



MORARJEE TEXTILES LIMITED

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CIN No.: L52322MH1995PLC090643

POSTAL BALLOT NOTICE

Notice is hereby given to the members, pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, that resolutions appended below are proposed to be passed as a **Special Resolution** by way of Postal Ballot.

Therefore, pursuant to the provisions of Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the consent of the members for the above purpose is sought to be obtained by way of Postal Ballot / e-voting ("Postal Ballot"). The draft resolution proposed to be passed by way of Postal Ballot and the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (erstwhile Section 173 of the Companies Act, 1956) read with Section 110 of the Companies Act, 2013 along with the rules as may be prescribed therein, read with the Postal Ballot Rules, setting out the material facts of the resolutions is appended below for consideration of the members.

Special Business:

1. BORROWING LIMITS UP TO 700 CRORES

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

“RESOLVED THAT in supersession of resolution passed at the Extra ordinary General Meeting of the Company held on 17th June, 2004 on the matter and pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956 ("Old Act") and other applicable provisions, if any, of the old Act (including any statutory modification or re-enactment thereof) and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee thereof authorized for the purpose) of the Company under the provisions of Section 180 (1) (C), 180 (2) and other applicable provisions and rules, if any of the Companies Act, 2013, any amendments/ enactments/ re-enactments thereof to borrow any sum, or sums of monies and / or to receive / avail of financial assistance or to undertake financial obligation in any form, from time to time from any one or more of the Financial Institutions, Bankers, Funds and / or from any one or more other persons, firms, bodies corporate, mutual funds or entities, whether by way of loans, cash credit, advances, or deposits, or bills discounting, issue of debentures, bonds, financial arrangement or obligations or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties, whether immovable or movable or stock-in-trade (including raw materials, stores, spares parts and components in stock or in transit) and work in progress, investments, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company will or may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, so that the total amount upto which the monies may be borrowed by the Board and outstanding at any time (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not exceed by more than Rs. 700 Crores (Rupees seven Hundred Crores only) over and above the aggregate of the paid up share capital and free reserves of the Company for the time being, exclusive of interest and other charges and for securing such borrowings / facilities the Board be and is hereby further authorized to execute such debenture trust deeds or mortgage, charge, hypothecation, lien, promissory notes, deposits and other deeds and instruments or writings containing such conditions and covenants as the Board may think fit with powers to vary and / or alter the terms and conditions of security created / to be created.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take such actions and steps, including delegation of authority as may be necessary and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, application, documents and writings that may be required on behalf of the company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution”.

2. CREATION OF CHARGE ON COMPANY'S PROPERTIES

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

“RESOLVED THAT in supersession of resolution passed at the Extra Ordinary General Meeting of the Company held on 17th June, 2004 on the matter and pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956 (“ Old Act”) and other applicable provisions, if any, of the old Act (including any statutory modification or re-enactment thereof) and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee thereof authorized for the purpose) of the Company under the provisions of Section 180 (1) (a) and other applicable provisions and rules, any amendments/ enactments/ re-enactments thereof of the Companies Act , 2013, to sell, lease or otherwise dispose of whole or substantially the whole of undertaking of the company or to create mortgages / charges on all or any of the immovable and movable properties and assets, both present and future exclusively or ranking pari passu with or second or subservient or subordinate to the mortgages / charges already created or to be created in future by the Company for securing any loans and / or advances or guarantees and / or any financial assistance or obligations obtained / undertaken or that may be obtained / undertaken by the Company or any other Bodies Corporate, from financial institutions, insurance companies, banks or credit agencies, incorporate or constituted in India or abroad, machinery, suppliers and / or other persons or institutions providing finance for purchase of assets or for making investments or for working capital or for purchase of specific items of machinery and equipments under any deferred payment scheme or bills rediscounting scheme or in favour of trustees for debenture holders / bondholders appointed or that may be appointed hereafter, as securities for debentures / bonds issued or that may be issued by the Company, on such terms and conditions and at such times and in such form and manner as the Board may deem fit, so that the total outstanding amount at any time so secured (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed by more than Rs. 700 Crores (Rupees Seven Hundred Crores only) over and above the aggregate of the paid up share capital and free reserves of the Company being the amounts consented by the Company, by the Resolution passed pursuant to Section 180 (1)(c) of the Companies Act, 2013, or upto the higher amount/s as may be so consented by the Company from time to time in future, together with interest thereon, and further interest, if any, costs, charges, expenses, remuneration and other monies payable to the lenders / trustees and all other monies payable by the Company AND THAT the mortgages / charges created by the Company so far be and they are hereby approved, confirmed and ratified;

RESOLVED FURTHER THAT the Board be and is hereby authorized to take such actions and steps, including delegation of authority as may be necessary and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, application, documents and writings that may be required on behalf of the company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution”.

RESOLVED FURTHER THAT the Board be and is hereby authorized to vary and / or the terms and conditions of the security created / to be created as aforesaid in consultation with the Trustees and other Charge holders as they may deem fit.”

By Order of the Board
FOR MORARJEE TEXTILES LIMITED

Date: 11th June, 2014
Place: Mumbai

R. K. Rewari
CEO & Executive Director

Notes:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts is annexed hereto. The said Resolutions and Explanatory Statement along with Postal Ballot Form are being sent for approval of the Shareholders whose name appears in the Register of Members/list of Beneficial Owners as received from National Securities Depository Services Limited (NSDL)/Central Depository Services (India) Limited (CDSL) on 6th June, 2014
2. The Board of Directors of the Company have appointed Mr. Dhrumil M Shah of M/s. Dhrumil M Shah & Co., (Practising Company Secretary) as the scrutinizer to conduct the postal ballot process in a fair and transparent manner and to receive and scrutinize the completed Postal Ballot Forms from the Shareholders. The Postal Ballot Forms together with the self addressed business reply envelope are enclosed for use of shareholders.
3. A Member may request for a duplicate Postal Ballot Form, if required. However, duly filled in Postal Ballot Form should reach the Scrutinizer on or before close of business hours 6.00 pm, on 17th July, 2014. Envelope containing Postal Ballot, if sent by courier or by Registered Post at the expense of the Member will also be accepted. However, the Ballot received after the stipulated day and time will be strictly treated as if no reply has been received from the Member.
4. Upon completion of scrutiny of the Postal Ballot voting, the scrutinizer will submit his report to the Chairperson or in her absence to Executive Vice Chairman of the Company. The results will be declared on 18th July, 2014 at the Registered Office of the Company and the Resolutions will be taken as passed effectively on the date of such declaration, if assented by the requisite majority. The date of declaration of the result by the Chairperson or Executive Vice Chairman shall be deemed to be the date of the General Meeting convened in that behalf. The results of the Postal Ballot shall also be communicated to Stock Exchanges where the Company's shares are listed and shall be published through a public notice in newspapers. The result will also be put up on the Company's website: www.morarjeetextiles.com
5. The Company is pleased to offer E-Voting facility for its Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. E-Voting is optional. The procedure and instructions for E-Voting are contained in the postal ballot form enclosed herewith.
6. Members can opt only one mode for voting i.e. either by physical ballot or e-voting. In case the Members has cast their vote both physical ballot and e-voting, then voting through physical ballot shall prevail and voting done by e-voting shall be treated as invalid, notwithstanding whichever is cast first.

EXPLANATORY STATEMENT

{Pursuant to Section 102 of Companies Act, 2013 and Section 110 of the Companies Act, 2013}

Item Nos. 1 and 2:

In terms of the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company cannot, except with the consent of the Shareholders in General Meeting, borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of aggregate of the paid up share capital and its free reserves (reserves not set apart for any specific purpose). At the Extra Ordinary General Meeting of the Company held on 17th June, 2004, the shareholders had accorded consent to the Board of Directors borrowing any sum or sums of money outstanding at any point of time, not exceeding the sum of Rs. 300 Crores (Rupees Three Hundred Crores only) over and above the aggregate of the paid up share capital and free reserves of the Company.

At the same Extra Ordinary General Meeting of the Company, the shareholders had accorded consent to the Board of Directors for creation of mortgages, charges and hypothecations etc. to secure aforesaid borrowings.

Considering the Company's future growth plans, it is proposed to increase the above borrowing limits from the existing Rs. 300 crores (Rupees Three Hundred Crores only) to an amount not exceeding at any time a limit of Rs. 700 crores (Rupees Seven Hundred Crores only) over and above the aggregate of the paid up share capital and free reserves of the Company.

The proposed borrowings by the Company, if required, is to be secured by mortgage or charge on all or any of the movable or immovable or any other tangible and intangible assets / properties of the Company (both present & future), in favour of any lender including the financial institutions / banks / debenture trustees etc. in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s).

The mortgage and / or charge on any of the movable and / or immovable or any other tangible and intangible assets / properties and / or the whole or any part of the undertaking(s) of the Company, to secure borrowings of the Company with a power to the charge holders to take over the management of the business of the Company in certain events of default, may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 180(1)(a) of the Companies Act, 2013.

The Ministry of Corporate Affairs vide its General Circular No. 04 /2014 dated 25th March, 2014 (“**Circular**”), clarified that the resolutions passed under section 293 of Companies Act 1956 with reference to Borrowings and/or creation of security on the assets of the company prior to 12th September, 2013 (“**Notified Date**”) will be valid for a period of one year from the said Notified Date. Therefore to comply with the Circular your Board proposes the resolutions under Section 180 (1) (a) and 180 (1) (c).

The resolutions contained in item no. 1 & 2 of the accompanying Notice, accordingly, seek members' approval for increasing the borrowing limits and disposal of the Company's undertaking(s) by creation of mortgage / charge etc. thereon and for authorizing the Board of Directors (including a Committee thereof authorized for the purpose) of the Company to complete all the formalities in connection with the increase in the borrowing limits and creating charge on Company's properties, respectively.

None of the Directors or key managerial personnel of the Company or their relatives is / are, in any way concerned or interested in the proposed resolutions.

The Board commends these resolutions as set out in the Notice for your approval as Special Resolutions by way of Postal Ballot.

By Order of the Board
FOR MORARJEE TEXTILES LIMITED

Registered Office:

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Mathuradas Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai:- 400013

R. K. Rewari
CEO & Executive Director