

ASHOK
PIRAMAL
GROUP

Corporate Relations Department
BSE Limited
1st Floor, New Trading Wing
Rotunda Building, P J Towers
Dalal Street, Fort
Mumbai- 400 001

The Market Operations Department
**National Stock Exchange of India
Limited**
Exchange Plaza, 5th Floor
Plot No C/1, G Block , Bandra-Kurla
Complex Bandra (E), Mumbai- 400 051

Security Code: 532621
Fax Nos : 22723121 / 22722041

Symbol: MORARJEE
Fax Nos : 26598237 / 38

Date: July 05, 2021

Dear Sir/Madam,

**Sub: Notice convening 26th Annual General Meeting, Annual Report of the
Company and Book Closure**

In compliance with General Circular no. 02/2021 dated January 13, 2021 read with General Circular no. 20/2020 dated May 5, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 14/2020 dated April 8, 2020 issued by the Ministry of Corporate Affairs and Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read with circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (SEBI), we are pleased to inform you that the 26th Annual General Meeting (AGM) of the Company will be held on **Thursday, July 29, 2021 at 2.30 p.m.** through Video Conferencing.

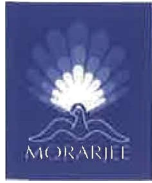
Further, pursuant to Regulation 34 of the Listing Regulations, please find enclosed the Annual Report of the Company for the FY 2020-21 along with Notice of AGM. The Company has commenced the dispatch of the Annual Report to the shareholders by electronic modes on July 05, 2021.

MORARJEE TEXTILES LTD

503, 5th Floor, Peninsula Tower- 1,
Peninsula Corporate Park, Ganpatrao
Kadam Marg, Lower Parel,
Mumbai – 400013 India

Tel : (+91 - 22) 6615 4651
(+91 - 22) 6615 4652
(+91 - 22) 6615 4653

Fax : (+91-22) 6615 4607
(+91-22) 6615 4653
www.morarjeetextiles.com



ASHOK
PIRAMAL
GROUP

The Register of Members and Share Transfer Books of the Company shall remain closed as mentioned hereunder:

Security Code	Type of Security	Book Closure		Cut - off Date	Purpose
		From	To		
BSE:532621 NSE: MORARJEE	Equity	Saturday, 24 th July, 2021	Thursday 29 th July, 2021	Friday, 23 rd July, 2021	Annual General Meeting
		both days inclusive			

Pursuant to Regulation 29 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), we have to inform you that the Company intends to raise funds upto Rs. 250 Crores by issuing Non-Convertible Debentures (NCDs) in one or more tranches on private placement basis and approval of the Shareholders is accordingly sought at the AGM to be held on July 29, 2021

Kindly take the above on record.

Yours Truly,
For **Morarjee Textiles Limited**

Nishthi Dharmani
Company Secretary and Compliance officer

Cc: Central Depository Services (India) Limited
National Securities Depository Limited
Freedom Registry Limited, Share Transfer Agent

Encl: As Above

MORARJEE TEXTILES LTD

503, 5th Floor, Peninsula Tower- 1,
Peninsula Corporate Park, Ganpatrao
Kadam Marg, Lower Parel,
Mumbai – 400013 India

Tel : (+91 - 22) 6615 4651
(+91 - 22) 6615 4652
(+91 - 22) 6615 4653

Fax : (+91-22) 6615 4607
(+91-22) 6615 4653
www.morarjeetextiles.com



ASHOK
PIRAMAL
GROUP



MORARJEE TEXTILES LTD.

26th Annual Report
2020-2021





Speed Frame section



New Spinning Unit



Ring Frame Section

Corporate Information

BOARD OF DIRECTORS

Ms. Urvi A. Piralal, Chairperson
Mr. Harsh A. Piralal, Executive Vice Chairman
Mr. R. K. Rewari, Managing Director
Mr. Mahesh S. Gupta, Non-Executive Director
Lt. Gen. A. K. Singh (Retd.), Independent Director
Ms. Alpana Chinai, Independent Director
Mr. Archit Jayakar, Independent Director
Mr. Devesh Dadheech, Independent Director

GROUP CFO

Mr. Dinesh Jain

CHIEF FINANCIAL OFFICER

Mr. S. C. Kashimpuria

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Nishthi Dharmani

STATUTORY AUDITORS

M/s. Haribhakti & Co. LLP
Chartered Accountants

BANKERS

Indian Bank
The Saraswat Co-op. Bank Limited
IDBI Bank Limited
ICICI Bank Limited
Kotak Mahindra Bank Limited
Federal Bank Limited
Axis Bank Limited
Tata Capital Financial Services Limited

REGISTERED OFFICE

503, 5th Floor, Peninsula Tower-1,
Peninsula Corporate Park, Ganpatrao Kadam Marg,
Lower Parel, Mumbai - 400013

CIN : L52322MH1995PLC090643

Website : www.morarjee.com

Email : corporatesecretarial@ashokpiramalgroup.com

PLANT

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

SHARE TRANSFER AGENT (STA)

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

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

26TH ANNUAL GENERAL MEETING

Day : Thursday
Date : 29th July, 2021
Time : 2.30 p.m.

Contents

	Page Nos.		
Notice	2	Standalone Statement of Profit and Loss	59
Directors' Report	12	Notes to Standalone Financial Statements	61
Corporate Governance	25	Standalone Statement of Cash Flows	91
Management Discussion & Analysis	45	Consolidated Financials	92
Independent Auditor's Report	50	Financial Highlights	134
Standalone Balance Sheet	58		

Notice

Notice is hereby given that the 26th Annual General Meeting ("AGM") of the Members of Morarjee Textiles Limited will be held on Thursday, 29th July, 2021, at 02.30 p.m. through video conferencing to transact the following business:

Ordinary Business:

1. To receive, consider and adopt:
 - a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021 together with the Reports of the Board of Directors and the Auditors thereon;
 - b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 and the Report of the Auditors thereon.
2. To appoint a director in place of Mr. Harshvardhan A. Piramal (DIN: 00044972), Non-Executive Director, who retires by rotation and being eligible, has offers himself for re-appointment.

Special Business:

3. Ratification of Remuneration of Cost Auditors:

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

"RESOLVED THAT pursuant to provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014, including any statutory modifications or re-enactments thereof, for the time being in force, the Company hereby ratifies the remuneration of ₹1,50,000/- (Rupees One Lakh Fifty Thousand Only), (exclusive of the applicable taxes and out of pocket expenses) to M/s. Phatak Paliwal & Co., Cost Accountants (Firm Registration Number 000105), appointed by the Board of Directors of the Company as Cost Auditors, to conduct the audit of cost records of the Company for the Financial Year ended March 31, 2022;

RESOLVED FURTHER THAT all the Directors and Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary or expedient for giving effect to the foregoing resolution."

4. Approval to make offer(s) of Non-Convertible Debentures up to an overall amount of ₹ 250 Crore:

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

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and subject to rules/ regulations/ guidelines issued by Securities and Exchange Board of India or any other appropriate/ statutory authorities and pursuant to the provisions of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to make offer(s) of Non-Convertible Debentures to be issued and allotted in one or more series within a period of one year from the date of passing of this resolution, on private placement basis to such persons / entities as may be identified by the Board of Directors (including any Committee of the Company authorized by the Board of Directors in this regard), up to an overall amount of ₹250 Crore (Rupees Two Hundred & Fifty Crore only) on such terms and conditions as may be decided by the Board or a Committee constituted by the Board, as the case may be, from time to time.

RESOLVED FURTHER THAT all the Directors and Key Managerial Personnel of the Company or any other persons authorised by the Board or any Committee(s) constituted by the Board be and are hereby severally authorized to do all such acts, deeds, things and to execute all such deeds, documents, undertaking as may be considered necessary or expedient for giving effect to the foregoing resolutions including but not limited to filing of necessary forms and returns with the Registrar of Companies-Maharashtra, Ministry of Corporate Affairs, Stock Exchanges, and / or other authorities and to seek such approval/ consent from the shareholders or other authorities, as may be required in this regard."

5. Re-appointment of Lt. Gen. A.K. Singh (DIN: 07698288) as an Independent Director:

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 Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, taking into consideration the performance evaluation

report, Lt. Gen. A.K. Singh (DIN: 07698288) who holds office of Independent Director up to 7th February, 2022 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Lt. Gen. A.K. Singh's candidature for the office of Director, being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 07th February, 2022 upto 07th February, 2027."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized severally to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

By Order of the Board

For Morarjee Textiles Limited

Sd/-

Nishthi Dharmani
Company Secretary

Date: 28th June, 2021

Place: Mumbai

Morarjee Textiles Limited

CIN: L52322MH1995PLC090643

Registered office: 503, 5th Floor, Peninsula Tower-1, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel Mumbai Mumbai City MH 400013

NOTES:

1. In view of the Ministry of Corporate Affairs ("MCA") General circular no. 02/2021 dated 13th January, 2021 read with MCA circular no. 20/2020 dated 5th May, 2020, General Circular No. 17/2020 dated 13th April, 2020, General Circular No. 14/2020 dated 8th April, 2020 ("MCA circulars") and SEBI circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 read with SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 ("SEBI circulars"), the 26th Annual general meeting (AGM) of the members of the Company will be held through video conferencing (VC).

2. Corporate members are requested to send at support@freedomregistry.co.in or corporatesecretarial@ashokpiramalgrou.com before e-voting/ attending annual general meeting, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting through VC, pursuant to Section 113 of the Companies Act, 2013.
3. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Businesses to be transacted at the Annual General Meeting is annexed hereto.
4. Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of Directors proposed to be appointed in this AGM are annexed to this notice.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 24th July, 2021 to 29th July, 2021 (both days inclusive)
6. Members holding shares in physical form are requested to notify immediately any change in their address/mandate/bank details to the Company or to the office of the Share Transfer Agent of the Company, Freedom Registry Limited at support@freedomregistry.co.in, quoting their folio number and members whose shareholding is in electronic mode are requested to direct their notifications about change of address to their respective depository participants(s) (DP).
7. Pursuant to the provisions of the Companies Act, 2013, dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.
8. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016("The Rules") notified by the Ministry of Corporate Affairs effective September 7, 2016, all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more would be transferred to the Investor Education and Protection Fund (IEPF) Account.
9. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors

are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode, up to the date of AGM. Members can inspect the same by sending an email to corporatesecretarial@ashokpiramalgroup.com.

10. SEBI has mandated the transfer of securities of the listed entities only in demat form with effect from April 1, 2019. Members are therefore requested to dematerialise their physical share certificates as soon as possible in order to avoid inconvenience in future.
11. Members holding shares in single name and in physical form are advised to make a nomination in respect of their shareholding in the Company and those Members who hold shares singly in dematerialized form are advised to make a nomination through their Depository Participants. The nomination form can be downloaded from the Company's website www.morarjee.com.
12. Voting rights of the members (for remote e-voting and voting at AGM) shall be reckoned on shares registered in the name of the members and in proportion to their shares in the up equity share capital of the Company as on the cut-off date 23rd July, 2021. A person who is not a Member on the cut-off date should treat this notice for information purposes only.
13. The Board of Directors has appointed Ms. Kala Agarwal, Practicing Company Secretary, as the Scrutinizer for scrutinizing the voting process for the AGM in a fair and transparent manner and she has communicated her willingness to be appointed for the said purpose.
14. The Scrutinizer will, after scrutinizing the votes cast through e-voting during the meeting and through remote e-voting, not later than 48 hours of conclusion of the Meeting, make a consolidated Scrutinizer's Report and submit the same to the Chairperson/ Managing Director/ Company Secretary who shall declare the results. The results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company viz. www.morarjee.com and on the website of CDSL viz. www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.
15. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depository on or before 02nd July, 2021. Members may note that the Notice and Annual Report 2020-21 will also be available

on the Company's website www.morarjee.com, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Company's Share Transfer Agent, Freedom Registry Limited at support@freedomregistry.co.in. And on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

For receiving all communication (including Annual Report) from the Company electronically:

- a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company's Share Transfer Agent, Freedom Registry Limited, the details of their folio number and attaching a self-attested copy of PAN card, a support@freedomregistry.co.in.
 - b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.
16. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs ("MCA") General circular no. 02/2021 dated 13th January, 2021 read with MCA circular no. 20/2020 dated 5th May, 2020, General Circular No. 17/2020 dated 13th April, 2020, General Circular No. 14/2020 dated 8th April, 2020 ("MCA circulars") and SEBI circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 read with SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 ("SEBI circulars"), the forthcoming AGM will thus be held through video conferencing (VC). Hence, Members can attend and participate in the ensuing AGM through VC.
 17. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 the Company is providing facility of e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency.

18. The Members can join the AGM in the VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
19. The attendance of the Members attending the AGM through VC will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
20. Members who are present in meeting through video conferencing facility and have casted their vote on resolutions through remote e-voting, shall not be allowed to vote through e-voting system during the meeting.
21. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. However, pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC and cast their votes through e-voting.
22. The AGM has been convened through VC in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
23. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31st December, 2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January 13, 2021.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC ARE AS UNDER:

- (i) The voting period begins on 26th July, 2021 at 10:00 AM and ends on 28th July, 2021 at 5:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd July, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting .
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given

below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/ NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>

Individual Shareholders holding securities in demat mode with NSDL	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>
--	--

Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
--	--

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.

- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (iii) After entering these details appropriately, click on "SUBMIT" tab.
- (iv) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (v) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (vi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (vii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (viii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (ix) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (x) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xiii) Facility for Non – Individual Shareholders and Custodians – Remote Voting
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; corporatesecretarial@ashokpiramalgroup.com

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request to corporatesecretarial@ashokpiramalgroup.com any time before 5:00 p.m. IST on Saturday, 24th July 2021, mentioning their name, demat account number/folio number, email id, mobile number. The shareholders who do not wish to speak during the AGM but have queries may send their queries to corporatesecretarial@ashokpiramalgroup.com any time before 5:00 p.m. IST on Saturday, 24th July 2021, mentioning their name, demat account number/folio number, email id, mobile number. These queries will be replied by the company suitably by email
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to evoting@cdslindia.com or call on 022-23058542/43.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

Item No. 3

In terms of provisions of Section 148 of the Companies Act, 2013 (the Act) read with Rules made thereunder, the Company is required to appoint a Cost Auditor to conduct the audit of the cost records of the Company. On the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on 19th May, 2021 appointed M/s. Phatak Paliwal & Co., as the Cost Auditors of the Company for the financial year 2021-22 at a remuneration of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only), exclusive of the applicable taxes and out of pocket expenses, if any. M/s. Phatak Paliwal & Co., have given their consent and eligibility letter for the said appointment.

In terms of provisions of Section 148 of the Act and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only) is subject to ratification by the members.

The Board commends passing of the resolution appearing under the Item No.3 of the accompanying Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, is in any way concerned or interested, in the Resolution set out at No. 3 of the Notice.

Item No. 4

In view of the existing and future financial requirements of the Company to support its business operations, the Company is in need of additional funds. As an alternative means of

funding, your Company may raise funds through offer and issue of Non-Convertible Debentures (“NCDs”) on a Private Placement basis.

Further, as per the provisions of Section 42 of the Companies Act, 2013 and Rules made thereunder, the prior approval of shareholders through Special Resolution shall be valid for all the offers or invitations for such NCDs during one year from the date of its passing. Accordingly, the approval of the shareholders is sought for the fresh offer of NCDs on a Private Placement basis up to a limit of Rs. 250 Crores for a period of one year commencing immediately from the date of passing of this resolution.

The Board commends passing of the resolution set out in Item No. 4 of the Notice by way of special resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, is in any way concerned or interested, in passing of the Resolution set out at Item No. 4 of the Notice

Item No. 5

Lt. Gen. A.K. Singh is a Non-Executive Independent director of the Company. He has been on the Board of Morarjee Textiles Limited since February 8, 2017. He is Chairman of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relation Committee and Member of Corporate Social Responsibility Committee In terms of SEBI (Listing

Obligations & Disclosure Requirements) Regulations, 2015 and Sections 149, 150, 152, 197 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Lt. Gen. A.K. Singh being eligible and seeking re-appointment, is proposed to be re-appointed as an Independent director for a term of five consecutive years from 07th February, 2022 to 07th February, 2027.

In the Opinion of the Board, Lt. Gen. A.K. Singh, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and rules made thereunder and he is independent of the management. A copy of draft letter for the re-appointment of Lt. Gen. A.K. Singh, as an Independent Director setting out the terms and conditions is available for inspection electronically, basis the request being sent on corporatesecretarial@ashokpiramalgroup.com. The Board considers that his continued association would be immense benefit to the company and it is desirable to continue to avail the services of Lt. Gen. A.K. Singh as an Independent Director.

Accordingly, the Board recommends the resolution to appoint Lt. Gen. A.K. Singh as an Independent Director for the Approval of members. Except Lt. Gen. A.K. Singh, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5. This Explanatory Statement may also be regarded

as a disclosure under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Lt. Gen. A.K. Singh does not hold Equity shares of the Company.

This explanation, together with the accompanied notice is and should be treated as an abstract under Section 189 and 190 of the Companies Act, 2013 and rules made there under, in respect of the re-appointment of Lt. Gen. A.K. Singh, as an Independent Director. The resolution for seeks approval of members as an Special Resolution for the re-appointment of Lt. Gen. A.K. Singh as an Independent Director of the Company with effect from 08th February, 2022 to 07th February, 2027 pursuant to the provisions of Section 149, 150, 152, 197 read with Schedule IV and other applicable provision of the Companies Act, 2013 and the rules made there under.

The details of appointment of Lt. Gen. A.K. Singh as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are disclosed in "Annexure I" to this notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, is in any way concerned or interested, in passing of the Resolution set out at Item No. 5 of the Notice

ANNEXURE - I

Details of Directors Seeking appointment/ re-appointment in the forthcoming Annual General Meeting [Pursuant to Regulation 26(4) and 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with clause 1.2.5 of the Secretarial Standard -2]

Name of the Director	Mr. Harshvardhan A. Piramal	Lt. Gen. A.K. Singh
Date of Birth	27/10/1973	11/01/1953
Age	47 years	67 years
Qualifications, experience, brief resume of the Director & Nature of his expertise	Brief resume with qualifications, experience and nature of expertise of Mr. Harshvardhan A. Piramal is stated in the Directors' Profile section and List of Skills & expertise section of the Corporate	Brief resume with qualifications, experience and nature of expertise of Lt. Gen A.K. Singh is stated in the Directors' Profile section of the Corporate Governance Report
Terms and Conditions of Appointment/ Re-appointment	Retiring by rotation and being eligible, proposed for re - appointment.	Expiration of the term and being eligible, proposed for Re-appointment
Remuneration to be paid	-	Eligible for sitting fees and commission, if any, as approved.
Remuneration last drawn	As mentioned in the Remuneration section of the Corporate Governance Report.	As mentioned in the Remuneration section of the Corporate Governance Report.

Relationship with other directors and key Managerial Personnel	Son of Mrs. Urvi A. Piramal	None
Directorship in other companies as on 31.03.2021	<ul style="list-style-type: none"> • Morarjee Textiles Limited • Oriental Aromatics Limited • Ashok Piramal Management Corporation Limited • Piramal Equitation Private Limited • Firestone Real Estate Development Private Limited • Lifestar Mega Township Development Private Limited • Royalfeel Real Estate Development Private Limited • Shobla Hydro Power Private Limited • High Life Event Management Consultancy Private Limited • Integra Garments And Textiles Limited 	<ul style="list-style-type: none"> • Morarjee Textiles Limited • Air Works India (Engineering) Private Limited • Air Works Livery Services Private Limited • Air Works MRO Services Private Limited
Chairman/ Member of the Committees of the Board of Directors as on 31.03.2021	<p>Integra Garments And Textiles Limited:</p> <ul style="list-style-type: none"> • Audit Committee – Member • Nomination and Remuneration Committee - Member <p>Morarjee Textiles Limited:</p> <ul style="list-style-type: none"> • Audit Committee - Member • Stakeholders Relationship Committee – Member • Corporate Social Responsibility Committee - Member <p>Oriental Aromatics Limited:</p> <ul style="list-style-type: none"> • Audit Committee - Chairman • Stakeholders Relationship Committee – Chairman • Nomination and Remuneration Committee - Chairman • Corporate Social Responsibility Committee – Member 	<p>Morarjee Textiles Limited</p> <ul style="list-style-type: none"> • Audit Committee – Chairman • Nominations and Remuneration Committee – Chairman • Stakeholders’ Relationship Committee – Chairman • Corporate Social Responsibility Committee - Member
Number of Board Meetings attended during FY 2020-21	4 of 4	4 of 4
Date of first appointment on the Board of the Company	01/06/2004	08/02/2017
Shareholding in the Company as on 31.03.2021	16,522	Nil

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting their 26th Annual Report and the Audited Financial Statement for the Financial Year ended 31st March, 2021.

1) Financial Results

Particulars	(₹ in lakh)			
	Standalone		Consolidated	
	Current Year 31st March, 2021	Previous Year 31st March, 2020	Current Year 31st March, 2021	Previous Year 31st March, 2020
Total Income	19,505	38,416	19,505	38,416
EBIDTA	384	4,428	384	4,428
Interest and Finance Expenses	5,455	5,720	5,455	5,720
Depreciation	2,328	2,372	2,328	2,372
Profit/(Loss) before tax and Exceptional item	(7,399)	(3,664)	(7,399)	(3,664)
Exceptional item	-	24	-	49
Profit/(Loss) before tax	(7,399)	(3,688)	(7,399)	(3,713)
Current tax (MAT)	-	-	-	-
Deferred Tax (Net of MAT credit Entitlement)	(1,236)	(1,079)	(1,236)	(1,079)
Profit/(Loss) After Tax	(6,163)	(2,609)	(6,163)	(2,634)
Share in Profit/(Loss) of Joint Venture	-	-	(4)	(11)
Profit/(Loss) for the year	(6,163)	(2,609)	(6,167)	(2,645)
Other Comprehensive Income (Net of Tax)	(28)	2	(28)	2
Total Comprehensive Income	(6,191)	(2,607)	(6,195)	(2,643)

Review of operations: (Rs. In Lakhs)

On Standalone basis, the total Income from operations of the Company was ₹ 19,505 lakhs as against ₹ 38,416 lakhs in the previous year. The EBIDTA of the Company for current year was ₹384 lakhs as against ₹ 4,428 lakhs in previous year. The Company incurred a loss of ₹ (7,399) lakhs from ordinary activities before tax in the current year as against a loss of ₹ (3,688) lakhs in the previous year. After providing for tax, the Company reported a Total Comprehensive Income

of ₹(6,191) lakhs for the year ended 31st March, 2021 as against that of ₹ (2,607) lakhs for the Financial Year ended 31st March, 2020.

On Consolidated basis, the total Income from operations of the Company was ₹ 19,505 lakhs as against ₹ 38,416 lakhs for the previous year. The Company has incurred a loss before tax of ₹ (7,399) lakhs, from ordinary activities before tax in the current year as against a profit of ₹ (3,713) lakhs previous year. After providing for tax and after share in loss of Joint Ventures, the Company reported a Total Comprehensive Income of ₹ (6,195) lakhs for the Financial Year ended 31st March, 2021 as against that of ₹ (2,643) lakhs for the Financial Year ended 31st March, 2020.

2) Performance of Joint Venture Companies

The Company has only one Joint Venture Company viz. Morarjee Castiglioni (India) Private Limited (50%).

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

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

3) Share Capital

During the financial year 2020-21, there was no change in the Share Capital of the Company. The Company has neither issued any shares nor has granted neither any stock Options nor any Sweat Equity Shares during the year.

4) Dividend and Reserve

In view of losses incurred, your Directors do not recommend any dividend for the year under review. The details of reserves and surplus are provided in Note No. 15 of the notes to the standalone financial statements

5) Deposits / Loans from Directors

The Company has neither accepted nor has renewed any deposits during the year. Your Company has not accepted any deposit or any loan from the directors during the year under review.

6) Particulars of Loans, Guarantee or Investments

During the year under review, the Company has not made any investments, advanced any loans or provided any guarantee falling under Section 186 of the Companies Act, 2013 ("the Act").

7) State of Company's Affairs and business Review

The details of the Company's affairs including its operations are more specifically given in the Management Discussion and Analysis Report, which is given in this Annual Report.

8) Corporate Social Responsibility ("CSR")

During the Financial Year 2020-21, the Company was not under any statutory obligation to make any contribution towards the Corporate Social Responsibility activities.

The detailed Report on CSR is annexed as "Annexure – 2" and forms an integral part of this Report.

The constitution of the CSR Committee and its terms of reference are more particularly stated in the Corporate Governance Report which forms a part of this Annual Report. CSR Policy of the Company is available on Company's website at www.morarjee.com.

9) Business Risk Management

The Company has formulated and implemented a Risk Management policy in accordance with the provisions of the Act and Regulation 17(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") in order to address the business risks associated with the Company. The Company periodically reviews the risk management practices and actions deployed by the management with respect to the identification, impact assessment, monitoring, mitigation and reporting of key risks while trying to achieve its business objectives.

10) Internal Financial Control System and their adequacy

Your Company has an Internal Control System commensurate with the size, scale and complexity of its operations and well-documented procedures for various processes which are periodically reviewed for changes warranted due to business needs. The Internal Auditor continuously monitors the efficiency of the internal controls/ compliance with the objective of providing to Audit Committee and the Board of Directors, an independent, objective and reasonable assurance of the adequacy and effectiveness of the organisation's risk management, control and governance processes. This system of internal control facilitates effective compliance of Section 138 of the Act and the Listing Regulations.

To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee. The Internal Auditor monitors and evaluates the efficiency and adequacy of the internal control system with reference to the Financial Statement. Based on the report of internal auditor, process owners undertake corrective actions in their respective areas

and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee. During the year under review, no reportable material weakness in the operation was observed. Regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

11) Vigil Mechanism/ Whistle Blower Policy

The Vigil Mechanism/Whistle Blower Policy has been put in place for the Directors and Employees to report their genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The mechanism provides for adequate safeguards against the victimization of directors and employees who avail of the mechanism. Directors and employees may make protected disclosure under the policy to the Compliance Committee constituted by the Company to administer the internal code of business conduct. In exceptional cases, directors and employees have direct access to the Chairman of the Audit Committee. Further no personnel have been denied access to the Compliance Committee/ Chairman of the Audit Committee, as the case may be.

No complaints were received under whistle blower mechanism during the year under review.

12) Directors and Key Managerial Personnel

During the year under review, On the recommendation of the Nomination and Remuneration Committee, the Board of Directors has appointed Mr. Devesh Dadheech (DIN: 01656629) as an Additional Director (Independent) of the Company with effect from 26th June, 2020 for a period of 5 consecutive years pursuant to Sections 149, 150, 152 and 161 of the Act and the rules made thereunder. The appointment of Mr. Devesh Dadheech is approved by the shareholders of the Company at the AGM held on 25th September 2020.

A statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year is provided in the Report on Corporate Governance which forms part of this Annual Report.

Ms. Harshvardhan A. Piramal (DIN: 00044972), executive Director of the Company is liable to retire by rotation and being eligible, has offered herself for re-appointment. The Board recommends his re-appointment to the shareholders at the ensuing AGM.

All the Independent Directors of your company have given declarations that they meet the criteria of Independence laid down under Section 149(6) of the Act and the Listing Regulations.

The Company has complied with the requirements of having Key Managerial Personnel as per the provisions of Section 203 of the Act.

13) Remuneration Policy

In compliance with Section 178(3) of the Act and Regulation 19(3) of the Listing Regulations and on the recommendation of the Nomination and Remuneration Committee, the Board framed a Policy relating to the selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration.

The Policy includes criteria for determining qualifications, positive attributes and independence of a director and other matters. The functions of the Nomination and Remuneration Committee are disclosed in the Corporate Governance Report, which forms part of the Annual Report.

The policy on the appointment of a person as Director and evaluation of Director and Senior Management Personnel of the Company is available on Company's website at www.morarjee.com.

14) Performance Evaluation

Pursuant to Regulation 17 of the Listing Regulations read with Schedule IV of the Act, a formal evaluation of Board's performance and that of its Committees and individual directors had been done. Directors were circulated structured performance evaluation forms on various heads and they have provided their inputs on the same. Based on feedback, an evaluation Report was prepared and forwarded to the Chairperson and the respective Director to maintain the confidentiality of the Report.

The Independent Directors at their meeting held on 10th February 2021 evaluated performance of the Chairperson, non-independent directors of the Company.

The Directors expressed their satisfaction with the evaluation process.

15) Meetings of the Board

Four meetings of the Board of Directors were held during the financial year 2020-21 and the gap between two consecutive board meetings was within the statutory limit. The details of the number of meetings held and attended by each Director are provided in the Corporate Governance Report, which forms part of this Annual Report.

16) Committees of the Board

The details of all the Committees of the Board along with

their terms of reference, composition and meetings held during the year, are provided in the Report on Corporate Governance which forms part of this Annual Report.

17) Directors' Responsibility Statement

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, in any;
- ii) your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and its loss for the year ended on that date;
- iii) your Directors have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) your Directors have prepared the annual accounts for the year ended 31st March, 2021 on a going concern basis;
- v) your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- vi) your Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18) Related Party Transactions ("RPTs")

The RPTs entered into by the Company during the Financial Year 2020-21 were on an arm's length basis and in the ordinary course of business and none of them was material. The Form AOC-2 for RPTs is enclosed as **"Annexure - 3"**.

All the RPTs were placed before the Audit Committee for its approval and the Committee had granted its prior approval/omnibus approvals, as the case may be, for all RPTs considering their nature. The Audit Committee reviewed, on a quarterly basis, RPTs entered into by the Company to which omnibus approval was granted by the Committee. The Company has framed a policy on RPTs for the purpose of identification, approval and

monitoring of such transactions.

The policy on RPTs is hosted on the Company's website at www.morarjee.com.

19) Auditors and their reports

A. Statutory Auditors & Auditors Report

The members of the Company have appointed M/s. Haribhakti & Co. LLP as statutory auditors of the Company for a period of 5 years and they will remain in office until the conclusion of 27th AGM to be held in the calendar year 2022. The Auditor's Report on the Standalone and Consolidated Financial Statements of the Company for the Financial Year 2020-21 as submitted by M/s. Haribhakti & Co. LLP, did not contain any qualifications, reservations or adverse remarks and is self-explanatory.

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government.

B. Cost Auditors

Pursuant to Section 148 of the Act and on the recommendation of the Audit Committee, M/s. Phatak Paliwal & Co., Cost Accountants (Firm Registration Number 000105), were appointed by the Board as the Cost Auditors of the Company for the financial year 2021-22 at a remuneration of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only), exclusive of applicable taxes subject to ratification by the members at the AGM. The requisite resolution for ratification of remuneration of Cost Auditors by the shareholders has been set out in the Notice of AGM. M/s. Phatak Paliwal & Co. provided a certificate to the Company certifying their independence and arm's length relationship with the Company in accordance with the provisions of the Act.

C. Secretarial Audit

Pursuant to Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has obtained the Secretarial Audit Report for the financial year ended 31st March, 2021 from M/s. Kala Agarwal, Company Secretary in practice and same is annexed as "Annexure - 4" to this Report. The Secretarial Audit Report does not contain any qualification, reservations or adverse remarks.

20) Corporate Governance Report and Management Discussion and Analysis Report

The Corporate Governance Report on compliance of the

conditions of Corporate Governance as stipulated in the Listing Regulations and the Management Discussion & Analysis Report forms an integral part of this annual report.

21) Corporate Governance details as required under Schedule V of the Companies Act, 2013

The disclosures to be mentioned in pursuance of Section II of Part II of Schedule V of the Act have been mentioned in the Corporate Governance Report.

22) Compliance of Secretarial Standards

The Company has complied with the applicable Secretarial Standards during the year.

23) Particulars of Employees

The information required pursuant to Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided on request. In terms of Section 136 of the Act, the reports and accounts are being sent to the shareholders and others entitled thereto, excluding the said information which will be made available for inspection by the shareholders in electronic mode, up to the date of AGM. Members can inspect the same by sending an email to the Company Secretary in advance at corporatesecretarial@ashokpiramalgrou.com.

24) Energy Conservation and Technology absorption, Foreign Exchange Earnings and Outgo

The information pertaining to conservation of energy and technology absorption as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in "Annexure - 5" to this report.

The total Foreign Exchange Inflow was Rs.6183 lakhs and Outflow was Rs.604 lakhs during the year under review.

25) Significant and Material Orders

There were no significant and material orders passed by any Regulators or Courts or Tribunals during the year ended 31st March, 2021 impacting the going concern status and Company's operations in future.

26) Prevention of Sexual Harassment of Women at workplace

The Company has zero tolerance towards sexual harassment at workplace and has adopted a policy to abide by letter and spirit requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The Company has Internal Complaints

Committee (ICC) at Group level to redress the complaints of sexual harassment. During the year, Company has not received any complaint of sexual harassment.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

number of complaints filed during the financial year	Nil
number of complaints disposed of during the financial year	Nil
number of complaints pending as on end of the financial year	Nil

27) Maintenance of Cost Records

The provisions of sub-section (1) of Section 148 of the Companies Act, 2013 pertaining to the maintenance of cost records are applicable to the Company and accordingly such accounts and records are made and maintained by the Company.

28) Material Changes and Commitments affecting the financial position of the company

There has been no material change/commitment affecting the financial position of the Company during the period from the end of the financial year on 31st March, 2021 to the date of this Report. There has been no change in the nature of business of the Company.

29) Annual Return

Pursuant to the provisions of Sections 134(3)(a) and 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the

Annual Return as on 31st March, 2021, is placed on the website of the Company at www.morarjee.com.

30) Acknowledgements

Your directors gratefully acknowledge the support and cooperation received from various departments of the Central and State governments, members, business associates, analysts, banks, financial institutions, customers, distributors and suppliers, business partners and other stakeholders of the Company and also convey a sense of high appreciation to all the employees of the Company for their hard work, dedication, continued commitment and contribution.

On behalf of the Board

For Morarjee Textiles Limited

Sd/-

Urvi A. Piramal

Chairperson

DIN 00044954

Date: 19th May, 2021

Place: Mumbai

Annexure - 1 AOC - 1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures "(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part A - Subsidiaries

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

Notes :

- Names of the Subsidiaries which are yet to commence operation: NIL
- Names of Subsidiaries which have been liquidated or sold during the year: NIL

Part B: Associates and Joint Ventures

"Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures"

Sr. No.	Name of Associates/Joint Ventures	Shares of Associate/Joint Ventures held by the company on the year end				Reason why the associate /joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year		Remarks
		Latest audited balance sheet	No. of Shares	Amount of Investment in Associates /Joint Venture	Extent of Holding %			Considered in Consolidation	Not Considered in Consolidation	
1	Morarjee Castiglioni (India) Private Ltd.	31-Mar-21	1,000,000	64.10	50%	Shareholding	48.89	-3.74	Joint Venture	

@Unaudited (sold in Sept 2019)

Notes :

- Names of Associates or Joint Ventures which are yet to commence operation: NIL
- Names of Associates or Joint Ventures which have been liquidated or sold during the year: NIL

For and on behalf of Board of Directors

Urvi A. Piramal
(DIN: 00044954)
Chairperson

Harsh A. Piramal
(DIN: 00044972)
Executive Vice Chairman

Maresh S. Gupta
(DIN: 00046810)
Director

Lt.Gen.A.K.Singh (Retd.)
(DIN: 07698288)
Director

Alpana Chinai
(DIN: 00136144)
Director

Archit Jayakar
(DIN: 01904013)
Director

Devesh Dadheech
(DIN: 01656629)
Director

Rajendar Kumar Rewari
(DIN: 00619240)
Director

S. C. Kashimpuria
Chief Financial Officer
Director

Nishthi H. Dharmani
Company Secretary

19th May, 2021
Mumbai

Annexure - 2

Annual Report on the CSR Activities of the Company

1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	During the Financial Year 2020-21, the Company was not under any statutory obligation to make any contribution towards the Corporate Social Responsibility activities. The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and rules made thereunder and the same is placed on the Company's website and the web link for the same is www.morarjee.com
2	The composition of the CSR Committee	Ms. Urvi A. Piramal – Chairperson Mr. Harsh A. Piramal – Member Lt Gen. A. K. Singh – Member
3	Average Net profit of the Company for the last three financial years	N.A.
4	Prescribed CSR Expenditure (two per cent of the amount as mentioned in item 3 above)	Nil
5	Details of the CSR Expenditure incurred during the financial year:	
	• Total Amount spent during the Financial Year ended 31st March, 2021.	Nil
	• Amount unspent, if any;	Nil
	• Manner in which the amount is spent during 1st April, 2020 to 31st March, 2021	Not Applicable

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

Urvi A. Piramal

Chairperson of CSR Committee

Harsh A. Piramal

Executive Vice Chairman

Annexure - 3

Form No. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies(Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:	
(a) Name(s) of the related party and nature of relationship	
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	NOT APPLICABLE
(f) Date(s) of approval by the Board	
(g) Amount paid as advances, if any	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	
2. Details of material contracts or arrangement or transactions at arm's length basis:	
(a) Name(s) of the related party and nature of relationship	
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Date(s) of approval by the Board, if any	NOT APPLICABLE
(f) Amount paid as advances, if any	

For and on behalf of
Morarjee Textiles Limited

Sd/-
Urvi A. Piramal
Chairperson

Date: 19th May, 2021
Place: Mumbai

Annexure - 4

Form No. MR-3

Secretarial Audit Report

For The Financial Year Ended On 31st March, 2021

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014)

To,

The Members,

Morarjee Textiles Limited

Peninsula Spenta, Mathuradas Mills Compound
Senapati Bapat Marg, Lower Parel, Mumbai – 400013.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Morarjee Textiles Limited** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Morarjee Textiles Limited for the financial year ended on 31st March, 2021 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:

- (a) SEBI(Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) SEBI(Prohibition of Insider Trading) Regulations, 2015;
 - (c) SEBI(Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable during the FY 2020-21)
 - (d) SEBI(Share Based Employee Benefits) Regulations, 2014;(Not applicable during the FY 2020-21)
 - (e) SEBI(Issue and Listing of Debt Securities) Regulations, 2008;(Not applicable during the FY 2020-21)
 - (f) SEBI(Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) SEBI(Delisting of Equity Shares) Regulations, 2009;(Not applicable during the FY 2020-21)
 - (h) SEBI(Buy Back of Securities) Regulations, 1998;(Not applicable during the FY 2020-21)and
 - (i) SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) Other laws specifically applicable to the company, namely:
1. Contract Labour (Regulation and Abolition) Act, 1970
 2. Maharashtra Fire Prevention and Life Safety Measures Act, 2006
 3. Private Security Agencies (Regulation) Act, 2005
 4. The Maharashtra Private Security Guards (Regulation of Employment and Welfare) Act, 1981
 5. The Maharashtra Shops & Establishment Act, 1948
 6. Contract Labour (Regulation and Abolition) Central Rules, 1971
 7. Maharashtra Contract Labour (Regulation and Abolition) Rules, 1971
 8. Income Tax Act, 1961
 9. Hank Yarn Packing Notification, 2000
 10. Air (Prevention and Control of Pollution) Act, 1981
 11. Batteries (Management and Handling) Rules, 2001
 12. E – waste (Management and Handling) Rules, 2011
 13. Environment (Protection) Act, 1986
 14. Environment (Protection) Rules, 1986
 15. Environment (Protection) second Amendment Rules, 2002 – Diesel Generator (DG) Sets Rules
 16. Hazardous wastes (Management, Handling and Transboundary Movement) Rules, 2008

17. Maharashtra Air (Prevention and Control of Pollution) Rules, 1983
18. Maharashtra Plastic Carry Bags Rules, 2006
19. Maharashtra Water (Prevention and Control of Pollution) Rules, 1983
20. Manufacture, Storage and import of Hazardous Chemical Rules, 1981
21. Pollution Control Consent
22. Water (Prevention and Control of Pollution) Act, 1974
23. Water (Prevention and Control of Pollution) Cess Rules, 1978
24. Master Circular on Direct Investment by Residents in Joint Venture (JV) / Wholly Owned Subsidiary (WOS) Abroad (Master Circular Number 11/ 2013-2014)
25. Boiler Act, 1923
26. Boiler Regulation, 1950
27. Explosives Act, 1884
28. Explosives Rules, 2008
29. Gas Cylinder Rules, 2004
30. Indian Electricity Rules, 1956
31. Legal Metrology Act, 2009
32. Maharashtra Fire Prevention and Life Safety Measures Act, 2006
33. Petroleum Act, 1934
34. Petroleum Rules, 2002
35. The Solvent, Raffinate and Slop (Acquisition, sale, storage and Prevention of use in Automobile) Order, 2000
36. Trade Marks Act, 1999
37. Apprentices Act, 1961
38. Child labour (Prohibition and Regulation) Act, 1986
39. Employees' State Insurance Act, 1948
40. The Employees' Compensation Act, 1923
41. Employees' State Insurance (General) Regulations, 1950
42. Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
43. Equal Remuneration Act, 1976
44. Factories Act, 1948
45. Maharashtra Factories Rules, 1963
46. Maharashtra Labour Welfare Fund Act, 1953
47. Maharashtra State Tax on Professions, Trades, Calling and Employments Rules, 1975.
48. Maharashtra Workmen's Minimum House Rent Allowance Act, 1983
49. Maternity Benefit Act, 1961

50. Minimum Wages Act, 1948
51. Payment of Bonus Act, 1965
52. The Employees' Provident Fund Scheme, 1952
53. The Payment of Bonus Rules, 1975
54. The Payment of Gratuity Act, 1972
55. Weekly Holidays Act, 1942
56. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
57. The Central Goods And Services Tax Act, 2017
58. Maharashtra Goods and Services Tax Act, 2017

We have also examined compliance of Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

All the Board/Committee decisions are taken unanimously.

We further report that there are adequate systems and processes in the

company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Kala Agarwal

Practising Company Secretary
COP No.: 5356
UDIN: F005976C000265061

Place: Mumbai

Date: 10.05.2021

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

Annexure A

Secretarial Compliance Report of Morarjee Textiles Limited For The Year Ended 31st March, 2021.

We have examined:

- (a) all the documents and records made available to us and explanation provided by Morarjee Textiles Limited ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) Reports issued to the Company, Bank Statements and document for the year ended 31st March, 2021 in respect of compliance with the provisions of :

- (a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");
- (c) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (j) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(k) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: and circulars/ guidelines issued thereunder; and based on the above examination, We hereby report that, during the Review Period:

- A. The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-
NIL

Sr. No.	Compliance Requirement (Regulations/ Circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
NIL			

- B. The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from our examination of those records.

- C. The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder: NIL

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc	Observations/ remarks of the Practicing Company Secretary, if any
NIL				

- D. The listed entity has taken the following actions to comply with the observations made in previous reports:
Not applicable

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended...	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Not applicable				

Kala Agarwal
Practising Company Secretary
COP No.: 5356

Place: Mumbai

Date: 10/05/2021

UDIN: F005976C000265081

Annexure B

To,
The Members,
MORARJEE TEXTILES LIMITED
Peninsula Spenta, Mathuradas Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai- 400013.

Our report of even date is to be read along with this letter.

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

Kala Agarwal
Practising Company Secretary
COP No.: 5356
UDIN:F005976C000265061

Place: Mumbai

Date: 10/05/2021

Annexure - 5

A. Conservation of Energy :

- (i) Steps taken or impact on conservation of energy
 - Reduced the 130 nos of tube lights in preparatory and Spinning.
 - Replaced 20 nos 160 watt sodium vapor lamp by 72 watt LED street light.
- (ii) Total Energy Consumption
As per Form A attached

B. Technology absorption :-

- i) The efforts – made towards technology absorption
 - In Speed frame - 01 installed VFD in place of discarding fluid coupling.
 - In Mezzera Jigger-2 installed VFD in place of star delta starter .
 - In LR -06 incorporated cyclic timer.

- (ii) The benefit derived as a result of above efforts.
- Improvement in quality and productivity.
 - Cost reduction
 - Energy conservation.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year
- a. Technology Imported : NIL
- b. Whether the technology is fully absorbed : Not Applicable
- c. If not fully absorbed, areas where absorption has not taken place, and reasons thereof. : N.A.

a. Technology Imported	NIL
b. Whether the technology is fully absorbed	Not Applicable
c. If not fully absorbed, areas where absorption has not taken place, and reasons thereof.	Not Applicable

C. The expenditure incurred on Research and Development

	Amount ₹ in lakhs
(a) Capital	-
(b) Recurring	86.24
(c) Total	86.24
(d) Total R&D expenditure as a percentage of total turnover	0.44%

ANNEXURE 'A'

FORM 'A'

		Units	This Year 31.03.2021	Last Year 31.03.2020
A) Power & Fuel				
1 Electricity				
a)	Purchased Units	Lacs Kwhs.	359.80	632.11
	Total Cost	Rs.Lakhs	2265.50	3016.71
	Rate/Unit	Rupees	6.30	4.77
b) Own Generation				
I) Through Diesel Generator				
	Units	Lacs Kwhs.	0.05	0.11
	Unit per ltr.of Diesel oil	Kwhs.	1.78	1.36
	Cost/Unit (Diesel Oil Only)	Rupees	39.57	51.07
	Total Cost of Diesel	Rs.Lakhs	1.85	5.74
2 Coal (slack coal for Boiler)				
	Quantity	M.T.	11323.89	23346.81
	Total Cost	Rs.lacs	490.49	1012.04
	Average rate per M.T.	Rupees	4331.46	4334.83
3 Furnace Oil				
	Quantity	K.ltrs.	-	-
	Total Amount	Rs.Lacs	-	-
	Average rate per K.Ltr.	Rupees	-	-

B) Consumption per unit of Production

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

Corporate Governance

The Directors present the Company's Report on Corporate Governance for the financial year ended March 31, 2021.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The philosophy of governance has been deeply rooted in the culture of Morarjee Textiles Limited (hereinafter referred to as "the Company"). Besides complying with the mandatory provisions of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (hereinafter referred as "Listing Regulations"), your Company adopted various practices and set responsible standards of business. Your Company endeavors to improve upon aspects like transparency, professionalism, accountability and fair disclosures, on an ongoing basis and takes necessary steps towards growth and enhancing value for its shareholders.

2. BOARD OF DIRECTORS

2.1. Composition and category of the Board

The Company has an optimum combination of Executive and Non-Executive Directors. The Board is headed by Ms. Urvi A. Piramal as the Non-Executive Chairperson and consists of personalities with expertise and experience in diversified fields of specialization.

Category	Name of the Directors	Designation	No. of shares held (including joint shareholding) as on March 31, 2020
Promoter Directors	Ms. Urvi A. Piramal	Chairperson (Non-Executive)	49,566
	Mr. Harsh A. Piramal	Vice Chairman (Executive)	16,522
Professional Executive Director	Mr. R. K. Rewari	Managing Director	100
Non-Executive Non Independent Director	Mr. Mahesh S. Gupta	Director	Nil
Independent Directors	Lt. Gen. A.K. Singh	Director	Nil
	Ms. Alpana Chinai	Director	1000
	Mr. Archit Jayakar	Director	Nil
	Mr. Devesh Dadheech*	Director	Nil

* Appointed as a Director w.e.f 26th June, 2020

2.2. Directors' Profile

Ms. Urvi A. Piramal

Ms. Urvi A. Piramal oversees a professionally managed conglomerate. She plays a leading role in envisioning and formulating the Group's strategies in each of the businesses.

Ms. Piramal has been a member of Technology and Quality Improvement Committee of IMC since its inception in 1994, and also the Chairperson of Supply Chain & Retail business (Internal Trade) Committee (04-05).

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

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 Marine Lines Junior Chamber and the Yami Woman Award for her outstanding contribution to business. She also has to her credit the Cheminor Award from the India Institute of Materials Management. She was honoured with the Giants International Award in recognition of her outstanding contribution to business in 2015.

She is a Trustee of the Piramal Education Trust, Ashok G Piramal Trust and Urvi Ashok Piramal Foundation (UAPF) which has been set up for the underprivileged. She is on the board of Population First, an NGO working on creating awareness for the girl child.

Ms. Piramal is a wildlife enthusiast and has published two books – "My Wildside: India and Africa". She spends her leisure time reading, listening to music and traveling extensively.

Mr. Harshvardhan A. Piramal

Mr. Harshvardhan A. Piramal is the Chairman of Integra Garments and Textiles Limited.

Mr. Piramal began his career as an analyst at venture capital firm, Indocean Chase Capital Partners (subsequently part of JP Morgan Chase). After completing his MBA, he founded Thundercloud Technologies (India) Private Limited, an IT Company in May 2000. In August 2001, he was appointed COO – Allied Pharma Businesses at Nicholas Piramal India Limited (now Piramal Enterprises Limited), where he was responsible for the turnaround and robust growth of all divisions under his leadership. He was in this position till April 2004, when he took up his current position.

Mr. Piramal holds a Bachelor of Science (Physics) degree from Kings College London and a MBA (specializing in Finance and Strategy) from the London Business School.

He is closely involved in rural livelihood enhancement and tiger conservation.

Mr. Mahesh S. Gupta

Mr. Mahesh S. Gupta is presently associated with Ashok Piramal Group as Group Advisor. He had been Group Managing Director at Ashok Piramal Group for 15 years since 2005 and oversaw all businesses of the Group which comprises of real estate, textiles, cutting tools and renewable energy.

Mr. Gupta has about 4 decades of professional experience in the areas of Business Management and all dimensions of finance, mergers & acquisitions.

He had been associated with Piramal Enterprises Ltd. for about 17 years and was also on the board of several companies. He has also worked with the RPG group as Group CFO and Management Board Member.

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

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

Mr. Gupta has an Honours Degree in B.Com; LL.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 has been a Third Rank Holder and a Silver Medalist in Company Secretaries Final examination.

Mr. Rajendar Kumar Rewari

Mr. Rajendar Kumar Rewari heads the textiles business at the Ashok Piramal Group. As the MD, Mr. Rewari oversees all aspects of the textile business from strategy to yarn & fabric manufacturing, develop customers for domestic sale and exporting the finished fabric.

Mr. Rewari took over the reigns at Morarjee Textiles in February 2010 as ED & CEO. He has been associated with the textiles sector for more than 3 decades. Mr. Rewari is a Science Graduate and has done his Post-Graduate Degree in Business Management from Kurukshetra University in Haryana. He has also done Management Education Programme (MEP) from IIM, Ahmedabad.

Prior to this, he was associated with the Vardhman Group since 1981. As the Chief Executive (Marketing), he shouldered the responsibility of establishing Vardhman globally as a supplier of finished fabrics.

Besides this, he is also associated with various associations of the textile industry. He is the Chairman of the Mill Owner's Association (MOA) and a Committee Member of Confederation of Indian Textile Industry (CITI).

Lt. Gen. A. K. Singh (Retd.)

Lt Gen A K Singh (Retd) the erstwhile Lt Governor of the Andaman & Nicobar Islands and Puducherry, Ex GOC in C Southern Command has been an alumni of NDA, Staff College Camberley, UK, Malinovsky Tank Academy, Moscow & the Higher Command & National Defence College courses. He is one of the few officers to have trained with both the NATO & Warsaw Pact at the height of cold war. Known for his high integrity and professionalism, the General is looked upon as a role model by large numbers in the Armed Forces.

After a distinguished service in the Armed Forces, Lt Gen A K Singh was entrusted with the responsibility of Administrator/Lt Governor of A&N Islands in Jul 13 and later concurrently assumed the charge of Lt Governor of Puducherry in Jul 14, where he made a great difference with his unique qualities of head & heart. The General is

remembered in both the UTs for his high integrity, professional approach and caring attitude for the common man. Development initiatives and projects were fast tracked and many citizens refer to his tenure as the Golden period. He completed his tenure in Aug 16.

He has been a member of Prime Minister's Team India, as also a member of the National Development Council and Inter State Council. The General has been decorated with numerous awards both related to defence as well as civil. The General is a frequent speaker at defence and civil forums and also contributes to the print media.

Presently he is an Independent Director and Advisor with various firms/educational institutions including O P Jindal Global University. The General is also a distinguished fellow with Centre for Land Warfare Studies (CLAWS).

Ms. Alpana Chinai

Mrs. Alpana Piramal Chinai is the Vice Chairperson & Managing Director of Piramal Nextgen, the medical manufacturing arm of the Chinai Piramal Group.

She was the Managing Director of Piramal Mills and has managed the Textile units in Mumbai, Surat and Ambarnath, amongst many other businesses in the Piramal Group.

Being the daughter of Dr. Mohanlal Piramal who was a leading Industrialist and Philanthropist, she passionately carries on his legacy. She is Managing Trustee of her own Charitable Institutes in Rajasthan, Piramal Group of Institutes, which has several schools and colleges. The institutes aim to educate and empower the girl child, with over 3000 girls enrolled across the schools and colleges.

She holds a Bachelor of Arts degree from the Mumbai University and is a member of several organizations and clubs. She is an avid sports enthusiast and also supports many animal welfare organizations including PETA and BSPCA.

Mr. Archit Jayakar

Mr. Archit Jayakar has obtained his law degree from Government Law College, Mumbai in 2004 and his Solicitor's examination in 2006. Mr. Jayakar began his career in Gagrat & Co., and then with Khaitan, Jayakar Sud & Vora. In 2008, he worked in Dubai, at Lutfi CBP. In 2011, he became a Partner in Jayakar & Partners.

Archit's practice has been in the field of General Litigation. He has attended to matters in Courts and Arbitral Tribunals in matters relating to general Civil and Commercial law, Media and Intellectual Property, Inheritance and Succession, Insurance, Environment, Competition, Public Trusts, Tenders, Execution, Government Contracts and Family related disputes. Along with advisory and strategy, he also believes in appearing before Courts, Tribunals and Forums for arguments and cross examination. His work experience in Dubai has also helped him understand the nuances of UAE Law and he has advised clients on setting up Companies in UAE Free Trade Zones as well as LLC Companies in Dubai.

More recently, he has been involved in matters of Economic Fraud (usually for the complainants) involving civil actions for recovery of money and criminal actions for money laundering, in India and overseas.

He has also appeared in various PIL matters including banning horse carriages in Mumbai, to address the question of Deleted Voters from the Electoral Roll in the General Elections of 2014 and to protect the Sanjay Gandhi National Park.

He also has a philanthropic side and runs a NGO - BIRTHRIGHT, through which he electrified a Village in Nasik. He is also associated with MAITRIBODH PARIVAAR offering legal advice and attends their discourses on Spirituality.

Mr. Devesh Dadheech

Mr. Devesh Dadheech is a fellow member of ICAI (Institute of Chartered Accountants of India) since July 17, 1982 and senior partner in M/s. D. Dadheech & Co., Chartered Accountants, a partnership firm with standing of more than thirty five years and having combined experience of more than thirty five years in the field of Taxation, Audit & Assurance, Transaction Advisory Services, Company Law Matters, FEMA Advisory Services, Foreign Taxation, Transfer Pricing and Foreign Collaborations.

2.3. Attendance at Board Meetings and last Annual General Meeting, Relationship between Directors inter-se, Number of Directorships and Committee Memberships/ Chairmanships

Details of attendance of each Director at the Board Meetings and last Annual General Meeting ("AGM") and the number of Companies and Committees where he/she is a Director/Member/Chairman/Chairperson as on March 31, 2021, are given below:

Name	Category	Relationship with other Directors	Attendance at the Board Meetings	Attendance at AGM held on 25th September, 2020	No of other Directorships	Committee position in India	
						Chairman	Member
Ms. Urvi A. Piramal	Non-Executive Chairperson	Mother of Mr. Harsh A. Piramal	4 out of 4	Yes	4	0	0
Mr. Harsh A. Piramal	Executive Vice-Chairman	Son of Ms. Urvi A. Piramal	4 out of 4	Yes	4	2	3
Mr. Mahesh S. Gupta	Non-Executive Non Independent Director	None	4 out of 4	Yes	5	3	2
Mr. R. K. Rewari	Managing Director	None	4 out of 4	Yes	5	0	3
Lt. Gen A.K. Singh	Independent Director	None	4 out of 4	Yes	1	2	0
Ms. Alpana Chinai	Independent Director	None	3 out of 4	Yes	3	0	2
Mr. Archit Jayakar	Independent Director	None	4 out of 4	Yes	1	0	1
*Mr. Devesh Dadheech	Independent Director	None	3 out of 4	Yes	1	0	1

* Appointed as a Director w.e.f 26th June, 2020.

⁵Aforesaid directorships do not include directorship held in foreign companies, companies incorporated under Section 8 of the Companies Act, 2013 ("the Act") and private limited companies. However, for this purpose, Directorship/ Chairmanship/Membership held in the Company have also been included.

None of the Directors is a Director in more than 20 companies or more than 10 public limited companies or acts as an independent director in more than 7 listed companies. Further, none of the directors is a member of more than 10 committees or is a Chairperson/ Chairman of more than 5 committees. Only Audit Committee and Stakeholders' Relationship Committee were considered for reckoning the limit of membership/ chairmanship of the committees.

Names of listed entities (other than Morarjee Textiles Limited) where the person is a director and category of directorship:

Sr. No.	Name of the Director	Name of the Company	Category of directorship
1.	Ms. Urvi Piramal	Peninsula Land Limited	Non-Executive Non-Independent Director
2.	Mr. Harsh Piramal	Oriental Aromatics Limited	Independent Director
		Integra Garments & Textiles Limited	Non-Executive Non-Independent Director
3.	Mr. Mahesh Gupta	Peninsula Land Limited	Independent Director
		RPG Life Sciences Limited	Independent Director
		CEAT Limited	Independent Director
		Shree Digvijay Cement Company Limited	Independent Director
4.	Mr. R. K. Rewari	Integra Garments & Textiles Limited	Managing Director
		Truwin Realty Limited	Independent Director
5.	Lt. Gen. A. K. Singh	Nil	Nil
6.	Ms. Alpana Chinai	Delta Corp Limited	Independent Director
7.	Mr. Archit Jayakar	Nil	Nil
9.	Mr. Devesh Dadheech	Nil	Nil

2.4. Meetings of the Board of Directors:

As per MCA circular General Circular No. 11 /2020 dated 24th March 2020 relaxation was provided to the companies under Section 173 of the Companies Act, 2013 (CA13) (120 days) was extended by a period of 60 days i.e. 180 days. 4(Four) Board Meetings were held in the financial year 2020-21 on June 26, 2020, August 12, 2020, November 10, 2020 and February 10, 2021 and the gap between any two consecutive board meetings did not exceed one hundred and twenty days.

2.5. Details of directors being appointed/ re-appointed/ resigned

Pursuant to Section 152 of the Companies Act, 2013 ("the Act"), Mr. Harshvardhan A. Piramal (DIN: 00044972) is retiring by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors has appointed Mr. Devesh Dadheech(DIN: 01656629) as an Additional Director (Independent) of the Company with effect from 26th June, 2020 for a period of 5 consecutive years pursuant to Sections 149, 150, 152 and 161 of the Act and the rules made thereunder. The appointment of Mr. Devesh Dadheech is approved by the shareholders of the Company at the AGM held on 25th September 2020.

Further, all the Independent Directors have given the declaration of their Independence under Section 149 and Regulation 16 of the Listing Regulations. The Board hereby confirms that in the opinion of the Board, all the Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the Management of the Company.

2.6. Familiarization program

As required under the Listing Regulations and the Act, the Company has an orientation programme upon induction of new Directors, as well as other initiatives to update Directors on a continuous basis. The Board has framed a familiarization program for the Independent Directors wherein they were acquainted with their roles, rights, responsibilities in the Company, business nature of the Company, business model etc. It aims to provide Independent Directors, the textile industry scenario, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant developments so as to enable them to take well informed decisions timely. The familiarization program also seeks to update the directors on the roles, responsibilities, rights and duties under the Act, Listing Regulations and other statutes.

The Company has a structured Familiarization Programme through various reports/codes/policies and the same are placed before the Board with a view to update them on the Company's policies and procedures on a regular basis. This includes various business review presentations at the Board Meetings where Company's performance, strategy, initiatives, risk mitigation programmes are discussed.

The details of familiarization program are available on the Company's website viz. www.morarjee.com

2.7. List of core skills, expertise, competencies required by the Board and those actually available with the Individual Directors.

The Board has identified and approved the matrix setting out the list, as mentioned below, of core skills, expertise and competencies to be possessed by the Board in general and the members in particular, in the context of the Company's business in order to provide guidance for the effective functioning of the Company. The details of the said skills/ expertise/ competencies as available with the individual directors are given below.

Sr. No.	List of core skills/ expertise/ competence	Availability of the core skills/ expertise/ competence, with the directors, as on 31st March, 2020							
		Ms. Urvi A. Piramal	Mr. Harsh Piramal	Mr. Mahesh Gupta	Mr. R. K. Rewari	Lt. Gen. A. K. Singh	Ms. Alpana Chinai	Mr. Archit Jayakar	Mr. Devesh Dadheech
1.	Knowledge of the Textile Industry	✓	✓	✓	✓	✓	✓	-	-
2.	Sales and Marketing Functions	✓	✓	✓	✓	✓	✓	-	-
3.	Business Strategy Function	✓	✓	✓	✓	✓	✓	✓	✓
4.	Planning and Sourcing	✓	✓	✓	✓	✓	✓	-	✓
5.	Risk Management	✓	✓	✓	✓	✓	✓	-	✓
6.	Strategy/M&A/Restructuring	✓	✓	✓	✓	✓	✓	-	✓
7.	Finance, Accounting and Costing	✓	✓	✓	✓	✓	✓	-	✓
8.	Legal and Regulatory compliance	✓	✓	✓	✓	✓	-	✓	✓
9.	Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓
10.	Human Resource Management	✓	✓	✓	✓	✓	✓	-	✓
11.	Risk Mitigation Planning and Management	✓	✓	✓	✓	✓	✓	-	✓

2.8. Performance Evaluation

Regulation 17 of Listing Regulations read with Schedule IV and other applicable provisions of the Act, mandates a formal evaluation to be done by the Board of its own performance and that of its Committees and individual Directors.

Independent Directors shall also evaluate the performance of non-independent Directors and the Chairperson of the Board.

The evaluation of all the directors including independent directors was carried out by the entire Board, except for the director being evaluated. Performance evaluation of the Board, Chairman and the non-independent directors was carried out by the independent directors in their meeting held on February 10, 2021.

The directors were satisfied with the outcome of the evaluations of the Board, its Committees and the individual directors and on the basis of said evaluation reports, the Independent Directors will continue to act as Independent Directors of the Company for their remaining period.

Criteria for performance evaluation of Directors

The Board of Directors has approved the criteria for performance evaluation of Non-Executive Directors (including Independent Directors) as recommended by the Nomination & Remuneration Committee. The said criteria inter alia includes following:

- Attendance at the Board meetings.
- Active participation in the meetings.
- Understanding the critical issues affecting the Company.
- Prompts Board discussion on strategic issues.
- Brings relevant experience to the Board and uses it effectively.
- Understands and evaluates the risk environment of the organization.
- Conducts himself/herself in a manner that is ethical and consistent with the laws of the land.
- Maintain confidentiality wherever required.
- Communicates in an open and constructive manner.
- Seeks satisfaction and accomplishment through serving on the Board.

2.9. Separate Meeting of Independent Directors

A separate meeting of the Independent Directors of the Company was held on February 10, 2021 as per Schedule IV of the Act and Regulation 25 of the Listing Regulations, to review the performance of all Non-Independent Directors, the Board as a whole and the performance of the Chairperson of the Company taking into account the views of other executive and non-executive directors. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees towards effective and reasonable performance and discharge of their duties. All the Independent Directors have participated in the Meeting.

3. Audit Committee

The Audit Committee of the Company is constituted under Regulation 18 of the Listing Regulations and Section 177 of the Act. The Company Secretary acts as the secretary to the committee. The Audit Committee acts as a link between the statutory auditors, internal auditors and the Board of Directors. Its purpose, amongst others, is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory, internal audit activities and related party transactions.

3.1. Composition, Meetings and Attendance

The Audit Committee comprises of Lt. Gen. A. K. Singh (Chairman), Mr. Harsh A. Piramal, Ms. Alpana Chinai, Mr. Archit Jayakar and Mr. Devesh Dadheech as members. The Executive Vice Chairman, Managing Director, Group CFO, CFO, Company Secretary and Sr. General Manager - Group Legal are permanent invitees to the meetings.

Lt. Gen. A. K. Singh was present at the Annual General Meeting held on September 25, 2020, being the Chairman of the Audit Committee as on the date of AGM.

As per MCA circular General Circular No. 11 /2020 dated 24th March 2020 relaxation was provided to the companies under Section 173 of the Companies Act, 2013 (CA13) (120 days) was extended by a period of 60 days i.e. 180 days.

During the financial year 2020-21, the Audit Committee met 4(Four) Board Meetings were held in the financial year 2020-21 on June 26, 2020, August 12, 2020, November 10, 2020 and February 10, 2021. The gap between two consecutive meetings did not exceed 120 (one hundred and twenty) days.

The attendance details are given below:

Name of the Directors	Designation	No. of meetings attended
Lt. Gen. A.K. Singh	Chairman	4 out of 4
Mr. Harsh A. Piramal	Member	4 out of 4
Ms. Alpana Chinai	Member	1 out of 4
Mr. Archit Jayakar	Member	4 out of 4
Mr. Devesh Dadheech	Member*	2 out of 4

*Appointed as a member of the Committee w.e.f. August 12, 2020

3.2. Terms of Reference

The terms of reference of the Committee are wide enough to cover the matters specified for Audit Committee under Part C of Schedule II with reference to Regulation 18 of the Listing Regulations as well as under Section 177 of the Act are as follows:

- i. 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;
- ii. recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- iii. approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- iv. reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - a. matters required to be included in the Director's Responsibility Statement; to be included in the Board's Report in terms of clause (c) of subsection (3) of Section 134 of the Companies Act, 2013; changes, if any, in accounting policies and practices and reasons for the same;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit Report;
- v. reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval;
- vi. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the Report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vii. reviewing and monitoring the Auditor's independence & performance, and effectiveness of audit process;
- viii. approval or any subsequent modification of transactions of the Company with related parties;
- ix. scrutiny of inter-corporate loans and investments;
- x. valuation of undertakings or assets of the Company, wherever it is necessary;
- xi. evaluation of internal financial controls and risk management systems;
- xii. reviewing, with the management, performance of statutory and internal Auditors, adequacy of the internal control systems;
- xiii. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. discussion with internal Auditors of any significant findings and follow up there on;
- xv. reviewing the findings of any internal investigations by the internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- xvi. discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

- xvii. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. to review the functioning of the Whistle-Blower mechanism;
- xix. approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- xx. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision
- xxi. Carrying out any other function as may be assigned to it by the board of director from time to time."

4. Nomination & Remuneration Committee

In compliance with Section 178 of the Act and Regulation 19 of Listing Regulations, the Board has constituted the Nomination & Remuneration Committee.

4.1. Composition, Meeting and Attendance

The Nomination & Remuneration Committee ("NRC") comprises of 4 (Four) Directors viz. Lt. Gen. A. K. Singh - Independent Director (Chairman), Ms. Urvi A. Piramal – Non - Executive Director, Ms. Alpana Chinai and Mr. Archit Jayakar - Independent Directors as members.

Lt. Gen. A. K. Singh was present at the Annual General Meeting held on September 25, 2020, being the Chairman of the Committee as on the date of AGM.

The Committee met 2(Two) times during the year, on June 26, 2020 and February 10, 2021 and the details of attendance are as under:

Name of the Director	Designation	No. of meetings attended
Ms. Urvi A. Piramal	Member	2 out of 2
Lt. Gen. A.K. Singh	Chairman	2 out of 2
Ms. Alpana Chinai	Member	1 out of 2
Mr. Archit Jayakar	Member	2 out of 2

4.2. Terms of Reference of the Committee and the Remuneration Policy

The terms of reference of the NRC stated below are wide enough to cover the matters specified in the Listing Regulations and Section 177 of the Act.

- i. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel ("KMP") and other employees;
- ii. specification of manner and criteria for effective evaluation of performance of Board, its committees and individual directors, to be carried out either by the board or by an independent external agency and review its implementation and compliance.
- iii. devising a policy on diversity of board of directors;
- iv. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- v. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- vi. recommend to the board, all remuneration, in whatever form, payable to senior management.

4.3. Remuneration Policy

Pursuant to Section 178 of the Act, the Company has formulated a Policy on the appointment of person as a Director and evaluation of Directors & Senior Management Personnel (SMP). An extract of the policy covering remuneration for the Directors, KMPs and other employees is reproduced below:

- i. The terms of employment and remuneration of Managing Director, Whole-time Director, KMPs and SMPs shall be competitive in order to ensure that the Company can attract and retain competent talent.

- ii. The remuneration policy shall ensure that:
 - a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors/ KMPs and SMPs of the quality to run the Company successfully.
 - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - c. Remuneration to Directors, KMPs and SMPs involves a balance between fixed and variable pay reflecting short and long term performance and goals set by the Company.
- iii. While determining the remuneration and incentives for the MD/WTD and KMPs, the following shall be considered:
 - a. Pay and employment conditions with peers/ elsewhere in the competitive market.
 - b. Benchmarking with industry practices.
 - c. Performance of the individual
 - d. Company performance
- iv. For the benchmarking with industry practice, criteria of size, complexity, data transparency and geographical area shall also be given a due consideration.
- v. The pay structures shall be appropriately aligned across levels in the Company.

The detailed policy on the appointment of person as director and evaluation of Directors and Senior Management Personnel of the Company is hosted on the website of the Company www.morarjee.com.

4.4. Remuneration

4.4.1. Remuneration paid to Non-Executive Directors

The Non-Executive Directors (“NED”) are entitled for sitting fees, commission and reimbursement of expenses for participation in the Board/ Committee meetings as per the NRC policy of the Company. The details of sitting fees paid during the year ended March 31, 2021 are given below:

(₹ in lakhs)

Sr. No.	Name of the Directors	Designation	Sitting Fees	Total
1	Ms. Urvi A. Piramal	Chairperson	2,70,000	2,70,000
2	Mr. Mahesh S. Gupta	Director	2,50,000	2,50,000
3	Lt. Gen. A. K. Singh	Director	3,90,000	3,90,000
4	Mr. Harshvardhan Piramal	Director	No sitting fees Payable	No sitting fees Payable
5	Mr. Rajendra Kumar Rewari	Director	No sitting fees Payable	No sitting fees Payable
6	Mr. Devesh Dadheech	Director	2,70,000	2,70,000
7	Ms. Alpana Chinai	Director	2,55,000	2,55,000
8	Mr. Archit Jayakar	Director	3,90,000	3,90,000

No stock options were granted to NEDs during year. The Independent Directors are not entitled for stock options.

4.4.2. Remuneration paid to the Executive Directors

The remuneration of Executive Directors is decided on the recommendation of the NRC and approved by the Board of Directors and shareholders. Any change in remuneration is also effected in the same manner and in the line with the applicable statutory approvals.

The remuneration package of the Executive Directors comprises of salary, perquisites and allowances, contribution to provident fund and superannuation fund and commission, if any. The details of remuneration paid to Executive Directors during the year are as under:

Remuneration Details	Mr. Harsh A. Piramal (Executive Vice-Chairman)	Mr. Rajendar Kumar Rewari (Managing Director)	Total
Basic Salary -	-	54,44,420	54,44,420
Allowances			
HRA	-	14,32,742	14,32,742
Additional Allowance	-	33,16,521	33,16,521
Education Allowance	-	1,910	1,910
Leave Travel Allowance	-	1,24,000	1,24,000
Medical Expenses	-	11,940	11,940
Performance incentive	-	-	-

Remuneration Details			(Amount in ₹)
	Mr. Harsh A. Piramal (Executive Vice-Chairman)	Mr. Rajendar Kumar Rewari (Managing Director)	Total
Perquisite			
Paid Leave Encashment	-	-	-
Provident Fund Contribution	-	7,86,600	7,86,600
Superannuation Fund	-	1,00,000	1,00,000
Drivers Salary	-	-	-
Electricity Bill	-	1,21,990	1,21,990
Rent Paid	-	-	-
Total	-	1,13,40,123	1,13,40,123

1. No severance pay is payable on termination of contract and the notice period is as per the terms of appointment.
2. The Company does not have a scheme to grant stock options.

5. Stakeholders' Relationship Committee

In compliance with the provisions of Section 178 of the Act and the Listing Regulations, the Board has constituted the Stakeholders' Relationship Committee.

5.1. Composition, Meeting and Attendance

The Stakeholders' Relationship Committee comprises of 3 (three) directors of which one is Non-Executive Director i.e. Lt. General A. K. Singh (Chairman, Independent Director) and two Executive Directors as members viz. Mr. Harsh A. Piramal and Mr. R. K. Rewari.

Mr. Lt. General A. K. Singh was present at the Annual General Meeting held on September 25, 2020, being the Chairman of the Committee as on the date of AGM.

During the year under review, the Stakeholders' Relationship Committee met on February 10, 2021 the details of attendance are as under:

Name of Directors	Designation	No. of meetings attended
Lt. Gen. A. K. Singh	Chairman	1 out of 1
Mr. Harsh A. Piramal	Member	1 out of 1
Mr. R. K. Rewari	Member	1 out of 1

5.2. Terms of Reference

The terms of reference of the Committee are:

- To consider and resolve the grievance of all the security holders related to transfer/ transmission of shares, non-receipts of annual reports and non-receipts of declared dividends, issue of new duplicate certificates, general meetings etc.;
- To review the measures taken for effective exercise of voting rights by shareholders
- To review the adherence to service standards adopted by the company in respect of various services being rendered by the Share Transfer Agent.
- To review various measures and initiatives undertaken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- To review and act upon such other grievances as the Board of Directors delegate to the Committee from time to time.

5.3. Compliance Officer

Name and Designation of the Compliance Officer	Ms. Nishthi H. Dharmani – Company Secretary
Address	503, 5th Floor, Peninsula Tower-1, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel Mumbai 400013 IN
Telephone Number	+91-22-66811600
E-mail ID	corporatesecretarial@ashokpiramalgroup.com

5.4. Details of Shareholders' Complaints

Details of investor complaints received and resolved during the year ended March 31, 2021 are as follows:

Complaints Pending as on 01/04/2020	Complaints Received during the year	Complaints Resolved during the year	Complaints Pending as on 31/03/2021
Nil	Nil	Nil	Nil

6. Corporate Social Responsibility Committee

6.1. Composition, Meetings and Attendance:

Corporate Social Responsibility (“CSR”) Committee consists of Ms. Urvi A. Piramal as Chairperson, Mr. Harsh A. Piramal and Lt. Gen. A. K. Singh as members. The CSR Committee met on June 26, 2020 and the details of attendance are as under.

Name of Directors	Designation	No. of meetings attended
Ms. Urvi A. Piramal	Chairperson	1 out of 1
Mr. Harsh A. Piramal	Member	1 out of 1
Lt. Gen. A. K. Singh	Member	1 out of 1

6.2. Terms of Reference

The terms of reference of the Committee are as under:

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

The CSR policy is posted on Company’s website at www.morarjee.com.

6.3. CSR Activities

The details of the CSR activities carried out by the Company during the year 2020-21 along with the expenditure statement are provided in **Annexure-2** to the Directors’ Report.

7. Risk Management Committee (Non-mandatory Committee)

Business risk evaluation and management is an ongoing process within the Company. The Company has risk management framework to identify, monitor and minimize risks and also identify business opportunities. For the identification, assessment and minimization of the risk, the Board constituted a Risk Management Committee to frame the Risk Management framework and to implement and monitor the same.

7.1. Composition

The Risk Management Committee comprises of Mr. R. K. Rewari - Managing Director as the Chairman, Mr. Harsh A. Piramal - Executive Vice Chairman, Mr. Mahesh S Gupta - Director and Mr. Dinesh Jain - Group CFO and Mr. S. C. Kashimpuria - CFO as members.

7.2. Terms of Reference

- To identify potential Business Risks.
- To analyze the Risk and develop Risk mitigation plans, as per the Risk Management Policy.
- To monitor, ensure and take corrective measures to protect the cyber security of the Company.
- Reporting of Risk environment to the Board.
- To create awareness among the employees to assess risks on a continuous basis & develop risk mitigation plans in the interest of the Company.

8. General Body Meetings and Postal Ballot

8.1. Location and time, where Annual General Meeting (AGM) for the last 3 years were held:

Financial Year	AGM	Date	Time	Location
2019-20	25th AGM	September 25, 2020	11:00 a.m.	Video conferencing
2018-19	24th AGM	September 3, 2019	03:00 p.m.	Hall of Culture”, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018
2017-18	23rd AGM	July 30, 2018	03:00 p.m.	Hall of Culture”, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018

8.2. Special Resolution passed in the previous three Annual General Meetings (AGM)

AGM	Date of AGM	Special Resolution
25 th AGM	September 25, 2020	Resolution No 7 - To consider making offer(s) of Non-Convertible Debentures aggregating to Rs. 150 crores on private placement basis.
24 th AGM	September 3, 2019	Resolution No 4 – Revision in the terms of remuneration of Mr. Harsh A. Piramal (DIN: 00044972), Whole-time Director of the Company. Resolution No 5 - Re-appointment of Mr. R. K. Rewari (DIN: 00619240) as the Managing Director of the Company for a period of three years w.e.f. February 1, 2019. Resolution No 6 - Re-appointment of Mr. Shobhan Thakore (DIN: 00031788) as an Independent Director of the Company for a second term of five consecutive years. Resolution No 7 - Re-appointment of Mr. Ranjan Pant (DIN: 00005410) as an Independent Director of the Company for a second term of five consecutive years. Resolution No 8 - To consider making offer(s) of Non-Convertible Debentures aggregating to Rs. 150 crores on private placement basis.
23 rd AGM	July 30, 2018	Resolution No 6 – To create, offer/invite, issue and allot 10,00,000, 7.5% Cumulative Redeemable Non- Convertible Preference Shares of ₹100/- each (“CRNPS”) at par for cash aggregating to ₹ 10,00,00,000/- (Rupees Ten Crores only) on a private placement basis to M/s. Ashok Piramal Group Textile Trust on such terms and conditions as set out in the explanatory statement annexed to the notice. Resolution No 7 - To continue the appointment of Mr. Ranjan Sanghi (DIN: 00275842), as an independent director of the Company who will attain the age of 75 years on 6th May, 2019, upto the expiry of his present term, i.e. 28th September, 2019.”

The resolutions referred above were passed by requisite majority of members.

8.3. Postal Ballot

The Company did not conduct any postal ballot during the year nor does it propose to conduct any postal ballot, as on the date of this report.

9. Means of Communication

The quarterly and annual results are generally published in English newspapers in Active Times and in Marathi newspapers in Mumbai Lakshadweep respectively and are simultaneously posted on the Company’s website at www.morarjee.com and are also sent to the BSE Limited and National Stock Exchange of India Limited.

No presentations were made to the institutional investors and to the analysts during the FY 2020-21.

The Annual Report of the Company is also available on the website of the Company in a user friendly and downloadable form.

10. General Shareholder Information

10.1. 26th Annual General Meeting (AGM)

In view of the Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide General circular no. 02/2021 dated 13th January, 2021 read with MCA circular no. 20/2020 dated 5th May, 2020 and General Circular No. 17/2020 dated 13th April, 2020 and General Circular No. 14/2020 dated 8th April, 2020 (the ‘MCA Circulars’), has provided certain relaxations, including but not limited to allowing companies to conduct the Annual General Meeting (AGM), in the calendar year 2021, through Video Conferencing (VC) or through Other Audio-Visual Means (OAVM) (‘electronic mode’). Further, the above said MCA Circulars read with the circular issued by SEBI vide its circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, have allowed the Companies to send soft copies of Annual Report for the year 2020-21 (including AGM Notice) to those shareholders whose email IDs are registered with the Company, Depository Participants or with the Company’s Share Transfer Agents. In view of the above mentioned relaxations, the Company has decided to conduct the Annual General Meeting, in the calendar year 2021, through Video Conferencing (VC) (‘electronic mode’) and send the Annual Report 2020-21 only through email to the members and also provide the members the facility to cast their vote on the resolutions through the mechanism of remote e-voting/ e-voting in accordance with the applicable provisions of the Companies Act, 2013 (including the above mentioned circulars) and rules made thereunder. Please refer to the Notes and instructions annexed to Notice of 26th AGM for the procedure for Remote e-voting / e-voting.

Date of AGM	Time
Date: 29th July, 2021	2.30 PM

10.2. Financial Year: April - March

10.3. Dividend Payment Date: Since the Company has incurred losses, the Board has not recommended payment of dividend on Equity Shares

10.4. Book Closure Dates: The Register of Member and Share Transfer book shall remain closed From 24th July, 2021 to 29th July, 2021.

10.5. Listing of Equity Shares on Stock Exchanges and Stock Codes

Name and address of the Stock Exchanges	Stock Code/ID
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai Samachar Marg, Mumbai, Maharashtra - 400001	532621
National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra 400051	MORARJEE (Series EQ)
ISIN	INE161G01027

The Company has paid Annual Listing fees to the Stock Exchanges for the year 2020-21.

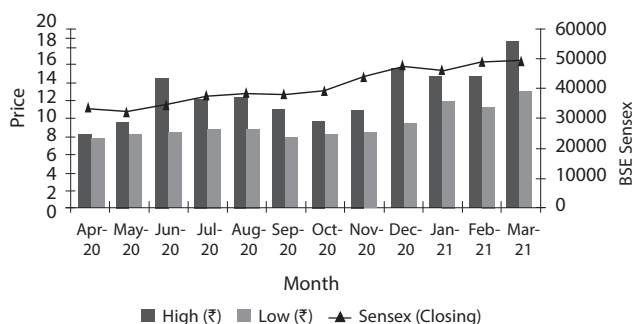
10.6. Stock Market Data and their Performance v/s S&P BSE Sensex and CNX Nifty

The high/low of the market price of the shares of the Company and the performance thereof with the BSE Sensex and CNX Nifty are given in the charts below:

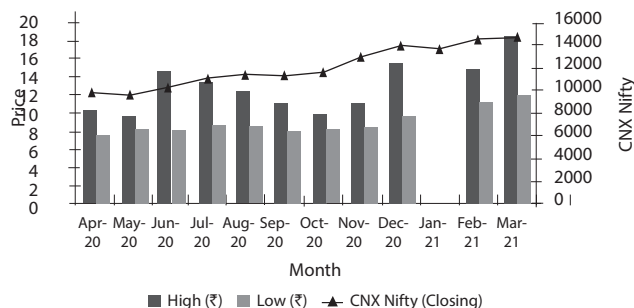
Month	BSE			NSE		
	High (₹)	Low (₹)	Sensex	High (₹)	Low (₹)	CNX Nifty
Apr-20	8.19	7.8	33717.62	10.3	7.65	9859.9
May-20	9.59	8.2	32424.1	9.6	8.25	9580.3
Jun-20	14.52	8.45	34915.8	14.65	8.4	10302.1
Jul-20	12.3	8.86	37606.89	13.45	8.8	11073.45
Aug-20	12.33	8.81	38628.29	12.35	8.55	11387.5
Sep-20	11.06	7.86	38067.93	11.15	8.1	11247.55
Oct-20	9.73	8.35	39614.07	9.95	8.3	11642.4
Nov-20	10.88	8.4	44149.72	11.15	8.5	12968.95
Dec-20	15.6	9.4	47751.33	15.6	9.75	13981.75
Jan-21	14.75	12.02	46285.77	-	-	13634.6
Feb-21	14.75	11.3	49099.99	14.8	11.25	14529.15
Mar-21	18.6	13.01	49509.15	18.45	12.1	14690.7

Sources: BSE and NSE websites

Price v/s BSE Sensex



Price v/s CNX Nifty



10.7. Distribution of shareholding as on March 31, 2021

Slab of Shareholding	No of Shareholders	% of Shareholders	Amount (₹)	% of Shares held
1 to 5000	14444	98.15	30479820.00	11.98
5001 to 10000	154	1.05	7837277.00	3.08
10001 to 20000	67	0.46	6827870.00	2.68
20001 to 30000	18	0.12	3128867.00	1.23
30001 to 40000	7	0.05	1743490.00	0.69
40001 to 50000	7	0.05	2285878.00	0.90
50001 to 100000	6	0.04	3497991.00	1.38
100001 & Above	13	0.09	198525250.00	78.06
TOTAL	14716	100	254326443.00	100

10.8. Shareholding Pattern as on March 31, 2021:

Category	No. of Shares held	% of Shares held
Promoters Holding [A]		
Indian promoters	21694663	59.71
Foreign promoters	0.00	0.00
Persons acting in concert	0.00	0.00
Sub-total A	2,16,94,663	59.71
Public Holding [B]		
Institutional Investors B1		
Mutual Funds	573	0.00
Financial Institutions/ Banks	2,857	0.01
Foreign Portfolio Investors	0.00	0.00
Insurance Companies	1,709,644	4.71
Sub-total B1	1,713,074	4.72
Non-Institutional Investors B2		
Retail Individuals	9366924	25.78
IEPF	98,198	0.27
Bodies Corporate	242710	0.67
Clearing Members	70,266	0.19
Non Resident Indians (NRI)	728,667	2.01
Overseas Corporate Bodies	36,648	0.10
Director or Director's Relative	427,100	1.18
HUF	440,787	1.21
Trust	741	0.00
LLP	577	0.00
Sub-total B2	11,412,618	31.41
Non-Promoter Non-Public Holding [C]	15,11,994	4.16
Grand total (A+B+C)	36,332,349	100.00

10.9. Share Transfer Agent

Freedom Registry Limited, Share Transfer Agent of the Company has been appointed as one point agency for dealing with shareholders. Shareholders' correspondence should be addressed to the Company's Share Transfer Agent at the address mentioned below:

Registered Office: Freedom Registry Limited Plot No. 101/102, 19 th Street, MIDC Area Satpur, Nashik 422 007 Tel (0253) – 2354 032 Fax (0253) 2351 126 E-mail : support@freedomregistry.co.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
---	--

10.10. Share Transfers System

The Board has delegated the authority for approving transfer, transmission, etc. of the Company's equity shares to a Share Transfer Committee comprising of Ms. Urvi A. Piramal, Mr. Harsh A. Piramal, Mr. R. K. Rewari, Mr. Mahesh S. Gupta and Mr. Subhash Kashimpuria.

For administrative convenience and to facilitate speedy approvals, authority has also been delegated to Senior Executives of the Company to approve share transfers upto specified limits.

A summary of the transfers, transmissions as approved by the Share Transfer Committee or the authorized Executives, as the case may be, are placed at subsequent meeting of the Board of Directors of the Company.

The Certificate of Compliance obtained from the Practicing Company Secretary as required under Regulation 40(9) of the Listing Regulations, confirms the compliance with the share transfer formalities within the timelines prescribed.

The Company conducts a Reconciliation of Share Capital Audit on a quarterly basis in accordance with Securities and Exchange Board of India (SEBI) requirements. M/s. Nilesh Shah & Co., Practicing Company Secretary appointed by the Company to conduct this audit. Reconciliation of Share Capital Audit Reports of M/s. Nilesh Shah & Co., which have been submitted to the Stock Exchanges within the stipulated period, inter- alia confirms that the equity shares of the Company held in dematerialized form and in physical form tally with the issued and paid-up equity share capital of the Company.

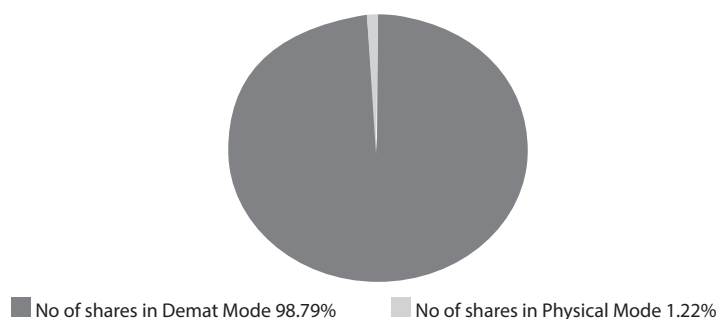
10.11. Dematerialization of shares and liquidity

As on March 31, 2021, 3,58,92,125 Equity Shares representing 98.79% of the Company's paid-up Equity Share Capital have been dematerialized. Trading in Equity Shares of the Company on Stock Exchanges is permitted only in dematerialized form as per notification issued by SEBI. 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 is issued in physical form to the shareholder. The share certificates are dispatched within one month from the date of issue of shares.

SEBI amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, by virtue of which any transfer of Securities of a listed entity, shall be carried out only in Demat form with effect from April 1, 2019. The members, who are holding the shares in physical form, are advised to dematerialize the shares for smooth transfer.

No of shares in Demat & Physical Mode



10.12. There are no outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments issued by the Company.

10.13. Commodity Price Risk, Foreign Exchange Risk and Hedging activities

The Company has a robust mechanism to manage commodity price risk. The foreign exchange risks are monitored and hedged accordingly. As the Company source its raw materials from the domestic market, there has been no significant exposure, of the Company, in commodity hedging for FY 2020-21. Hence, there is no disclosure to be made under SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141, dated November 15, 2018.

10.14. Plant Location

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

10.15. Investor Correspondence

Shareholders can contact to the Compliance officer of the Company for Secretarial matters of the Company at corporatesecretarial@ashokpiramalgrou.com.

- 10.16.** List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad – Not applicable.

11. Disclosures

11.1 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. 52 of the Notes to the Financial Statement in the Annual Report in compliance with the Accounting Standard relating to “Related Party Disclosures”. There is no materially significant Related Party Transaction that may have potential conflict with the interest of the Company at large. As per Regulation 23 of Listing Regulations, the Company has formulated a policy on Related Party Transactions and it is uploaded on the website of the Company at www.morarjee.com

11.2. Details of non – compliance, penalties, strictures imposed by the Stock Exchanges or SEBI during last 3 years

There were no instances of imposition of penalties or strictures by the Securities and Exchange Board of India or any other statutory authority during the last three year on any matter related to the capital Markets

11.3. Vigil mechanism/ whistle blower policy

The Company has established a vigil mechanism for Directors and Employees to report their genuine concerns about unethical behavior, actual or suspected fraud or violation of the company’s code of conduct. The mechanism provides for adequate safeguards against victimization of Director(s) and Employee(s) who avail of the mechanism. In all cases, Directors and Employees have direct access to the Compliant Committee set up for this purpose and in exceptional circumstances, the Chairman of the Audit Committee. Further no personnel have been denied access to the Chairman of the Audit Committee.

The Whistle Blower Policy is available on Company’s website at www.morarjee.com

11.4. Disclosure of Compliance of Corporate Governance

The Company has complied with all the requirements of the Listing Regulations including the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulations (2) of Regulation 46.

11.5. Details of compliance with mandatory requirements & adoption of non mandatory requirements

The Company has complied with all the mandatory requirements as applicable to the Company and following non-mandatory requirements as specified in Part E of Schedule II of the Listing Regulations:

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

11.6. Subsidiary Company

The Company does not have any subsidiary company. However, a policy on material subsidiaries has been formulated by the Company and posted on the website of the Company at www.morarjee.com.

11.7. Details of utilization of funds raised through preferential allotment or qualified institutions placement

The Company did not raise any funds through preferential allotment or qualified institutions placement during the Financial Year 2020-21.

11.8. Certificate on non-disqualification of Directors

Certificate from Ms. Kala Agarwal, Practicing Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/ Ministry of Corporate Affairs or any other statutory authority, is annexed to this Report.

11.9. There were no instances where the recommendations made by any of the Statutory Committees were not accepted by the Board.

11.10. Total fees paid to statutory auditor for all services rendered on consolidated basis by listed entity and its subsidiaries

Total fees paid to M/s. Haribhakti & Co. LLP, Statutory Auditors of the Company are as follows:

Sr. No.	Particulars	Fees (₹)
1.	Statutory Audit	18,50,000/-
2.	Tax Audit	3,00,000/-
3.	Other Certification	1,00,000/-
4.	Out of Pocket Expenses	60,000/-
5.	Total	23,10,000/-

11.11 Disclosure in relation to Sexual Harassment of Women at workplace

The details as required under this heading are furnished in the Directors' Report.

11.12 Unclaimed/ Unpaid Dividend

The due dates for transfer of unclaimed dividend amount to be transferred to Investor Education & Protection Fund (IEPF) are as under:

Financial Year	Date of Declaration	Date of Payment	Due date on which dividend will be transferred to IEPF
31.03.2014	29.09.2014	29.09.2014	03.12.2021
31.03.2015	26.08.2015	27.08.2015	30.10.2022
31.03.2016	27.07.2016	28.07.2016	01.10.2023
31.03.2017	22.08.2017	24.08.2017	27.10.2024

The shareholders may claim the share and dividend from the IEPF authority upon following the procedure mentioned in the relevant Rules, which are available at www.iepf.gov.in. It may be noted that from the Financial Year ended March 31, 2018 onwards, the Company has not declared any dividend, in view of losses posted by the Company.

.13. Investor Helpdesk

Share transmissions, 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 lodgment of transmission 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 also be emailed at corporatesecretarial@ashokpiramalgroupp.com.

12. Details of Shares in Suspense Account

Sr. No.	Particulars	Status
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year as on April 1, 2020	Nil
2	Number of shareholders who approached issuer for transfer of shares from suspense account during the year 2020-2021	Nil
3	Number of shareholders to whom shares were transferred from suspense account during the year 2020-2021	Nil
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year March 31, 2021	Nil

For Morarjee Textiles Limited

Sd/-

Chairperson

Date: 19th May, 2021

Place: Mumbai

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members of
Morarjee Textile Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated October 06, 2020.
2. We have examined the compliance of conditions of Corporate Governance by Morarjee Textile Limited ('the Company'), for the year ended on March 31, 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

3. The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

Opinion

8. Based on our examination, as above, and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2021.
9. 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.

Restriction on Use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for any event or circumstances occurring after the date of this certificate.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Sd/-
Sumant Sakhardande
Partner

Membership No. 034828
UDIN No: 20034828AAAADE6865

Mumbai: May 19, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
MORARJEE TEXTILES LIMITED
Peninsula Spenta, Mathuradas Mills Compound
Senapati Bapat Marg, Lower Parel, Mumbai - 400013

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Morarjee Textiles Limited having CIN L52322MH1995PLC090643 and having registered office at Peninsula Spenta, Mathuradas Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name Of Director	DIN	Date Of Appointment In Company
1	Ms. Urvi A. Piralal	00044954	01/02/2005
2	Mr. Harshvardhan A. Piralal	00044972	01/06/2004
3	Mr. Mahesh S. Gupta	00046810	19/01/2006
4	Mr. Rajendar Kumar Rewari	00619240	01/02/2010
5.	Lt. Gen. Ajay Kumar Singh	07698288	08/02/2017
6.	Mr. Archit Mohan Jayakar	01904013	29/01/2020
7.	Ms. Alpana Samir Chinai	00136144	19/12/2019
8.	Mr. Devesh Harishchandra Dadheech	01656629	26/06/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-
Kala Agarwal
Practising Company Secretary
Certificate of Practice Number: 5356
Membership Number: 5976
UDIN: :21034828AAAADC1589

Place: Mumbai
Date: 21st April, 2021

To,

The Board of Directors
Morarjee Textiles Limited

Sub: Compliance Certificate under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Morarjee Textiles Limited ("the Company"), to the best of our knowledge and belief certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2021 and that to the best of our knowledge and belief:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee that:
- i. no significant changes in internal control over financial reporting during the year;
 - ii. no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
R.K. Rewari
Managing Director

Sd/-
S.C. Kashimpuria
Chief Financial Officer

Place: Mumbai
Date: 19th May, 2021

To,
The Members of
Morarjee Textiles limited

**Declaration by the Managing Director under SEBI
(Listing Obligations and Disclosure Requirement) Regulations, 2015**

I, R. K. Rewari, Managing Director of Morarjee Textiles Limited, hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management, for the year ended 31st March, 2021.

Sd/-
R.K. Rewari
Managing Director

Place: Mumbai
Date: 19th May, 2021
44 | Morarjee Textiles Limited

Management Discussion & Analysis

As we have experienced the last 14 months were very badly affected by Covid-19. On economic front the first 4 to 5 months of FY-21 were quite bad. We have seen FY-21 Q1 GDP was declined by 24.4%. Thereafter the economic activity started by middle of June and the Q2 GDP declined at a lower rate of -7.3%. Then Q3 and Q4 posted significant recovery and the GDP returned in positive territory. Throughout this period the government and RBI came out with various support and relief measures.

Despite all gloom the corporate sector bounced back strongly. Many companies reported record performance for the last complete financial year. We have seen record FDI and a record raising of capital. The Indian rupee appreciated by 2.7%. Forex reserves reached to a record level of USD 581 Billion. The stock markets responded positively and reached a record high. GST collections in last few months have been at record level. Despite of the prediction of dooms day scenario banks are healthier today.

Overview: Global Economy

- The IMF expects the world economy to grow by 6% in 2021, up from its 5.5% forecast in January.
- Looking further ahead, global GDP for 2022 is seen increasing by 4.4%, higher than an earlier estimate of 4.2%.
- For advanced economies, the IMF estimated growth of 5.1%.
- The forecast for emerging and developing economies' growth is 6.7% for 2021, with India expected to expand by as much as 12.5%.
- Within country income inequality will likely increase because young workers and those with relatively lower skills remain more heavily affected in not only advanced but also emerging markets and developing economies.
- The latest forecasts suggest that the United States is well placed to experience a solid economic recovery in 2021, in contrast to much of the world, where it's likely to take longer to return to pre-crisis levels.
- Among advanced economies, the United States is expected to surpass its pre-Covid GDP level this year, while many others in the group will return to their pre-COVID levels only in 2022.

Synchronised push for green infrastructure

2021 will be the first year where the three main economies or trading blocs of the world — the US, the European Union (EU) and China — will refocus their efforts to fighting climate

change. The US is expected to re-join the Paris Accord and host an international climate summit early in the year. EU member states are expected to finalise their plans to accelerate the transition towards a greener (and more digital) economy by the end of April. The EU Commission is then expected to release the first tranche of grants and loans worth around 0.5% of Eurozone GDP (or 5% over five years) to speed up the process. Finally, China's 14th Five Year Plan is expected to be put to action — part of which includes increasing energy efficiency.

According to the International Monetary Fund's (IMF) latest estimates, Italian GDP is expected to top the \$2 trillion level, re-joining seven other economies including the US, China, Germany and India. The latter was also the fifth largest economy in market exchange rates in 2019, having overtaken both the UK and France. But changes in exchange rates along with the impact of the pandemic means that India is likely to be the seventh largest economy in the world in market exchange rates in 2021, overtaken this time by the UK and France. This is likely to be temporary as, based on current trends, India is again poised to overtake France and Germany before the middle of this decade.

Key challenges of the apparel industry

Amid uncertainty, brands, retailers, and other fashion-industry players must act strategically to capitalize on digital opportunities, boost earnings, and address sustainability.

The year ahead is likely to be challenging. Winds of change are sweeping the fashion industry, and many markets are set to see slower growth and declines in consumer confidence. Brands are under pressure to embrace digital, boost earnings, and tackle sustainability.

Against this backdrop, the fashion industry faces challenges ranging from sustainability issues to generational shifts, many of which require investment at a time when top-line growth is under threat. The strain is starting to show.

Given the outlook, we expect fashion companies to take steps to become more resilient in 2021. That means assigning additional resources to understanding risks and putting in place solutions. This may include actions to boost productivity, promote operational flexibility, optimize digital, and instil financial flexibility. Companies that can lead on these priorities and focus on executing their strategic agendas are likely to emerge from the current slowdown ahead of the pack.

The US restrictions on some textile imports from Xinjiang in China are likely to augur well for the Indian textile exporters, according to a report.

Indian textile industry is the second largest manufacturer and exporter in the world. It contributes 12.65 per cent to the manufacturing sector and 2.3 per cent to the GDP. However, the sector has just 5 per cent share in the global textiles exports.

External challenges: Increased Competition: Indian garments face stiff competition due to higher tariffs, from countries like Bangladesh and Vietnam which enjoy zero/preferential duty access to key markets.

China factor: In recent years, China has lowered its imports of Indian yarn because of reduced production due to curbs placed by US.

Domestic challenges:

Higher costs: The central government in an attempt to safeguard cotton farmers has raised the MSP of cotton by 25%. It has forced millers to buy cotton at a much higher rate.

Technological gaps: While the ginning and spinning sectors are on par with international standards, marginal technological gap exists in weaving, processing and embroidery and larger gaps in knitting, technical textile and garmenting segments.

Domination of SMEs: Small and medium-sized enterprises (SMEs) constitute 80% of the textile industry. They face issue of fragmented production, lack of access to technology and finances. They are not able to match to cost and scale of production of bigger mills in other countries.

Sustainability first

The fashion industry consumes large amounts of energy and has a well-documented record on pollution and waste. Fashion accounts for 20 to 35 percent of microplastic flows into the oceans and outweighs the carbon footprint of international flights and shopping combined. Consumers have demanded a clean-up, and 2021 will see the industry accelerate its engagement.

Sustainability awareness is increasingly impacting purchasing behaviours, although there remains a big gap between what people say and what they do. Still, fashion can no longer afford to ignore its customers' preferences, even amid confusion over what sustainability really means.

Some in the industry are taking steps, for example by developing new fabrics, cutting destruction of unsold goods, and ensuring products can be repaired or recycled. Some brands have committed to radical transparency in the supply chain, and have seen positive results, while several e-commerce platforms have enabled searches for sustainable brands: small but important steps. There is a way to go, but 2021 will see the industry ramping up its sustainable activities, and consumers increasingly reflecting their beliefs in their fashion choices.

Indian Textiles Industry

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital-intensive sophisticated mills sector on the other end. The decentralised power looms/ hosiery and knitting sector forms the largest component in the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce wide variety of products suitable for different market segments, both within India and across the world.

India's textiles industry contributed 7% to the industry output (by value) in 2018-19. The Indian textiles and apparel industry contributed 2% to the GDP, 12% to export earnings and held 5% of the global trade in textiles and apparel in 2018-19.

The share of the India's textiles and apparel exports in mercantile shipments was 11% in 2019-20.

Textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country.

The domestic textiles and apparel market stood at an estimated US\$ 100 billion in FY19.

The production of raw cotton in India is estimated to have reached 35.4 million bales in FY20. During FY19, production of fibre in India stood at 1.44 million tonnes (MT) and reached 1.60 MT in FY20 (till January 2020), while that for yarn, the production stood at 4,762 million kgs during same period.

The key advantages of the Indian Textile industry are:

- India is the largest producer of cotton with the largest area under cotton cultivation in the world. It has an edge in low cost cotton sourcing compared to other countries.
- Average wage rates in India are 50-60 percent lower than that in developed countries, thus enabling India to benefit from global outsourcing trends in labour intensive businesses such as garments and home textiles.
- Design and fashion capabilities are key strengths that will enable Indian players to strengthen their relationships with global retailers and score over their Chinese competitors.

Production facilities are available across the textile value chain, from spinning to garments manufacturing. The industry is investing in technology and increasing its capacities which should prove a major asset in the years to come.

- Large Indian players such as Arvind Mills, Welspun India, Vardhman textiles and Raymonds to name a few have established themselves as 'quality producers' in the global market. This recognition would further enable India to leverage its position among global retailers.

India has gathered experience in terms of working with global brands and this should benefit Indian vendors.

Outlook

Current Year FY-22:

A strong growth of economy is expected barring current wave of covid-19 which we hope will not last long. The GDP is expected to grow by more than 12.5%. Huge growth on capex expenditure by the government of India mainly in infrastructure should boost the growth. The union budget's focus has been on growth and the RBI policy remains accommodative which is good for the economy. The ability of corporate sector to absorb the shock is much better particularly for large corporates with low debts.

The future for the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market.

High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market.

The global apparel market is expected to grow from \$527.08 billion in 2020 to \$635.17 billion in 2021 at a compound annual growth rate (CAGR) of 20.5%. The growth is mainly due to the companies rearranging their operations and recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities that resulted in operational challenges. The market is expected to reach \$842.73 billion in 2025 at a CAGR of 7%.

Asia Pacific was the largest region in the global apparel market, accounting for 33% of the market in 2020. Western Europe was the second largest region accounting for 28% of the global apparel market. Africa was the smallest region in the global apparel market.

Increasing demand for online shopping is expected to help the apparel manufacturing market grow. Manufacturers can now sell their products on a larger platform than before, which will increase their customer base geographically driving the growth of the apparel manufacturing market. In countries such as India, for instance, e-commerce portals have boosted the sales of traditional garments by giving larger exposure to producers who were confined to one geography where the weaving community was located.

With the COVID-19 pandemic dominating thoughts and minds, fashion executives are planning for a range of scenarios and hoping for a speedy global recovery. However,

amid increasing pressure on performance, shifting consumer behaviours, and accelerating demand for digital, there is an imperative to act decisively to prepare for the next normal.

Source: McKinsey Global Fashion Index

Still, there are silver linings among the clouds. While the crisis has visited a devastating impact on businesses and jobs, it may also have accelerated responses that can lead to positive outcomes. Indeed, many fashion companies have taken time during the crisis to reshape their business models, streamline their operations, and sharpen their customer propositions.

As decision makers continue to manage uncertainty, the most successful will be those that get a grip on the trends shaping the fashion landscape. That means focusing on an omnichannel perspective, of course, but also emphasizing the importance of sustainability through the value chain. Consumers (and increasingly, investors) will reward companies that treat their workers and the environment with respect, and the deeper relationships that emerge will bring benefits in agility and accountability.

Strategically, there will be an imperative in 2021 to manage commercial opportunities actively and to be acute in picking winning segments, markets, and channel combinations. With travel & tourism in the doldrums, domestic outlets will become more important than ever.

Risk Management

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

Industry Risk

The demand for textiles is perennial and major fluctuations occur largely due to changes in overall economic growth and manufacturing competitiveness.

However, the business is cyclical on the supply side considering the quantum of capital investment involved in capacity expansion. This makes it necessary for the Company to incur large capital expenditure at the right time.

Risk Mitigation

Morarjee has consistently invested funds in its manufacturing plant to bring them in line with the latest technology. This prudence is reflected in the enhanced market presence due to higher production and improved quality at a lower cost of production.

Raw Material Risk

The company is exposed to the vagaries of nature, with cotton being the principal raw material for fabric manufacturing.

Risk Mitigation

Procurement of raw cotton at right price remains crucial. The Company covers its cotton requirements from time to time through the domestic and international markets. The Company also seeks out alternative cotton varieties and blends to increase its raw material basket. Thus this enables an in-built risk mitigation for cotton price fluctuation.

Product Substitution Risk

Man Made Fibres are a direct substitute for cotton textiles.

Risk Mitigation

The company specialises in producing the best quality cotton fabrics, which are at par with the highest global quality standards and has created a niche positioning with products which cater to high-end customers. The company also produces high quality printed cotton fabric.

Financial Snapshot

Standalone

(₹ in Lacs)		
Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Income	19,505	38,416
EBITDA	384	4,428
% to income	1.97	11.53
Interest	5,455	5720
Depreciation	2,328	2372
Loss Before Tax & Exceptional item	(7,399)	(3,664)
Exceptional item	-	(24)
Loss Before Tax	(7,399)	(3,688)
Deferred Tax & MAT	(1,236)	(1079)
Loss After Tax	(6,163)	(2,609)
Other Comprehensive Income (Net of Tax)	(28)	2
Total Comprehensive Income	(6,191)	(2,607)

Consolidated

(₹ in Lacs)		
Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Income	19,505	38,416
EBITDA	384	4,428
% to income	1.97	11.53
Interest	5,455	5720
Depreciation	2,328	2372
Loss Before Tax & Exceptional item Profit Before Tax	(7,399)	(3,664)
Exceptional item	-	(49)
Loss Before Tax	(7,399)	(3,713)
Deferred Tax & MAT	(1,236)	(1,079)
Loss After Tax	(6,163)	(2,634)
Share in Profit of Joint Ventures	(4)	(11)
Other Comprehensive Income (Net of Tax)	(28)	2
Total Comprehensive Income	(6,195)	(2,643)

KEY FINANCIAL RATIOS

Sr.No.	Ratios	2020-21	2019-20	Explanation for significant change
1	Debtor Turnover Ratio (times)	5.5	10.8	Debtor Turnover Ratio reduced as there was decline in demand resulting in lower turnover due to outbreak of Covid-19 pandemic.
2	Inventory Turnover Ratio (times)	3.0	4.5	Inventory Turnover Ratio decreased due to low demand resulting in lower turnover because of outbreak of Covid-19 pandemic.
3	Current Ratio (times)	0.5	0.6	Not Applicable
4	Debt Equity Ratio (times)	-	6.7	Not applicable as the networth of the Company is negative due to losses in FY21.
5	Interest Coverage Ratio (times)	0.1	0.8	Interest Coverage Ratio has reduced due to decline in revenue and lower margins.
6	Operating Profit Margin (%)	(10.0)	5.4	The outbreak of Covid-19 pandemic in FY21 and imposed lockdowns have adversely affected demand, resulting in decline in turnover and thereby impacting margins during the period.
7	Net Profit Margin (%)	(31.9)	(7)	
8	Return on Net Worth (%)	-	(45.8)	Not applicable as the networth of the Company is negative due to loss in FY21.

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 Board of Directors considers internal controls as adequate.

Human Resource:

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business.

The company's belief is that its people are the primary source of its competitive advantage and consistently puts emphasis on Human Resource Development, which remains vital and strategic to the company. The Company is committed to nurturing, enhancing and retaining talent through Learning & Organizational Development to support the organization's growth and its sustainability in the long run.

Cordial employee relations, in keeping with tradition, are being pursued vigorously. Industrial relations have continued to be harmonious throughout the year. This has been possible by creating a performance driven culture against the backdrop of care and concern for all employees. Objective

appraisal systems based on Key Result Areas (KRAs) are in place.

Cautionary Statement

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions maybe forward looking statements within the meaning of applicable laws or regulations. These statements are based on certain assumptions and reasonable expectation of future events. Actual results could however differ materially from those

expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand – supply conditions, finished goods prices, raw materials cost & availability, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts and other factors such as litigation and industrial relations. The Company assumes no responsibility in respect of the forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

Independent Auditor's Report

To the Members of Morarjee Textiles Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Morarjee Textiles Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2021, its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone Ind AS financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note 48(ii) in the standalone Ind AS financial statements, which indicates that the Company has incurred a net loss after tax of ₹6,163 Lakhs, including cash

losses, during the year ended March 31, 2021 and as of that date, the Company's accumulated losses amount to ₹8,665 lakhs resulting in complete erosion of the net worth of the Company. Further, there have been delays and defaults in repayment of debt obligations leading to classification of Company's debt as non performing by lenders. These conditions along with other matters as set forth in the said note indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. During the year, the Company has submitted a debt restructuring plan with the consortium of lenders which is under consideration of the lenders and certain measures have been put in place. With the successful implementation of debt restructuring plan along with other strategic initiatives, the management has a reasonable expectation that the Company would have ability and adequate resources to continue its operational existence for the foreseeable future and therefore, the standalone Ind AS financial statements has been prepared on going concern basis.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to the following matters in the notes to the standalone Ind AS financial statements:

1. Note 47 to the standalone Ind AS financial statements, which describes the uncertainties and the management's assessment of the financial impact on the Company due to COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon the circumstances as they evolve in the subsequent period.
2. Note 13 to the standalone Ind AS financial statements, regarding carry forward of GST input tax credit amounting to ₹3,577 lakhs as on March 31, 2021 for the reason stated in the said note.
3. Note 35(i) to the standalone Ind AS financial statements, regarding MAT Credit Entitlement amounting to ₹3,041 lakhs as on March 31, 2021 which is based on the judgment of the management that the MAT credit would be fully utilized against future tax liability.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current year. These matters were addressed in the context of our audit

of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section above, we have determined the matter described below to be the key audit matter to be communicated in our report

Key audit matter **How our audit addressed the key audit matter**

<p>Valuation of Inventory: Total inventory valuation as on March 31, 2021 is Rs.6,398.11 lakhs (March 31, 2020: Rs 8,544.82 lakhs)</p> <p>Inventory of Company comprises of finished goods and Work in Progress (WIP) and Raw Material. As described in Note 8 to the standalone Ind AS financial statements, cost of Inventory represents the costs of materials, conversion cost and related production costs at each stage till date. It is held at the lower of cost and net realisable value (NRV). Some of the finished goods and WIP (Grey Cloth) are slow moving.</p> <p>Considering the materiality of the amount involved and degree of management judgment in valuation, we have identified valuation of inventory as a key audit matter for the current year audit.</p>	<p><i>Our audit procedures in respect of this area included but not limited:</i></p> <p>We understood and tested the design and operating effectiveness of controls as established by the management for valuation of inventory and identifying slow moving inventory and determination of net realizable value of inventory as on date.</p> <p>We observed the physical inventory verification procedures carried out by the management as at the year end.</p> <p>We performed year end cut-off procedures to validate the actual stocks carried in the inventory as at year end.</p> <p>We tested the adequacy of the key assumptions and estimates used to determine cost allocation at each stage of production and consistency in such allocation including mathematical accuracy of the calculations.</p> <p>We performed NRV testing by comparing subsequent sale/order value. We also evaluated judgment used by the management for arriving at the diminution in value of slow moving inventory.</p> <p>The above audit procedures enabled us to conclude on the valuation of inventory held by the Company as on the date of Balance Sheet.</p>
---	--

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Corporate Governance and Director's Report, but does not include the standalone Ind AS financial statements, consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this standalone Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

- d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. The matter described under the Material Uncertainty Related to Going Concern and Emphasis of Matter section above, in our opinion, may have an adverse effect on the functioning of the Company;
- f. On the basis of the written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of section 164(2) of the Act;
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";
- h. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 37 on Contingent Liabilities to the standalone Ind AS financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

Sumant Sakhardande

Partner

Membership No. 034828

UDIN: 21034828AAAADA5037

Mumbai

Date: May 19, 2021

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Morarjee Textiles Limited on the standalone Ind AS financial statements for the year ended March 31, 2021]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) During the year, the fixed assets of the Company have been physically verified by the management

and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

- (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.
- (ii) The inventory, except goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. For stocks lying with third parties at the year end, these have substantially been confirmed by them. No material discrepancies were noticed on physical verification carried out during the year.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the

register maintained under section 189 of the Act. Accordingly, clause 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order is not applicable to the Company.

- (iv) The Company has complied with the provisions of section 186 of the Act. The provisions of section 185 of the Act are not applicable to the Company. Further, the Company has not given any loan or provided any guarantees or securities.
- (v) In our opinion, the Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act and rules thereunder. We have broadly reviewed such records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of

the records with a view to determine whether they are accurate or complete.

(vii)

- (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and services tax (GST), customs duty, cess and any other material statutory dues applicable to it, except that there have been slight delay in few cases. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.

No undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, GST, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, GST, customs duty, excise duty on account of any dispute, are as follows:

Name of the Statute	Nature of Dues *	Amount (₹ in lakhs)	Financial Year	Forum where Dispute is Pending	Remarks
Central Excise Act, 1944	Excise duty	6.22	FY 1979-80 to FY 1985-86	Commissioner of Income Tax (Appeals)	None
		0.09	FY 1990-91		
		146.49	FY 1993-94 to FY 1995-96		
		218.61	FY 1999-00 to FY 2001-02		
Central Excise Act, 1944	Excise Duty	2.10	FY 1990-91 to FY 1991-92	CESTAT	None
		488.27	FY 1995-96 to FY 2002-03		
Central Excise Act, 1944	Excise Duty	3.19	FY 1997-98 to FY 2001-02	High Court	None
Central Excise Act, 1944	Excise Duty	133.97	FY 2008-09 to FY 2009-10	High Court Nagpur	None
Central Excise Act, 1944	Excise Duty	296.14	FY 1981-84	Supreme Court	None
Maharashtra Value Added Tax Act, 2002	Sales Tax	1.95	FY 2006-07	Joint Commissioner of Sales Tax (Appeals)	None

*Includes amounts of interest and penalty, where ascertainable.

- (viii) During the year, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks except for details given below:

Sr. No	Particulars	Amount of default as at March 31, 2021 (Rs in lakhs)	Period of Default		Remarks
			Due Date	Date of Payment	
Name of the Lenders:					
1	Axis Bank Limited				
	Principal	241.75	30-09-2020	-	Not Yet Paid
		331.50	31-12-2020	-	Not Yet Paid
		331.50	31-03-2021	-	Not Yet Paid
		122.11	02-08-2020	-	Not Yet Paid
		120.32	31-08-2020	-	Not Yet Paid
		129.72	30-09-2020	-	Not Yet Paid
		123.64	31-10-2020	-	Not Yet Paid

Sr. No	Particulars	Amount of default as at March 31, 2021 (Rs in lakhs)	Period of Default		Remarks
			Due Date	Date of Payment	
		129.72	30-11-2020	-	Not Yet Paid
		124.45	31-12-2020	-	Not Yet Paid
		130.87	31-01-2021	-	Not Yet Paid
		130.70	28-02-2021	-	Not Yet Paid
	Interest	118.40	30-09-2020	-	Not Yet Paid
		114.00	31-10-2020	-	Not Yet Paid
		125.22	30-11-2020	-	Not Yet Paid
		114.15	31-12-2020	-	Not Yet Paid
		127.44	31-01-2021	-	Not Yet Paid
		116.18	28-02-2021	-	Not Yet Paid
		129.71	31-03-2021	-	Not Yet Paid
2	TATA Capital Financial Services Limited				
	Principal	51.50	01-10-2020	-	Not Yet Paid
		68.50	01-01-2021	-	Not Yet Paid
	Interest	23.88	01-09-2020	-	Not Yet Paid
		23.56	01-10-2020	-	Not Yet Paid
		25.17	01-11-2020	-	Not Yet Paid
		24.36	01-12-2020	-	Not Yet Paid
		25.17	01-01-2021	-	Not Yet Paid
		24.57	01-02-2021	-	Not Yet Paid
		22.19	01-03-2021	-	Not Yet Paid
3	Kotak Mahindra Bank Limited				
	Principal	71.07	31-03-2020	27-04-2020	
		61.25	30-04-2020	-	Not Yet Paid
		82.88	31-05-2020	-	Not Yet Paid
		82.88	30-06-2020	-	Not Yet Paid
		82.88	31-07-2020	-	Not Yet Paid
		82.88	31-08-2020	-	Not Yet Paid
		82.88	30-09-2020	-	Not Yet Paid
		82.88	31-10-2020	-	Not Yet Paid
		82.88	30-11-2020	-	Not Yet Paid
		82.88	31-12-2020	-	Not Yet Paid
		82.88	31-01-2021	-	Not Yet Paid
		82.88	28-02-2021	-	Not Yet Paid
		82.88	31-03-2021	-	Not Yet Paid
	Interest	23.71	01-04-2020	27-04-2020	
		23.84	01-05-2020	17-06-2020	
		24.19	01-06-2020	17-06-2020	
		24.15	01-07-2020	14-07-2020	
		16.79	01-08-2020	-	Not Yet Paid
		26.47	01-09-2020	-	Not Yet Paid
		26.89	01-10-2020	-	Not Yet Paid
		28.35	01-11-2020	-	Not Yet Paid
		28.10	01-12-2020	-	Not Yet Paid
		30.37	01-01-2021	-	Not Yet Paid
		31.79	01-02-2021	-	Not Yet Paid
		29.91	01-03-2021	-	Not Yet Paid
4	Federal Bank Limited				
	Principal	189.94	30-07-2020	-	Not Yet Paid
		190	31-08-2020	-	Not Yet Paid
		170	01-09-2020	-	Not Yet Paid

Sr. No	Particulars	Amount of default as at March 31, 2021 (Rs in lakhs)	Period of Default		Remarks
			Due Date	Date of Payment	
		225	01-09-2020	-	Not Yet Paid
	Interest	13.06	30-07-2020	-	Not Yet Paid
		18.52	31-08-2020	-	Not Yet Paid
		41.89	01-09-2020	-	Not Yet Paid
		12.58	30-09-2020	-	Not Yet Paid
		14.08	31-10-2020	-	Not Yet Paid
		13.81	30-11-2020	-	Not Yet Paid
		14.56	31-12-2020	-	Not Yet Paid
		14.65	31-01-2021	-	Not Yet Paid
		13.42	28-02-2021	-	Not Yet Paid
		15.04	31-03-2021	-	Not Yet Paid

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xi) Managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.

(xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the details have been

disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause 3(xiv) of the Order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 21034828AAAADA5037

Mumbai:
Date: May 19, 2021

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Morarjee Textiles Limited on the standalone Ind AS financial statements for the year ended March 31, 2021.

to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Morarjee Textiles Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Report on the Internal Financial Controls with reference

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

Sumant Sakhardande

Partner

Membership No. 034828

UDIN: 21034828AAAADA5037

Mumbai:

Date: May 19, 2021

Standalone Balance Sheet

as at 31st March, 2021

	Note	31.03.2021 ₹ in lakhs	31.03.2020 ₹ in lakhs
ASSETS			
1. Non-current Assets			
a) Property, Plant and Equipment	2	43,072.24	45,271.86
b) Right to use Assets	2	42.20	76.54
c) Intangible Assets	2	120.55	138.93
d) Investment in Joint Ventures	3	64.10	64.10
e) Financial Assets			
i) Investments	4	0.89	0.89
ii) Loans	5	36.63	168.63
f) Deferred Tax Assets (Net)	19	3,041.42	1,794.26
g) Non-current Tax Assets	6	51.00	51.00
h) Other Non-current Assets	7	60.17	51.55
		<u>46,489.20</u>	<u>47,617.76</u>
2. Current Assets			
a) Inventories	8	6,398.11	8,544.82
b) Financial Assets			
i) Trade Receivables	9	3,544.65	3,519.54
ii) Cash and Cash Equivalents	10	488.89	27.02
iii) Bank Balances other than (ii) above	11	167.68	201.24
iv) Loans	12	22.16	31.58
c) Other Current Assets	13	8,564.64	8,538.87
		<u>19,186.13</u>	<u>20,863.07</u>
Total Assets		<u>65,675.33</u>	<u>68,480.83</u>
EQUITY AND LIABILITIES			
1. Equity			
a) Equity Share Capital	14	2,543.26	2,543.26
b) Other Equity	15	(3,037.31)	3,153.50
		<u>(494.05)</u>	<u>5,696.76</u>
2. Liabilities			
Non-current Liabilities			
a) Financial Liabilities			
i) Borrowings	16	22,879.63	23,226.59
ii) Other Financial Liabilities	17	16.23	42.47
b) Provisions	18	655.15	599.99
c) Other Non-current Liabilities	20	1,688.28	1,778.97
		<u>25,239.29</u>	<u>25,648.02</u>
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	21	21,892.48	9,454.91
ii) Trade Payables	22		
Total Outstanding dues of Micro Enterprises and Small Enterprises		1,460.49	837.88
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		6,911.45	8,065.89
iii) Other Financial Liabilities	23	10,215.86	6,561.91
b) Other Current Liabilities	24	418.38	12,172.84
c) Provisions	25	31.43	42.62
		<u>40,930.09</u>	<u>37,136.05</u>
Total Equity and Liabilities		<u>65,675.33</u>	<u>68,480.83</u>
Significant Accounting Policies	1		
Notes forming part of the Standalone financial statements	34-52		

As per our attached report of even date

For and on behalf of Board of Directors

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI FRN : 103523W / W100048

Urvi A. Piramal

(DIN 00044954)

Chairperson

Harsh A. Piramal

(DIN 00044972)

Executive Vice Chairman

R. K. Rewari

(DIN 00619240)

Managing Director

Mahesh S. Gupta

(DIN 00046810)

Director

Lt.Gen.A.K.Singh (Retd.)

(DIN 07698288)

Director

Sumant Sakhardande

Partner

Membership No. 034828

Alpana Chinai

(DIN 00136144)

Director

Archit Jayakar

(DIN 01904013)

Director

Devesh Dadheech

(DIN - 01656629)

Director

S. C. Kashimpuria

Chief Financial Officer

Nishthi H. Darmani

Company Secretary

Mumbai : 19th May,2021

Standalone Statement of Profit & Loss

for the year ended 31st March, 2021

	Note	31.03.2021 ₹ in lakhs	31.03.2020 ₹ in lakhs
INCOME			
Revenue from Operations	26	19,388.65	38,203.77
Other Income	27	116.11	212.31
Total Income		19,504.76	38,416.08
EXPENSES			
Cost of Materials Consumed	28	5,747.89	13,324.84
Changes in Inventories of Finished Goods and Work-in-Progress	29	1,667.30	1,147.29
Manufacturing Expenses	30	7,285.43	13,701.01
Employee Benefits Expense	31	2,396.76	3,420.57
Administrative, Selling and Other Expenses	32	2,023.56	2,394.52
Finance Costs	33	5,454.72	5,719.83
Depreciation and Amortisation Expenses	2	2,327.89	2,371.66
Total Expenses		26,903.55	42,079.72
(Loss) before Tax and Exceptional item		(7,398.79)	(3,663.64)
Exceptional Item			
Loss on Sale of Investment	49	-	24.12
(Loss) before Tax		(7,398.79)	(3,687.76)
Tax Expense	35		
- Current Tax (Minimum Alternate Tax)		-	-
- Deferred Tax (Net of MAT Credit Entitlement)		(1,236.26)	(1,078.79)
Total Tax Expense		(1,236.26)	(1,078.79)
(Loss) for the year		(6,162.53)	(2,608.97)
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Obligation	34	(39.18)	3.38
(ii) Income Tax relating to items that will not be reclassified to profit or loss			
	35	10.90	(1.13)
Total Other Comprehensive Income		(28.28)	2.25
Total Comprehensive Income for the year		(6,190.81)	(2,606.72)
Earning Per Equity Share - Basic and Diluted (₹)	51	(16.96)	(7.18)
(Face value ₹ 7/-each)			
Significant Accounting Policies	1		
Notes forming part of the Standalone financial statements	34-52		

As per our attached report of even date

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI FRN : 103523W / W100048

Urvi A. Piramal
(DIN 00044954)
Chairperson

Harsh A. Piramal
(DIN 00044972)
Executive Vice Chairman

R. K. Rewari
(DIN 00619240)
Managing Director

Mahesh S. Gupta
(DIN 00046810)
Director

Lt.Gen.A.K.Singh (Retd.)
(DIN 07698288)
Director

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai : 19th May,2021

Alpana Chinai
(DIN 00136144)
Director

Archit Jayakar
(DIN 01904013)
Director

Devesh Dadheech
(DIN - 01656629)
Director

S. C. Kashimpuria
Chief Financial Officer

Nishthi H. Darmani
Company Secretary

For and on behalf of Board of Directors

Standalone Statement of Changes in Equity for the year ended 31st March, 2021

(a) Equity Share Capital (Refer Note no. 14)

Particulars	₹ in lakhs	
	Year ended 31.03.2021	Year ended 31.03.2020
Balance at the beginning of the year	2,543.26	2,543.26
Changes in equity share capital during the year	-	-
Balance at the end of the year	2,543.26	2,543.26

(b) Other Equity (Refer Note no. 15)

Particulars	Reserve & Surplus		Total
	General Reserve	Retained Earnings	
Balance as at 1 st April, 2019	5,627.91	132.31	5,760.22
(Loss) for the year	-	(2,608.97)	(2,608.97)
Other Comprehensive Income for the year (Remeasurement of Defined Benefit Obligation - Net of Tax)	-	2.25	2.25
Balance as at 31 st March, 2020	5,627.91	(2,474.41)	3,153.50
(Loss) for the year	-	(6,162.53)	(6,162.53)
Other Comprehensive Income for the year (Remeasurement of Defined Benefit Obligation - Net of Tax)	-	(28.28)	(28.28)
Balance as at 31 st March, 2021	5,627.91	(8,665.22)	(3,037.31)

As per our attached report of even date

For and on behalf of Board of Directors

For Haribhakti & Co. LLP Chartered Accountants ICAI FRN : 103523W / W100048	Urvi A. Piramal (DIN 00044954) Chairperson	Harsh A. Piramal (DIN 00044972) Executive Vice Chairman	R. K. Rewari (DIN 00619240) Managing Director	Mahesh S. Gupta (DIN 00046810) Director	Lt.Gen.A.K.Singh (Retd.) (DIN 07698288) Director
Sumant Sakhardande Partner Membership No. 034828 Mumbai : 19th May,2021	Alpana Chinai (DIN 00136144) Director	Archit Jayakar (DIN 01904013) Director	Devesh Dadheech (DIN - 01656629) Director	S. C. Kashimpuria Chief Financial Officer	Nishthi H. Darmani Company Secretary

Notes to Standalone Financial Statements for the year ended 31st March, 2021

Company Overview

Morarjee Textiles Limited ("the Company") is a public limited company, incorporated and domiciled in India which mainly deals in manufacture of yarn and fabric. The registered office of the Company is located at, Peninsula Corporate Park, Peninsula Tower -1, 503, 5th Floor, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The standalone financial statements for the year ended 31st March, 2021 were approved by the Board of Directors and authorized for issue on 19th May, 2021

Note 1: Significant Accounting Policies

(a) Basis of Preparation of Financial Statements

(i) Statement of Compliance with Indian Accounting Standards (Ind AS)

These financial statements comply, in all material respects, with Ind AS notified under section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act.

(ii) Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- a) Certain financial assets and liabilities that are measured at fair value
- b) Derivative financial instruments

(iii) Functional and Presentation Currency

These financial statements are presented in Indian Rupees, which is also the functional currency of the Company. All financial information presented in Indian Rupees has been rounded off to two decimals in lakhs.

(iv) Current and Non-current Classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle (Twelve months) and other criteria set out in Schedule III to the Act.

(b) Property, Plant and Equipment (PPE) and Depreciation

All items of PPE are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes its purchase price including non-refundable taxes and duties, directly attributable costs of bringing the asset to its present location and condition and initial estimate of costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the carrying amount of PPE or recognised as a separate PPE, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Machinery spares and servicing equipment are recognised as PPE when they meet the definition of PPE. Otherwise, such items are classified as inventory.

Capital work- in- progress includes cost of PPE under installation / under development as at the Balance Sheet date.

The Company depreciates its PPE over the useful life in the manner prescribed under Part C of Schedule II to the Act. Depreciation commences when the assets are ready for their intended use and is computed on pro-rata basis from the date of installation/ acquisition till the date of sale/ disposal. Management believes that useful life of assets are same as those prescribed in Schedule II to the Act, except for machinery spares wherein based on technical evaluation, useful life has been estimated to be different from that prescribed in Schedule II of the Act

Notes to Standalone Financial Statements for the year ended 31st March, 2021

Useful life considered for calculation of depreciation for machinery spares varies from 2 to 10 years.

Lease hold PPE are amortised over the period of lease or useful life, whichever is lower. Leasehold land (under Finance Lease) is amortised over the period of lease.

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount. These are included in the Statement of Profit and Loss.

c) Intangible Assets and Amortisation

Intangible assets that are acquired by the Company, which have finite useful lives are measured at cost less amortisation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes its purchase price including non-refundable taxes and duties, directly attributable costs of bringing the asset to its present location and condition.

Intangible assets are amortised on straight line basis over the estimated useful life.

Useful life considered for amortisation of intangible assets being computer Software is 10 years.

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(d) Leases

At inception of a contract, company shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where the Company is Lessee

At the Inception, lessee shall recognise and measure Right-of-use asset and lease liability at cost. Right to use assets shall comprise initial measurement of lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Lease liability is the present value of the lease payments that are not paid. These lease payments shall be discounted using the interest rate implicit in the lease (if readily determined) otherwise should be discounted at lessee's incremental borrowing rate.

If the lease contract transfers ownership of the underlying asset, at the end of the lease term or if, the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, then depreciate the right-of-use asset over the useful life of the underlying asset. Otherwise, depreciate the right-of-use asset till the end of the useful life of the right-of-use asset or the end of the lease term, whichever is earlier.

The lease term as the non-cancellable period of a lease, together with both: (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and (b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Subsequently, lessee shall measure the right-of-use asset applying a cost model.

(e) Borrowing Cost

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use. Other borrowing costs are expensed in the period in which they are incurred.

(f) Government Grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will

be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of PPE are included in non-financial liabilities as deferred income and are credited to the Statement of Profit and Loss on straight line basis over the expected lives of related assets and presented within other income.

Government grants relating to an expense item are recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

(g) Financial instruments

(i) Financial Assets

Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, as per Ind AS 109.

a. Subsequent Measurement - Equity Instruments

All equity investments other than investments in subsidiaries, joint ventures and associates are measured at fair value. Equity investments which are held for trading are classified as FVTPL. For all other equity investments, the Company decides to classify the same either at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

Investment in equity instruments of subsidiaries, joint ventures and associates are measured at cost.

b. Subsequent Measurement - Debt Instruments

A financial asset being debt instrument that meets the following 2 conditions is measured at amortised cost (net off any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

Business Model Test: the objective of the Company's model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).

Cash Flow Characteristics Test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset that meets the following 2 conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

Business Model Test: the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets.

Cash Flow Characteristics Test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different basis.

All other debt instruments are measured at fair value through profit or loss.

Notes to Standalone Financial Statements for the year ended 31st March, 2021

Derecognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset, to another entity.

Impairment of Financial Assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI.

For financial assets other than trade receivables, whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables, considering historical trend, industry practices and the business environment in which the Company operates or any other appropriate basis.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

(ii) Equity and Financial Liabilities

Debt and equity instruments issued by an entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

a. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

b. Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are initially recognised at fair value plus any transaction costs that are attributable to the acquisition of the financial liabilities, except for the financial liabilities at FVTPL which are initially measured at fair value.

Subsequent Measurement

The financial liabilities are classified for subsequent measurement either at amortised cost or at fair value through Profit and Loss (FVTPL).

Amortised cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

Derecognition of Financial Liabilities

A financial liability is removed from the Balance Sheet when the obligation is discharged, or is cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative Financial Instruments

Derivative financial instruments such as forward contracts are taken by the Company to hedge its foreign currency risks, are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise (other than in case of hedge accounting).

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(h) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 — Inputs for the asset or liability that are not based on observable market data.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The cost formula used for determination of cost is 'Weighted Average Cost'.

Machinery spares, stand-by equipment and servicing equipment are recognised as inventory when the useful life is less than one year and the same are charged to the Statement of Profit and Loss as and when issued for consumption.

(j) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The Company's liability for current tax is calculated using the Indian tax rates and laws that have been enacted by the reporting date. The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and provisions where appropriate.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes to Standalone Financial Statements for the year ended 31st March, 2021

Minimum Alternate Tax (MAT) credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(k) Provisions and Contingencies

Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Contingent assets are not recognised in the financial statements. If the inflow of economic benefits is probable, then it is disclosed in the financial statements.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each Balance Sheet date.

(l) Employee Benefits

(i) Short-term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Post-employment Obligations

The Company operates the following post-employment schemes:

- (a) Defined benefit plan (Gratuity), and
- (b) Defined contribution plans such as superannuation scheme, provident fund.

Defined Benefit Plan

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually on the basis of actuarial valuation using the Projected Unit Credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefits expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

Defined Contribution Plans

Defined Contribution Plans such as superannuation scheme, provident fund are charged to the Statement of Profit and Loss as an expense, when an employee renders the related services.

(iii) Other Long-term Employee Benefits

The liabilities for compensated absences that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit method. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have any unconditional right to defer settlement for at least 12 months after the end of the reporting period, regardless of when the actual settlement is expected to occur.

(m) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of its business segments separately for the purpose of making decision about the resources allocation and performance assessment. The operating segments have been identified on the basis of the nature of products/ services.

The Board of Directors of the Company has appointed the Managing Director as the Chief Operating Decision Maker (CODM) who is assessing the financial performance and position of the Company, and makes strategic decisions.

(n) Cash and Cash Equivalents

For the purpose of presentation in the Statement of Cash Flows as well as the Balance Sheet, cash and cash equivalents include cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(o) Earnings per Share (EPS)

Basic earnings per share are computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net off any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

(p) Non-current Assets Held for Sale

The Company classifies non-current assets as held sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any expected loss is recognised immediately in the Statement of Profit and Loss.

The criteria for held for sale classification are regarded as met only when the sale is highly probable i.e. an active program to locate a buyer to complete the plan has been initiated and the asset is available for immediate sale in its present condition and the assets must have been actively marketed for sale at a price that is reasonable in relation to its current fair value. Actions required to complete the sale should indicate that it is unlikely that significant changes to that plan to sale these assets will be made. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

PPE and intangible assets once classified as held for sale are not depreciated or amortised. Assets and liabilities classified as held for sale are presented separately as current items in the Balance Sheet.

Notes to Standalone Financial Statements for the year ended 31st March, 2021

(q) Dividend Distribution to Equity Shareholders

Dividend distributed to Equity shareholders is recognised as distribution to owners of capital in the Statement of Changes in Equity, in the period in which it is paid. Dividend proposed by the Board of Directors, subject to the approval of shareholders, is disclosed in the notes to financial statements.

(r) Foreign Currency Transactions

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

(s) Revenue Recognition

The Company derives revenues primarily from sale of manufactured goods. Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers'.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, returns and rebates taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government.

Sale of Products

Sales are recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. The normal credit term is 0 to 180 days on delivery. In determining the transaction price for sale of goods, the company considers the effect of variable consideration, the existence of significant financial components and consideration payable to the customer (if any).

The company provides volume rebates to certain customers once the quantity of product purchased during the period exceeds a threshold limit specified in the contract. The company does not adjust consideration for the effect of a significant financial component, if it expects, at contract inception, that customer pays for those goods within one year. No revenue is recognised if there are significant uncertainties regarding recovery of the amount due, associated costs or the possible return of goods.

Duty Drawback Scheme/MEIS Scheme

Export benefits under Duty Drawback Scheme/MEIS Scheme is estimated and accounted in the year of export.

Interest Income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable effective interest rate.

Dividend Income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

Income from Services

Income from services is recognised (net of taxes as applicable) as they are rendered, based on agreement/arrangement with the concerned customers.

(t) Significant Accounting Estimates, Judgements and Assumptions:

The preparation of the Company's financial statements in conformity with Ind AS requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

In the process of applying the Company's accounting policies, Management has made the following judgements which have significant effect on the amounts recognised in the financial statements:

- i. **Useful Lives of Property, Plant and Equipment:** Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalised. Useful life of tangible assets is based on the life specified in Schedule II of the Act and also as per Management estimate for certain category of assets. Assumption also needs to be made, when the Company assesses, whether as asset may be capitalised and which components of the cost of the assets may be capitalised.
- ii. **Fair Value Measurement of Financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/ judgements about these factors could affect the reported fair value of financial instruments.
- iii. **Measurement of Defined Benefit Plan:** The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- iv. **Impairment of Financial Assets:** Trade receivables are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when Management deems them not collectable. Impairment is made on the expected credit loss model, which is the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.
- v. **Impairment of Non-financial Assets:** The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount.

The company expects to recover full amount related to government subsidies related to interest and capitalisation. Further company also expects to recover/ adjust input tax credit related to GST in future.
- vi. **Contingencies:** Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigation against the Company as it is not possible to predict the outcome of pending matters with accuracy.
- vii. **Net Realisable Value for Inventory Valuation:** The Company assesses net realisable value considering subsequent realisation, ageing and obsolescence for the purpose of valuation of inventories lower of cost or net realisable value.
- viii. **Estimation of uncertainties relating to the global health pandemic from COVID-19:**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, inventories and other assets. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

1.1 Standards issued but not effective/Amendment in existing standard not yet effective.

There are no amendments in existing Ind AS which are not yet effective or standards issued but not effective which have any impact on financial statements of the Company.

PPE and intangible assets once classified as held for sale are not depreciated or amortised. Assets and liabilities classified as held for sale are presented separately as current items in the Balance Sheet.

Notes to Standalone Financial Statements for the year ended 31st March, 2021

Note 2 : Property, Plant and Equipment, Right to Use Assets and Intangible Assets

₹ in lakhs

Particulars	Gross Block			Accumulated Depreciation and Amortisation			Net Block	
	Balance as at 01.04.2020	Additions	Deletion / Adjustments	Balance as at 31.03.2021	For the year	Deletion / Adjustments	Balance as at 31.03.2021	Balance as at 31.03.2021
<u>Property, Plant and Equipment*</u>								
Land - Leasehold	7,159.10	-	-	7,159.10	96.08	-	498.98	6,660.12
Buildings	13,503.39	-	-	13,503.39	548.09	-	2,658.43	10,844.96
Plant and Machinery	32,838.61	58.85	-	32,897.46	1,553.64	-	7,469.84	25,427.62
Computers	42.77	2.38	-	45.15	9.93	-	39.79	5.36
Furniture, Fixture and Office Equipments	187.70	3.75	-	191.45	23.14	-	128.95	62.50
Motor Vehicles	241.90	-	-	241.90	33.72	-	170.22	71.68
Total - Property, Plant and Equipment (A)	53,973.47	64.98	-	54,038.45	2,264.60	-	10,966.21	43,072.24
<u>Right to Use Assets</u>								
Right to Use Assets	115.01	-	15.27	99.74	34.34	15.27	57.54	42.20
Total - Right to Use Assets (B)	115.01	-	15.27	99.74	34.34	15.27	57.54	42.20
<u>Intangible Assets</u>								
Computer Software	275.50	10.57	-	286.07	28.95	-	165.52	120.55
Total - Intangible Assets (C)	275.50	10.57	-	286.07	28.95	-	165.52	120.55
Grand Total (A+B+C)	54,363.98	75.55	15.27	54,424.26	2,327.89	15.27	11,189.27	43,234.99

* Charged against borrowings of the Company (Refer Note no. 16 and 21)

₹ in lakhs

Particulars	Gross Block			Accumulated Depreciation and Amortisation			Net Block	
	Balance as at 01.04.2019	Additions	Deletion / Adjustments	Balance as at 31.03.2020	For the year	Deletion / Adjustments	Balance as at 31.03.2020	Balance as at 31.03.2020
<u>Property, Plant and Equipment*</u>								
Land - Leasehold	7,159.10	-	-	7,159.10	96.34	-	402.90	6,756.20
Buildings	13,503.39	-	-	13,503.39	549.60	-	2,110.34	11,393.05
Plant and Machinery	32,816.71	21.90	-	32,838.61	1,585.21	-	5,916.20	26,922.41
Computers	38.66	4.11	-	42.77	11.52	-	29.86	12.91
Furniture, Fixture and Office Equipments	186.36	1.34	-	187.70	24.81	-	105.81	81.89
Motor Vehicles	241.90	-	-	241.90	34.14	-	136.50	105.40
Total - Property, Plant and Equipment (A)	53,946.12	27.35	-	53,973.47	2,301.62	-	8,701.61	45,271.86
<u>Right to Use Assets</u>								
Right to Use Assets	-	115.01	-	115.01	38.47	-	38.47	76.54
Total - Right to Use Assets (B)	-	115.01	-	115.01	38.47	-	38.47	76.54
<u>Intangible Assets</u>								
Computer Software	267.19	8.31	-	275.50	31.57	-	136.57	138.93
Total - Intangible Assets (C)	267.19	8.31	-	275.50	31.57	-	136.57	138.93
Grand Total (A+B+C)	54,213.31	150.67	-	54,363.98	2,371.66	-	8,876.65	45,487.33

* Charged against borrowings of the Company (Refer Note no. 16 and 21)

	31.03.2021 ₹ in lakhs	31.03.2020 ₹ in lakhs
Note 3 : Investments in Joint Ventures		
Investments in Equity Instruments (Unquoted - at Cost)		
Morarjee Castiglioni (India) Private Limited	64.10	64.10
10,00,000 (Previous year 10,00,000) Equity Shares of ₹10 each fully paid-up	<u>64.10</u>	<u>64.10</u>
Aggregate Amount of Quoted Investments	-	-
Aggregate Amount of Unquoted Investments	64.10	64.10
Aggregate Amount of Impairment in Value of Investments	-	-
Note 4 : Non-current Financial Assets - Investments		
a) Investments in Equity Instruments		
(Unquoted - at Fair value through other comprehensive income)		
Saraswat Bank	0.25	0.25
2,500 (Previous year 2,500) Equity Shares of ₹ 10 each fully paid-up		
b) Investment in Government Securities	0.64	0.64
(Unquoted - at Amortised Cost)		
	<u>0.89</u>	<u>0.89</u>
Aggregate Amount of Quoted Investments	-	-
Aggregate Amount of Unquoted Investments	0.89	0.89
Aggregate Amount of Impairment in Value of Investments	-	-
Note 5 : Non Current Loans (Unsecured, considered good)		
Security Deposits	36.63	168.63
	<u>36.63</u>	<u>168.63</u>
Note 6 : Other Non-current Assets		
Deposit with Government Authorities	51.00	51.00
	<u>51.00</u>	<u>51.00</u>
Note 7 : Non-current Tax Assets		
Advance Income tax	60.17	51.55
	<u>60.17</u>	<u>51.55</u>
Note 8 : Inventories		
Raw materials	183.16	446.66
Work-in-progress	2,679.17	4,591.51
Finished goods	3,322.10	3,077.06
[Includes Stock-in-transit of ₹1491.56 lakhs (Previous year ₹733.50 lakhs)]		
Consumable, Stores, Spares etc.	213.68	429.59
	<u>6,398.11</u>	<u>8,544.82</u>
Total Inventory includes, an amounting to ₹2040.10 lacs (PY ₹ 2,065.76 lacs) as of 31st March, 2021 which is valued at net realisable value based on its accounting policy for valuation at lower of cost and net realisable value and impact of the same are included in "Changes in Inventories of Finished Goods and Work-in-Progress" in Statement of Profit and Loss.		
Note 9 : Trade Receivables (Unsecured, unless stated otherwise)		
Considered good (Secured)	1,137.22	735.89
Considered good (Unsecured)	2,269.73	2,693.70
Trade receivables (Credit impaired)*	809.70	611.95
Provision for doubtful debts*	(672.00)	(522.00)
	<u>3,544.65</u>	<u>3,519.54</u>
Trade Receivables from related parties of ₹27.54 lakhs (PY ₹2.68 lakhs) as on 31st March, 2021 (Refer Note No.50)) * Refer Note No. 43.		
Note 10 : Cash and Cash Equivalents		
Cash on hand	2.34	6.99
Balances with Banks in Current Accounts	486.55	20.03
	<u>488.89</u>	<u>27.02</u>
Note 11 : Bank Balances other than Cash & Cash Equivalents		
Balances in dividend accounts	18.77	29.56
Balances with banks in fixed deposits (includes margin money with bank)	148.91	171.68
	<u>167.68</u>	<u>201.24</u>

Notes to Standalone Financial Statements for the year ended 31st March, 2021

	31.03.2021 ₹ in lakhs	31.03.2020 ₹ in lakhs
Note 12 : Current Loans (Unsecured, considered good)		
Earnest money deposit	1.60	1.60
Other recoverables	20.56	29.98
	<u>22.16</u>	<u>31.58</u>
Note 13 : Other Current Assets		
Government Grant Receivable:		
- Capital Subsidy	1,067.55	1,067.55
- Interest Subsidy	2,340.70	2,340.70
Balances with Government Authorities*	4,292.99	4,236.75
Other Advances	863.40	893.87
	<u>8,564.64</u>	<u>8,538.87</u>

* Balances with Government Authorities includes an amount of ₹ 3,577 lakhs (P.Y ₹3,588 lakhs) as on March 31, 2021 towards GST input tax credit on account of higher GST on input (specifically on input services) as compared to output. Though Input GST credits are allowed to be carried indefinitely, the utilisation thereof is generally dependent on various factors including volume and value of output in future, rates of tax on output and changes in government policies. In the opinion of the management, in view of the continuing business of the Company, no provision is considered necessary in this regards.

Note 14 : Equity Share Capital		
Authorised:		
3,65,00,000 (Previous year 3,65,00,000) Equity Shares of ₹ 7/- each	<u>2,555.00</u>	<u>2,555.00</u>
	<u>2,555.00</u>	<u>2,555.00</u>
Issued, Subscribed and Paid- up:		
3,63,32,349 (Previous year 3,63,32,349) Equity Shares of ₹ 7/- each fully paid-up	<u>2,543.26</u>	<u>2,543.26</u>
	<u>2,543.26</u>	<u>2,543.26</u>
A) The reconciliation of the number and value of equity shares		
	No. of Shares	₹ in lakhs
Balance as at 31st March, 2020	3,63,32,349	2,543.26
Movement during the year	-	-
Balance as at 31st March, 2021	<u>3,63,32,349</u>	<u>2,543.26</u>
B) Shareholders holding more than 5% of equity shares of the Company		
Ashok Piramal Group Textile Trust through its trustee, Ms. Urvi A. Piramal		
Number of Shares	2,15,90,112	2,15,90,112
% of holding	59.42	59.42
C) Terms / rights attached to Equity Shares		
Each equity share of Company has a par value of ₹ 7/- (Previous year ₹7/-). Each holder of equity share is entitled to one vote per share. All shares rank pari passu with regard to dividend and repayment of capital. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.		

	31.03.2021 ₹ in lakhs	31.03.2020 ₹ in lakhs
Note 15 : Other Equity		
a) General Reserve		
Opening balance	5,627.91	5,627.91
Movement during the year	-	-
Closing balance (a)	<u>5,627.91</u>	<u>5,627.91</u>
b) Retained Earnings		
Opening balance	(2,474.41)	132.31
(Loss) for the year	(6,162.53)	(2,608.97)
Other Comprehensive Income for the year	(28.28)	2.25
(Remeasurement of defined benefit obligation - Net of tax)		
Closing balance (b)	<u>(8,665.22)</u>	<u>(2,474.41)</u>
Total (a+ b)	<u>(3,037.31)</u>	<u>3,153.50</u>

Nature and Purpose of Reserve:

a) General Reserve

General Reserve has been created on account of the Schemes of Amalgamation, Demerger and Capital Restructuring carried out in the past and transfer of net profit before declaring dividend, pursuant to the earlier provisions of the Companies Act, 1956. Such transfer of net profit to general reserve is not required under the Companies Act, 2013.

b) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Note 16 : Non-current Financial Liabilities - Borrowings

Particulars	Non Current		Current (Refer Note No. 23)	
	31.03.2021 ₹ in lakhs	31.03.2020 ₹ in lakhs	31.03.2021 ₹ in lakhs	31.03.2020 ₹ in lakhs
Secured				
Term loan from banks (Refer sub-note no. A)	10,523.75	12,411.19	5,439.39	2,515.36
Term loan from others (Refer sub-note no. B)	2,457.21	2,416.73	427.97	306.86
	<u>12,980.96</u>	<u>14,827.92</u>	<u>5,867.36</u>	<u>2,822.22</u>
Unsecured				
Term loan from banks (Refer sub-note no. C)	8,398.67	8,398.67	-	-
	<u>8,398.67</u>	<u>8,398.67</u>	<u>-</u>	<u>-</u>
Preference Share Capital (Refer sub-note no. D)	1,500.00	-	1,000.00	2,500.00
	<u>1,500.00</u>	<u>-</u>	<u>1,000.00</u>	<u>2,500.00</u>
	<u>22,879.63</u>	<u>23,226.59</u>	<u>6,867.36</u>	<u>5,322.22</u>

Sub-notes to Note no. 16 : Non-current Financial Liabilities - Borrowings:

Sr. No.	Particulars	31.03.2021 ₹ in lakhs	31.03.2020 ₹ in lakhs
A.	Term Loan from Banks (Secured)		
a)	Term Loan 1 Nature of Security: 1st pari passu charge on all fixed assets of the Company, both present and future and 2nd pari passu charge on all current assets of the Company, both present and future. Terms of Repayment as per schedule: Repayable in 18 quarterly instalments as at 31st March, 2021 Repayable in 20 quarterly instalments as at 31st March, 2020 The Company defaulted on repayment of loan Instalment aggregating to ₹904.75 lacs during the year) The company has availed moratorium for Installment for the period April 2020 to August, 2020 (Previous year March 2020)	12,995.24	12,906.13
b)	Term Loan 2 Funded Interest Term Loan 1st pari passu charge on all fixed assets of the Company, both present and future and 2nd pari passu charge on all current assets of the Company, both present and future. Terms of Repayment as per schedule: The Company defaulted on repayment OF Funded Interest Term Loan aggregating to ₹1011.53 lacs during the year) The company has availed moratorium for Interest for the period April 2020 to August, 2020 (Previous year March 2020)	1,011.53	-
c)	Term Loan 3 Nature of Security: 2nd pari passu charge on all fixed assets and current assets of the Company, both present and future. Terms of Repayment as per schedule: Repayable in: - 12 Monthly instalments as at 31st March, 2021 - 24 Monthly instalments as at 31st March, 2020 The Company defaulted on repayment of loan Instalment aggregating to ₹972.93 lacs during the year)	1,956.37	2,019.13
d)	Term Loan 4 and 5 Nature of Security: Secured by specific (exclusive) charge on the Company's movable fixed asset being financed. Terms of Repayment as per schedule: "Repayable in: - 1 monthly instalments as at 31st March, 2020 - ₹1.29 lakhs Current Maturities of above loans	-	1.29
	Subtotal [Term Loan from Banks (Secured)]	<u>(5,439.39)</u> 10,523.75	<u>(2,515.36)</u> 12,411.19

Notes to Standalone Financial Statements for the year ended 31st March, 2021

Sr. No.	Particulars	31.03.2021 ₹ in lakhs	31.03.2020 ₹ in lakhs
B.	Term Loan from Others (Secured)		
	Term Loan 1	2,742.22	2,723.59
	Nature of Security:		
	1st pari passu charge on all fixed assets of the Company, both present and future and 2nd pari passu charge on all current assets of the Company, both present and future.		
	Terms of Repayment as per schedule:		
	Repayable in 18 quarterly instalments as at 31st March, 2021		
	Repayable in 20 quarterly instalments as at 31st March, 2020		
	The Company defaulted on repayment of loan Instalment aggregating to Rs.120 lacs during the year.)		
	Term Loan 2	142.96	
	Funded Interest Term Loan		
	1st pari passu charge on all fixed assets of the Company, both present and future and 2nd pari passu charge on all current assets of the Company, both present and future.		
	Terms of Repayment as per schedule:		
	Repayable in 6 monthly instalments as at 31st March, 2021 effective from May 2025		
	The company has availed moratorium for Installment/Interest for the period April 2020 to August, 2020 (Previous year March 2020)		
	Current Maturities of above loan	(427.97)	(306.86)
	Subtotal [Term Loan from Others (Secured)]	2,457.21	2,416.73
C.	Term Loan from Others (Unsecured)		
	Term Loan	8,398.67	8,398.67
	Terms of Repayment as per schedule:		
	Repayable in:		
	- 24 Quarterly instalments as at 31st March, 2021 effective from 30th June,2022-₹8,398.67 lakhs		
	- 24 Quarterly instalments as at 31st March, 2020 effective from 30th June,2022-₹8,398.67 lakhs		
	Subtotal [Term Loan from Others (Unsecured)]	8,398.67	8,398.67
D.	Details of Preference Shares		
	Authorised :		
	35,00,000 (Previous year 35,00,000) Redeemable Cumulative Non-convertible Preference Shares of ₹ 100/- each	3,500.00	3,500.00
		3,500.00	3,500.00
	Issued, Subscribed and Paid- up:		
	10,00,000 (Previous year 10,00,000)	1,000.00	1,000.00
	5% Redeemable Cumulative Non-convertible Preference Shares of ₹100/- each		
	15,00,000 (Previous year 15,00,000)	1,500.00	1,500.00
	9% Redeemable Cumulative Non-convertible Preference Shares of ₹100/- each		
	Current Maturities of above loan	(1,000.00)	(2,500.00)
		1,500.00	-
		No. of Shares	₹ in lakhs
i)	The reconciliation of the number and value of preference shares		
a)	5% Preference Shares		
	Balance as at 31st March, 2020	1,000,000	1,000.00
	Movement during the year	-	-
	Balance as at 31st March, 2021	1,000,000	1,000.00
b)	9% Preference Shares		
	Balance as at 31st March, 2020	1,500,000	1,500.00
	Movement during the year	-	-
	Balance as at 31st March, 2021	1,500,000	1,500.00
ii)	Shareholders holding more than 5% of Preference Shares of the Company		
	Ashok Piramal Group Textile Trust through its trustee, Ms. Urvi A. Piramal		
	Number of Shares	2,500,000	2,500,000
	% of holding	95.80	95.80
iii)	Terms / rights attached to Preference Shares)		
	5% Redeemable Cumulative Non-convertible Preference Shares of Rs.100/- each, are redeemable anytime between 15th November, 2014 and 15th November, 2019 at the option of the Company. However, the Company could not redeemed these preference shares. The Company has approached NCLT under Section 55 of the Companies Act, 2013, for re-issuance of the said preference shares for a further period of 20 years and approval from preference share holders have already been taken.		

9% Redeemable Cumulative Non-convertible Preference Shares of Rs.100/- each, are redeemable anytime between 4th June, 2017 and 3rd December, 2020 after period of 18 months from the date of its renewal i.e. 3rd December, 2015, at the option of the Trust. However, based on the confirmation received from the trust, the trust will not exercise their redemption rights before maturity date i.e 3rd December, 2020. As per Section 55 of the Companies Act, 2013 the Company has an option to further extend the date of redemption of the said Preference Shares (maximum tenure of 20 years). Accordingly Board has decided to extend the redemption for a further period of 2 (Two) years from December 3, 2020 to December 3, 2022. The holders of Preference Shares shall not have any right to vote in any manner before the Company at any meeting, except on resolutions placed before the Company at any meeting, which directly affects their rights. The effective interest rate on the above borrowings is in the range from 10.45 % to 13.50 % per annum.

Particulars	31.03.2021 ₹ in lakhs	31.03.2020 ₹ in lakhs
Note 17 : Non-current Financial Liabilities		
Lease Liability	16.23	42.47
	<u>16.23</u>	<u>42.47</u>
Note 18 : Non-current Provisions		
Employees benefits (Refer Note no.34)	655.15	599.99
	<u>655.15</u>	<u>599.99</u>
Note 19 : Deferred Tax Liability/(Assets) (Net)		
Tax due to difference between written down value of fixed assets as per books of accounts and Income Tax Act, 1961	6,139.92	7,371.28
Deferred tax assets (Including MAT Credit)	(9,181.34)	(9,165.54)
	<u>(3,041.42)</u>	<u>(1,794.26)</u>
Refer Note no. 35 for components of and movement in deferred tax.		
Note 20 : Other Non-current Liabilities		
Deferred income (Government grant)	1,688.28	1,778.97
	<u>1,688.28</u>	<u>1,778.97</u>
Note 21 : Current Financial Liabilities - Borrowings (Repayable on demand)		
Secured		
Cash credit / packing credit from banks*	20,592.54	8,154.97
Unsecured		
Body Corporate	350.00	350.00
Short-term working capital loan from bank**	949.94	949.94
	<u>21,892.48</u>	<u>9,454.91</u>
*Secured by way of hypothecation of / 1st pari passu charge on Current Assets of the Company viz. raw materials, stock-in-process, finished goods, consumables, store and spares, book debts, both present and future and secured by 2nd pari passu charge on the Company's tangible fixed assets, both present and future.		
**The Company has defaulted on repayment of Instalments aggregating to ₹949.94 lacs during the year. The company has availed moratorium for Installment/ Interest which was due in the month of March 2020.		
The effective interest rate on the above loans is in the range from 11.75 % to 14.55% per annum.		
Note 22 : Trade Payables		
Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note No. 39)	1,460.49	837.88
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	6,911.45	8,065.89
	<u>8,371.94</u>	<u>8,903.77</u>
Trade Payable from related parties of ₹435.68 Lakhs (PY ₹444.54 Lakhs) as on 31st March, 2021 (Refer Note No. 50)		
Note 23 : Other Current Financial Liabilities		
Current maturities of non-current borrowings (Refer Note no.16)	6,867.36	5,322.22
Trade deposits	66.37	61.57
Interest accrued on borrowings*	3,230.10	1,108.84
Lease Liability	33.26	39.72
Unclaimed dividend	18.77	29.56
	<u>10,215.86</u>	<u>6,561.91</u>

* Interest accrued on borrowings includes Interest default for the period September 2020 to March 2021 for Axis Bank and for Tata Capital Financial Services Limited amounting to ₹845.10 lacs and ₹168.90 lacs respectively and interest default for the period May 2020 to March 2021 of Kotak Mahindra Bank Ltd amounting to ₹290.85 Lakhs and for July 2020 to March 2021 of ₹171.61 Lakhs for Federal Bank Limited (in previous year January and February 2020 for Axis bank amounting to ₹127.22 lakhs and ₹20.32 lakhs respectively and Interest default for the month of March 2020 for Kotak Mahindra Bank Ltd amounting to ₹23.71 lakhs (excluding Interest accrued but due in moratorium period)).

Notes to Standalone Financial Statements for the year ended 31st March, 2021

	31.03.2021 ₹ in lakhs	31.03.2020 ₹ in lakhs
Note 24 : Other Current Liabilities		
Advances from customers*	235.44	11,896.75
Deferred income (Government grant)	90.69	90.69
Statutory liabilities	92.25	185.40
	<u>418.38</u>	<u>12,172.84</u>
<p>*During the previous year, Indian Bank (erstwhile Allahabad Bank) has given Export Performance Bank Guarantee (EPBG) on behalf of the Company to Cargill International Trading Pte Ltd. against export advances of USD 16.15 million (Equivalent Rupees 12,174.68 lakhs, restated at closing rate). The EPBG is valid upto February 17, 2022 for USD 14.85 million and up to November 25, 2020 for USD 1.30 million and can be renewed against export delivery schedule. However during the 2nd quarter of the year there has been invocation of EPBG of USD 16.15 Million (₹ 11,891 lakhs) due to non-payment of service fee and interest against export advances, on account of which, borrowing has been restored.</p>		
Note 25 : Current Provisions		
Employees benefits (Refer Note no.34)	31.43	42.62
	<u>31.43</u>	<u>42.62</u>
Note 26 : Revenue from Operations		
Revenue from sale of products	18,755.44	36,818.79
Other operating income	633.21	1,384.98
	<u>19,388.65</u>	<u>38,203.77</u>
Note 27 : Other Income		
Gain on foreign exchange fluctuation	-	79.19
Amortisation of Government grant	90.69	90.69
Interest income	25.30	42.18
Rent	0.12	0.21
Dividend Received	-	0.04
	<u>116.11</u>	<u>212.31</u>
Note 28 : Cost of Materials Consumed		
Opening stock (Raw materials)	446.66	1,251.79
Purchases	5,484.39	12,519.71
Closing stock (Raw materials)	183.16	446.66
	<u>5,747.89</u>	<u>13,324.84</u>
Note 29 : Changes in Inventories of Work-in-Progress and Finished Goods		
Opening Stock		
Work-in-progress	4,591.51	4,572.29
Finished goods	3,077.06	4,243.57
	<u>7,668.57</u>	<u>8,815.86</u>
Closing Stock		
Work-in-progress	2,679.17	4,591.51
Finished goods	3,322.10	3,077.06
	<u>6,001.27</u>	<u>7,668.57</u>
Changes in Inventories	<u>1,667.30</u>	<u>1,147.29</u>
Note 30 : Manufacturing Expenses		
Power and fuel	2,770.73	4,036.10
Processing charges	1,928.32	3,685.06
Dyes and chemicals	1,498.35	3,873.09
Packing expenses	206.84	423.26
Stores and spares	415.78	714.39
Other consumables	58.28	118.46
Repairs and maintenance	108.95	196.72
Lease rent - Machinery	61.20	337.12
Rates, taxes and water charges	236.98	316.81
	<u>7,285.43</u>	<u>13,701.01</u>
Note 31 : Employee Benefits Expense		
Salaries and wages	2,198.91	3,132.57
Contribution to Provident and other funds (Refer Note No. 34)	167.58	208.07
Staff welfare expenses	30.27	79.93
	<u>2,396.76</u>	<u>3,420.57</u>

	31.03.2021 ₹ in lakhs	31.03.2020 ₹ in lakhs
Note 32 : Administrative, Selling and Other Expenses		
Freight outward	156.10	404.28
Legal and professional expenses	278.65	317.45
Rent expenses	146.71	235.62
Travelling expenses	24.95	180.53
Commission	58.54	276.93
Remuneration to Auditors (Refer Note no.38)	23.10	24.27
Donation	-	2.00
CSR Expenditure (Refer Note no.46)	-	12.00
Provision for doubtful debts	150.00	25.00
Loss on foreign exchange fluctuation	380.62	-
Directors' sitting fees	18.25	15.80
Miscellaneous expenses	786.64	900.64
	<u>2,023.56</u>	<u>2,394.52</u>
Note 33 : Finance Costs		
Interest expenses	5,045.02	5,209.40
Dividend on redeemable preference shares	185.00	246.68
Other borrowing costs	224.70	263.75
	<u>5,454.72</u>	<u>5,719.83</u>

34 Employee Benefits

(A) Defined Contribution Plan

Particulars	Year Ended 31.03.2021 ₹ in lakhs	Year Ended 31.03.2020 ₹ in lakhs
Employer's contribution to Provident Fund	143.39	171.29
Employer's contribution to Superannuation Fund	4.21	4.74
Employer's contribution to ESIC	19.98	32.04
Total	<u>167.58</u>	<u>208.07</u>

(B) Defined Benefit Plan (Gratuity) and Other Long-term Employee Benefits (Leave Encashment)

The Company provides for gratuity for employees in India as per the payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days basic salary multiplied for the number of the years of service. The gratuity plan is not funded and payout is done by Company on resignation / retirement of employees.

Disclosure as per Valuation Reports of Independent Actuary

a) Change in Define Benefit Obligation

Particulars	Gratuity		Leave Encashment	
	Year Ended 31.03.2021 ₹ in lakhs	Year Ended 31.03.2020 ₹ in lakhs	Year Ended 31.03.2021 ₹ in lakhs	Year Ended 31.03.2020 ₹ in lakhs
Defined benefit obligation at the beginning of the year	503.22	458.78	139.39	124.24
Current service cost	47.99	42.43	25.92	24.92
Interest cost	33.41	32.51	9.21	8.81
Actuarial loss / (gain) due to change in financial assumptions	-	18.16	-	6.35
Actuarial loss / (gain) due to experience adjustments	39.18	(21.54)	3.41	4.74
Benefits paid	(72.94)	(27.12)	(42.21)	(29.67)
Defined benefit obligation at the end of the year	<u>550.86</u>	<u>503.22</u>	<u>135.72</u>	<u>139.39</u>

Notes to Standalone Financial Statements for the year ended 31st March, 2021

b) Expense Recognised in the Statement of Profit and Loss

Particulars	Gratuity		Leave Encashment	
	Year Ended 31.03.2021 ₹ in lakhs	Year Ended 31.03.2020 ₹ in lakhs	Year Ended 31.03.2021 ₹ in lakhs	Year Ended 31.03.2020 ₹ in lakhs
Current service cost	47.99	42.43	25.92	24.92
Interest Cost on Defined Benefit Obligation	33.41	32.51	9.21	8.81
Actuarial loss / (gain) due to change in financial assumptions	-	-	-	6.35
Actuarial loss / (gain) due to experience adjustments	-	-	3.41	4.74
Amount recognised in profit or loss	81.40	74.94	38.54	44.82
Actuarial loss / (gain) due to change in financial assumptions	-	18.16	-	-
Actuarial loss / (gain) due to experience adjustments	39.18	(21.54)	-	-
Amount recognised in OCI	39.18	(3.38)	-	-
Total amount recognised in the Statement of Profit and Loss	120.58	71.56	38.54	44.82

c) Amount recognised in the Balance Sheet

Particulars	Gratuity		Leave Encashment	
	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Present value of obligation	550.86	503.22	135.72	139.39
Fair value of plan assets	-	-	-	-
Amount recognised in the Balance Sheet	550.86	503.22	135.72	139.39

Particulars	Gratuity		Leave Encashment	
	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Current	25.27	31.85	6.16	10.77
Non Current	525.59	471.37	129.56	128.62
Total	550.86	503.22	135.72	139.39

d) Assumptions

The principal actuarial assumptions used for estimating the Company's defined benefit obligations and other long term employee benefits are set out below:

Particulars	Gratuity		Leave Encashment	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Withdrawal rate	3% at younger ages reducing to 1% at older ages	3% at younger ages reducing to 1% at older ages	3% at younger ages reducing to 1% at older ages	3% at younger ages reducing to 1% at older ages
Normal retirement age	60 years	60 years	60 years	60 years
Discount rate	6.85%	6.85%	6.85%	6.85%
Salary escalation rate	0.00% p.a for next 2 years & 3.50% p.a thereafter	0.00% p.a for next 1 years & 3.50% p.a thereafter	0.00% p.a for next 2 years & 3.50% p.a thereafter	0.00% p.a for next 1 years & 3.50% p.a thereafter

e) Sensitivity Analysis

The sensitivity of the defined benefit obligation to change in the weighted key assumptions is:

Particulars	Gratuity		Leave Encashment	
	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Salary escalation rate + 0.5%	579.89	527.47	142.48	145.32
Salary escalation rate - 0.5%	523.62	480.52	129.38	133.86
Withdrawal rate + 10%	553.36	505.43	136.39	140.03
Withdrawal rate - 10%	547.91	500.99	135.03	138.73
Discount rate + 0.5%	524.64	481.23	129.64	134.05
Discount rate - 0.5%	579.01	526.88	142.26	145.15

A description of methods used for sensitivity analysis and its limitations:

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

f) Expected Cashflows based on Past Service Liability

Particulars	Gratuity		Leave Encashment	
	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Year 1	25.27	30.84	6.16	9.80
Year 2	25.20	95.83	6.42	41.72
Year 3	26.75	21.64	9.59	5.46
Year 4	28.07	22.53	9.20	8.04
Year 5	24.36	24.02	8.29	8.57
Year 6 to Year 10	245.78	167.70	74.44	43.92

g) Best Estimate of Contribution

Particulars	Gratuity		Leave Encashment	
	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Best Estimate of Contribution for the Company during the next year	25.27	31.85	6.16	9.80

h) Average outstanding term of obligations as at valuation date is 10.79 years (P.Y 10.94 years)

Note : Above disclosures with respect to employee benefits have been made to the extent of availability of data, as per actuarial valuation report.

35 Tax Expense

A) Amounts Recognised in statement of Profit or Loss

Particulars	Year ended 31.03.2021 ₹ in lakhs	Year ended 31.03.2020 ₹ in lakhs
Current Tax (Minimum Alternate Tax)	-	-
Deferred Tax (Net of MAT Credit Entitlement)	(1,236.26)	(1,078.79)
Total tax expense as per the Statement of Profit and Loss	(1,236.26)	(1,078.79)

Notes to Standalone Financial Statements for the year ended 31st March, 2021

B) Reconciliation of Effective Tax Rate

Particulars	Year ended 31.03.2021 ₹ in lakhs	Year ended 31.03.2020 ₹ in lakhs
(Loss) before tax	(7,398.79)	(3,687.76)
Enacted income tax rate in India applicable to the Company	27.82%	33.384%
Tax using the Company's domestic tax rate	(2,058.34)	(1,231.12)
Tax effect of:		
Permanent disallowances	44.51	99.94
Effect due to tax rate difference	158.81	-
Others / Unabsorbed depreciation and business loss	618.76	52.39
Tax expense as per the Statement of Profit and Loss	(1,236.26)	(1,078.79)
Effective tax rate	16.709%	29.253%

C) Movement in Deferred Tax Liability / (Assets)

Year ended 31st March, 2021

Particulars	As at 31.03.2020 ₹ in lakhs	Recognised in Profit or Loss ₹ in lakhs	Recognised in OCI ₹ in lakhs	As at 31.03.2021 ₹ in lakhs
Components of deferred tax liabilities related to:				
Property, plant and equipment	7,371.28	(1,231.36)	-	6,139.92
Unamortised processing fees on borrowings	-	-	-	-
Subtotal (Deferred Tax Liability)	7,371.28	(1,231.36)	-	6,139.92
Components of deferred tax assets related to:				
Unamortised Government grant & Lease liability	651.60	(142.92)	-	508.68
Provision for doubtful debts and employment benefits	388.79	(21.74)	10.90	377.95
Unabsorbed depreciation / business losses carried forward under Income Tax Act, 1961	5,083.73	169.56	-	5,253.29
Mat Credit Entitlement	3,041.42	-	-	3,041.42
Subtotal (Deferred Tax Assets)	9,165.54	4.90	10.90	9,181.34
Deferred Tax Liability/(Assets) (Net)	(1,794.26)	(1,236.26)	(10.90)	(3,041.42)

Year ended 31st March, 2020

Particulars	As at 01.04.2019 ₹ in lakhs	Recognised in Profit or Loss ₹ in lakhs	Recognised in OCI ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Components of deferred tax liabilities related to:				
Property, plant and equipment	7,246.78	124.50	-	7,371.28
Unamortised processing fees on borrowings	12.00	(12.00)	-	-
Subtotal (Deferred Tax Liability)	7,258.78	112.50	-	7,371.28
Components of deferred tax assets related to:				
Unamortised Government grant & Lease liability	654.45	(2.85)	-	651.60
Provision for doubtful debts and employment benefits	360.55	29.37	(1.13)	388.79
Unabsorbed depreciation / business losses carried forward under Income Tax Act, 1961	3,918.96	1,164.77	-	5,083.73
Mat Credit Entitlement	3,041.42	-	-	3,041.42
Sub-total (Deferred Tax Assets)	7,975.38	1,191.29	(1.13)	9,165.54
Deferred Tax Liability/(Assets) (Net)	(716.60)	(1,078.79)	1.13	(1,794.26)

35. (i) MAT Credit Entitlement of ₹ 3,041 lakhs (P.Y ₹ 3,041 lakhs) is based on future performance and expectation of full utilization of MAT Credit within time frame available as projected by the Management of the Company.

(ii) The Company having opted to continue with old tax regime in view of unabsorbed losses and depreciation and MAT assets benefits and would evaluate in future. Hence, deferred tax assets (including MAT assets) are continuing in financial statements considering old tax regime and management judgment on recoverability based on future projections.

36 Reconciliation of Liabilities arising from Financing Activities

Year ended 31st March, 2021

Particulars	As at 31.03.2020	Cash Movement	Business Acquisition/ Disposals	Foreign Exchange Changes	Fair Value Changes	Others	As at 31.03.2021
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Term loans	26,048.81	(100.72)	-	-	-	1,298.90	27,246.99
Redeemable preference shares	2,500.00	-	-	-	-	-	2,500.00
Short-term borrowings	9,454.91	12,437.57	-	-	-	-	21,892.48
Total	38,003.72	12,336.85	-	-	-	1,298.90	51,639.47

Year ended 31st March, 2020

Particulars	As at 31.03.2019	Cash Movement	Business Acquisition/ Disposals	Foreign Exchange Changes	Fair Value Changes	Others	As at 31.03.2020
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Term loans	36,055.11	(13,593.91)	-	-	-	3,587.61	26,048.81
Redeemable preference shares	2,476.34	-	-	-	-	23.66	2,500.00
Short-term borrowings	12,451.47	(510.18)	-	-	-	(2,486.38)	9,454.91
Total	50,982.92	(14,104.09)	-	-	-	1,124.89	38,003.72

These cash movements are included within the following lines in the Statement of Cash Flows:

- i. Proceeds from Long-term Borrowings
- ii. Repayment of Long-term Borrowings
- iii. Increase/ (Decrease) in Short-term Borrowings

37 Contingent Liability and Commitments

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
A) Contingent Liability		
(i) Claims against the Company not acknowledged as debts in respect of:		
Disputed Excise demands	1,295.09	1,295.09
Disputed Sales Tax demands	1.95	1.95
(ii) Bank guarantees	440.74	628.67
(iii) Open letters of credit	-	169.18
(iv) Other Matters	1,344.40	1,344.40
B) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	-	7.01

38 Remuneration to Auditors*

Particulars	Year ended 31.03.2021 ₹ in lakhs	Year ended 31.03.2020 ₹ in lakhs
Audit Fees (including Consolidation and Limited Review Fees)	18.50	18.50
Tax Audit Fees	3.00	3.00
Certification Fees	1.00	1.75
Out of Pocket Expenses	0.60	1.02
Total	23.10	24.27

* Excludes Goods and Services Tax

Notes to Standalone Financial Statements for the year ended 31st March, 2021

39 Disclosure under Micro, Small and Medium Enterprises Act, 2006

There are Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2021. 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.

Particulars	As on 31.03.2021 ₹ in lakhs	As on 31.03.2020 ₹ in lakhs
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,351.49	794.58
(b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at the year end	109.00	43.30
(c) 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	-	-
(d) 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	-	-
(e) The amount accrued and remaining unpaid at the end of each accounting period; i.e., principal is paid but interest has remained unpaid	-	-
(f) 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	-	-

40 Leases

1 Following are the changes in carrying value of the Right to Use Assets.

Particulars	As at 31.03.2021			As at 31.03.2020		
	Motor Vehicle	Computer Software/ Computer	Total	Motor Vehicle	Computer Software/ Computer	Total
Gross Carrying Amount						
Opening Gross Carrying Amount	15.64	99.37	115.01	-	-	-
Additions	-	-	-	15.64	99.37	115.01
Disposals and Transfers	(8.54)	(6.73)	(15.27)	-	-	-
Sub Total	7.10	92.64	99.74	15.64	99.37	115.01
Accumulated Depreciation						
Opening Accumulated Depreciation	8.40	30.07	38.47	-	-	-
Additions	4.88	29.46	34.34	8.40	30.07	38.47
Disposals and Transfers	(8.54)	(6.73)	(15.27)	-	-	-
Sub Total	4.74	52.80	57.54	8.40	30.07	38.47
Net Total	2.36	39.84	42.20	7.24	69.30	76.54

2 Following are the changes in carrying value of lease liability

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Opening Balance	82.19	-
Additions	-	115.01
Finance cost accrued during the year	7.02	10.72
Payment of Lease Liability	(39.72)	(43.54)
Closing Balance	49.49	82.19
Non Current Balance	16.23	42.47
Current Balance	33.26	39.72

3 Lease payments recognised in the Statement of Profit and Loss is ₹207.91 lakhs (Previous year ₹ 572.74 lakhs) excluding amortisation of Right to Use.

4 Future minimum lease rentals payable under non - cancellable operating lease agreements, in respect of assets taken on operating lease:

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
a) Not later than one year	40.43	156.85
b) Later than one year but not later than five years	20.60	53.87
c) Later than five years	-	-
Total	61.03	210.72

General Terms of Lease Rentals:

- Lease rentals are charged on the basis of agreed terms.
- Assets are taken on lease for a period ranging between 9 months to 5 years.
- The lease agreements can be renewed on mutually agreed terms with the lessee.
- Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases"; applied to all lease contracts existing on April 1, 2019 using the modified retrospective method with practical expedient. There is no impact on retained earnings, on the date of initial application. Accordingly, comparatives figures have not been restated. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) with corresponding lease liability of ₹ 115.01 lakhs. The effect of this adoption is not material on the losses for the year and earnings per share.

41 Interest in Other Entities

Particulars	Country of Incorporation	Principal Activity	Proportion of Ownership Interest	
			As at 31.03.2021	As at 31.03.2020
Morarjee Castiglioni (India) Private Limited (Joint Venture) * Refer note No. 49	India	Trading	50%	50%

42 Capital Management

a) Risk Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents.

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Total borrowings	51,639.47	38,003.72
Less : Cash and cash equivalents	488.89	27.02
Adjusted net debt	51,150.58	37,976.70
Total equity	(494.05)	5,696.76
Less : Hedging reserve	-	-
Adjusted equity	(494.05)	5,696.76
Adjusted net debt to adjusted equity ratio	(103.53)	6.67

- b) During the year, the Company has not declared any dividend on Preference shareholders and equity shareholders.

43 Financial Risk Management
Risk Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Notes to Standalone Financial Statements for the year ended 31st March, 2021

A. Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition.

The Company measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

The Company has made specific provision for certain receivables based on assessment of recovery due to litigation, old claims etc. The outstanding of these receivables is ₹107 lakhs (PY ₹81 lakhs) as on March 31, 2021. The same has been considered as credit impaired and made 100% provision against those receivables.

Further, the Company has considered 360 days past due unsecured receivables as credit impaired for the purpose of disclosure based on nature of business and credit cycle in its business operations even though the Company is following simplified approach for life time provisioning.

i Trade Receivables

a) Ageing

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
0-180 days	2,999.08	3,066.17
More than 180 days	1,217.57	975.37
Gross trade receivables	4,216.65	4,041.54
Provision for doubtful debts	672.00	522.00
Total	3,544.65	3,519.54

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

b) Movement in provisions of doubtful debts

Particulars	Year ended 31.03.2021 ₹ in lakhs	Year ended 31.03.2020 ₹ in lakhs
Opening provision	522.00	497.00
Add:- Additional provision made	150.00	25.00
Less:- Amounts written off	-	-
Less:- Provision reversed	-	-
Closing provision	672.00	522.00

ii Investments other than Investments in Joint Ventures

There is investment of ₹ 0.89 lakh (₹ 0.89 lakh as at 31st March, 2020) and no impairment has been recognised on such investments.

iii Cash and Bank Balances

The Company held cash and bank balance with credit worthy banks of ₹656.57 Lakhs at March 31, 2021 (March 31, 2020 ₹ 228.26 Lakhs), includes Fixed deposit lien marked with bank of ₹148.91 Lakhs at March 31, 2021 (March 31, 2020 ₹171.68 Lakhs). The credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks where credit risk is largely perceived to be extremely insignificant.

iv Loans

No impairment in respect of loans was necessary during the current as well as previous year.

B. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. The Company manages its liquidity risk by preparing periodic cash flow projections to monitor liquidity requirements. In addition, the Company monitors the Balance Sheet liquidity ratios against internal and external regulatory requirements and maintains debt financing plans.

Maturity Pattern of Financial Liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date.

As at 31st March, 2021

Particulars	Carrying Amount	0-1 years	1-5 years	Beyond 5 years	Total
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Long-term borrowings (including current maturities of long-term debt)	29,746.99	6,867.36	20,080.07	2,799.56	29,746.99
Short-term borrowings	21,892.48	21,892.48	-	-	21,892.48
Interest accrued on borrowings	3,230.10	3,230.10	-	-	3,230.10
Trade payables	8,371.93	8,371.93	-	-	8,371.93
Other current financial liabilities	118.40	118.40	-	-	118.40

As at 31st March, 2020

Particulars	Carrying Amount	0-1 years	1-5 years	Beyond 5 years	Total
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Long-term borrowings (including current maturities of long-term debt)	28,548.81	5,322.22	19,027.26	4,199.33	28,548.81
Short-term borrowings	9,454.91	9,454.91	-	-	9,454.91
Interest accrued on borrowings	1,108.84	1,108.84	-	-	1,108.84
Trade payables	8,903.77	8,903.77	-	-	8,903.77
Other current financial liabilities	130.85	130.85	-	-	130.85

C Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

i Currency Risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales to overseas customers and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods in the respective currencies.

(a) Derivative Instruments

Particulars	(Foreign currency in lakhs)	
	As at 31.03.2021	As at 31.03.2020
Forward contracts to sell USD	-	7.50

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

(b) Foreign Currency Exposures*

Particulars	(Foreign currency in lakhs)				
	USD	EURO	GBP	CHF	JPY
Trade receivable	22.46	1.44	-	-	-
Trade payables	0.18	-	-	0.01	7.20

* Advance Received in foreign currency are not considered for disclosure purpose

Particulars	(Foreign currency in lakhs)				
	USD	EURO	GBP	CHF	JPY
Trade receivable	18.90	2.19	-	-	-
Trade payables	0.26	-	-	0.01	-

(c) Details of Hedged and Unhedged Foreign Currency Exposure

Particulars	(Foreign currency in lakhs)				
	USD	EURO	GBP	CHF	JPY
Trade receivables	22.46	1.44	-	-	-
Less: Foreign currency forward contracts (Sell)	-	-	-	-	-
Unhedged receivable	22.46	1.44	-	-	-
Trade payables	0.18	-	-	0.01	7.20
Less: Foreign currency forward contracts (Buy)	-	-	-	-	-
Unhedged payable	0.18	-	-	0.01	7.20

Notes to Standalone Financial Statements for the year ended 31st March, 2021

Particulars	(Foreign currency in lakhs)				
	USD	EURO	GBP	CHF	JPY
Trade receivables	18.90	2.19	-	-	-
Less: Foreign currency forward contracts (Sell)	7.50	-	-	-	-
Unhedged receivable	11.40	2.19	-	-	-
Trade payables	0.26	-	-	0.01	-
Less: Foreign currency forward contracts (Buy)	-	-	-	-	-
Unhedged payable	0.26	-	-	0.01	-

(d) Foreign Currency Risk Sensitivity

A change of 1% in foreign currency exchange rate applied on net foreign exposure (i.e. net unhedged payable / receivable) would have following Impact on profit before tax:

Particulars	Year ended 31.03.2021		Year ended 31.03.2020	
	1% Increase	1% decrease	1% Increase	1% decrease
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
USD	16.13	(16.13)	8.40	(8.40)
EURO	1.23	(1.23)	1.82	(1.82)
GBP	-	-	-	-
CHF	(0.01)	0.01	(0.01)	0.01
JPY	(0.05)	0.05	-	-
Increase / (decrease) in profit or loss	17.30	(17.30)	10.21	(10.21)

ii Interest rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to Interest Rate Risk

In order to optimise the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, the Company performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio. According to the Company, interest rate risk exposure is only for floating rate borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the Management of the Company is as follows.

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Borrowings bearing fixed rate of interest	5,756.31	5,820.37
Borrowings bearing variable rate of interest	45,883.16	32,183.35
Total Borrowings	51,639.47	38,003.72

Interest rate sensitivity

a) Fair Value Sensitivity Analysis for Fixed-rate Instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

b) Cash Flow Sensitivity Analysis for Variable-rate Instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables in particular foreign currency exchange rates remain constant.

A change of 25 bps in interest rates would have following impact on profit before tax.

Particulars	Year ended 31.03.2021 ₹ in lakhs	Year ended 31.03.2020 ₹ in lakhs
25 bp decrease	114.71	80.46
25 bp increase	(114.71)	(80.46)

44 Fair Value Measurement

A) Accounting classification and fair values

As at 31st March, 2021

Particulars	FVTPL	FVTOCI	Amortised Cost	Total Carrying Amount	Fair Value
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Non-current Financial Assets					
Investments	-	0.25	0.64	0.89	0.89
Loans	-	-	36.63	36.63	36.63
Total	-	0.25	37.27	37.52	37.52
Current Financial Assets					
Trade receivables	-	-	3,544.65	3,544.65	3,544.65
Cash and cash equivalents	-	-	488.89	488.89	488.89
Other bank balances	-	-	167.68	167.68	167.68
Loans	-	-	22.16	22.16	22.16
Total	-	-	4,223.38	4,223.38	4,223.38
Non-current Financial Liabilities					
Borrowings	-	-	22,879.63	22,879.63	22,879.63
Other financial liabilities	-	-	16.23	16.23	16.23
Total	-	-	22,895.86	22,895.86	22,895.86
Current Financial Liabilities					
Borrowings	-	-	21,892.48	21,892.48	21,892.48
Trade payables	-	-	8,371.93	8,371.93	8,371.93
Other financial liabilities	-	-	10,215.86	10,215.86	10,215.86
Total	-	-	40,480.27	40,480.27	40,480.27

As at 31st March, 2020

Particulars	FVTPL	FVTOCI	Amortised Cost	Total Carrying Amount	Fair Value
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Non-current Financial Assets					
Investments	-	0.25	0.64	0.89	0.89
Loans	-	-	168.63	168.63	168.63
Total	-	0.25	169.27	169.52	169.52
Current Financial Assets					
Trade receivables	-	-	3,519.54	3,519.54	3,519.54
Cash and cash equivalents	-	-	27.02	27.02	27.02
Other bank balances	-	-	201.24	201.24	201.24
Loans	-	-	31.58	31.58	31.58
Total	-	-	3,779.38	3,779.38	3,779.38
Non-current Financial Liabilities					
Borrowings	-	-	23,226.59	23,226.59	23,226.59
Other financial liabilities	-	-	42.47	42.47	42.47
Total	-	-	23,269.06	23,269.06	23,269.06
Current Financial Liabilities					
Borrowings	-	-	9,454.91	9,454.91	9,454.91
Trade payables	-	-	8,903.77	8,903.77	8,903.77
Other financial liabilities	-	-	6,561.91	6,561.91	6,561.91
Total	-	-	24,920.59	24,920.59	24,920.59

B) Fair Value Hierarchy

Fair values of all financial instruments mentioned in Note no. 44(A) above belong to Level 3 Fair Value Hierarchy.

Carrying amounts of financial instruments such as cash and cash equivalents, other bank balances, trade receivables, loans, borrowings, trade payables and other financial assets and liabilities at 31st March 2021 and 31st March 2020 reasonably approximate their respective fair values.

Notes to Standalone Financial Statements for the year ended 31st March, 2021

45 Segment Reporting

Based on the "management approach" as defined in Ind AS 108 – Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators of business the segment/s in which the Company operates. The Company is primarily engaged in the business of Textile Products which the Management and CODM recognise as the sole business segment. Hence, disclosure of segment-wise information is not required and accordingly not provided.

46 Corporate Social Responsibility Expenditure (CSR)

Disclosure as required under Section 135 of Companies Act, 2013, read with Companies (Corporate Social Policy) Rules, 2014 is as under:

- Gross amount required to be spent by the Company during the year ₹ Nil Lakhs (Previous year ₹ Nil Lakhs)
- CSR expenditure incurred during the year:

Particulars	In cash		Yet to be paid in cash	
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
i) On construction/acquisition of any asset	-	-	-	-
ii) On purposes other than (i) above (refer footnote)	-	12.00	-	-

The Company undertakes its Corporate Social Responsibility (CSR) activities through Conservation Wildlands Trust. The foundation operates in areas of health, vocational skill training, environment and education. The Company has contributed ₹ Nil Lakhs (Previous year ₹ 12.00 Lakhs) to the foundation for undertaking CSR activities as defined under CSR rules.

- 47 The outbreak of COVID-19 pandemic is causing significant disturbance and slowdown of economic activities globally. The nationwide lockdown ordered by the Government of India has resulted in significant reduction in economic activities throughout the country and also impacted the business operations of the Company in terms of production and sales due to lockdown for almost two months and very low demand and production activity.

In preparing the financial statements, the Company's management has been required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, equity, income and expenses. These estimates and associated assumptions, especially for assessing any impairment of Inventory are based on historical experience and various other factors including the possible effects that may result from the pandemic; and are believed to be reasonable under the current circumstances. Considering the assessment, the Company expects to recover the carrying amount of all these assets.

Given the dynamic nature of the pandemic situation, the valuation of Inventory and future profits for adjusting MAT Credit Entitlements as at 31st March, 2021 is subject to evolving uncertainty and may be affected in future by the severity and duration of the outbreak. In the event the impacts are more severe or prolonged than anticipated, this may have a corresponding impact on the carrying value of the Inventory, the financial position and financial performance of the Company. The management would be closely monitoring the situation as it evolves.

- During the year the Company has submitted debt restructuring plan to the consortium of lenders, in terms of RBI Circular dated June 7, 2019. The plan submitted by the Company envisages several reliefs and concessions from the lenders. The Core Committee formed by the lenders consortium has commenced the debt restructuring process and undertaken several steps in this regard and it is so far progressing satisfactorily.
- The Company has incurred net loss including cash losses during the year as also in the previous year, owing to high finance cost, weak demand coupled with impact on account of current pandemic conditions. As at the end of the financial year, the net worth stands eroded completely. There have been continuous delays and defaults in repayment of debt obligations. The loan account of the Company is currently NPA with all lenders and some of the lenders have served notice on the Company, requiring repayment of the loan and the company is in discussions with them to resolve the same. Further, the company has, after obtaining the approval of preference shareholders approached NCLT under section 55 of the Companies Act 2013 for reissuance of preference shares of Rs.10 crs which were due for redemption on 15th November 2019, for a further period of 20 years. The approval of NCLT is awaited.

These events/conditions indicate the existence of uncertainty on the Company's ability to continue as a going concern. However having regard to the debt restructuring plan submitted as explained in Note i) above and various cost control initiatives taken by the company, gradually improving operations of the company, sale of inventory, mobilisation of additional funds and other strategic initiatives, the management has a reasonable expectation that the Company would have ability and adequate resources to continue its operational existence for the foreseeable future. Accordingly, the financial results are prepared on a going concern basis.

- 49 In Previous year On 30th September, 2019, the Company has sold its entire holding (49%) in one of its joint venture for consideration of ₹405.74 lakhs. Consequently the Company has recognised loss of ₹.24.12 lakhs on account of sale of investment and the same has been considered as an exceptional item.

50 Related Party Disclosure

i List of Related Parties

A. Joint Ventures

Morarjee Castiglioni (India) Private Limited
Just Textiles Limited (Upto 30th September, 2019)

B. Key Management Personnel

Ms. Urvi A. Piramal - Chairperson
Mr. Harsh A. Piramal - Executive Vice Chairman
Mr. R. K. Rewari - Managing Director
Mr. Mahesh S. Gupta - Director
Mr. Ranjan S. Sanghi - Director (upto 08.04.2019)
Mr. Shobhan M. Thakore - Director upto 16.01.2020
Mr. Aditya H. Mangaldas - Director (upto 29.09.2019)
Mr. Ranjan Pant - Director (upto 11.11.2019)
Lt. Gen. A. K. Singh (Retd.) - Director
Ms. Alpana Samir Chinai - Director (w.e.f 19.12.2019)
Mr. Archit Jayakar - Director (w.e.f 29.01.2020)
Mr. Devesh D adheech - Director (w.e.f 26.06.2020)
Mr. S. C. Kashimpuria - Chief Finance Officer
Mr. Tanmay Bhat as a Company Secretary (up to 29.11.2019)
Ms. Nishthi H Dharmani (w.e.f. 02.03.2020)

C. Enterprises over which Key Management Personnel exercise significant influence with whom transactions were entered into during the year

Peninsula Land Limited
Ashok Piramal Management Corporation Limited
Ashok G. Piramal Trust
Conservation Wildlands Trust
Miranda Tools Private Limited (Formerly know as PMP Auto Components Private Limited)
Integra Garments and Textiles Limited
Argento Home Products LLP
Shrikrishna Finvest & Capital Management Pvt. Ltd.

ii. Details of Transactions are as follows:

Particulars	Year ended 31.03.2021 (₹ in lakhs)	Year ended 31.03.2020 (₹ in lakhs)
A Sales of Products / Assets		
Enterprises over which Key Management Personnel exercise significant influence		
Argento Home Products LLP	22.29	32.51
Conservation Wildlands Trust	0.04	-
Ashok G. Piramal Trust	-	2.78
Miranda Tools Private Limited	-	0.43
Shrikrishna Finvest & Capital Management Pvt. Ltd.	31.42	-
B Charges for Services Rendered		
Enterprises over which Key Management Personnel exercise significant influence		
Ashok Piramal Management Corporation Limited	24.00	5.00
C Remuneration and Sitting Fees		
Key Management Personnel		
Remuneration		
Mr. Harsh A. Piramal	-	163.83
Mr. R. K. Rewari	113.40	139.48
Mr. S. C. Kashimpuria	43.95	51.70
Mr. Tanmmay Bhat	-	7.19
Ms. Nishthi H Dharmani	11.60	1.07
Sitting Fees **		
Ms. Urvi A. Piramal	2.70	2.80
Mr. Mahesh S. Gupta	2.50	2.50
Mr. Shobhan M. Thakore	-	3.20
Mr. Aditya H. Mangaldas	-	2.35
Mr. Ranjan Pant	-	1.00
Lt. Gen. A. K. Singh (Retd.)	3.90	3.20
Ms. Alpana Samir Chinai	2.55	0.25
Mr. Archit Jayakar	3.90	0.50
Mr. Devesh Dadheech	2.70	-

** Excludes Goods and Services Tax

Notes to Standalone Financial Statements for the year ended 31st March, 2021

Particulars	Year ended 31.03.2021 (₹ in lakhs)	Year ended 31.03.2020 (₹ in lakhs)
D Rent and Maintenance Expenses		
Enterprises over which Key Management Personnel exercise significant influence		
Peninsula Land Limited *	-	158.07
Miranda Tools Private Limited	0.30	0.60
<i>* Excluding electricity reimbursement expenses on actuals ₹Nil lacs (Previous year ₹27.39 lacs)</i>		
E CSR Expenditure		
Enterprises over which Key Management Personnel exercise significant influence		
Conservation Wildlands Trust	-	12.00
F Outstanding Balances		
a. Payable		
Joint Ventures		
Morarjee Castiglioni (India) Private Limited	74.89	83.63
Enterprises over which Key Management Personnel exercise significant influence		
Peninsula Land Limited	360.73	360.73
Miranda Tools Private Limited	0.06	0.18
b. Receivable		
Enterprises over which Key Management Personnel exercise significant influence		
Argento Home Products LLP	3.83	2.54
Ashok G. Piramal Trust	0.14	0.14
Conservation Wildlands Trust	0.04	-
Shrikrishna Finvest & Capital Management Pvt. Ltd.	23.53	-
c. Security Deposit receivable		
Enterprises over which Key Management Personnel exercise significant influence		
Peninsula Land Limited	12.00	12.00

51 Earnings Per Share

(₹ in lakhs, unless stated otherwise)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
(a) Profit attributable to Equity shareholders of the Company	(6,162.53)	(2,608.97)
(b) Weighted average number of ordinary shares (No.)	3,63,32,349	3,63,32,349
(c) Earnings per share - Basic and Diluted (₹)	(16.96)	(7.18)
(d) Face value of an equity share (₹)	7	7

52 Previous year figures have been regrouped / reclassified wherever necessary to conform to current year's classification.

As per our attached report of even date

For and on behalf of Board of Directors

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI FRN : 103523W / W100048

Urvi A. Piramal

(DIN 00044954)

Chairperson

Harsh A. Piramal

(DIN 00044972)

Executive Vice Chairman

R. K. Rewari

(DIN 00619240)

Managing Director

Mahesh S. Gupta

(DIN 00046810)

Director

Lt.Gen.A.K.Singh (Retd.)

(DIN 07698288)

Director

Sumant Sakhardande

Partner

Membership No. 034828

Mumbai : 19th May,2021

Alpana Chinai

(DIN 00136144)

Director

Archit Jayakar

(DIN 01904013)

Director

Devesh Dadheech

(DIN - 01656629)

Director

S. C. Kashimpuria

Chief Financial Officer

Nishthi H. Darmani

Company Secretary

Standalone Statement of Cash Flows

for the year ended 31st March, 2021

Particulars	31st March, 2021		31st March, 2020	
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit Before Tax		(7,398.79)		(3,687.76)
Adjustments for :				
Depreciation and amortisation	2,327.89		2,371.66	
Finance costs	5,454.72		5,719.83	
(Profit) / Loss on sale of Investment	-		24.12	
Provision for doubtful debts	150.00		25.00	
Deferred income	(90.69)		(90.69)	
Interest income	(25.30)		(42.18)	
		<u>7,816.62</u>		<u>8,007.74</u>
Operating Profit Before Working Capital Changes		417.83		4,319.98
Adjustments for Changes in Working Capital				
(Increase)/ Decrease in trade and other receivables	(49.77)		(144.80)	
(Increase) /Decrease in inventories	2,146.71		1,944.58	
Increase/(Decrease) in trade payables and other liabilities	(12,325.27)		11,387.87	
		<u>(10,228.33)</u>		<u>13,187.65</u>
Cash Generated From Operations		(9,810.50)		17,507.63
Direct taxes paid		(8.62)		(4.07)
Net Cash Flow from Operating Activities (A)		<u>(9,819.12)</u>		<u>17,503.56</u>
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of PPE (Including Capital Advances)	(75.55)		(32.73)	
Proceeds from sale of investment	-		405.74	
Interest received	15.64		36.70	
Maturity of / (Investment in) fixed deposit with banks	22.77		187.31	
Net Cash Used in Investing Activities (B)		<u>(37.14)</u>		<u>597.02</u>
C. CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of long-term borrowings	(100.72)		(13,593.91)	
Increase/ (Decrease) in short-term borrowings	12,437.57		(510.18)	
Interest paid	(2,018.72)		(4,565.21)	
Net Cash Flow from / (Used in) Financing Activities (C)		10,318.13		(18,669.30)
Net Increase / (Decrease) in Cash and Cash Equivalents (A)+(B)+(C)		461.87		(568.72)
Cash and Cash Equivalents (Refer Note no. 10) :-				
- At the beginning of the year		27.02		595.74
- At the end of the year		488.89		27.02

- The Statement of Cash Flows is prepared in accordance with Ind AS 7 as notified by Ministry of Corporate Affairs.
- In Part A of the Statement of Cash Flows, figures in brackets indicate deduction made from the net profit for deriving the net cash flow from operating activities. In Part B and Part C, figures in brackets indicate cash outflows.
- Refer Note no. 36 for reconciliation of liabilities arising from Financing Activities.

As per our attached report of even date		For and on behalf of Board of Directors			
For Haribhakti & Co. LLP	Urvi A. Piramal	Harsh A. Piramal	R. K. Rewari	Mahesh S. Gupta	Lt.Gen.A.K.Singh (Retd.)
Chartered Accountants	(DIN 00044954)	(DIN 00044972)	(DIN 00619240)	(DIN 00046810)	(DIN 07698288)
ICAI FRN : 103523W / W100048	Chairperson	Executive Vice Chairman	Managing Director	Director	Director
Sumant Sakhardande	Alpana Chinai	Archit Jayakar	Devesh Dadheech	S. C. Kashimpuria	Nishthi H. Darmani
Partner	(DIN 00136144)	(DIN 01904013)	(DIN - 01656629)	Chief Financial Officer	Company Secretary
Membership No. 034828	Director	Director	Director		
Mumbai : 19th May,2021					

Independent Auditor's Report

To the Members of Morarjee Textiles Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Morarjee Textiles Limited (hereinafter referred to as "the Holding Company") and its joint venture, comprising of the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate Ind AS financial statements and on the other financial information of the joint venture, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the consolidated state of affairs of the Holding Company and its joint venture as at March 31, 2021, their consolidated loss (including other comprehensive income), their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Holding Company and its joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and Rules thereunder, and we

have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated Ind AS financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note 48 (ii) in the consolidated Ind AS financial statements, which indicates that the Holding Company has incurred a net loss after tax of ₹6,163 lakhs, including cash losses, during the year ended March 31, 2021 and as of that date, the Holding Company's accumulated losses amount to ₹8,665 lakhs resulting in complete erosion of the net worth of the Holding Company. Further, there have been delays and defaults in repayment of debt obligations leading to classification of Company's debt as non performing by lenders. These conditions along with other matters as set forth in the said note indicate that a material uncertainty exists that may cast significant doubt on the Holding Company's ability to continue as a going concern. During the year, the Company has submitted a debt restructuring plan with the consortium of lenders which is under consideration of the lenders and certain measures have been put in place. With the successful implementation of debt restructuring plan along with other strategic initiatives, the management has a reasonable expectation that the Holding Company would have ability and adequate resources to continue its operational existence for the foreseeable future and therefore, consolidated Ind AS financial statements has been prepared on going concern basis.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to the following matters in the notes to the consolidated Ind AS financial statements:

- (a) Note 47 to the consolidated Ind AS financial statements, which describes the uncertainties and the management's assessment of the financial impact on the Holding Company due to COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon the circumstances as they evolve in the subsequent period.
- (b) Note 13 to the consolidated Ind AS financial statements, regarding carry forward of GST input tax credit

amounting to ₹3,577 lakhs as on March 31, 2021 for the reason stated in the said note

- (c) Note 35 (i) to the consolidated Ind AS financial statements, regarding MAT Credit Entitlement amounting to ₹ 3,041 lakhs as on March 31, 2021 which is based on the judgment of the management that the MAT credit would be fully utilized against future tax liability.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section above, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter

Valuation of Inventory:

Total inventory valuation as on March 31, 2021 is ₹ 6,398.11 lakhs (March 31, 2020: ₹8,544.82 lakhs)

Inventory of Holding Company comprises of finished goods and Work in Progress (WIP) and Raw Material. As described in Note 8 to the accompanying consolidated Ind AS financial statements, Cost of Inventory represents the costs of materials, conversion cost and related production costs at each stage till date. It is held at the lower of cost and net realisable value (NRV). Some of the finished goods and WIP (Grey Cloth) are slow moving.

How our audit addressed the key audit matter

Our audit procedures in respect of this area included but not limited:

We understood and tested the design and operating effectiveness of controls as established by the management for valuation of inventory and identifying slow moving inventory and determination of net realizable value of inventory as on date.

We observed the physical inventory verification procedures carried out by the management as at the year end.

We performed year end cut-off procedures to validate the actual stocks carried in the inventory as at year end.

We tested the adequacy of the key assumptions and estimates used to determine cost allocation at each stage of production and consistency in such allocation including mathematical accuracy of the calculations.

Considering the materiality of the amount involved and degree of management judgment in valuation, we have identified valuation of inventory as a key audit matter for the current year audit.

We performed NRV testing by comparing subsequent sale/order value. We also evaluated judgment used by the management for arriving at the diminution in value of slow moving inventory.

The above audit procedures enabled us to conclude on the valuation of inventory held by the Holding Company as on the date of Balance Sheet.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company's Management Discussion & Analysis, Corporate Governance and Director's Report, but does not include the standalone Ind AS financial statements, consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and the report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Holding Company and its joint venture in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the Holding Company and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and

its joint venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the Holding Company and its joint venture are responsible for assessing the ability of the Holding Company and its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Holding Company and its joint venture or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Holding Company and its joint venture are responsible for overseeing the financial reporting process of the Holding Company and its joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a

basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and joint venture company, which is a company incorporated in India, have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Holding Company of which we are the independent auditor, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entity included in the consolidated Ind AS financial statements of which we are the independent auditor. For the other entity included in the consolidated Ind AS financial statements, which

have been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The consolidated Ind AS financial statements include Holding Company's share of net loss (including other comprehensive income) of ₹3.74 lakhs for the year ended March 31, 2021, as considered in the consolidated Ind AS financial statements, in respect of one joint venture, whose Ind AS financial statements have not been audited by us. These Ind AS financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid joint venture, is based solely on the report of the other auditor.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate Ind AS financial statements and the other financial information of joint venture, as noted in the Other Matter section above we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. The matter described under the Material Uncertainty Related to Going Concern and Emphasis of Matter section above, in our opinion, may have an adverse effect on the functioning of the Holding Company.
- f. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its joint venture company, incorporated in India, none of the directors of the Holding company and its joint venture company, incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of section 164(2) of the Act;
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its joint venture company incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A";

h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us by the Holding Company and the report of the statutory auditor of its joint venture company incorporated in India, the remuneration paid/ provided to their directors during the year by the Holding Company and joint venture company incorporated in India is in accordance with the provisions of section 197 of the Act;

i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its joint venture – Refer Note 37 to the consolidated Ind AS financial statements;

(ii) The Holding Company and its joint venture did not have any material foreseeable losses on long term contracts including derivative contracts;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its joint venture company incorporated in India.

For **Haribhakti & Co. LLP**
Chartered Accountants

ICAI Firm Registration No.103523W / W100048

Sumant Sakhardande
Partner

Membership No.: 034828
UDIN: 21034828AAAADB2148

Mumbai:

Date: May 19, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph g under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Morarjee Textiles Limited on the consolidated Ind AS financial statements for the year ended March 31, 2021]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Morarjee Textiles Limited ("Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company and its joint venture company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, and its joint venture company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the

Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of Holding Company and its joint venture company, which is a company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial

statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor, in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of Holding Company and its joint venture company.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud

may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditor as mentioned in Other Matter paragraph below, the Holding Company and its joint venture company, which is a company incorporated in India, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to one joint venture company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

Sumant Sakhardande

Partner

Membership No.: 034828

UDIN: 21034828AAAADB2148

Mumbai:

Date: May 19, 2021

Consolidated Balance Sheet

as at 31st March, 2021

	Note	31.03.2021 ₹ in lakhs	31.03.2020 ₹ in lakhs
ASSETS			
1. Non-current Assets			
a) Property, Plant and Equipment	2	43,072.24	45,271.86
b) Right to use Assets	2	42.20	76.54
c) Intangible Assets	2	120.55	138.93
d) Investment in Joint Ventures	3	51.69	55.43
e) Financial Assets			
i) Investments	4	0.89	0.89
ii) Loans	5	36.63	168.63
f) Deferred Tax Assets (Net)	19	3,041.42	1,794.26
g) Other Non-current Assets	6	51.00	51.00
h) Non-current Tax Assets	7	60.17	51.55
		<u>46,476.79</u>	<u>47,609.09</u>
2. Current Assets			
a) Inventories	8	6,398.11	8,544.82
b) Financial Assets			
i) Trade Receivables	9	3,544.65	3,519.54
ii) Cash and Cash Equivalents	10	488.89	27.02
iii) Bank Balances other than (ii) above	11	167.68	201.24
iv) Loans	12	22.16	31.58
c) Other Current Assets	13	8,564.64	8,538.87
		<u>19,186.13</u>	<u>20,863.07</u>
Total Assets		<u>65,662.92</u>	<u>68,472.16</u>
EQUITY AND LIABILITIES			
1. Equity			
a) Equity Share Capital	14	2,543.26	2,543.26
b) Other Equity	15	(3,049.72)	3,144.83
		<u>(506.46)</u>	<u>5,688.09</u>
2. Non-current Liabilities			
a) Financial Liabilities			
i) Borrowings	16	22,879.63	23,226.59
ii) Other Financial Liabilities	17	16.23	42.47
b) Provisions	18	655.15	599.99
c) Other Non current Liabilities	20	1,688.28	1,778.97
		<u>25,239.29</u>	<u>25,648.02</u>
3. Current Liabilities			
a) Financial Liabilities			
i) Borrowings	21	21,892.48	9,454.91
ii) Trade Payables	22		
Total Outstanding dues of Micro Enterprises and Small Enterprises		1,460.49	837.88
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		6,911.45	8,065.89
iii) Other Financial Liabilities	23	10,215.86	6,561.91
b) Other Current Liabilities	24	418.38	12,172.84
c) Provisions	25	31.43	42.62
		<u>40,930.09</u>	<u>37,136.05</u>
Total Equity and Liabilities		<u>65,662.92</u>	<u>68,472.16</u>
Significant Accounting Policies	1		
Notes forming part of the consolidated financial statements	34-52		

As per our attached report of even date

For and on behalf of Board of Directors

For **Haribhakti & Co. LLP**

Chartered Accountants
ICAI FRN : 103523W / W100048

Urvi A. Piramal

(DIN 00044954)
Chairperson

Harsh A. Piramal

(DIN 00044972)
Executive Vice Chairman

R. K. Rewari

(DIN 00619240)
Managing Director

Mahesh S. Gupta

(DIN 00046810)
Director

Lt.Gen.A.K.Singh (Retd.)

(DIN 07698288)
Director

Sumant Sakhardande

Partner
Membership No. 034828

Mumbai : 19th May,2021

Alpana Chinai

(DIN 00136144)
Director

Archit Jayakar

(DIN 01904013)
Director

Devesh Dadheech

(DIN - 01656629)
Director

S. C. Kashimpuria

Chief Financial Officer

Nishthi H. Darmani

Company Secretary

Consolidated Statement of Profit & Loss

for the year ended 31st March, 2021

	Note	31.03.2021 ₹ in lakhs	31.03.2020 ₹ in lakhs
INCOME			
Revenue from Operations	26	19,388.65	38,203.77
Other Income	27	116.11	212.31
Total Income		19,504.76	38,416.08
EXPENSES			
Cost of Materials Consumed	28	5,747.89	13,324.84
Changes in Inventories of Finished Goods and Work-in-Progress	29	1,667.30	1,147.29
Manufacturing Expenses	30	7,285.43	13,701.01
Employee Benefits Expense	31	2,396.76	3,420.57
Administrative, Selling and Other Expenses	32	2,023.56	2,394.52
Finance Costs	33	5,454.72	5,719.83
Depreciation and Amortisation Expenses	2	2,327.89	2,371.66
Total Expenses		26,903.55	42,079.72
(Loss) before Tax and Exceptional item		(7,398.79)	(3,663.64)
Exceptional Item			
Loss on Sale of Investment	49	-	48.99
(Loss) before Tax		(7,398.79)	(3,712.63)
Tax Expense	35		
- Current Tax (Minimum Alternate Tax)		-	-
- Deferred Tax (Net of MAT Credit Entitlement)		(1,236.26)	(1,078.79)
Total Tax Expense		(1,236.26)	(1,078.79)
(Loss) for the year		(6,162.53)	(2,633.84)
Share in Profit of Joint Ventures		(3.74)	(11.48)
(Loss) for the year		(6,166.27)	(2,645.32)
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss	34	(39.18)	3.38
Remeasurement of Defined Benefit Obligation			
(ii) Income Tax relating to items that will not be reclassified to profit or loss	35	10.90	(1.13)
Total Other Comprehensive Income		(28.28)	2.25
Total Comprehensive Income for the year		(6,194.55)	(2,643.07)
Earning Per Equity Share - Basic and Diluted (₹)	51	(16.97)	(7.28)
(Face value ₹7/-each)			
Significant Accounting Policies	1		
Notes forming part of the Consolidated financial statements	34-52		

As per our attached report of even date

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI FRN : 103523W / W100048

Urvi A. Piramal
(DIN 00044954)
Chairperson

Harsh A. Piramal
(DIN 00044972)
Executive Vice Chairman

For and on behalf of Board of Directors

R. K. Rewari
(DIN 00619240)
Managing Director

Mahesh S. Gupta
(DIN 00046810)
Director

Lt.Gen.A.K.Singh (Retd.)
(DIN 07698288)
Director

Sumant Sakhardande
Partner
Membership No. 034828

Alpana Chinai
(DIN 00136144)
Director

Archit Jayakar
(DIN 01904013)
Director

Devesh Dadheech
(DIN - 01656629)
Director

S. C. Kashimpuria
Chief Financial Officer

Nishthi H. Darmani
Company Secretary

Mumbai : 19th May,2021

Consolidated Statement of Changes in Equity for the year ended 31st March, 2021

(a) Equity Share Capital (Refer Note no. 14)

Particulars	31.03.2021 ₹ in lakhs	31.03.2020 ₹ in lakhs
Balance at the beginning of the reporting year	2,543.26	2,543.26
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	2,543.26	2,543.26

(b) Other Equity (Refer Note no. 15)

Particulars	Reserve & Surplus		₹ in lakhs
	General Reserve	Retained Earnings	Total
Balance as at 1st April, 2019	5,627.91	159.99	5,787.90
(Loss) for the year	-	(2,645.32)	(2,645.32)
Other Comprehensive Income for the year (Remeasurement of Defined Benefit Obligation - Net of Tax)	-	2.25	2.25
Balance as at 31st March, 2020	5,627.91	(2,483.08)	3,144.83
(Loss) for the year	-	(6,166.27)	(6,166.27)
Other Comprehensive Income for the year (Remeasurement of Defined Benefit Obligation - Net of Tax)	-	(28.28)	(28.28)
Balance as at 31st March, 2021	5,627.91	(8,677.63)	(3,049.72)

As per our attached report of even date

For and on behalf of Board of Directors

For **Haribhakti & Co. LLP**

Chartered Accountants
ICAI FRN : 103523W / W100048

Urvi A. Piramal

(DIN 00044954)
Chairperson

Harsh A. Piramal

(DIN 00044972)
Executive Vice Chairman

R. K. Rewari

(DIN 00619240)
Managing Director

Mahesh S. Gupta

(DIN 00046810)
Director

Lt.Gen.A.K.Singh (Retd.)

(DIN 07698288)
Director

Sumant Sakhardande

Partner
Membership No. 034828

Alpana Chinai

(DIN 00136144)
Director

Archit Jayakar

(DIN 01904013)
Director

Devesh Dadheech

(DIN - 01656629)
Director

S. C. Kashimpuria

Chief Financial Officer

Nishthi H. Darmani

Company Secretary

Mumbai : 19th May,2021

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Company Overview

Morarjee Textiles Limited ("the Company") is a public limited company, incorporated and domiciled in India which mainly deals in manufacture of yarn and fabric. The registered office of the Company is located at, Peninsula Corporate Park, Peninsula Tower -1, 503, 5th Floor, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The consolidated financial statements for the year ended 31st March, 2021 were approved by the Board of Directors and authorized for issue on 19th May, 2021.

Note 1: Significant Accounting Policies

(a) Basis of Preparation of Financial Statements

(i) Statement of Compliance with Indian Accounting Standards (Ind AS)

These financial statements comply, in all material respects, with Ind AS notified under section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act.

(ii) Principles of Consolidation and Equity Accounting

Investments in Joint Ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated Balance Sheet.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the Statement of Profit and Loss, and the Group's share of Other Comprehensive Income of the investee in Other Comprehensive Income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees are changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity accounted investments is tested for impairment.

(iii) Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- a) Certain financial assets and liabilities that are measured at fair value
- b) Derivative financial instruments

(iv) Functional and Presentation Currency

These financial statements are presented in Indian Rupees, which is also the functional currency of the Company. All financial information presented in Indian Rupees has been rounded off to two decimals in lakhs.

(v) Current and Non-current Classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle (Twelve months) and other criteria set out in Schedule III to the Act.

(b) Property, Plant and Equipment (PPE) and Depreciation

All items of PPE are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes its purchase price including non-refundable taxes and duties, directly attributable costs of bringing the asset to its present location and condition and initial estimate of costs of dismantling and removing the item and restoring the site on which it is located.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Subsequent costs are included in the carrying amount of PPE or recognised as a separate PPE, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Machinery spares and servicing equipment are recognised as PPE when they meet the definition of PPE. Otherwise, such items are classified as inventory.

Capital work- in- progress includes cost of PPE under installation / under development as at the Balance Sheet date.

The Company depreciates its PPE over the useful life in the manner prescribed under Part C of Schedule II to the Act. Depreciation commences when the assets are ready for their intended use and is computed on pro-rata basis from the date of installation/ acquisition till the date of sale/ disposal. Management believes that useful life of assets are same as those prescribed in Schedule II to the Act, except for machinery spares wherein based on technical evaluation, useful life has been estimated to be different from that prescribed in Schedule II of the Act.

Useful life considered for calculation of depreciation for machinery spares varies from 2 to 10 years.

Lease hold PPE are amortised over the period of lease or useful life, whichever is lower. Leasehold land (under Finance Lease) is amortised over the period of lease.

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(c) Intangible Assets and Amortisation

Intangible assets that are acquired by the Company, which have finite useful lives are measured at cost less amortisation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes its purchase price including non-refundable taxes and duties, directly attributable costs of bringing the asset to its present location and condition.

Intangible assets are amortised on straight line basis over the estimated useful life.

Useful life considered for amortisation of intangible assets being computer Software is 10 years.

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(d) Leases

At inception of a contract, company shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where the Company is Lessee

At the Inception, lessee shall recognise and measure Right-of-use asset and lease liability at cost. Right to use assets shall comprise initial measurement of lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Lease liability is the present value of the lease payments that are not paid. These lease payments shall be discounted using the interest rate implicit in the lease (if readily determined) otherwise should be discounted at lessee's incremental borrowing rate.

If the lease contract transfers ownership of the underlying asset, at the end of the lease term or if, the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, then depreciate the right-of-use asset over the useful life of the underlying asset. Otherwise, depreciate the right-of-use asset till the end of the useful life of the right-of-use asset or the end of the lease term, whichever is earlier.

The lease term as the non-cancellable period of a lease, together with both: (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and (b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Subsequently, lessee shall measure the right-of-use asset applying a cost model.

(e) Borrowing Cost

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use. Other borrowing costs are expensed in the period in which they are incurred.

(f) Government Grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of PPE are included in non-financial liabilities as deferred income and are credited to the Statement of Profit and Loss on straight line basis over the expected lives of related assets and presented within other income.

Government grants relating to an expense item are recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

(g) Financial instruments

(i) Financial Assets

Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, as per Ind AS 109.

a. Subsequent Measurement - Equity Instruments

All equity investments other than investments in subsidiaries, joint ventures and associates are measured at fair value. Equity investments which are held for trading are classified as FVTPL. For all other equity investments, the Company decides to classify the same either at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

Investment in equity instruments of subsidiaries, joint ventures and associates are measured at cost.

b. Subsequent Measurement - Debt Instruments

A financial asset being debt instrument that meets the following 2 conditions is measured at amortised cost (net off any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Business Model Test: the objective of the Company's model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).

Cash Flow Characteristics Test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset that meets the following 2 conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

Business Model Test: the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets.

Cash Flow Characteristics Test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different basis.

All other debt instruments are measured at fair value through profit or loss.

Derecognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset, to another entity.

Impairment of Financial Assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI.

For financial assets other than trade receivables, whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables, considering historical trend, industry practices and the business environment in which the Company operates or any other appropriate basis.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

(ii) Equity and Financial Liabilities

Debt and equity instruments issued by an entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

a. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

b. Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are initially recognised at fair value plus any transaction costs that are attributable to the acquisition of the financial liabilities, except for the financial liabilities at FVTPL which are initially measured at

fair value.

Subsequent Measurement

The financial liabilities are classified for subsequent measurement either at amortised cost or at fair value through Profit and Loss (FVTPL).

Amortised cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

Derecognition of Financial Liabilities

A financial liability is removed from the Balance Sheet when the obligation is discharged, or is cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative Financial Instruments

Derivative financial instruments such as forward contracts are taken by the Company to hedge its foreign currency risks, are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise (other than in case of hedge accounting).

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(h) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 — Inputs for the asset or liability that are not based on observable market data.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The cost formula used for determination of cost is 'Weighted Average Cost'.

Machinery spares, stand-by equipment and servicing equipment are recognised as inventory when the useful life is less than one year and the same are charged to the Statement of Profit and Loss as and when issued for consumption.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

(j) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The Company's liability for current tax is calculated using the Indian tax rates and laws that have been enacted by the reporting date. The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and provisions where appropriate.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax (MAT) credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(k) Provisions and Contingencies

Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Contingent assets are not recognised in the financial statements. If the inflow of economic benefits is probable, then it is disclosed in the financial statements.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each Balance Sheet date.

(l) Employee Benefits

(i) Short-term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Post-employment Obligations

The Company operates the following post-employment schemes:

- (a) Defined benefit plan (Gratuity), and
- (b) Defined contribution plans such as superannuation scheme, provident fund.

Defined Benefit Plan

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually on the basis of actuarial valuation using the Projected Unit Credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefits expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

Defined Contribution Plans

Defined Contribution Plans such as superannuation scheme, provident fund are charged to the Statement of Profit and Loss as an expense, when an employee renders the related services.

(iii) Other Long-term Employee Benefits

The liabilities for compensated absences that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have any unconditional right to defer settlement for at least 12 months after the end of the reporting period, regardless of when the actual settlement is expected to occur.

(m) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of its business segments separately for the purpose of making decision about the resources allocation and performance assessment. The operating segments have been identified on the basis of the nature of products/ services.

The Board of Directors of the Company has appointed the Managing Director as the Chief Operating Decision Maker (CODM) who is assessing the financial performance and position of the Company, and makes strategic decisions.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

(n) Cash and Cash Equivalents

For the purpose of presentation in the Statement of Cash Flows as well as the Balance Sheet, cash and cash equivalents include cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(o) Earnings per Share (EPS)

Basic earnings per share are computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net off any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

(p) Non-current Assets Held for Sale

The Company classifies non-current assets as held sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any expected loss is recognised immediately in the Statement of Profit and Loss.

The criteria for held for sale classification are regarded as met only when the sale is highly probable i.e. an active program to locate a buyer to complete the plan has been initiated and the asset is available for immediate sale in its present condition and the assets must have been actively marketed for sale at a price that is reasonable in relation to its current fair value. Actions required to complete the sale should indicate that it is unlikely that significant changes to that plan to sale these assets will be made. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

PPE and intangible assets once classified as held for sale are not depreciated or amortised. Assets and liabilities classified as held for sale are presented separately as current items in the Balance Sheet.

(q) Dividend Distribution to Equity Shareholders

Dividend distributed to Equity shareholders is recognised as distribution to owners of capital in the Statement of Changes in Equity, in the period in which it is paid. Dividend proposed by the Board of Directors, subject to the approval of shareholders, is disclosed in the notes to financial statements.

(r) Foreign Currency Transactions

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

(s) Revenue Recognition

The Company derives revenues primarily from sale of manufactured goods. Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers'.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, returns and rebates taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government.

Sale of Products

Sales are recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. The normal credit term is 0 to 180 days on delivery. In determining the transaction price for sale of goods, the company considers the effect of variable consideration, the existence of significant financial components and consideration payable to the customer (if any).

The company provides volume rebates to certain customers once the quantity of product purchased during the period exceeds a threshold limit specified in the contract. The company does not adjust consideration for the effect of a significant financial component, if it expects, at contract inception, that customer pays for those goods within one year. No revenue is recognised if there are significant uncertainties regarding recovery of the amount due, associated costs or the possible return of goods.

Duty Drawback/MEIS Scheme

Export benefits under Duty Drawback Scheme and MEIS scheme is estimated and accounted in the year of export.

Interest Income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable effective interest rate.

Dividend Income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

Income from Services

Income from services is recognised (net of taxes as applicable) as they are rendered, based on agreement/arrangement with the concerned customers.

(t) Significant Accounting Estimates, Judgements and Assumptions:

The preparation of the Company's financial statements in conformity with Ind AS requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

In the process of applying the Company's accounting policies, Management has made the following judgements which have significant effect on the amounts recognised in the financial statements:

- i. **Useful Lives of Property, Plant and Equipment:** Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalised. Useful life of tangible assets is based on the life specified in Schedule II of the Act and also as per Management estimate for certain category of assets. Assumption also needs to be made, when the Company assesses, whether as asset may be capitalised and which components of the cost of the assets may be capitalised.
- ii. **Fair Value Measurement of Financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/ judgements about these factors could affect the reported fair value of financial instruments.
- iii. **Measurement of Defined Benefit Plan:** The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- iv. **Impairment of Financial Assets:** Trade receivables are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when Management deems them not collectable. Impairment is made on the expected credit loss model, which is the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.
- v. **Impairment of Non-financial Assets:** The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount.

The company expects to recover full amount related to government subsidies related to interest and capitalisation. Further company also expects to recover/ adjust input tax credit related to GST in future.
- vi. **Contingencies:** Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigation against the Company as it is not possible to predict the outcome of pending matters with accuracy.
- vii. **Net Realisable Value for Inventory Valuation:** The Company assesses net realisable value considering subsequent realisation, ageing and obsolescence for the purpose of valuation of inventories lower of cost or net realisable value.
- viii. **Estimation of uncertainties relating to the global health pandemic from COVID-19:**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, inventories and other assets. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

1.1 Standards issued but not effective/Amendment in existing standard not yet effective.

There are no amendments in existing Ind AS which are not yet effective or standards issued but not effective which have any impact on financial statements of the Company.

Note 2 : Property, Plant and Equipment, Right to Use Assets and Intangible Assets

₹ in lakhs

Particulars	Gross Block			Accumulated Depreciation and Amortisation			Net Block	
	Balance as at 01.04.2020	Additions	Deletion / Adjustments	Balance as at 01.04.2020	For the year	Deletion / Adjustments	Balance as at 31.03.2021	Balance as at 31.03.2021
Property, Plant and Equipment*								
Land - Leasehold	7,159.10	-	-	402.90	96.08	-	498.98	6,660.12
Buildings	13,503.39	-	-	2,110.34	548.09	-	2,658.43	10,844.96
Plant and Machinery	32,838.61	58.85	-	5,916.20	1,553.64	-	7,469.84	25,427.62
Computers	42.77	2.38	-	29.86	9.93	-	39.79	5.36
Furniture, Fixture and Office Equipments	187.70	3.75	-	105.81	23.14	-	128.95	62.50
Motor Vehicles	241.90	-	-	136.50	33.72	-	170.22	71.68
Total - Property, Plant and Equipment (A)	53,973.47	64.98	-	8,701.61	2,264.60	-	10,966.21	43,072.24
Right to Use Assets								
Right to Use Assets	115.01	-	15.27	38.47	34.34	15.27	57.54	42.20
Total - Right to Use Assets (B)	115.01	-	15.27	38.47	34.34	15.27	57.54	42.20
Intangible Assets								
Computer Software	275.50	10.57	-	136.57	28.95	-	165.52	120.55
Total - Intangible Assets (C)	275.50	10.57	-	136.57	28.95	-	165.52	120.55
Grand Total (A+B+C)	54,363.98	75.55	15.27	8,876.65	2,327.89	15.27	11,189.27	43,234.99

* Charged against borrowings of the Company (Refer Note no. 16 and 21)

Note 2 : Property, Plant and Equipment, Right to Use Assets and Intangible Assets

₹ in lakhs

Particulars	Gross Block			Accumulated Depreciation and Amortisation			Net Block	
	Balance as at 01.04.2019	Additions	Deletion / Adjustments	Balance as at 01.04.2019	For the year	Deletion / Adjustments	Balance as at 31.03.2020	Balance as at 31.03.2020
Property, Plant and Equipment*								
Land - Leasehold	7,159.10	-	-	306.56	96.34	-	402.90	6,756.20
Buildings	13,503.39	-	-	1,560.74	549.60	-	2,110.34	11,393.05
Plant and Machinery	32,816.71	21.90	-	4,330.99	1,585.21	-	5,916.20	26,922.41
Computers	38.66	4.11	-	18.34	11.52	-	29.86	12.91
Furniture, Fixture and Office Equipments	186.36	1.34	-	81.00	24.81	-	105.81	81.89
Motor Vehicles	241.90	-	-	102.36	34.14	-	136.50	105.40
Total - Property, Plant and Equipment (A)	53,946.12	27.35	-	6,399.99	2,301.62	-	8,701.61	45,271.86
Right to Use Assets								
Right to Use Assets	-	115.01	-	-	38.47	-	38.47	76.54
Total - Right to Use Assets (B)	-	115.01	-	-	38.47	-	38.47	76.54
Intangible Assets								
Computer Software	267.19	8.31	-	105.00	31.57	-	136.57	138.93
Total - Intangible Assets (C)	267.19	8.31	-	105.00	31.57	-	136.57	138.93
Grand Total (A+B+C)	54,213.31	150.67	-	6,504.99	2,371.66	-	8,876.65	45,487.33

* Charged against borrowings of the Company (Refer Note no. 16 and 21)

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Note 3 : Investments in Joint Ventures		
Investments in Equity Instruments (Unquoted - at Cost)		
Morarjee Castiglioni (India) Private Limited	51.69	55.43
10,00,000 (Previous year 10,00,000) Equity Shares of ₹10 each fully paid-up	<u>51.69</u>	<u>55.43</u>
Aggregate Amount of Quoted Investments	-	-
Aggregate Amount of Unquoted Investments	51.69	55.43
Aggregate Amount of Impairment in Value of Investments	-	-
Note 4 : Non-current Financial Assets - Investments		
a) Investments in Equity Instruments		
(Unquoted at Fair Value through other comprehensive income)		
Saraswat Bank	0.25	0.25
2,500 (Previous year 2,500) Equity Shares of ₹ 10 each fully paid-up		
b) Investment in Government Securities	0.64	0.64
(Unquoted - (at Amortised Cost)	<u>0.89</u>	<u>0.89</u>
Aggregate Amount of Quoted Investments	-	-
Aggregate Amount of Unquoted Investments	0.89	0.89
Aggregate Amount of Impairment in Value of Investments	-	-
Note 5 : Non-current Loans (Unsecured, considered good)		
Security Deposits	<u>36.63</u>	<u>168.63</u>
	36.63	168.63
Note 6 : Non-current Tax Assets		
Deposits with Government Authorities	<u>51.00</u>	<u>51.00</u>
	51.00	51.00
Note 7 : Other Non-current Assets		
Advance Income Tax	<u>60.17</u>	<u>51.55</u>
	60.17	51.55
Note 8 : Inventories		
Raw materials	183.16	446.66
Work-in-progress	2,679.17	4,591.51
Finished goods	3,322.10	3,077.06
[Includes Stock-in-transit of Rs.1491.56 lakhs (Previous year ₹733.50 lakhs)]		
Consumable, Stores, Spares etc.	<u>213.68</u>	<u>429.59</u>
	6,398.11	8,544.82
Total Inventory includes, an amounting to ₹2040.10 lacs (PY ₹ 2,065.76 lacs) as of 31st March, 2021 which is valued at net realisable value based on its accounting policy for valuation at lower of cost and net realisable value and impact of the same are included in "Changes in Inventories of Finished Goods and Work-in-Progress" in Statement of Profit and Loss.		
Note 9 : Trade Receivables (Unsecured, unless stated otherwise)		
Considered good (Secured)	1,137.22	735.89
Considered good (Unsecured)	2,269.73	2,693.70
Trade receivables (Credit impaired)*	809.70	611.95
Provision for doubtful debts*	<u>(672.00)</u>	<u>(522.00)</u>
	3,544.65	3,519.54
Trade Receivables from related parties of ₹27.54 lakhs (PY ₹2.68 lakhs) as on 31st March, 2021 (Refer Note No. 50)* Refer Note No. 43		
Note 10 : Cash and Cash Equivalents		
Cash on hand	2.34	6.99
Balances with Banks in Current Accounts	<u>486.55</u>	<u>20.03</u>
	488.89	27.02
Note 11 : Bank Balances other than Cash & Cash Equivalents		
Balances in dividend accounts	18.77	29.56
Balances with banks in fixed deposits (includes margin money with bank)	<u>148.91</u>	<u>171.68</u>
	167.68	201.24

	31.03.2021 ₹ in lakhs	31.03.2020 ₹ in lakhs
Note 12 : Current Loans (Unsecured, considered good)		
Earnest money deposit	1.60	1.60
Other recoverables	20.56	29.98
	<u>22.16</u>	<u>31.58</u>

Note 13 : Other Current Assets

Government Grant Receivable:		
- Capital Subsidy	1,067.55	1,067.55
- Interest Subsidy	2,340.70	2,340.70
Balances with Government Authorities*	4,292.99	4,236.75
Other Advances	863.40	893.87
	<u>8,564.64</u>	<u>8,538.87</u>

* Balances with Government Authorities includes an amount of ₹ 3,577 lakhs (P.Y ₹3,588 lakhs) as on March 31, 2021 towards GST input tax credit on account of higher GST on input (specifically on input services) as compared to output. Though Input GST credits are allowed to be carried indefinitely, the utilisation thereof is generally dependent on various factors including volume and value of output in future, rates of tax on output and changes in government policies.

In the opinion of the management, in view of the continuing business of the Company, no provision is considered necessary in this regards.

Note 14 : Equity Share Capital

Authorised:

3,65,00,000 (Previous year 3,65,00,000) Equity Shares of ₹ 7/- each	2,555.00	2,555.00
	<u>2,555.00</u>	<u>2,555.00</u>

Issued, Subscribed and Paid- up:

3,63,32,349 (Previous year 3,63,32,349) Equity Shares of ₹ 7/- each fully paid-up	2,543.26	2,543.26
	<u>2,543.26</u>	<u>2,543.26</u>

A) The reconciliation of the number and value of equity shares

	No. of Shares	₹ in lakhs
Balance as at 31st March, 2020	3,63,32,349	2,543.26
Movement during the year	-	-
Balance as at 31st March, 2021	<u>3,63,32,349</u>	<u>2,543.26</u>

B) Shareholders holding more than 5% of equity shares of the Company

Ashok Piramal Group Textile Trust through its trustee, Ms. Urvi A. Piramal		
Number of Shares	2,15,90,112	21,590,112
% of holding	59.42	59.42

C) Terms / rights attached to Equity Shares

Each equity share of Company has a par value of ₹ 7/- (Previous year ₹7/-). Each holder of equity share is entitled to one vote per share. All shares rank pari passu with regard to dividend and repayment of capital. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

	Year ended 31.03.2021 ₹ in lakhs	Year ended 31.03.2020 ₹ in lakhs
Note 15 : Other Equity		
a) General Reserve		
Opening balance	5,627.91	5,627.91
Movement during the year	-	-
Closing balance (a)	<u>5,627.91</u>	<u>5,627.91</u>
b) Retained Earnings		
Opening balance	(2,483.08)	159.99
(Loss) for the year	(6,166.27)	(2,645.32)
Other Comprehensive Income for the year	(28.28)	2.25
(Remeasurement of defined benefit obligation - Net of tax)		
Closing balance (b)	<u>(8,677.63)</u>	<u>(2,483.08)</u>
Total (a+ b)	<u>(3,049.72)</u>	<u>3,144.83</u>

Nature and Purpose of Reserve:

a) General Reserve

General Reserve has been created on account of the Schemes of Amalgamation, Demerger and Capital Restructuring carried out in the past and transfer of net profit before declaring dividend, pursuant to the earlier provisions of the Companies Act, 1956. Such transfer of net profit to general reserve is not required under the Companies Act, 2013.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

b) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Note 16 : Non-current Financial Liabilities - Borrowings

Particulars	Non Current		Current (Refer Note No. 23)	
	31.03.2021 ₹ in lakhs	31.03.2020 ₹ in lakhs	31.03.2021 ₹ in lakhs	31.03.2020 ₹ in lakhs
Secured				
Term loan from others (Refer sub-note no.A)	10,523.75	12,411.19	5,439.39	2,515.36
Term loan from others (Refer sub-note no. B)	2,457.21	2,416.73	427.97	306.86
	<u>12,980.96</u>	<u>14,827.92</u>	<u>5,867.36</u>	<u>2,822.22</u>
Unsecured				
Term loan from others (Refer sub-note no.C)	8,398.67	8,398.67	-	-
	<u>8,398.67</u>	<u>8,398.67</u>	<u>-</u>	<u>-</u>
Preference Share Capital (Refer sub-note no. D)	1,500.00	-	1,000.00	2,500.00
	<u>1,500.00</u>	<u>-</u>	<u>1,000.00</u>	<u>2,500.00</u>
	<u>22,879.63</u>	<u>23,226.59</u>	<u>6,867.36</u>	<u>5,322.22</u>

Sub-notes to Note no. 16 : Non-current Financial Liabilities - Borrowings:

Sr. No.	Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
A.	Term Loan from Banks (Secured)		
a)	Term Loan 1 Nature of Security: 1st pari passu charge on all fixed assets of the Company, both present and future and 2nd pari passu charge on all current assets of the Company, both present and future. Terms of Repayment as per schedule: Repayable in 18 quarterly instalments as at 31st March, 2021 Repayable in 20 quarterly instalments as at 31st March, 2020 The Company defaulted on repayment of loan Instalment aggregating to ₹904.75 lacs during the year) The company has availed moratorium for Installment for the period April 2020 to August, 2020 (Previous year March 2020)	12,995.24	12,906.13
b)	Term Loan 2 Funded Interest Term Loan 1st pari passu charge on all fixed assets of the Company, both present and future and 2nd pari passu charge on all current assets of the Company, both present and future. Terms of Repayment as per schedule: The Company defaulted on repayment of Funded Interest Term Loan aggregating to Rs.1011.53 lacs during the year) The company has availed moratorium for Interest for the period April 2020 to August, 2020 (Previous year March 2020)	1,011.53	-
c)	Term Loan 3 Nature of Security: 2nd pari passu charge on all fixed assets and current assets of the Company, both present and future. Terms of Repayment as per schedule: Repayable in: - 12 Monthly instalments as at 31st March, 2021 - 24 Monthly instalments as at 31st March, 2020 The Company defaulted on repayment of loan Instalment aggregating to ₹972.93 lacs during the year)	1,956.37	2,019.13

Sr. No.	Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
d)	Term Loan 4 and 5 Nature of Security: Secured by specific (exclusive) charge on the Company's movable fixed asset being financed. Terms of Repayment as per schedule: Repayable in: - 1 monthly instalments as at 31st March, 2020 - ₹1.29 lakhs	-	1.29
	Current Maturities of above loans	(5,439.39)	(2,515.36)
	Subtotal [Term Loan from Banks (Secured)]	<u>10,523.75</u>	<u>12,411.19</u>
B.	Term Loan from Others (Secured)		
	Term Loan 1 Nature of Security: 1st pari passu charge on all fixed assets of the Company, both present and future and 2nd pari passu charge on all current assets of the Company, both present and future. Terms of Repayment as per schedule: Repayable in 18 quarterly instalments as at 31st March, 2021 Repayable in 20 quarterly instalments as at 31st March, 2020 (The Company defaulted on repayment of loan Instalment aggregating to Rs.120 lacs during the year.)	2,742.22	2,723.59
	Term Loan 2 Funded Interest Term Loan 1st pari passu charge on all fixed assets of the Company, both present and future and 2nd pari passu charge on all current assets of the Company, both present and future. Terms of Repayment as per schedule: Repayable in 6 monthly instalments as at 31st March, 2021 effective from May 2025 The company has availed moratorium for Installment/Interest for the period April 2020 to August, 2020 (Previous year March 2020)	142.96	-
	Current Maturities of above loan	(427.97)	(306.86)
	Subtotal [Term Loan from Others (Unsecured)]	<u>2,457.21</u>	<u>2,416.73</u>
C.	Term Loan from Others (Unsecured)		
	Term Loan Terms of Repayment as per schedule: Repayable in: - 24 Quarterly instalments as at 31st March, 2021 effective from 30th June,2022-₹8,398.67 lakhs - 24 Quarterly instalments as at 31st March, 2020 effective from 30th June,2022-₹8,398.67 lakhs	8,398.67	8,398.67
	Subtotal [Term Loan from Others (Unsecured)]	<u>8,398.67</u>	<u>8,398.67</u>
D.	Details of Preference Shares		
	Authorised : 35,00,000 (Previous year 35,00,000) Redeemable Cumulative Non-convertible Preference Shares of ₹ 100/- each	3,500.00	3,500.00
		<u>3,500.00</u>	<u>3,500.00</u>
	Issued, Subscribed and Paid- up: 10,00,000 (Previous year 10,00,000)	1,000.00	1,000.00
	5% Redeemable Cumulative Non-convertible Preference Shares of ₹100/- each 15,00,000 (Previous year 15,00,000)	1,500.00	1,500.00
	9% Redeemable Cumulative Non-convertible Preference Shares of ₹100/- each Current Maturities of above loan	(1,000.00)	(2,500.00)
		<u>1,500.00</u>	<u>-</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Sr. No.	Particulars	As at 31.03.2021	As at 31.03.2020
i)	The reconciliation of the number and value of preference shares	No. of Shares	₹ in lakhs
a)	5% Preference Shares		
	Balance as at 31st March, 2020	1,000,000	1,000.00
	Movement during the year	-	-
	Balance as at 31st March, 2021	<u>1,000,000</u>	<u>1,000.00</u>
b)	9% Preference Shares		
	Balance as at 31st March, 2020	1,500,000	1,500.00
	Movement during the year	-	-
	Balance as at 31st March, 2021	<u>1,500,000</u>	<u>1,500.00</u>
ii)	Shareholders holding more than 5% of Preference Shares of the Company		
	Ashok Piramal Group Textile Trust through its trustee, Ms. Urvi A. Piramal		
	Number of Shares	2,500,000	2,500,000
	% of holding	95.80	95.80

iii) Terms / rights attached to Preference Shares
5% Redeemable Cumulative Non-convertible Preference Shares of Rs.100/- each, are redeemable anytime between 15th November, 2014 and 15th November, 2019 at the option of the Company. However, the Company could not redeemed these preference shares. The Company has approached NCLT under Section 55 of the Companies Act, 2013, for re-issuance of the said preference shares for a further period of 20 years and approval from preference share holders have already been taken.

9% Redeemable Cumulative Non-convertible Preference Shares of ₹100/- each, are redeemable anytime between 4th June, 2017 and 3rd December, 2020 after period of 18 months from the date of its renewal i.e. 3rd December, 2015, at the option of the Trust. However, based on the confirmation received from the trust, the trust will not exercise their redemption rights before maturity date i.e. 3rd December, 2020. As per Section 55 of the Companies Act, 2013 the Company has an option to further extend the date of redemption of the said Preference Shares (maximum tenure of 20 years). Accordingly Board has decided to extend the redemption for a further period of 2 (Two) years from December 3, 2020 to December 3, 2022.

The holders of Preference Shares shall not have any right to vote in any manner before the Company at any meeting, except on resolutions placed before the Company at any meeting, which directly affects their rights.

The effective interest rate on the above borrowings is in the range from 10.45 % to 13.50 % per annum.

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Note 17 : Non-current Financial Liabilities		
Lease Liability	16.23	42.47
	<u>16.23</u>	<u>42.47</u>
Note 18 : Non-current Provisions		
Employees benefits (Refer Note no.34)	655.15	599.99
	<u>655.15</u>	<u>599.99</u>
Note 19 : Deferred Tax Liability/Assets (Net)		
Tax due to difference between written down value of fixed assets as per books of accounts and Income Tax Act, 1961	6,139.92	7,371.28
Deferred tax assets (Including MAT Credit)	<u>(9,181.34)</u>	<u>(9,165.54)</u>
	<u>(3,041.42)</u>	<u>(1,794.26)</u>
Refer Note no. 35 for components of and movement in deferred tax.		
Note 20 : Other Non-current Liabilities		
Deferred Income (Government Grant)	1,688.28	1,778.97
	<u>1,688.28</u>	<u>1,778.97</u>
Note 21 : Current Financial Liabilities - Borrowings (Repayable on demand)		
Secured		
Cash credit / packing credit from banks *	20,592.54	8,154.97
Unsecured		
Body corporate	350.00	350.00
Short-term working capital loan from bank**	949.94	949.94
	<u>21,892.48</u>	<u>9,454.91</u>

*Secured by way of hypothecation of 1st pari passu charge on Current Assets of the Company viz. raw materials, stock-in-process, finished goods, consumables, store and spares, book debts, both present and future and secured by 2nd pari passu charge on the Company's tangible fixed assets, both present and future.

**The Company has defaulted on repayment of Instalments aggregating to ₹949.94 lacs during the year.

The company has availed moratorium for Installment/Interest which was due in the month of March 2020.

The effective interest rate on the above loans is in the range from 11.75 % to 14.55% per annum.

	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Note 22 : Trade Payables		
Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note No. 39)	1,460.49	837.88
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	<u>6,911.45</u>	<u>8,065.89</u>
	<u>8,371.94</u>	<u>8,903.77</u>
Trade Payable from related parties of Rs.435.68 Lakhs (PYRs.444.54 Lakhs) as on 31st March, 2021 (Refer Note No.50)		
Note 23 : Other Current Financial Liabilities		
Current maturities of non-current borrowings (Refer Note no.16)	6,867.36	5,322.22
Trade deposits	66.37	61.57
Interest accrued on borrowings*	3,230.10	1,108.84
Lease Liability	33.26	39.72
Unclaimed dividend	<u>18.77</u>	<u>29.56</u>
	<u>10,215.86</u>	<u>6,561.91</u>
* Interest accrued on borrowings includes Interest default for the period September 2020 to March 2021 for Axis Bank and for Tata Capital Financial Services Limited amounting to ₹845.10 lacs and ₹168.90 lacs respectively and interest default for the period May 2020 to March 2021 of Kotak Mahindra Bank Ltd amounting to ₹290.85 Lakhs and for July 2020 to March 2021 of ₹171.61 Lakhs for Federal Bank Limited (in previous year January and February 2020 for Axis bank amounting to ₹127.22 lakhs and 120.32 lakhs respectively and Interest default for the month of March 2020 for Kotak Mahindra Bank Ltd amounting to ₹ 23.71 lakhs (excluding Interest accrued but due in moratorium period)).		
Note 24 : Other Current Liabilities		
Advances from customers*	235.44	11,896.75
Deferred income (Government grant)	90.69	90.69
Statutory liabilities	<u>92.25</u>	<u>185.40</u>
	<u>418.38</u>	<u>12,172.84</u>
*During the previous year, Indian Bank (erstwhile Allahabad Bank) has given Export Performance Bank Guarantee (EPBG) on behalf of the Company to Cargill International Trading Pte Ltd. against export advances of USD 16.15 million (Equivalent Rupees 12,174.68 lakhs, restated at closing rate). The EPBG is valid upto February 17, 2022 for USD 14.85 million and up to November 25, 2020 for USD 1.30 million and can be renewed against export delivery schedule. However during the 2nd quarter of the year there has been invocation of EPBG of USD 16.15 Million (Rs. 11,891 lakhs) due to non-payment of service fee and interest against export advances, on account of which, borrowing has been restored.		
Note 25 : Current Provisions		
Employees benefits (Refer Note no.34)	<u>31.43</u>	<u>42.62</u>
	31.43	42.62
Note 26 : Revenue from Operations		
Revenue from sale of products	18,755.44	36,818.79
Other operating income	<u>633.21</u>	<u>1,384.98</u>
	<u>19,388.65</u>	<u>38,203.77</u>
Note 27 : Other Income		
Gain on foreign exchange fluctuation	-	79.19
Amortisation of Government grant	90.69	90.69
Interest income	25.30	42.18
Rent	0.12	0.21
Dividend Received	<u>-</u>	<u>0.04</u>
	<u>116.11</u>	<u>212.31</u>
Note 28 : Cost of Materials Consumed		
Opening stock (Raw materials)	446.66	1,251.79
Purchases	5,484.39	12,519.71
Closing stock (Raw materials)	<u>183.16</u>	<u>446.66</u>
	<u>5,747.89</u>	<u>13,324.84</u>
Note 29 : Changes in Inventories of Work-in-Progress and Finished Goods		
Opening Stock		
Work-in-progress	4,591.51	4,572.29
Finished goods	<u>3,077.06</u>	<u>4,243.57</u>
	<u>7,668.57</u>	<u>8,815.86</u>
Closing Stock		
Work-in-progress	2,679.17	4,591.51
Finished goods	<u>3,322.10</u>	<u>3,077.06</u>
	<u>6,001.27</u>	<u>7,668.57</u>
Changes in Inventories	<u>1,667.30</u>	<u>1,147.29</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Sr. No.	Particulars	Year ended 31.03.2021 ₹ in lakhs	Year ended 31.03.2020 ₹ in lakhs
Note 30 : Manufacturing Expenses			
	Power and fuel	2,770.73	4,036.10
	Processing charges	1,928.32	3,685.06
	Dyes and chemicals	1,498.35	3,873.09
	Packing expenses	206.84	423.26
	Stores and spares	415.78	714.39
	Other consumables	58.28	118.46
	Repairs and maintenance	108.95	196.72
	Lease rent - Machinery	61.20	337.12
	Rates, taxes and water charges	236.98	316.81
		<u>7,285.43</u>	<u>13,701.01</u>
Note 31 : Employee Benefits Expense			
	Salaries and wages	2,198.91	3,132.57
	Contribution to Provident and other funds (Refer Note No. 34)	167.58	208.07
	Staff welfare expenses	30.27	79.93
		<u>2,396.76</u>	<u>3,420.57</u>
Note 32 : Administrative, Selling and Other Expenses			
	Freight outward	156.10	404.28
	Legal and professional expenses	278.65	317.45
	Rent expenses	146.71	235.62
	Travelling expenses	24.95	180.53
	Commission	58.54	276.93
	Remuneration to Auditors (Refer Note no.38)	23.10	24.27
	Donation	-	2.00
	CSR Expenditure (Refer Note no.46)	-	12.00
	Provision for doubtful debts	150.00	25.00
	Loss on foreign exchange fluctuation	380.62	-
	Directors' sitting fees	18.25	15.80
	Miscellaneous expenses	786.64	900.64
		<u>2,023.56</u>	<u>2,394.52</u>
Note 33 : Finance Costs			
	Interest expenses	5,045.02	5,209.40
	Dividend on redeemable preference shares	185.00	246.68
	Other borrowing costs	224.70	263.75
		<u>5,454.72</u>	<u>5,719.83</u>

34 Employee Benefits

(A) Defined Contribution Plan

Particulars	Year Ended 31.03.2021 ₹ in lakhs	Year Ended 31.03.2020 ₹ in lakhs
Employer's contribution to Provident Fund	143.39	171.29
Employer's contribution to Superannuation Fund	4.21	4.74
Employer's contribution to ESIC	19.98	32.04
Total	<u>167.58</u>	<u>208.07</u>

(B) Defined Benefit Plan (Gratuity) and Other Long-term Employee Benefits (Leave Encashment)

The Company provides for gratuity for employees in India as per the payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days basic salary multiplied for the number of the years of service. The gratuity plan is not funded and payout is done by Company on resignation / retirement of employees.

Disclosure as per Valuation Reports of Independent Actuary

a) Change in Define Benefit Obligation

Particulars	Gratuity		Leave Encashment	
	Year Ended 31.03.2021 ₹ in lakhs	Year Ended 31.03.2020 ₹ in lakhs	Year Ended 31.03.2021 ₹ in lakhs	Year Ended 31.03.2020 ₹ in lakhs
Defined benefit obligation at the beginning of the year	503.22	458.78	139.39	124.24
Current service cost	47.99	42.43	25.92	24.92
Interest cost	33.41	32.51	9.21	8.81
Actuarial loss / (gain) due to change in financial assumptions	-	18.16	-	6.35
Actuarial loss / (gain) due to experience adjustments	39.18	(21.54)	3.41	4.74
Benefits paid	(72.94)	(27.12)	(42.21)	(29.67)
Defined benefit obligation at the end of the year	550.86	503.22	135.72	139.39

b) Expense Recognised in the Statement of Profit and Loss

Particulars	Gratuity		Leave Encashment	
	Year Ended 31.03.2021 ₹ in lakhs	Year Ended 31.03.2020 ₹ in lakhs	Year Ended 31.03.2021 ₹ in lakhs	Year Ended 31.03.2020 ₹ in lakhs
Current service cost	47.99	42.43	25.92	24.92
Interest Cost on Defined Benefit Obligation	33.41	32.51	9.21	8.81
Actuarial loss / (gain) due to change in financial assumptions	-	-	-	6.35
Actuarial loss / (gain) due to experience adjustments	-	-	3.41	4.74
Amount recognised in profit or loss	81.40	74.94	38.54	44.82
Actuarial loss / (gain) due to change in financial assumptions	-	18.16	-	-
Actuarial loss / (gain) due to experience adjustments	39.18	(21.54)	-	-
Amount recognised in OCI	39.18	(3.38)	-	-
Total amount recognised in the Statement of Profit and Loss	120.58	71.56	38.54	44.82

c) Amount recognised in the Balance Sheet

Particulars	Gratuity		Leave Encashment	
	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Present value of obligation	550.86	503.22	135.72	139.39
Fair value of plan assets	-	-	-	-
Amount recognised in the Balance Sheet	550.86	503.22	135.72	139.39

Particulars	Gratuity		Leave Encashment	
	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Current	25.27	31.85	6.16	10.77
Non Current	525.59	471.37	129.56	128.62
Total	550.86	503.22	135.72	139.39

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

d) Assumptions

The principal actuarial assumptions used for estimating the Company's defined benefit obligations and other long term employee benefits are set out below:

Particulars	Gratuity		Leave Encashment	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Withdrawal rate	3% at younger ages reducing to 1% at older ages	3% at younger ages reducing to 1% at older ages	3% at younger ages reducing to 1% at older ages	3% at younger ages reducing to 1% at older ages
Normal retirement age	60 years	60 years	60 years	60 years
Discount rate	6.85%	6.85%	6.85%	6.85%
Salary escalation rate	0.00% p.a for next 2 years & 3.50% p.a thereafter"	0.00% p.a for next 1 years & 3.50% p.a thereafter	0.00% p.a for next 2 years & 3.50% p.a thereafter	0.00% p.a for next 1 years & 3.50% p.a thereafter

e) Sensitivity Analysis

The sensitivity of the defined benefit obligation to change in the weighted key assumptions is:

Particulars	Gratuity		Leave Encashment	
	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Salary escalation rate + 0.5%	579.89	527.47	142.48	145.32
Salary escalation rate - 0.5%	523.62	480.52	129.38	133.86
Withdrawal rate + 10%	553.36	505.43	136.39	140.03
Withdrawal rate - 10%	547.91	500.99	135.03	138.73
Discount rate + 0.5%	524.64	481.23	129.64	134.05
Discount rate - 0.5%	579.01	526.88	142.26	145.15

A description of methods used for sensitivity analysis and its limitations:

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

f) Expected Cashflows based on Past Service Liability

Particulars	Gratuity		Leave Encashment	
	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Year 1	25.27	30.84	6.16	9.80
Year 2	25.20	95.83	6.42	41.72
Year 3	26.75	21.64	9.59	5.46
Year 4	28.07	22.53	9.20	8.04
Year 5	24.36	24.02	8.29	8.57
Year 6 to Year 10	245.78	167.70	74.44	43.92

g) Best Estimate of Contribution

Particulars	Gratuity		Leave Encashment	
	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Best Estimate of Contribution for the Company during the next year	25.27	31.85	6.16	9.80

h) Average outstanding term of obligations as at valuation date is 10.79 years (P.Y 10.94 years)

Note : Above disclosures with respect to employee benefits have been made to the extent of availability of data, as per actuarial valuation report.

35 Tax Expense

A) Amounts Recognised in statement of Profit or Loss

Particulars	Year ended 31.03.2021 ₹ in lakhs	Year ended 31.03.2020 ₹ in lakhs
Current Tax (Minimum Alternate Tax)	-	-
Deferred Tax (Net of MAT Credit Entitlement)	(1,236.26)	(1,078.79)
Total tax expense as per the Statement of Profit and Loss	(1,236.26)	(1,078.79)

B) Reconciliation of Effective Tax Rate

Particulars	Year ended 31.03.2021 ₹ in lakhs	Year ended 31.03.2020 ₹ in lakhs
(Loss) before tax	(7,398.79)	(3,687.76)
Enacted income tax rate in India applicable to the Company	27.82%	33.384%
Tax using the Company's domestic tax rate	(2,058.34)	(1,231.12)
Tax effect of:		
Permanent disallowances	44.51	99.94
Effect due to tax rate difference	158.81	-
Others / Unabsorbed depreciation and business loss	618.76	52.39
Tax expense as per the Statement of Profit and Loss	(1,236.26)	(1,078.79)
Effective tax rate	16.709%	29.253%

C) Movement in Deferred Tax Liability / (Assets)

Year ended 31st March, 2021

Particulars	As at 31.03.2020 ₹ in lakhs	Recognised in Profit or Loss ₹ in lakhs	Recognised in OCI ₹ in lakhs	As at 31.03.2021 ₹ in lakhs
Components of deferred tax liabilities related to:				
Property, plant and equipment	7,371.28	(1,231.36)	-	6,139.92
Unamortised processing fees on borrowings	-	-	-	-
Subtotal (Deferred Tax Liability)	7,371.28	(1,231.36)	-	6,139.92
Components of deferred tax assets related to:				
Unamortised Government grant & Lease liability	651.60	(142.92)	-	508.68
Provision for doubtful debts and employment benefits	388.79	(21.74)	10.90	377.95
Unabsorbed depreciation / business losses carried forward under Income Tax Act, 1961	5,083.73	169.56	-	5,253.29
Mat Credit Entitlement	3,041.42	-	-	3,041.42
Subtotal (Deferred Tax Assets)	9,165.54	4.90	10.90	9,181.34
Deferred Tax Liability/(Assets) (Net)	(1,794.26)	(1,236.26)	(10.90)	(3,041.42)

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Year ended 31st March, 2020

Particulars	As at 01.04.2019 ₹ in lakhs	Recognised in Profit or Loss ₹ in lakhs	Recognised in OCI ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Components of deferred tax liabilities related to:				
Property, plant and equipment	7,246.78	124.50	-	7,371.28
Unamortised processing fees on borrowings	12.00	(12.00)	-	-
Subtotal (Deferred Tax Liability)	7,258.78	112.50	-	7,371.28
Components of deferred tax assets related to:				
Unamortised Government grant & Lease liability	654.45	(2.85)	-	651.60
Provision for doubtful debts and employment benefits	360.55	29.37	(1.13)	388.79
Unabsorbed depreciation / business losses carried forward under Income Tax Act, 1961	3,918.96	1,164.77	-	5,083.73
Mat Credit Entitlement	3,041.42	-	-	3,041.42
Subtotal (Deferred Tax Assets)	7,975.38	1,191.29	(1.13)	9,165.54
Deferred Tax Liability/(Assets) (Net)	(716.60)	(1,078.79)	1.13	(1,794.26)

35. (i) MAT Credit Entitlement of ₹ 3,041 lakhs (P.Y ₹ 3,041 lakhs) is based on future performance and expectation of full utilization of MAT Credit within time frame available as projected by the Management of the Company.

(ii) The Company having opted to continue with old tax regime in view of unabsorbed losses and depreciation and MAT assets benefits and would evaluate in future. Hence, deferred tax assets (including MAT assets) are continuing in financial statements considering old tax regime and management judgment on recoverability based on future projections.

36 Reconciliation of Liabilities arising from Financing Activities

Year ended 31st March, 2021

Particulars	As at 31.03.2020 ₹ in lakhs	Cash Movement ₹ in lakhs	Business Acquisition/ Disposals ₹ in lakhs	Foreign Exchange Changes ₹ in lakhs	Fair Value Changes ₹ in lakhs	Others ₹ in lakhs	As at 31.03.2021 ₹ in lakhs
Term loans	26,048.81	(100.72)	-	-	-	1,298.90	27,246.99
Redeemable preference shares	2,500.00	-	-	-	-	-	2,500.00
Short-term borrowings	9,454.91	12,437.57	-	-	-	-	21,892.48
Total	38,003.72	12,336.85	-	-	-	1,298.90	51,639.47

Year ended 31st March, 2020

Particulars	As at 31.03.2019 ₹ in lakhs	Cash Movement ₹ in lakhs	Business Acquisition/ Disposals ₹ in lakhs	Foreign Exchange Changes ₹ in lakhs	Fair Value Changes ₹ in lakhs	Others ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Term loans	36,055.11	(13,593.91)	-	-	-	3,587.61	26,048.81
Redeemable preference shares	2,476.34	-	-	-	-	23.66	2,500.00
Short-term borrowings	12,451.47	(510.18)	-	-	-	(2,486.38)	9,454.91
Total	50,982.92	(14,104.09)	-	-	-	1,124.89	38,003.72

These cash movements are included within the following lines in the Statement of Cash Flows:

- Proceeds from Long-term Borrowings
- Repayment of Long-term Borrowings
- Increase/ (Decrease) in Short-term Borrowings

37 Contingent Liability and Commitments

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
A) Contingent Liability		
(i) Claims against the Company not acknowledged as debts in respect of:		
Disputed Excise demands	1,295.09	1,295.09
Disputed Sales Tax demands	1.95	1.95
(ii) Bank guarantees	440.74	628.67
(iii) Open letters of credit	-	169.18
(iv) Other Matters	1,344.40	1,344.40
B) Commitments		
Estimated amount of contracts remaining to be executed on capital accounts and not provided for	-	7.01

38 Remuneration to Auditors*

Particulars	Year ended	Year ended
	31.03.2021	31.03.2020
	₹ in lakhs	₹ in lakhs
Audit Fees (including Consolidation and Limited Review Fees)	18.50	18.50
Tax Audit Fees	3.00	3.00
Certification Fees	1.00	1.75
Out of Pocket Expenses	0.60	1.02
Total	23.10	24.27

* Excludes Goods and Services Tax

39 Disclosure under Micro, Small and Medium Enterprises Act, 2006

There are Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2021. 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

Particulars	As on	As on
	31.03.2021	31.03.2020
	₹ in lakhs	₹ in lakhs
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,351.49	794.58
(b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at the year end	109.00	43.30
(c) 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	-	-
(d) 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	-	-
(e) The amount accrued and remaining unpaid at the end of each accounting period; i.e., principal is paid but interest has remained unpaid	-	-
(f) 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	-	-

40 Leases

1 Following are the changes in carrying value of the Right to Use Assets.

Particulars	As at 31.03.2021			As at 31.03.2020		
	Motor Vehicle	Computer Software/ Computer	Total	Motor Vehicle	Computer Software/ Computer	Total
Gross Carrying Amount						
Opening Gross Carrying Amount	15.64	99.37	115.01	-	-	-
Additions	-	-	-	15.64	99.37	115.01
Disposals and Transfers	(8.54)	(6.73)	(15.27)	-	-	-
Sub Total	7.10	92.64	99.74	15.64	99.37	115.01
Accumulated Depreciation						
Opening Accumulated Depreciation	8.40	30.07	38.47	-	-	-
Additions	4.88	29.46	34.34	8.40	30.07	38.47
Disposals and Transfers	(8.54)	(6.73)	(15.27)	-	-	-
Sub Total	4.74	52.80	57.54	8.40	30.07	38.47
Net Total	2.36	39.84	42.20	7.24	69.30	76.54

2 Following are the changes in carrying value of lease liability

Particulars	As at	As at
	31.03.2021	31.03.2020
	₹ in lakhs	₹ in lakhs
Opening Balance	82.19	-
Additions	-	115.01
Finance cost accrued during the year	7.02	10.72
Payment of Lease Liability	(39.72)	(43.54)
Closing Balance	49.49	82.19
Non Current Balance	16.23	42.47
Current Balance	33.26	39.72

3 Lease payments recognised in the Statement of Profit and Loss is ₹ 207.91 lakhs (Previous year ₹ 572.74 lakhs) excluding amortisation of Right to Use.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

- 4 Future minimum lease rentals payable under non - cancellable operating lease agreements, in respect of assets taken on operating lease:

Particulars	(₹ in lakhs)	
	As at 31.03.2021	As at 31.03.2020
a) Not later than one year	40.43	156.85
b) Later than one year but not later than five years	20.60	53.87
c) Later than five years	-	-
Total	61.03	210.72

General Terms of Lease Rentals:

- Lease rentals are charged on the basis of agreed terms.
- Assets are taken on lease for a period ranging between 9 months to 5 years.
- The lease agreements can be renewed on mutually agreed terms with the lessee.
- Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method with practical expedient. There is no impact on retained earnings, on the date of initial application. Accordingly, comparatives figures have not been restated. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) with corresponding lease liability of ₹ 115.01 lakhs. The effect of this adoption is not material on the losses for the period and earnings per share.

41 Interest in Other Entities

A. Details of Entities considered for the Consolidated Financial Statements

Particulars	Country of Incorporation	Principal Activity	Proportion of Ownership Interest	
			As at 31.03.2021	As at 31.03.2020
Just Textiles Limited (Joint Venture)*	India	Processing of fabrics	0%	0%
Morarjee Castiglioni (India) Private Limited (Joint Venture)	India	Trading	50%	50%

* Refer note No. 49

B. Summarised Financial Position

Particulars	(₹ in lakhs)	
	Morarjee Castiglioni (India) Private Limited As at 31.03.2021	As at 31.03.2020
Non-current assets	32.05	32.05
Current assets	73.14	80.43
Total Assets (A)	105.19	112.48
Non-current liabilities	-	-
Current liabilities	1.82	1.62
Total Liabilities (B)	1.82	1.62
Net Assets (A-B)	103.37	110.86
The Company's share of net assets (Carrying amount of interest in Joint Venture)	51.69	55.43
Contingent liability	-	-
Commitments	-	-

C. Summarised Financial Performance

Particulars	(₹ in lakhs)			
	Just Textiles Limited		Morarjee Castiglioni (India) Private Limited	
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
Total revenue	-	2,398.10	1.77	1.81
Total expenses	-	2,416.75	8.81	6.03
Profit / (Loss) before tax	-	(18.65)	(7.04)	(4.22)
Tax expense	-	-	0.44	0.46
Profit / (Loss) for the year	-	(18.65)	(7.48)	(4.68)
Other Comprehensive Income (OCI)	-	-	-	-
Total Comprehensive Income for the year	-	(18.65)	(7.48)	(4.68)
Company's share in Profit / (Loss)	-	(9.14)	(3.74)	(2.34)
Company's share in OCI	-	-	-	-
Company's share in Total Comprehensive Income	-	(9.14)	(3.74)	(2.34)

D. Movement of Investment accounted for using Equity Method

(₹ in lakhs)

Particulars	Just Textiles Limited		Morarjee Castiglioni (India) Private Limited	
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
Opening balance	-	463.87	55.43	57.77
Share in Profit / (Loss)	-	(9.14)	(3.74)	(2.34)
Sale of Joint venture (Refer Note no. 49)	-	(454.73)	-	-
Closing balance	-	-	51.69	55.43

E. Additional Information of Consolidated Entities, as required under Schedule III to the Companies Act, 2013

(₹ in lakhs)

Particulars	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	As at 31.03.2021	As % of consolidated profit or loss	Year ended 31.03.2021	As % of consolidated OCI	Year ended 31.03.2021	As % of total comprehensive income	Year ended 31.03.2021
Parent								
Morarjee Textiles Limited	97.55	(494.05)	99.94	(6,162.53)	100.00	(28.28)	99.94	(6,190.81)
Indian Joint Ventures								
Morarjee Castiglioni (India) Private Limited	(10.21)	51.69	0.06	(3.74)	-	-	0.06	(3.74)
Adjustments on account of consolidation	12.66	(64.10)	-	-	-	-	-	-
Total	100.00	(506.46)	100.00	(6,166.27)	100.00	(28.28)	100.00	(6,194.55)

Particulars	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	As at 31.03.2020	As % of consolidated profit or loss	Year ended 31.03.2020	As % of consolidated OCI	Year ended 31.03.2020	As % of total comprehensive income	Year ended 31.03.2020
Parent								
Morarjee Textiles Limited	99.32	5,649.28	99.56	(2,633.84)	100.00	2.25	99.56	(2,631.59)
Indian Joint Ventures								
Just Textiles Limited	-	-	0.35	(9.14)	-	-	0.35	(9.14)
Morarjee Castiglioni (India) Private Limited	0.97	55.43	0.09	(2.34)	-	-	0.09	(2.34)
Adjustments on account of consolidation	(0.29)	(16.62)	-	-	-	-	-	-
Total	100.00	5,688.09	100.00	(2,645.32)	100.00	2.25	100.00	(2,643.07)

42 Capital Management

a) Risk Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents.

Particulars	As at 31.03.2021	As at 31.03.2020
	₹ in lakhs	₹ in lakhs
Total borrowings	51,639.47	38,003.72
Less : Cash and cash equivalents	488.89	27.02
Adjusted net debt	51,150.58	37,976.70
Total equity	(494.05)	5,696.76
Less : Hedging reserve	-	-
Adjusted equity	(494.05)	5,696.76
Adjusted net debt to adjusted equity ratio	(103.53)	6.67

b) During the year, the Company has not declared any dividend on Preference shareholders and equity shareholders.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

43 Financial Risk Management

Risk Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

A. Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition.

The Company measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

The Company has made specific provision for certain receivables based on assessment of recovery due to litigation, old claims etc. The outstanding of these receivables is Rs.107 lakhs (PY Rs. 81 lakhs) as on March 31, 2021. The same has been considered as credit impaired and made 100% provision against those receivables.

Further, the Company has considered 360 days past due unsecured receivables as credit impaired for the purpose of disclosure based on nature of business and credit cycle in its business operations even though the Company is following simplified approach for life time provisioning.

i Trade Receivables

a) Ageing

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
0-180 days	2,999.08	3,066.17
More than 180 days	1,217.57	975.37
Gross trade receivables	4,216.65	4,041.54
Provision for doubtful debts	672.00	522.00
Total	3,544.65	3,519.54

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

b) Movement in provisions of doubtful debts

Particulars	Year ended 31.03.2021 ₹ in lakhs	Year ended 31.03.2020 ₹ in lakhs
Opening provision	522.00	497.00
Add:- Additional provision made	150.00	25.00
Less:- Amounts written off	-	-
Less:- Provision reversed	-	-
Closing provision	672.00	522.00

ii Investments other than Investments in Joint Ventures

There is investment of ₹ 0.89 lakh (₹ 0.89 lakh as at 31st March, 2020) and no impairment has been recognised on such investments.

iii Cash and Bank Balances

The Company held cash and bank balance with credit worthy banks of ₹ 656.57 Lakhs at March 31, 2021 (March 31, 2020 ₹ 228.26 Lakhs), includes Fixed deposit lien marked with bank of ₹ 148.91 Lakhs at March 31, 2021 (March 31, 2020 ₹ 171.68 Lakhs). The credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks where credit risk is largely perceived to be extremely insignificant.

iv Loans

No impairment in respect of loans was necessary during the current as well as previous year.

B. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. The Company manages its liquidity risk by preparing periodic cash flow projections to monitor liquidity requirements. In addition, the Company monitors the Balance Sheet liquidity ratios against internal and external regulatory requirements and maintains debt financing plans.

Maturity Pattern of Financial Liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date.

As at 31st March, 2021

Particulars	Carrying Amount	0-1 years	1-5 years	Beyond 5 years	Total
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Long-term borrowings (including current maturities of long-term debt)	29,746.99	6,867.36	20,080.07	2,799.56	29,746.99
Short-term borrowings	21,892.48	21,892.48	-	-	21,892.48
Interest accrued on borrowings	3,230.10	3,230.10	-	-	3,230.10
Trade payables	8,371.93	8,371.93	-	-	8,371.93
Other current financial liabilities	118.40	118.40	-	-	118.40

As at 31st March, 2020

Particulars	Carrying Amount	0-1 years	1-5 years	Beyond 5 years	Total
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Long-term borrowings (including current maturities of long-term debt)	28,548.81	5,322.22	19,027.26	4,199.33	28,548.81
Short-term borrowings	9,454.91	9,454.91	-	-	9,454.91
Interest accrued on borrowings	1,108.84	1,108.84	-	-	1,108.84
Trade payables	8,903.77	8,903.77	-	-	8,903.77
Other current financial liabilities	130.85	130.85	-	-	130.85

C Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

i Currency Risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales to overseas customers and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods in the respective currencies.

(a) Derivative Instruments

Particulars	(Foreign currency in lakhs)	
	As at 31.03.2021	As at 31.03.2020
Forward contracts to sell USD	-	7.50

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

(b) Foreign Currency Exposures*

Particulars	(Foreign currency in lakhs)					
	USD	EURO	GBP	CHF	JPY	
Trade receivable	22.46	1.44	-	-	-	-
Trade payables	0.18	0.00	-	0.01	7.20	-

* Advance Received in foreign currency are not considered for disclosure purpose

Particulars	(Foreign currency in lakhs)					
	USD	EURO	GBP	CHF	JPY	
Trade receivable	18.90	2.19	-	-	-	-
Trade payables	0.26	-	-	0.01	-	-

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

(c) Details of Hedged and Unhedged Foreign Currency Exposure

As at 31st March, 2021					
(Foreign currency in lakhs)					
Particulars	USD	EURO	GBP	CHF	JPY
Trade receivables	22.46	1.44	-	-	-
Less: Foreign currency forward contracts (Sell)	-	-	-	-	-
Unhedged receivable	22.46	1.44	-	-	-
Trade payables	0.18	0.00	-	0.01	7.20
Less: Foreign currency forward contracts (Buy)	-	-	-	-	-
Unhedged payable	0.18	0.00	-	0.01	7.20

As at 31st March, 2020					
(Foreign currency in lakhs)					
Particulars	USD	EURO	GBP	CHF	JPY
Trade receivables	18.90	2.19	-	-	-
Less: Foreign currency forward contracts (Sell)	7.50	-	-	-	-
Unhedged receivable	11.40	2.19	-	-	-
Trade payables	0.26	-	-	0.01	-
Less: Foreign currency forward contracts (Buy)	-	-	-	-	-
Unhedged payable	0.26	-	-	0.01	-

(d) Foreign Currency Risk Sensitivity

A change of 1% in foreign currency exchange rate applied on net foreign exposure (i.e. net unhedged payable / receivable) would have following Impact on profit before tax:

Particulars	Year ended 31.03.2021		Year ended 31.03.2020	
	1% Increase ₹ in lakhs	1% decrease ₹ in lakhs	1% Increase ₹ in lakhs	1% decrease ₹ in lakhs
USD	16.13	(16.13)	8.40	(8.40)
EURO	1.23	(1.23)	1.82	(1.82)
GBP	-	-	-	-
CHF	(0.01)	0.01	(0.01)	0.01
JPY	(0.05)	0.05	-	-
Increase / (decrease) in profit or loss	17.30	(17.30)	10.21	(10.21)

ii Interest rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to Interest Rate Risk

In order to optimise the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, the Company performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio. According to the Company, interest rate risk exposure is only for floating rate borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the Management of the Company is as follows.

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Borrowings bearing fixed rate of interest	5,756.31	5,820.37
Borrowings bearing variable rate of interest	45,883.16	32,183.35
Total Borrowings	51,639.47	38,003.72

Interest rate sensitivity

a) Fair Value Sensitivity Analysis for Fixed-rate Instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

b) Cash Flow Sensitivity Analysis for Variable-rate Instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables in particular foreign currency exchange rates remain constant.

A change of 25 bps in interest rates would have following impact on profit before tax.

Particulars	Year ended 31.03.2021 ₹ in lakhs	Year ended 31.03.2020 ₹ in lakhs
25 bp decrease	114.71	80.46
25 bp increase	(114.71)	(80.46)

44 Fair Value Measurement

A) Accounting classification and fair values

As at 31st March, 2021

Particulars	FVTPL	FVTOCI	Amortised Cost	Total Carrying Amount	Fair Value
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Non-current Financial Assets					
Investments	-	0.25	0.64	0.89	0.89
Loans	-	-	36.63	36.63	36.63
Total	-	0.25	37.27	37.52	37.52
Current Financial Assets					
Trade receivables	-	-	3,544.65	3,544.65	3,544.65
Cash and cash equivalents	-	-	488.89	488.89	488.89
Other bank balances	-	-	167.68	167.68	167.68
Loans	-	-	22.16	22.16	22.16
Total	-	-	4,223.38	4,223.38	4,223.38
Non-current Financial Liabilities					
Borrowings	-	-	22,879.63	22,879.63	22,879.63
Other financial liabilities	-	-	16.23	16.23	16.23
Total	-	-	22,895.86	22,895.86	22,895.86
Current Financial Liabilities					
Borrowings	-	-	21,892.48	21,892.48	21,892.48
Trade payables	-	-	8,371.93	8,371.93	8,371.93
Other financial liabilities	-	-	10,215.86	10,215.86	10,215.86
Total	-	-	40,480.27	40,480.27	40,480.27

As at 31st March, 2020

Particulars	FVTPL	FVTOCI	Amortised Cost	Total Carrying Amount	Fair Value
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Non-current Financial Assets					
Investments	-	0.25	0.64	0.89	0.89
Loans	-	-	168.63	168.63	168.63
Total	-	0.25	169.27	169.52	169.52
Current Financial Assets					
Trade receivables	-	-	3,519.54	3,519.54	3,519.54
Cash and cash equivalents	-	-	27.02	27.02	27.02
Other bank balances	-	-	201.24	201.24	201.24
Loans	-	-	31.58	31.58	31.58
Total	-	-	3,779.38	3,779.38	3,779.38
Non-current Financial Liabilities					
Borrowings	-	-	23,226.59	23,226.59	23,226.59
Other financial liabilities	-	-	42.47	42.47	42.47
Total	-	-	23,269.06	23,269.06	23,269.06
Current Financial Liabilities					
Borrowings	-	-	9,454.91	9,454.91	9,454.91
Trade payables	-	-	8,903.77	8,903.77	8,903.77
Other financial liabilities	-	-	6,561.91	6,561.91	6,561.91
Total	-	-	24,920.59	24,920.59	24,920.59

B) Fair Value Hierarchy

Fair values of all financial instruments mentioned in Note no. 44(A) above belong to Level 3 Fair Value Hierarchy.

Carrying amounts of financial instruments such as cash and cash equivalents, other bank balances, trade receivables, loans, borrowings, trade payables and other financial assets and liabilities at 31st March 2021 and 31st March 2020 reasonably approximate their respective fair values.

45 Segment Reporting

Based on the "management approach" as defined in Ind AS 108 – Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators of business the segment/s in which the Company operates. The Company is primarily engaged in the business of Textile Products which the Management and CODM recognise as the sole business segment. Hence, disclosure of segment-wise information is not required and accordingly not provided.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

46 Corporate Social Responsibility Expenditure (CSR)

Disclosure as required under Section 135 of Companies Act, 2013, read with Companies (Corporate Social Policy) Rules, 2014 is as under:

- Gross amount required to be spent by the Company during the year ₹ Nil Lakhs (Previous year ₹ Nil Lakhs)
- CSR expenditure incurred during the year:

Particulars	In cash		Yet to be paid in cash	
	Year ended 31.3.2021 ₹ in lakhs	Year ended 31.3.2020 ₹ in lakhs	Year ended 31.3.2021 ₹ in lakhs	Year ended 31.3.2020 ₹ in lakhs
i) On construction/acquisition of any asset	-	-	-	-
ii) On purposes other than (i) above (refer footnote)	-	12.00	-	-

The Company undertakes its Corporate Social Responsibility (CSR) activities through Conservation Wildlands Trust. The foundation operates in areas of health, vocational skill training, environment and education. The Company has contributed ₹ Nil Lakhs (Previous year ₹ 12.00 Lakhs) to the foundation for undertaking CSR activities as defined under CSR rules.

- 47** The outbreak of COVID-19 pandemic is causing significant disturbance and slowdown of economic activities globally. The nationwide lockdown ordered by the Government of India has resulted in significant reduction in economic activities throughout the country and also impacted the business operations of the Company in terms of production and sales due to lockdown for almost two months and very low demand and production activity.

In preparing the financial statements, the Company's management has been required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, equity, income and expenses. These estimates and associated assumptions, especially for assessing any impairment of Inventory are based on historical experience and various other factors including the possible effects that may result from the pandemic; and are believed to be reasonable under the current circumstances. Considering the assessment, the Company expects to recover the carrying amount of all these assets.

Given the dynamic nature of the pandemic situation, the valuation of Inventory and future profits for adjusting MAT Credit Entitlements as at 31st March, 2021 is subject to evolving uncertainty and may be affected in future by the severity and duration of the outbreak. In the event the impacts are more severe or prolonged than anticipated, this may have a corresponding impact on the carrying value of the Inventory, the financial position and financial performance of the Company. The management would be closely monitoring the situation as it evolves.

- During the year the Company has submitted debt restructuring plan to the consortium of lenders, in terms of RBI Circular dated June 7, 2019. The plan submitted by the Company envisages several reliefs and concessions from the lenders. The Core Committee formed by the lenders consortium has commenced the debt restructuring process and undertaken several steps in this regard and it is so far progressing satisfactorily.
- The Company has incurred net loss including cash losses during the year as also in the previous year, owing to high finance cost, weak demand coupled with impact on account of current pandemic conditions. As at the end of the financial year, the net worth stands eroded completely. There have been continuous delays and defaults in repayment of debt obligations. The loan account of the Company is currently NPA with all lenders and some of the lenders have served notice on the Company, requiring repayment of the loan and the company is in discussions with them to resolve the same. Further, the company has, after obtaining the approval of preference shareholders approached NCLT under section 55 of the Companies Act 2013 for reissuance of preference shares of Rs.10 crs which were due for redemption on 15th November 2019, for a further period of 20 years. The approval of NCLT is awaited.

These events/conditions indicate the existence of uncertainty on the Company's ability to continue as a going concern. However having regard to the debt restructuring plan submitted as explained in Note i) above and various cost control initiatives taken by the company, gradually improving operations of the company, sale of inventory, mobilisation of additional funds and other strategic initiatives, the management has a reasonable expectation that the Company would have ability and adequate resources to continue its operational existence for the foreseeable future. Accordingly, the financial results are prepared on a going concern basis.

- 49** In Previous year On 30th September, 2019, the Company has sold its entire holding (49%) in one of its joint venture for consideration of ₹405.74 lakhs. Consequently the Company has recognised loss of ₹.48.99 lakhs on account of sale of investment and the same has been considered as an exceptional item.

50 Related Party Disclosure

i List of Related Parties

A. Joint Ventures

Morarjee Castiglioni (India) Private Limited
Just Textiles Limited (Upto 30th September, 2019)

B. Key Management Personnel

Ms. Urvi A. Piramal - Chairperson
Mr. Harsh A. Piramal - Executive Vice Chairman
Mr. R. K. Rewari - Managing Director
Mr. Mahesh S. Gupta - Director
Mr. Ranjan S. Sanghi - Director (upto 08.04.2019)
Mr. Shobhan M. Thakore - Director upto 16.01.2020
Mr. Aditya H. Mangaldas - Director (upto 29.09.2019)
Mr. Ranjan Pant - Director (upto 11.11.2019)
Lt. Gen. A. K. Singh (Retd.) - Director
Ms. Alpana Samir Chinai - Director (w.e.f 19.12.2019)
Mr. Archit Jayakar - Director (w.e.f 29.01.2020)
Mr. Devesh Dadheech - Director (w.e.f 26.06.2020)
Mr. S. C. Kashimpuria - Chief Finance Officer
Mr. Tanmay Bhat as a Company Secretary (up to 29.11.2019)
Ms. Nishthi H Dharmani (w.e.f. 02.03.2020)

C. Enterprises over which Key Management Personnel exercise significant influence with whom transactions were entered into during the year

Peninsula Land Limited
Ashok Piramal Management Corporation Limited
Ashok G. Piramal Trust
Conservation Wildlands Trust
Miranda Tools Private Limited (Formerly know as PMP Auto Components Private Limited)
Integra Garments and Textiles Limited
Argento Home Products LLP
Shrikrishna Finvest & Capital Management Pvt. Ltd.

ii. Details of Transactions are as follows:

Particulars	Year ended 31.03.2021 (₹ in lakhs)	Year ended 31.03.2020 (₹ in lakhs)
A Sales of Products / Assets		
Enterprises over which Key Management Personnel exercise significant influence		
Argento Home Products LLP	22.29	32.51
Conservation Wildlands Trust	0.04	-
Ashok G. Piramal Trust	-	2.78
Miranda Tools Private Limited	-	0.43
Shrikrishna Finvest & Capital Management Pvt. Ltd.	31.42	-
B Charges for Services Rendered		
Enterprises over which Key Management Personnel exercise significant influence		
Ashok Piramal Management Corporation Limited	24.00	5.00
C Remuneration and Sitting Fees		
Key Management Personnel		
Remuneration		
Mr. Harsh A. Piramal	-	163.83
Mr. R. K. Rewari	113.40	139.48
Mr. S. C. Kashimpuria	43.95	51.70
Mr. Tanmay Bhat	-	7.19
Ms. Nishthi H Dharmani	11.60	1.07

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Particulars	Year ended 31.03.2021 (₹ in lakhs)	Year ended 31.03.2020 (₹ in lakhs)
Sitting Fees **		
Ms. Urvi A. Piramal	2.70	2.80
Mr. Mahesh S. Gupta	2.50	2.50
Mr. Shobhan M. Thakore	-	3.20
Mr. Aditya H. Mangaldas	-	2.35
Mr. Ranjan Pant	-	1.00
Lt. Gen. A. K. Singh (Retd.)	3.90	3.20
Ms. Alpana Samir Chinai	2.55	0.25
Mr. Archit Jayakar	3.90	0.50
Mr. Devesh Dadheech	2.70	-
** Excludes Goods and Services Tax		
D Rent and Maintenance Expenses		
Enterprises over which Key Management Personnel exercise significant influence		
Peninsula Land Limited *	-	158.07
Miranda Tools Private Limited	0.30	0.60
* Excluding electricity reimbursement expenses on actuals ₹Nil lacs (Previous year ₹27.39 lacs)		
E CSR Expenditure		
Enterprises over which Key Management Personnel exercise significant influence		
Conservation Wildlands Trust	-	12.00
F Outstanding Balances		
Enterprises over which Key Management Personnel exercise significant influence		
a. Payable		
Joint Ventures		
Morarjee Castiglioni (India) Private Limited	74.89	83.63
Enterprises over which Key Management Personnel exercise significant influence		
Peninsula Land Limited	360.73	360.73
Miranda Tools Private Limited	0.06	0.18
b. Receivable		
Enterprises over which Key Management Personnel exercise significant influence		
Argento Home Products LLP	3.83	2.54
Ashok G. Piramal Trust	0.14	0.14
Conservation Wildlands Trust	0.04	-
Shrikrishna Finvest & Capital Management Pvt. Ltd.	23.53	-
c Security Deposit receivable		
Enterprises over which Key Management Personnel exercise significant influence		
Peninsula Land Limited	12.00	12.00

51 Earnings Per Share

(₹ in lakhs, unless stated otherwise)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
(a) Profit attributable to Equity shareholders of the Company	(6,166.27)	(2,645.32)
(b) Weighted average number of ordinary shares (No.)	3,63,32,349	3,63,32,349
(c) Earnings per share - Basic and Diluted (₹)	(16.97)	(7.28)
(d) Face value of an equity share (₹)	7	7

52 Previous year figures have been regrouped / reclassified wherever necessary to conform to current year's classification.

As per our attached report of even date

For and on behalf of Board of Directors

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI FRN : 103523W / W100048

Sumant Sakhardande

Partner

Membership No. 034828

Mumbai : 19th May, 2021

Urvi A. Piramal

(DIN 00044954)

Chairperson

Alpana Chinai

(DIN 00136144)

Director

Harsh A. Piramal

(DIN 00044972)

Executive Vice Chairman

Archit Jayakar

(DIN 01904013)

Director

R. K. Rewari

(DIN 00619240)

Managing Director

Devesh Dadheech

(DIN - 01656629)

Director

Mahesh S. Gupta

(DIN 00046810)

Director

S. C. Kashimpuria

Chief Financial Officer

Lt.Gen.A.K.Singh (Retd.)

(DIN 07698288)

Director

Nishthi H. Darmani

Company Secretary

Consolidated Statement of Cash Flows

for the year ended 31st March, 2021

Particulars	31st March, 2021		31st March, 2020	
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit Before Tax		(7,398.79)		(3,712.63)
Adjustments for :				
Depreciation and amortisation	2,327.89		2,371.66	
Finance costs	5,454.72		5,719.83	
(Profit) / Loss on sale of Investment	-		48.99	
Provision for doubtful debts	150.00		25.00	
Deferred income	(90.69)		(90.69)	
Interest income	(25.30)		(42.18)	
		<u>7,816.62</u>		<u>8,032.61</u>
Operating Profit before Working Capital Changes		417.83		4,319.98
Adjustments for Changes in Working Capital				
(Increase)/ Decrease in trade and other receivables	(49.77)		(144.80)	
(Increase) /Decrease in inventories	2,146.71		1,944.58	
Increase/(Decrease) in trade payables and other liabilities	(12,325.27)		11,387.87	
		<u>(10,228.33)</u>		<u>13,187.65</u>
Cash Generated From Operations		(9,810.50)		17,507.63
Direct taxes paid		(8.62)		(4.07)
Net Cash Flow from Operating Activities (A)		(9,819.12)		17,503.56
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of PPE (Including Capital Advances)	(75.55)		(32.73)	
Proceeds from sale of investment	-		405.74	
Interest received	15.64		36.70	
Maturity of / (Investment in) fixed deposit with banks	22.77		187.31	
Net Cash (Used in) Investing Activities (B)		(37.14)		597.02
C. CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of long-term borrowings	(100.72)		(13,593.91)	
Increase/ (Decrease) in short-term borrowings	12,437.57		(510.18)	
Interest paid	(2,018.72)		(4,565.21)	
Net Cash Flow from / (Used in) Financing Activities (C)		10,318.13		(18,669.30)
Net Increase / (Decrease) in Cash and Cash Equivalents (A)+(B)+(C)		461.87		(568.72)
Cash and Cash Equivalents (Refer Note no. 10) :-				
- At the beginning of the year		27.02		595.74
- At the end of the year		488.89		27.02

- The Statement of Cash Flows is prepared in accordance with Ind AS 7 as notified by Ministry of Corporate Affairs.
- In Part A of the Statement of Cash Flows, figures in brackets indicate deduction made from the net profit for deriving the net cash flow from operating activities. In Part B and Part C, figures in brackets indicate cash outflows.
- Refer Note no. 36 for reconciliation of liabilities arising from Financing Activities.

As per our attached report of even date

For and on behalf of Board of Directors

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI FRN : 103523W / W100048

Urvi A. Piramal
(DIN 00044954)
Chairperson

Harsh A. Piramal
(DIN 00044972)
Executive Vice Chairman

R. K. Rewari
(DIN 00619240)
Managing Director

Mahesh S. Gupta
(DIN 00046810)
Director

Lt.Gen.A.K.Singh (Retd.)
(DIN 07698288)
Director

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai : 19th May,2021

Alpana Chinai
(DIN 00136144)
Director

Archit Jayakar
(DIN 01904013)
Director

Devesh Dadheech
(DIN - 01656629)
Director

S. C. Kashimpuria
Chief Financial Officer

Nishthi H. Darmani
Company Secretary

FINANCIAL HIGHLIGHTS

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
Total Income	19,504.76	38,416.08	35,025.31	36,750.91	38,485.95
Profit / (Loss) Before Depreciation, Interest & Tax	383.82	4,427.85	4,275.68	7,504.84	6,905.25
Interest	5,454.72	5,719.83	5,393.54	5,139.09	3,949.68
Cash Profit / (Loss)	(5,070.9)	(1,291.98)	(1,117.86)	2,365.75	2,955.57
Depreciation	2,327.89	2,371.66	2,321.17	2,283.99	1,922.73
Profit / (Loss) Before Tax and Exceptional Item	(7,398.79)	(3,663.64)	(3,439.03)	81.76	1,032.84
Exceptional item - Loss on Sale of Investment	-	24.12	-	-	-
Profit / (Loss) Before Tax	(7,398.79)	(3,687.76)	(3,934.03)	81.76	1,032.84
Provision for Tax (MAT)	-	-	(6.31)	-	105.49
Deferred Tax	(1,236.26)	(1,078.79)	(984.28)	41.27	(252.39)
Profit / (Loss) for the year	(6,162.53)	(2,608.97)	(2,448.44)	40.49	1,179.74
Other Comprehensive Income (Net of Tax)	(28.28)	2.25	14.96	(18.88)	(14.83)
Total Comprehensive Income for the year	(6,190.81)	(2,606.72)	(2,433.48)	21.61	1,164.91
Earnings per share (₹)	(16.96)	(7.18)	(6.74)	0.11	3.25
Equity Dividend (%)	-	-	-	-	20%
Book Value per share (₹)**	(1.36)	15.68	22.85	29.55	31.18



Lady employees in New Spinning Unit



Process House



Warping Unit



MORARJEE TEXTILES LIMITED

503, 5th Floor, Peninsula Tower-1, Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013 IN