities	1,721.73		2,548.15
Less: Income Tax Paid (MAT/FBT)	14.74		28.50
Net Cash From Operating Activities	(A) 1,706.99		2,519.65
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(429.78)		(589.76)
Sale of Fixed Assets	22.90		53.88
Interest Income	13.96		27.68
Purchase of Investment	(0.25)		-
Net Cash Used in Investing Activities	(B) (393.17)		(508.20)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Long Term Borrowings	6,500.00		-
Repayment of Long Term Borrowings	(2,109.45)		(1,488.86)
Proceeds from Rights Issue	(5.03)		2,626.25
Proceeds from Issue of Preference Shares	1,500.00		-
Increase/ (Decrease) in Short term Borrowings	(4,522.20)		(403.80)
Interest Paid	(2,636.64)		(2,865.08)
Net Cash Used in Financing Activities	(C) (1,273.32)		(2,131.49)
Net Increase in Cash and Cash Equivalents (A)+(B)+(C)	40.50		(120.04)
Cash and Cash Equivalents at the beginning of the year	249.78		369.82
Cash and Cash Equivalents at the end of the year	290.28		249.78

As per our report of even date.

SHAH & CO.
Chartered Accountants
FRN. 109430W

H. N. SHAH
Partner
Membership No. 8152
Mumbai : 11th May, 2011

For and on behalf of Board of Directors

Ms. Urvi A. Piramal
Mr. Harshvardhan A. Piramal
Mr. R. K. Rewari
Mr. Mahesh S. Gupta
Mr. Ranjan Sanghi
Mr. Aditya Mangaldas
Mr. Pradipta Mohapatra
Mr. S. C. Kashimpuria
Ms. Karina Vaz

Chairperson
Executive Vice Chairman
CEO & Executive Director
Director
Director
Director
Director
Head - Finance & Accounts
Deputy Company Secretary

FINANCIAL HIGHLIGHTS

Rs. in Lacs

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
PROFIT & LOSS ACCOUNT					
Total Income	34078.23	26192.22	19938.44	17765.96	22004.41
Profit / (Loss) Before Depreciation, Interest & Tax	4564.64	3163.14	(95.69)	246.82	2762.01
Interest	2579.68	2297.61	2045.18	1490.34	968.19
Cash Profit / (Loss)	1,984.96	865.53	(2,140.87)	(1,243.52)	1,793.82
Depreciation	1521.85	1233.97	1050.96	1009.69	926.74
Profit / (Loss) Before Tax & Exceptional items	463.11	(368.44)	(3,191.83)	(2,253.21)	867.08
Exceptional item	-	-	587.25	-	-
Profit / (Loss) Before Tax	463.11	(368.44)	(3,779.08)	(2,253.21)	867.08
Provision for Tax	-	6.64	28.10	20.91	25.07
Profit / (Loss) after Tax	463.11	(375.08)	(3,807.18)	(2,274.12)	842.01
Earnings per share (Rs.)	0.98	(1.67)	(21.28)	(12.84)	5.78
Equity Dividend (%)	-	-	-	-	15%
Book Value per share (Rs.)	21.41	16.02	16.34	37.29	49.81



Yarn Dyeing

Quality Assurance



