



**ANNUAL REPORT & ACCOUNTS
2010 - 2011**

THE BOMBAY DYEING
AND MANUFACTURING COMPANY LIMITED

ESTABLISHED 1879



DIRECTORS

Nusli N. Wadia, *Chairman*
Keshub Mahindra
R. N. Tata
R. A. Shah
Dr. H. N. Sethna (*Expired on 5.9.2010*)
S. S. Kelkar
S. Ragothaman
A. K. Hirjee
S. M. Palia
Ms. Vinita Bali
Ishaat Hussain
Jeh N. Wadia, *Non-Executive Director upto 31.3.2011;*
Managing Director w.e.f. 1.4.2011
Ness N. Wadia, *Jt. Managing Director upto 31.3.2011;*
Non-Executive Director w.e.f. 1.4.2011
Durgesh Mehta, *Jt. Managing Director & CFO*

COMPANY SECRETARY

J. C. Bham

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CEO/COOs/VICE-PRESIDENTS

Debashis Poddar, *Chief Executive Officer (Textiles)*
Dr. S. C. Basu, *Chief Operating Officer (PSF)*
S. Rajappa, *Chief Operating Officer (Textiles)*
R. Chandrasekharan, *Vice-President (Corporate Group)*
S. Dasmahapatra, *Vice-President – Corporate HR*
K. Khona, *Vice-President – Finance (Corporate Group)*
A. Bhawsingka, *Vice-President – Domestic Retail Business (Textiles)*
Bhagaban Kar, *Vice-President – Manufacturing (PSF)*
R. K. Gupta, *Vice-President – Marketing (PSF)*
J. P. Rathi, *Vice-President – Commercial (PSF)*
Garry Marshall, *Vice-President – Design (Real Estate)*
Ching Pin Tan, *Vice-President – Projects (Real Estate)*
Chandresh Makhija, *Vice-President –Business Development (Land) (Real Estate)*

BANKERS

State Bank of India
 Axis Bank Ltd.
 IDBI Ltd.
 State Bank of Hyderabad
 State Bank of Patiala
 Bank of India

ADVOCATES & SOLICITORS

Messrs. Crawford Bayley & Co.
 Messrs. Desai & Diwanji
 Messrs. Mulla & Mulla and Craigie Blunt & Caroe
 Messrs. Karanjawala & Co.
 Messrs. Solomon & Co.

AUDITORS

Messrs. Kalyaniwalla & Mistry

REGISTERED OFFICE

Neville House, J. N. Heredia Marg,
 Ballard Estate, Mumbai-400 001.

ADMINISTRATIVE OFFICE

C-1, Wadia International Centre, Pandurang Budhkar Marg,
 Worli, Mumbai-400 025.

REGISTRAR & TRANSFER AGENT

Sharepro Services (India) Pvt. Ltd., Unit: Bombay Dyeing

13AB, Samhita Warehousing Complex, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072. Tel: 022 – 67720300/67720400 Fax: 022 – 28591568 e-mail: sharepro@shareproservices.com	912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai – 400 021. Tel: 022 – 66134700 Fax: 022 – 22825484
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THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

NOTICE

Notice is hereby given that the 131st Annual General Meeting of the Members of The Bombay Dyeing and Manufacturing Company Limited will be held at the Birla Matushri Sabhagar, 19, Marine Lines, Mumbai – 400 020, on Thursday, 4th August, 2011, at 3.30 p.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Nusli N. Wadia, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. R. N. Tata, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. S. S. Kelkar, who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint a Director in place of Mr. A. K. Hirjee, who retires by rotation and being eligible, offers himself for reappointment.
7. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. Kalyaniwalla & Mistry, Chartered Accountants, Mumbai, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors of the Company.”

Special Business:

8. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:
“RESOLVED THAT Mr. Ness N. Wadia, who was appointed as Additional Director by the Board of Directors of the Company with effect from 1st April, 2011 under section 260 of the Companies Act, 1956 and Article 117 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956 from a Member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”
9. 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 198, 269, 309, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to Articles 145 and 146 of the Articles of Association of the Company and subject to the approval of the Central Government, if and to the extent necessary, and such other approvals, permissions and sanctions as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities in granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the appointment of Mr. Jeh N. Wadia as Managing Director of the Company for a period of 5 years with effect from 1st April, 2011 on such terms and conditions as the Board may consider appropriate.

RESOLVED FURTHER THAT the payment of remuneration to Mr. Jeh N. Wadia may be on such terms and conditions as approved by the Remuneration/Compensation Committee and by the Board of Directors at their respective Meetings held on 29th March, 2011 and as set out in the Explanatory Statement under Section 173(2) of the Act annexed to the Notice convening the 131st Annual General Meeting and in the Agreement to be entered into between the Company and Mr. Jeh N. Wadia, a draft whereof duly initialed by the Chairman for purposes of identification is submitted to this Meeting, which Agreement is hereby specifically sanctioned with liberty and power to the Board of Directors (hereinafter referred to as “the Board”, which expression shall also include the Remuneration/Compensation Committee of the Board), in the exercise of its discretion, to fix and to revise from time to time the actual remuneration of Mr. Jeh N. Wadia within the ceilings stipulated in the Agreement and to alter/vary/modify/amend from time to time the terms and conditions of the said appointment and remuneration and/or Agreement in such manner as may be agreed to between the Board and Mr. Jeh N. Wadia, provided that such alteration/variation/modification/amendment is in conformity with the applicable provisions of the Act as amended from time to time.

RESOLVED FURTHER THAT where in any financial year comprised in the period of 3 years with effect from 1st April, 2011, during the currency of tenure of Mr. Jeh N. Wadia as Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay Mr. Jeh N. Wadia remuneration as determined from time to time by the Board pursuant to the authority vested in them in terms of this Resolution, subject to compliance with the applicable provisions of Schedule XIII to the Act, with the approval of the Central Government if and to the extent necessary AND THAT such remuneration shall be treated as the minimum remuneration payable to Mr. Jeh N. Wadia in the absence or inadequacy of profits, in accordance with the provisions of Sections 198(4), 309(3), 311, Schedule XIII and other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force).

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary and desirable to give effect to this Resolution”.



Notes:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (b) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, which sets out details relating to the Special Business, is annexed hereto as **Annexure I**.
- (c) As required in terms of paragraph IV(G)(i) of Clause 49 of the Listing Agreement, the details of the directors seeking appointment/re-appointment at the Meeting are given in detail in the **Annexure II**, is annexed hereto.
- (d) The Register of Members and the Share Transfer Books of the Company will be closed from Wednesday, 27th July, 2011 to Thursday, 4th August, 2011, both days inclusive.
- (e) The dividend as recommended by the Board of Directors, if approved by the members at the 131st Annual General Meeting, shall be paid on Friday, 5th August, 2011 to those members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers lodged with the Registrar & Share Transfer Agents of the Company on or before 26th July, 2011 in respect of shares held in physical form. In respect of shares held in electronic form, the dividend for the year ended 31st March, 2011 will be paid on Friday, 5th August, 2011 to the beneficial owners of shares as at the closing hours of 26th July, 2011 as per details furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for this purpose.
- (f) Members are requested to notify immediately any change of address:
- to their Depository Participants (DPs) in respect of their electronic share accounts, and
 - to the Company's Registrar & Share Transfer Agents, M/s Sharepro Services (India) Pvt. Ltd. (R&TA), at 13AB, Samhita Warehousing Complex, Saki Naka Telephone Exchange Lane, Off Andheri Kurla Road, Saki Naka, Andheri (E), Mumbai 400 072 or at 912 Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021, in respect of their physical share folios, if any, quoting their folio numbers.
- (g) In view of the circular issued by SEBI, the Electronic Clearing Services (ECS/NECS) facility should mandatorily be used by the companies for the distribution of dividend to its members. In order to avail the facility of ECS/NECS, members holding shares in physical form are requested to provide bank account details to the Company or its Registrar and Share Transfer Agents.
- (h) Pursuant to the provisions of Section 205A of the Companies Act, 1956, dividends for the financial year ended 31st March, 2004 and thereafter, which remain unpaid or unclaimed for a period of 7 years from the respective dates of transfer to the unpaid dividend account of the Company are due for transfer to the Investor Education & Protection Fund (IEPF) on the dates given in the table below:

Financial Year	Date of Declaration of Dividend	Last date for claiming unpaid dividend	Due date for transfer to IEPF
2003-2004	23.07.2004	22.07.2011	26.09.2011
2004-2005	29.07.2005	28.07.2012	04.10.2012
2005-2006	27.07.2006	26.07.2013	02.10.2013
2006-2007	25.07.2007	24.07.2014	28.09.2014
2007-2008	02.09.2008	01.09.2015	04.11.2015
2008-2009	28.08.2009	27.08.2016	03.11.2016
2009-2010	11.08.2010	10.08.2017	17.10.2017

Members who have so far not encashed the Dividend Warrants for the above years are advised to submit their claim to the Company's R&TA at either of the aforesaid addresses immediately quoting their folio number/DP ID & Client ID. It may be noted that once the unclaimed dividend is transferred to IEPF as aforesaid, no claim shall lie in respect of such amount by the members.

- (i) Members holding shares in physical form may avail themselves of the facility of nomination in terms of Section 109A of the Companies Act, 1956 by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's Office at C-1, Wadia International Centre (Bombay Dyeing), Pandurang Budhkar Marg, Worli, Mumbai – 400025 or from its R&TA at either of the aforesaid addresses.
- (j) As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send official documents through electronic mode.

In the spirit of the above circulars and as part of the Company's Green Initiative, we henceforth propose to send documents like Notice convening the general meetings, Financial Statements, Directors' Report, etc to the e-mail address provided by the members.

We therefore appeal to the members to be a part of the said 'Green Initiative' and request the members to register their name in getting the said documents in electronic mode by sending an email giving their Registered Folio Number and/or DP Id/Client ID to the dedicated email address at bombaydyeing@shareproservices.com or login at the R&TA's website <http://www.shareproservices.com> and register their request.

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- (k) Members intending to require information about the Financial Accounts, to be explained at the Meeting are requested to inform the Company at least a week in advance of their intention to do so, so that the papers relating thereto may be made, available, if the Chairman permits such information to be furnished.
- (l) Members/proxies should bring the attendance slip duly filled in for attending the Meeting.
- (m) Members are requested to bring their copy of the Annual Report to the meeting.

By Order of the Board of Directors,
For THE BOMBAY DYEING & MFG. CO. LTD.

J. C. BHAM
Company Secretary

Mumbai, 24th May, 2011.

Registered Office:

Neville House, J. N. Heredia Marg,
Ballard Estate, Mumbai 400 001
Phone: 66620000

ANNEXURE I

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item 8

Mr. Ness N. Wadia was re-appointed as Joint Managing Director (JMD) of the Company for a period of 5 years from 1st June, 2009. He stepped down as JMD with effect from 31st March, 2011. It was mutually agreed between the Company and Mr. Ness N. Wadia to foreclose the Agreement dated 8th September, 2009 made between the Company and him in connection with his appointment as JMD.

The Board, subject to the approval of the shareholders, appointed him as an Additional Director w.e.f. 1st April, 2011, in terms of Section 260 of the Companies Act, 1956 ("the Act") and Article 117 of the Company's Articles of Association and holds office upto the date of this Annual General Meeting.

Mr. Ness N. Wadia has been with the Company for over 17 years including about 5 years as Deputy Managing Director and about 5 years as the Joint Managing Director. He has wide experience in connection with the business of the Company in various capacities.

He is the Chairman of National Peroxide Ltd. and Managing Director of The Bombay Burmah Trading Corporation Ltd. He is also on the Board of Britannia Industries Ltd., Go Airlines (India) Limited, Go Investment & Trading Pvt. Ltd., Gherzi Eastern Ltd. and other Wadia Group companies. In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose Mr. Ness N. Wadia as a candidate for the office of Director of the Company.

Mr. Ness N. Wadia holds 13,500 shares in the Company.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors, except Mr. Ness N. Wadia, and Mr. Nusli N. Wadia (Chairman) and Mr. Jeh N. Wadia (Managing Director) being relatives (as defined under Section 6 of the Act) of Mr. Ness N. Wadia, are concerned with or interested in this Resolution.

Item 9

Mr. Jeh N. Wadia (hereinafter referred to as "Mr. Wadia") was appointed as a Director of the Company from 1st June, 2010. Mr. Wadia was appointed as the Managing Director (MD) of the Company by the Board for a period of 5 years with effect from 1st April, 2011. The terms and conditions of the appointment of Mr. Wadia as MD are embodied in the Agreement to be entered into between the Company and Mr. Wadia. The aforesaid appointment and remuneration payable to him are subject to the approval of the members and of the Central Government, if and to the extent necessary.

Mr. Wadia is Master in Science from the Warwick University in Coventry, UK. He is the Co-author of the restructuring of the Wadia Group. The restructuring involved looking at new financial and strategic investments for the group. The investments concluded ranged from a Venture Fund for technology companies to Ports, Clinical research, Education, Real Estate and Aviation. At Present he is Managing Director of Bombay Dyeing (a 130 Year old Real Estate, Polyester and Retail Company) and Go Airlines (a low cost Airline in India). He also sits on the Boards of Britannia and Bombay Burmah. The World Economic Forum elected him as a Young Global Leader in the year 2008.

Mr. Wadia is a part of the Senior Management responsible for the operations and affairs of the Company. Taking into consideration his qualification and expertise in relevant fields, he is suited for the responsibilities assigned to him by the Board of Directors.

The material terms of his appointment contained in the draft Agreement proposed to be entered into by the Company with Mr. Wadia are summarized below:

1. Mr. Wadia will serve the Company as Managing Director for a term of 5 years with effect from 1st April, 2011.
2. Mr. Wadia shall carry out such functions, exercise such powers and perform such duties as the Board shall, from time to time, in their absolute discretion determine and entrust to him.



3. Mr. Wadia shall devote his whole time and attention to the business of the Company, exert his best endeavours to promote its interests and welfare and attend his place of employment at all proper times.
4. (i) Mr. Wadia shall undertake such travelling in and outside India as may be necessary in the interest of the Company's business or as may from time to time be required or directed by the Board in connection with or in relation to the business of the Company.
(ii) Mr. Wadia shall be entitled to reimbursement of all expenses including travelling, entertainment/business promotion and other out-of-pocket expenses incurred by him in connection with or in relation to the business of the Company.
5. In consideration of the performance of his duties, Mr. Wadia shall be paid the following remuneration:
Basic Salary upto a maximum of Rs. 35,00,000/- per month.
Benefits, perquisites and allowances including housing as may be determined by the Remuneration/Compensation Committee or the Board of Directors from time to time, or as may be applicable in accordance with the rules and policies of the Company, upto a maximum of Rs. 17,50,000/- per month.
Reimbursement of actual medical expenses incurred on self and family (wife and children).
Bonus as may be determined by the Remuneration/Compensation Committee or the Board of Directors, based on performance criteria.
Contribution to Provident Fund, Superannuation Fund and Gratuity Fund as per the Rules of the Company.
Entitled to leave in accordance with the rules of the Company. Privilege leave earned but not availed by Mr. Wadia would be encashable in accordance with the Rules of the Company.
For the purpose of computing the ceilings, wherever applicable, perquisites would be valued as per the Income Tax Rules, 1962, wherever applicable, and provision for use of car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in such computation.
The aggregate of the remuneration shall be within the maximum limits as laid down under Sections 198, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956 ("the Act"), as amended from time to time and shall be subject to the approval of the Central Government, if and to the extent necessary.
The Remuneration/Compensation Committee or the Board of Directors may, at its discretion, fix the actual remuneration of Mr. Wadia and revise the same from time to time, within the maximum limits specified hereinabove.
Where in any financial year comprised in the period of 3 years with effect from 1st April, 2011, during the currency of tenure of Mr. Wadia the Company has no profits or its profits are inadequate, the Company shall pay Mr. Wadia remuneration as determined from time to time by the Remuneration Committee or the Board of Directors pursuant to the authority vested in them, subject to compliance with the applicable provisions of Schedule XIII to the Act, with the approval of the Central Government if and to the extent necessary AND THAT such remuneration shall be treated as the minimum remuneration payable to Mr. Wadia in the absence or inadequacy of profits, in accordance with the provisions of Sections 198(4), 309(3), 311, Schedule XIII and other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force).
6. The rules and policies of the Company which are applicable to other senior executives of the Company shall also apply to Mr. Wadia.
7. Mr. Wadia shall not be paid any sitting fees for attending Meetings of the Board or of any Committee thereof.
8. Mr. Wadia shall not, as long as he functions as MD of the Company, become interested or otherwise concerned directly or indirectly in any contract with the Company as contemplated under sub-section (1) of Section 297 of the Act without the prior approval of the Central Government.
9. Mr. Wadia shall not, except in the proper course of his duties during the continuance of his employment with the Company or any time thereafter divulge or disclose to any persons whomsoever or make use whatsoever for his own purpose or for any purpose of any information or knowledge obtained by him during his employment as to the business and/or affairs of the Company and/or trade secrets or secret processes of the Company.
10. Mr. Wadia shall not in the event of his ceasing to be MD of the Company before the expiry of the term of 5 years, for the remainder of such period:
 - (a) either alone or jointly with or as an employee of any person, firm or company, directly or indirectly, carry on or engage in any activities or business which shall be in competition with the business of the Company; and
 - (b) in connection with carrying on any business similar to or in competition with the business of the Company on his behalf or on behalf of any person, firm or company, directly or indirectly:
 - (i) seek to procure orders or do business with any person, firm or company, who has at any time during the two years, immediately preceding such cessation of employment, done business with the Company; or
 - (ii) endeavour to entice away from the Company any person who has at any time during the two years immediately preceding such cessation of employment, done business with, or engaged by, the Company. Provided that nothing in this clause shall prohibit seeking or procuring of orders or doing of business not related or similar to the business/businesses of the Company.
11. The employment of Mr. Wadia shall forthwith determine if he becomes insolvent or cease to be a Director of the Company. He shall cease to be a Director if the Agreement is terminated and he ceases to be employed as MD.

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12. If Mr. Wadia be guilty of any misconduct or any breach of the Agreement which in the opinion of the Board may render his retirement from the office of MD desirable, the Company may by not less than 30 days notice in writing to him determine the Agreement and he shall cease to be MD of the Company upon the expiration of such notice.
13. Either party shall be entitled to terminate the Agreement by giving not less than six calendar months' prior notice in writing in that behalf to the other party; provided that the Company shall be entitled to terminate Mr. Wadia's employment at any time by payment to him of six months' basic salary in lieu of such notice.
14. If Mr. Wadia ceases to be MD of the Company, he shall be deemed to have resigned from the office of Director as and from the date of such cessation.

The Board will have the authority to vary/modify/amend any of the aforesaid terms and conditions provided such variation/modification/amendment is in conformity with the applicable provisions of the Act as amended from time to time.

The Directors consider the aforesaid remuneration commensurate with the duties and responsibilities of Mr. Wadia.

Approval of the members is being sought by way of special resolution for payment of minimum remuneration in excess of the ceiling specified in sub-paragraph (C) of paragraph (1) of Section II of Part II of Schedule XIII to the Act for a period of 3 years with effect from 1st April, 2011, and necessary application will be made, if required, to the Central Government for approval of such payment.

The draft Agreement to be entered into by the Company with Mr. Wadia is available for inspection by the members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting.

Mr. Jeh N. Wadia is concerned or interested in the Resolution at Item 9 as it relates to his appointment and remuneration.

This may also be treated as an abstract of the terms of the Agreement between the Company and Mr. Jeh N. Wadia, when executed, and memorandum of interest pursuant to Section 302 of the Act.

Mr. Jeh N. Wadia being Managing Director would not be liable to retire by rotation in terms of the Articles of Association of the Company.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors, except Mr. Jeh N. Wadia, and Mr. Nusli N. Wadia (Chairman) and Mr. Ness N. Wadia being relatives (as defined under Section 6 of the Act) of Mr. Jeh N. Wadia, are concerned with or interested in this Resolution.

Additional information in terms of sub-clause (iv) of the proviso to sub-paragraph (C) of paragraph (1) of Section II of Part II of Schedule XIII to the Act are furnished below:

I. General information:

1. (i) Nature of Industry: While the Company's Textile business relates to Textile industry, its PSF business relates to Chemicals (other than fertilizers) and Real Estate business relates to Real Estate Development.
- (ii) Date or expected date of commencement of commercial production: The Company was incorporated on 23rd August, 1879 and it started commercial production of textile products soon thereafter. The Company has recently set up manufacturing facilities in respect of PSF at Patalganga and for Textiles at Ranjangaon, which commenced commercial production on 1st October, 2007 and 1st January, 2008 respectively.
- (iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
2. Financial performance based on given indicators as per published audited financial results for the year ended March 31, 2011.

Particulars	(Rupees in crores)
Turnover & Other Income	2062.82
Net Profit / (Loss) as per Profit & Loss A/c	21.39
Profit / (Loss) as computed under Section 309(5) read with Section 198	(46.19)
Effective Capital	719.98

3. Export performance and foreign exchange earned for the financial year ended March 31, 2011: The Company's exports were Rs. 285.08 crores while the Company's earnings in foreign exchange were Rs. 294.99 crores for the financial year ended March 31, 2011.

Foreign investments or collaborations, if any: Not applicable.

II. Information about the Incumbents:

(i) Background details:

Mr. Jeh N. Wadia is Master in Science from the Warwick University in Coventry, UK. He is the Co-author of the restructuring of the Wadia Group. The restructuring involved looking at new financial and strategic investments for the group. The investments concluded ranged from a Venture Fund for technology companies to Ports, Clinical research, Education, Real Estate and Aviation. At Present he is Managing Director of Bombay Dyeing (a 130 Year old Real Estate, Polyester and Retail Company) and Go Airlines (a low cost Airline in India). He also sits on the Boards of Britannia and Bombay Burmah. The World Economic Forum elected him as a Young Global Leader in the year 2008.



(ii) **Past remuneration drawn during the financial year 2010-11:**

Not Applicable.

(iii) **Job Profile and suitability:**

Over and above what is mentioned in background details in item II (i) above, Mr. Wadia is a part of the Senior Management responsible for the operations and affairs of the Company. Taking into consideration his qualification and expertise in relevant fields, he is suited for the responsibilities assigned to him by the Board of Directors.

(iv) **Remuneration Proposed:**

Please refer to paragraph 5 of the material terms of appointment summarized above.

(v) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

Taking into consideration the size of the Company, the profile of the incumbent, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level incumbents, in other companies.

(vi) **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:**

Mr. Wadia does not have any other material pecuniary relationship with the Company.

III. Other Information:

A. Reasons for loss or inadequacy of profits:

The Company working was adversely impacted by the slow down in the economy during 2008-09 and as a result it had incurred loss during the said year. However, the Company has turned around and has become profitable once again in the subsequent financial years.

For the financial year 2010-11 the Company earned Profit before Tax of Rs. 26.37 crores and Profit after Tax of Rs. 21.39 crores. However, in accordance with section 309(5) read with section 349 of the Companies Act, 1956, the Company had a carried forward loss of Rs. 132.37 crores as on 31st March, 2010 which has been reduced to Rs. 46.19 crores as on 31st March, 2011.

The Company operates in three businesses:

Textile business:

The financial performance of Textile Division has improved significantly compared to the previous year, eventhough the Division is yet to become profitable. The demand for textile products in domestic market improved significantly despite a sharp rise in the cotton prices which had to be passed on to the consumer. The export market continued to be sluggish due to poor demand in USA and Europe. The operating loss came down from Rs. 38 crores in the previous year to Rs. 22 crores in the current year. The Company continues to focus on cost reduction measures and improve efficiency to turnaround the business.

Polyester business:

The PSF Division recorded significant increase in top line, and registered a turnaround in profit. The demand for PSF rose significantly in the context of high cotton prices, consequent to which price realization improved significantly. The operational profit of PSF business in the current financial year was at Rs.152 crores as against loss of Rs. 66 crores in the previous year.

Real Estate business:

The revenue from Real Estate activity was Rs. 240 crores as compared to Rs. 562 crores in the previous year. The operating profit for the year was Rs. 86 crores as against Rs. 349 crores in the previous year. The market for residential property has been adversely impacted during second half of the year, due to higher interest rates and delays in approvals at various stages faced by the industry in general. However, the Company is confident of a positive response to the proposed residential towers project due to the Company's brand image as well as quality of development and construction.

B. Steps to improve profitability:

On an ongoing basis, the Company continues to take steps for cost reduction and improve the profitability. Following are some of the specific measures taken by it to control costs and improve its competitive position and performance:

- (i) Inventory and receivables levels are being pruned considerably resulting in lesser interest on working capital of textiles division.
- (ii) New products are being launched to expand the market.
- (iii) Cost reduction initiatives have been actioned to reduce conversion and procurement costs.
- (iv) Optimize the capacity utilization of the manufacturing units.
- (v) Switch over from liquid fuel to Natural Gas in the previous year helped to reduce the energy input cost.
- (vi) Organizational restructuring has been undertaken at all levels in all divisions with the objective of reducing costs.

C. Expected increase in productivity and profits in measurable terms:

The aforesaid measures instituted are expected to improve the Company's performance in future years which is evident from the performance of the Company in the previous two financial years.

THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

In the Textile Business, the domestic market is expected to continue to deliver a healthy growth. The Company has plans to upgrade its retail network, bring more consumer relevant products and designs and build upon its brand strength. Simultaneously, the Company will initiate steps to improve its supply chain effectiveness to significantly reduce the cycle time from procurement to sale, strengthen the quality of the products and reduce the conversion cost. These initiatives are expected to positively influence the bottom line of the business.

In the Polyester operations, the opportunity for PSF is driven by its low price as compared to cotton and other substitute fibres. With continuously rising demand for textile products in general, especially from lower income segments, demand for PSF is expected to grow steadily. This would help the Company to achieve higher capacity utilization and contain conversion cost. The Company is focused on expanding its market share both, in domestic as well as international markets and managed better realization through a basket of speciality fibre which offers better margins.

In the Real Estate business the Company proposes to develop its land at Spring Mills in the name 'Island City Centre' (ICC). The Textile Mill at Worli would be developed as 'Wadia International Centre' (WIC). The Realty Division of the Company would operate in the name of 'Bombay Realty' (BR) and launch new projects under the said Brand name.

By Order of the Board of Directors,
For THE BOMBAY DYEING & MFG. CO. LTD.

J. C. BHAM
Company Secretary

Mumbai, 24th May, 2011

Registered Office:

Neville House, J. N. Heredia Marg,
Ballard Estate, Mumbai 400 001.
Phone: 66620000

Annexure II

Details of Directors seeking appointment/re-appointment at the Annual General Meeting:

Name of the Director	Mr. Nusli N. Wadia	Mr. R. N. Tata	Mr. S. S. Kelkar	Mr. A. K. Hirjee
Age	67 years	73 years	72 years	72 years
Date of Appointment on the Board	04.04.1968	01.08.1979	29.08.1994	28.05.2001
Qualifications, Experience & Expertise	<p>Mr. Wadia was inducted on the Company's Board in 1968. In 1970, he was appointed as its Joint Managing Director. Since April, 1977, he has been the Chairman of the Company. Mr. Wadia has contributed actively in the deliberations of various organizations such as the Cotton Textiles Export Promotion Council (TEXPROCIL), Millowners' Association (MOA), Associated Chambers of Commerce & Industry, etc. He is the former Chairman of TEXPROCIL and MOA.</p> <p>Mr. Wadia was appointed on the Prime Minister's Council on Trade & Industry during 1998 to 2004. He was the Convenor of the Special Group Task Force on Food and Agro Industries Management Policy in September, 1998. He was a Member of the Special Subject Group to review regulations and procedures to unshackle Indian Industry and on the Special Subject Group on Disinvestment. He was a member of ICMF from 1984-85 to 1990-91.</p> <p>Mr. Wadia has made a name for himself in public affairs and has been actively associated with leading charitable and educational institutions.</p>	<p>Mr. Tata is a B.Sc. in Architectural and Structural Engineering of Cornell University, U.S.A. He has also completed an Advanced Management Programme at the Graduate School of Business Administration, Harvard University. He has wide and varied experience in business and is the Chairman of several reputed companies in the Tata Group and also Chairman Emeritus of Nelco Limited.</p>	<p>Mr. Kelkar is a Post Graduate in Commerce. He worked in a leading commercial Bank for 10 years and has for the last 39 years been with the Company. He retired as Executive Director (Finance) in 2001 and was appointed as a Non-Executive Director which position he currently holds.</p>	<p>Mr. Hirjee is B.A.(Hons.), LL.B. (Hons.), Barrister-at-Law, SLOAN Fellow of London Business School. He has 46 years of experience in different areas of Business Management and his expertise extends to finance, banking, legal, commercial, industrial and general administration. He has been actively associated with leading Charitable Institutions.</p>



<p>Name of other companies in which he holds directorships*</p>	<p>Gherzi Eastern Ltd., The Bombay Burmah Trading Corporation Limited (Chairman), Britannia Industries Ltd. (Chairman), Tata Steel Ltd., Tata Chemicals Ltd., Tata Motors Ltd., Go Airlines (India) Ltd., Go Investment & Trading Pvt. Ltd. and 7 foreign companies.</p>	<p>Tata Sons Ltd. (Chairman), Tata Industries Ltd. (Chairman), Tata Steel Limited (Chairman), Tata Motors Ltd. (Chairman), Tata Chemicals Ltd. (Chairman), The Indian Hotels Company Ltd. (Chairman), The Tata Power Company Ltd. (Chairman), Tata Global Beverages Ltd. (Chairman), Tata Consultancy Services Ltd. (Chairman), Tata Teleservices Ltd. (Chairman), 2 private companies and 10 foreign companies.</p>	<p>Britannia Industries Ltd., TVS Infrastructure Ltd., Harvard Plantations Ltd., Nowrosjee Wadia & Sons Ltd., Macrofil Investments Ltd., Placid Plantations Ltd., Kotak Mahindra Asset Management Co. Ltd., Naperol Investments Ltd., P. T. Five Star Textile Indonesia (Commissioner), Damascus Investment and Trading Co. Ltd., Kalabakan Investments Co. Ltd., Go Investment & Trading Pvt. Ltd. and 3 foreign companies.</p>	<p>The Bombay Burmah Trading Corporation Limited (Vice – Chairman), Atlas Copco (India) Ltd. (Chairman), Britannia Industries Ltd., HDFC Trustee Co. Ltd. (Chairman), 2 private companies and 8 foreign companies.</p>
<p>Committee Membership*</p>	<p>Remuneration Committee of the Boards of The Bombay Dyeing & Mfg. Co. Ltd., Britannia Industries Ltd., Tata Motors Ltd. (Chairman), Tata Chemicals Ltd. (Chairman); Nominations Committee of the Boards of Britannia Industries Ltd. (Chairman) and Tata Motors Ltd. (Chairman); and Executive Committee of the Board of The Bombay Dyeing & Mfg. Co. Ltd. (Chairman).</p>	<p>Remuneration Committee of the Boards of Tata Sons Ltd., Tata Steel Ltd., Tata Motors Ltd., The Indian Hotels Co. Ltd., Tata Power Co. Ltd., Tata Chemicals Ltd., Tata Consultancy Services Ltd., and Tata Teleservices Ltd.</p>	<p>Share Transfer and Shareholders/ Investors Grievance Committee of the Boards of Britannia Industries Ltd. and The Bombay Dyeing & Mfg. Co. Ltd.; Audit Committee of the Boards of The Bombay Dyeing & Mfg. Co. Ltd., Nowrosjee Wadia & Sons Ltd. and Kotak Mahindra Asset Management Co. Ltd.; Remuneration Committee of the Boards of Kotak Mahindra Asset Management Co. Ltd. (Chairman); Executive Committee and Finance Committee of the Board of The Bombay Dyeing & Mfg. Co. Ltd.; Appointment Committee of Kotak Mahindra Asset Management Co. Ltd. and Member of Millowner's Association.</p>	<p>Audit Committee of the Boards of The Bombay Burmah Trading Corporation Limited, Atlas Copco (India) Ltd. (Chairman), Britannia Industries Ltd., and HDFC Trustee Co. Ltd. (Chairman); Remuneration Committee of the Boards of The Bombay Burmah Trading Corporation Limited, Atlas Copco (India) Ltd. (Chairman) and The Bombay Dyeing & Mfg. Co. Ltd.; Shareholders/Investors Grievance and Ethics & Compliance Committee of the Boards of The Bombay Burmah Trading Corporation Limited, Atlas Copco (India) Ltd. (Chairman), Britannia Industries Ltd. and The Bombay Dyeing & Mfg. Co. Ltd.; and Risk Management Committee (Chairman) and Customer Services Committee of the Board of HDFC Trustee Co. Ltd.</p>
<p>Shareholding in the Company</p>	<p>1,23,350</p>	<p>700</p>	<p>7,340</p>	<p>760</p>

Note: Details in respect of Mr. Ness N. Wadia and Mr. Jeh N. Wadia have been furnished at the appropriate place in the Explanatory Statement annexed to the Notice. These details are not given here so as to avoid repetition.

* Excludes Directorship / Committee Membership in private limited companies, foreign companies and companies incorporated under Section 25 of the Companies Act, 1956. Committee Membership comprises Audit Committee, Remuneration Committee, Executive Committee, Nomination Committee and Shareholders'/Investors' Grievance Committee.

**THE BOMBAY DYEING
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SUMMARISED BALANCE SHEET

	(Rupees in crores)	
	Year ended 31.03.2011	Year ended 31.03.2010
WHAT THE COMPANY OWNED		
FIXED ASSETS		
Gross block.....	1,395.69	1,391.83
Less : Depreciation	<u>292.81</u>	<u>231.26</u>
Net block	1,102.88	1,160.57
INVESTMENTS		
In shares and securities.....	60.19	60.19
OTHER ASSETS		
Excess of "current assets, loans and advances" over "current liabilities and provisions" and deferred revenue expenditure.....	1,202.42	764.70
TOTAL ASSETS	<u>2365.49</u>	<u>1985.46</u>
WHAT THE COMPANY OWED		
Secured and unsecured loans.....	1,237.30	1,775.11
SHAREHOLDERS' FUNDS		
Share capital – paid up.....	40.54	38.61
Share Warrants.....	26.75	-
Reserves.....	<u>1,060.90</u>	<u>171.74</u>
	1,128.19	210.35
TOTAL (CAPITAL EMPLOYED)	<u>2,365.49</u>	<u>1,985.46</u>

SUMMARISED PROFIT AND LOSS ACCOUNT

	(Rupees in crores)	
	Year ended 31.03.2011	Year ended 31.03.2010
WE EARNED FROM		
Sales of our products.....	1,989.12	1,689.22
Interest, dividends & other income	73.70	42.82
	<u>2,062.82</u>	<u>1,732.04</u>
WE PAID OR PROVIDED FOR		
Raw materials etc.....	1,214.69	831.44
Payments to employees	60.02	51.12
Operating expenses	418.90	513.85
Finance charges.....	178.11	207.46
Depreciation	62.08	59.54
Excise duty and taxation.....	107.63	50.21
Dividend & corporate dividend tax.....	16.49	11.26
Retained earnings/ (excess of expenditure over income)	4.90	7.16
	<u>2,062.82</u>	<u>1,732.04</u>

Note: Previous year's figures have been regrouped where necessary.



DIRECTORS' REPORT TO THE MEMBERS

The Directors hereby present their Report on the business and operations of the Company and the financial accounts for the year ended 31st March, 2011.

1. FINANCIAL RESULTS:

	For the Year ended 31st March, 2011 Rupees in Crores	For the Year ended 31st March, 2010 Rupees in Crores
GROSS TURNOVER AND OTHER INCOME	2062.82	1732.04
Profit before Finance Costs, Depreciation and Voluntary Retirement Compensation	266.56	290.59
Finance Costs	178.11	207.46
Profit/(Loss) before Depreciation & Voluntary Retirement Compensation	88.45	83.13
Depreciation	62.08	59.54
Voluntary Retirement Compensation W/O	-	1.40
PROFIT /(LOSS) BEFORE TAX	26.37	22.19
Less: Tax (net)	4.98	3.77
PROFIT/(LOSS) AFTER TAX	21.39	18.42
Add: Balance in Profit and Loss Account of Previous Year	21.66	16.34
SURPLUS AVAILABLE FOR APPROPRIATIONS	43.05	34.76
Appropriations to:		
Dividend	14.19	9.66
Dividend Distribution Tax	2.30	1.60
General Reserve	2.14	1.84
Balance carried to Balance Sheet	24.42	21.66

2. COMPANY RESULTS AND DIVIDEND:

The Company's turnover for the year rose to Rs. 2,063 crores from Rs. 1,732 crores in the previous year, registering a growth of 19%. The Textile Division registered a growth of 36% with a turnover of Rs. 399 crores as compared to Rs. 294 crores in the previous year. Polyester Staple Fibre (PSF) Division registered a turnover of Rs. 1,418 crores compared to Rs. 867 crores in the previous year, a growth of substantial 64%. The revenue from Real Estate Division, however, declined from Rs. 562 crores in the previous year to Rs. 240 crores in the current year.

The Company earned Profit Before Tax of Rs. 26.37 crores compared to Rs. 22.19 crores in the previous year. The Profit After Tax for the current year was Rs. 21.39 crores as against Rs. 18.42 crores in the previous year.

The financial performance of Textile Division has improved significantly compared to the previous year, even though the Division is yet to become profitable. The demand for textile products in domestic market improved significantly despite a sharp rise in the cotton prices which had to be passed on to the consumer. The export market continued to be sluggish due to poor demand in USA and Europe. The PSF Division recorded significant increase in top line, and registered a turnaround to profit. The demand for PSF rose significantly in the context of high cotton prices, consequent to which price realization improved significantly. The Real Estate Division focused on completion of the commercial building at Worli and residential tower at Dadar. The Company also commenced sale in the proposed new residential towers at Dadar.

The financing cost was brought down from Rs. 207 crores to Rs. 178 crores despite a sharp increase in the interest rates due to a significant reduction in the borrowings on account of realization of sale proceeds of the commercial building as well as positive cash flow from the PSF business.

Your Directors recommend a dividend of Rs. 3.50 per share for the year ended 31st March, 2011, to be paid, if declared by the members at the ensuing Annual General Meeting, as compared to dividend of Rs. 2.50 per share paid in the previous year.

3. TEXTILE DIVISION:

The overall turnover grew by 36% from Rs. 294 crores to Rs. 399 crores led by the domestic retail business, which reported a rise of over 47% in turnover. The average realization improved by 16% due to improved mix as also, price increases taken to

offset the impact of sharp rise in raw material prices. The sales meterage grew by 17% on the strength of a wider design offering, introduction of new product range in the popular category and more aggressive institutional sales. Exports continued to be sluggish due to flat markets in USA and Europe.

The operating loss came down from Rs. 38 crores in the previous year to Rs. 22 crores in the current year. The Company continues to focus on cost reduction measures and improve efficiency to turnaround the business.

4. POLYESTER DIVISION:

Turnover for the year rose to Rs. 1,418 crores from Rs. 867 crores in the previous year – an increase of 64%. Sharp rise in the cotton prices particularly during second half of the current year, resulted in a significantly increased demand for PSF, absorbing the excess capacity of the Industry. The price realization also improved significantly supported by global trends. The Company achieved an average capacity utilization of 95% compared to 77% in the previous year. The gross realization per tonne improved substantially from Rs. 69,426/ton to Rs. 91,456/ton.

The Company focused on expanding its market share both, in domestic as well as international markets and managed better realization through a basket of speciality fibre which offered better margins. Further, the conversion cost was brought down through improved efficiency and higher capacity utilization. Consequently, the business delivered an operating profit of Rs. 152 crores compared to an operating loss of Rs. 66 crores in the previous year.

5. REAL ESTATE DIVISION:

The revenue from Real Estate activity was Rs. 240 crores as compared to Rs. 562 crores in the previous year. The operating profit for the year was Rs. 86 crores as against Rs. 349 crores in the previous year.

During the year, the Company has sold space in the proposed new residential towers to be constructed at Spring Mills (now renamed Island City Centre), Dadar.

The construction of commercial building at its Worli site was completed and the same was handed over to Axis Bank Ltd. for occupation during the year. We expect to hand over the apartments in the 'Springs' shortly after receipt of necessary approvals.

The market for residential property has been adversely impacted during second half of the year, due to higher interest rates and

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delays in approvals at various stages faced by the industry in general. However, your Company is confident of a positive response to the proposed residential towers project due to the Company's brand image as well as quality of development and construction.

6. FIXED DEPOSITS:

Your Company has discontinued acceptance of fixed deposits from June 2009. Deposits of Rs. 80.81 crores were outstanding as at 31st March, 2011. No deposits have matured as at 31st March, 2011.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 ("the Act") read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in **Annexure 'A'** to this Report.

8. PREFERENTIAL ISSUE OF WARRANTS TO PROMOTERS:

The Shareholders of the Company had approved on 24th March 2010, through postal ballot, issue of 39,57,000 Warrants to the Promoter(s) / Promoter Group on a preferential basis in accordance with the applicable SEBI Regulations with an option to subscribe equivalent number of shares of Rs.10 each. Out of this, 19,30,000 Warrants were to be exercised before 31st March, 2011 and further 20,27,000 Warrants are to be exercised on or after 1st April, 2011 but not later than 18 months from the date of issue of the Warrants. Perman Project Supports Ltd. (PPSL), a Company in the Promoter Group, subscribed to the entire issue and made the initial payment of 25% of the issue price as required under the SEBI Regulations. PPSL exercised option of conversion of 19,30,000 Warrants into equity shares on 28th March, 2011 and paid Rs.76.40 crores towards the balance amount payable after adjusting the initial payment of 25% of the issue price paid in respect of the said Warrants. The Company has on 29th March, 2011 allotted to PPSL 19,30,000 equity shares of Rs. 10/- each at a premium of Rs. 517.83 per share on exercise of the equivalent number of Warrants.

9. INSURANCE:

All the properties including buildings, plant and machinery and stocks have been adequately insured.

10. DIRECTORS:

Dr. H. N. Sethna who was associated with the Company for over 25 years and had been a member of its Board since 1985, passed away on 5th September, 2010. During his long association with the Company, Dr. Sethna as a Director of the Company and also as a Member of the Audit Committee of the Board made valuable contribution to the deliberations of the Board and the Audit Committee. The Board has placed on record its deep sense of loss on the passing away of Dr. Sethna.

Mr. Ness N. Wadia stepped down as the Joint Managing Director of the Company effective from the close of business hours on 31st March, 2011. Mr. Ness N. Wadia had been with the Company for over 16 years and held various positions including as Deputy Managing Director and Joint Managing Director. In accordance with the Agreement, Mr. Ness N. Wadia, upon ceasing to be the Joint Managing Director of the Company, also ceased to be Director of the Company effective the same date.

The Board recorded its appreciation of the services rendered by Mr. Ness N. Wadia and the significant contribution made by him during his tenure with the Company.

The Board appointed Mr. Ness N. Wadia as an additional Director w.e.f. 1st April, 2011, in accordance with the provisions of Section 260 of the Act and Article 117 of the Company's Articles of Association. Mr. Ness N. Wadia holds office upto the date of the ensuing Annual General Meeting. Notice has been received by the Company from a member under Section 257 of the Act, proposing his appointment as a Director.

The Board of Directors appointed Mr. Jeh N. Wadia as Managing Director with effect from 1st April, 2011 in accordance with the provisions of Section 260 and 269 of the Act and Article 117 of the Company's Articles of Association.

In accordance with the provisions of the Companies Act, 1956

and the Company's Articles of Association Mr. Nusli N. Wadia, Mr. R. N. Tata, Mr. A. K. Hirjee and Mr. S. S. Kelkar retire by rotation and are eligible for re-appointment.

11. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors, based on the representations from the Operating Management, confirm that:

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure;
- (ii) they have, in selection of the accounting policies consulted the statutory auditors and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for 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) they have prepared the Annual Accounts on a going concern basis.

12. CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement a Management Discussion and Analysis Report is given in Annexure 'B' to this Report. A separate report on Corporate Governance and a certificate from the Statutory Auditors of the Company regarding compliance of the conditions of Corporate Governance are annexed to this Report as Annexure 'C'.

13. PARTICULARS OF EMPLOYEES:

The Information required under Section 217(2A) of the Act read with the Rules framed thereunder forms part of this Report. However, as per provision of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to all shareholders excluding the statement of particulars of employees under Section 217(2A) of the Act. Any shareholder interested in obtaining a copy of the statement may write to the Company Secretary at the Company's Registered Office or Administrative Office.

14. AUDITORS:

Messrs. Kalyaniwalla & Mistry, Chartered Accountants, who are the Statutory Auditors of the Company, hold office upto the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. As required under the proviso to Section 224(1) of the Act, the Company has obtained written confirmation from Messrs. Kalyaniwalla & Mistry that their appointment, if made, would be in conformity with the limits specified in Section 224(1B) of the Act.

The Central Government vide its letters dated 28th May, 2010 and 31st January, 2011 respectively accorded its approval to the appointment of Messrs. N. I. Mehta & Company, as the Cost Auditors for auditing the cost accounts relating to Textiles and Polyester respectively for the financial year 2010-11. The due date for submission of the cost audit report for the financial year 2009-10 was 27th September, 2010 and the actual date of submission of the report was 23rd September, 2010.

15. APPRECIATION:

The Directors express their appreciation to all the employees at various divisions for their diligence and contribution. The Directors record their appreciation for the support and co-operation received from the franchisees, dealers, agents, suppliers, bankers and all other stakeholders. Last but not the least the Directors wish to thank the shareholders for their continued support.

On behalf of the Board of Directors

NUSLI N.WADIA
CHAIRMAN

Mumbai, 24th May, 2011.



ANNEXURE 'A' TO THE DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2011.

A. CONSERVATION OF ENERGY :

(a) Energy Conservation Measures taken

Some of the measures your Company had undertaken/continued to implement during the year under report in the high priority area of energy conservation are given below:

Textile operations

- Maintaining power factor near unity.
- Recycling good usable water.
- Installing coal fire boiler and thermopac.
- Fitting machines with energy efficient-I motors.
- Providing galvanized-aluminium sheets having transparent interjection at Ranjangaon facility for natural lighting during day.
- Replacement of conventional light fittings with energy saving Compact Fluorescent Lamps (CFL).
- Monitoring instruments have been installed in major energy consuming machines.
- Creating awareness in the employees for energy saving.

PSF operations

- Change over from liquid fuel to Gaseous fuel (RLNG) giving about 2% efficiency increase.
- Operation of Single HTF heater established.
- Use of VFD for virgin EG transfer pump.
- Use of Screw pump for SMEG injection service.
- Replacement of liquid Dow pump B by one of lower capacity.
- Revamping and modification of Annealer's steam/condensate system hardware giving steam saving and condensate recovery improvement by 20%.
- Systematic schedule for cleaning of condensers of refrigeration Chillers.
- Improved production volume and above measures at PSF plant resulted in a reduction of overall specific energy consumption by about 10%.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy

Textile operations

Insulation of Thermopac internal oil lines and furnace.

(c) Impact of measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods.

Continuously monitoring the energy consumed at processing plant at Ranjangaon enabled the Company to set benchmarks for different machines which resulted in significant benefits in terms of lower cost of energy and other utilities.

(d) Total Energy Consumption and Energy Consumption per unit of production in prescribed Form A.

As per 'Form A' attached.

B. TECHNOLOGY ABSORPTION :

Research and Development (R & D)

1. Specific areas in which R & D carried out by the Company

- New Product Development comprising latest range of new collections (Anti fungal, Aromatic Vitamin-enriched Bed linen) based on green concepts, technological advancements, self discovery and celebration of life with a youthful attitude.
- New Design Development modernizing its State of Art design studio with high end work-stations, CAD software for design creations and 3-D product presentation with innovative cutting edge technology facilitating world class designs and products.
- Process optimization/ Recipe modification/ introduction of new dyes and chemicals for 'cost economy'.
- Process standardization for consistent quality, meeting customer requirements.

2. Benefits derived as a result of the above R & D

- Improvement in product marketability and business viability through consistent quality, lower cost and newer products.
- Meeting customer needs and in turn increased customer satisfaction.
- Better design development providing a variety of product range, targeting various market segments, better marketability and saleability.

3. Future plan of action

- Setting up of dedicated product development team for Textiles.
- Process re-engineering projects initiated to experiment with modified process parameters and thereby reduce cost.
- Explore possibilities of modifications in printing machines to print additional designs.

4. Expenditure on R & D

- Expenditure on R & D during the year under report : Rs. Nil (previous year Rs.Nil)

THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief, made towards technology absorption, adaptation and Innovation:

- Establishment of single stage process for polyester cotton qualities instead of two stage process earlier done for export and industrial market thereby reducing chemical and utility costs.
- Replacement of optical brightening agent with an economical product.
- Replacement of optical brightening agent for interlining qualities and reduction of the whiteness requirement by using less chemicals than required for achieving maximum possible whiteness in order to reduce the overall processing cost.
- Development of high value satin sheeting, printed with reactive colors.
- Development of special finishes for RDS and export markets.
- Development of new finishes on fine cotton qualities for the industrial market.
- Standardisation of process route for lungi qualities in order to get the required penetration on the back side of the fabric.
- Establishment of a more economical package for bleaching on continuous bleaching range by replacement of the earlier one used.
- Reduction of finishing cost by replacement of products with economical substitutes.
- Process standardization for consistent quality and increased occupancy.
- Commissioning machinery for converting waste to saleable fibre.
- 'OEKO TEX' Certification.

2. Benefits derived as a result of the above efforts:

- Cost reduction arising from process/recipe modification in various operations.
- Quality consistency due to process standardization/optimization.
- Newer finishes/products.
- Product improvement.
- Improved customer base and satisfaction.
- Access to the EU market with certified eco-friendly products.

3. Information regarding technology imported during the last 5 years:

- Technology imported – Invista Performance Technologies, U.S.A. for PSF manufacture with PTA feedstock.
- Year of import – 2006.
- Has technology been fully absorbed – Yes.
- If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action – Not Applicable.

4. Foreign Exchange Earnings And Outgo:

(i) Activities relating to exports, initiatives taken to increase exports, development of export markets for products and services and export plans:

PSF export market expanded but the margins continued to remain under pressure. Textile exports were adversely impacted by intense competition coupled with low demand in the western markets. New export team in Textile division is working on to expand the customer base and also to revive the old customers. The appreciation of Rupee also added to our price competitiveness.

(ii) Total foreign exchange used and earned:

	Rs. in crores
Total foreign exchange used	702.85
Total foreign exchange earnings	294.99

On behalf of the Board of Directors

NUSLI N. WADIA
Chairman

Mumbai: 24th May, 2011.



FORM 'A'

Form for disclosure of particulars with respect to conservation of energy

	Production Unit	Current Year	Previous Year
A. POWER AND FUEL CONSUMPTION			
1 Electricity			
(a) Purchased			
Unit (KWH in lacs)		699.54	651.19
Total Amount (Rupees in crores)		39.64	34.34
Rate/Unit (Rupees)		5.67	5.27
(b) Own Generation (Through Diesel Generator)			
Unit (KWH in lacs)		0.35	0.13
Units per Ltr. of Diesel		3.65	1.83
Cost/Unit (Rupees)		11.50	19.67
2 Furnace Oil/L.S.H.S.			
Quantity (in M. Tons)		91.09	2846.37
Total Cost (Rupees in crores)		0.27	7.37
Average Rate (in Rupees per M.T.)		29,433.00	25,894.00
3 RLN GAS			
Quantity in (MMBTU)		908761.00	448913.00
Total Cost (Rupees in crores)		34.66	33.72
Average Rate (in Rupees per MMBTU)		381.40	433.00
4 Coal			
Quantity (in M. Tons)		20489.00	9380.00
Total Cost (Rupees in crores)		9.14	3.93
Average Rate (in Rupees per M.T.)		4,460.00	4,188.00
B. CONSUMPTION PER UNIT OF PRODUCTION			
1 Electricity (KWH)			
Cloth	1000 Mtrs	372.13	376.13
Yarn	100 Kgs	–	–
PSF	M.T.	356.00	414.00
2 Furnace Oil/L.S.H.S.(M.T.)			
Cloth	1000 Mtrs	0.003	0.121
3 RLN GAS			
PSF	MMBTU	5.776	6.134
4 Coal (M.T.)			
Cloth	1000 Mtrs	0.729	0.386

THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

ANNEXURE 'B' TO THE DIRECTORS' REPORT MANAGEMENT DISCUSSION AND ANALYSIS

TEXTILE BUSINESS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Country earns about 27% of its foreign exchange through textile export. Considering the slow global economic recovery so far, there is a need to improve competitiveness of the sector in the global market. Measures such as extension of 10% tax exemption on export earnings and export incentive scheme which neutralizes indirect tax cost, enable industry to face global competition.

The domestic market is facing impact of severe increase in the raw material prices especially cotton, which rose over 100% during last year. As the margins in this Industry are quite modest, the manufacturers had no option but to pass on this rise to the consumers. These pressure are expected to ease with the forecast of a normal monsoon and expected increase in cotton acreage and crop.

The Government recently revealed that the textile sector is expected to grow threefold to become a \$220-billion industry by 2020. In line, the industry expects a special fiscal stimulus package, including substantial increase in budgetary allocation to achieve the growth targets.

OPPORTUNITIES AND THREATS

The slowdown in the economies like USA and Europe is expected to end over next few quarters, due to several initiatives taken by the respective Governments. Consequently, the demand is expected to pick up. Your Company is focusing on a long term sustainable profitable business model, and expects positive growth in the coming years. This would also enable us to improve capacity utilization at our state of the art Processing Plant at Ranjangaon. At the same time, strong competition from China and Pakistan as also, other Indian manufacturers will continue to pose challenge for the Company.

The domestic market for our priority categories i.e. bed and bath linen continue to witness healthy growth. Increased disposable income, especially among the middle class, will fuel this. Your Company enjoys a high degree of respect and trust of the consumers, as evidenced in the survey by Business World magazine (published in their issue of February'11) where we were ranked No.2 in the entire Textiles and Apparels category. The Company is tapping its extensive retail network to reach out to increasing number of consumers. We have the widest range of designs and price points from Rs. 500 to Rs.10,000 for bed linen to cater to consumers in every segment. The growing market and opportunities to leverage our brand as well as distribution network represents opportunity for the Company in the domestic market.

However, the consumer demand could get impacted due to severe inflationary pressure as our products form a part of discretionary spend basket. The prices will be further affected by compulsory levy of excise duty, which is bound to hurt the consumers' pocket, and may impact the demand. Cheap imports, particularly from China by the trade, poses additional threat for the domestic players including your Company.

OUTLOOK

Assuming the inflation is brought under control and input prices revert to a more modest level, the domestic market is expected to continue to deliver a healthy growth. The Company has plans to upgrade its retail network, bring more consumer relevant products and designs and build upon its brand strength. Simultaneously, we will initiate steps to improve our supply chain effectiveness to significantly reduce the cycle time from procurement to sale, strengthen the quality of the products and reduce the conversion cost. These initiatives are expected to positively influence the bottom line of the business.

RISKS AND CONCERNS

Continuing economic prosperity and GDP growth is crucial for the growth of our business. Any impact on growth arising from anti inflationary measures by the Government such as further increase in interest rates could impact the business prospects for your Company. Another key risk is possible dumping by countries like China and Pakistan.

In the international market, cost competitiveness is crucial. Any adverse policy measures could impact the Company's exports performance. A stronger Rupee could also erode our realization as well as margins.

POLYESTER BUSINESS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Polyester Staple Fibre (PSF) is produced from two major petrochemical inputs, and used as a substitute for cotton to manufacture yarn. There are three major producers of PSF in the country. While the market leader is fully integrated, both, backward and forward, the other two players including your Company are standalone PSF manufacturers.

Internationally, over 60% of the global PSF capacity is located in China, which has a dominant influence on the industry economics.

The market for PSF sharply rose during the year 2010-11, especially in second half of the year when cotton prices started rising rapidly. Consequently, several spinners shifted from cotton to either polyester or polyester blended yarn. The industry capacity utilization in percentage terms moved up from mid 70s to 90s during this period.

The global demand for PSF also grew sharply due to high international cotton prices, as a result of failure of cotton crop in China and Pakistan.

OPPORTUNITIES AND THREATS

The opportunity for PSF is driven by its low price as compared to cotton and other substitute fibres. With continuously rising demand for textile products in general, especially from lower income segments, demand for PSF is expected to grow steadily. This would help your Company to achieve higher capacity utilization and contain conversion cost.

However, if the cotton prices were to revert to the earlier levels on one hand and crude oil prices were to remain high at the current levels or even escalate further, the Industry would face severe cost pressures, thereby eroding margin significantly. The improved availability of cotton globally at reasonable prices could also result in demand for PSF being adversely impacted with customers reverting back to cotton fibre. This poses challenge for the Industry as well as your Company.

OUTLOOK

While during the second half of 2010-11, your Company earned an operating profit of Rs.143 crores on a turnover of Rs. 878 crores, this may not be sustainable in long term. However, with improved demand and higher capacity utilization, we expect the business to remain profitable. This will further be aided by your Company's focus on innovative product mix and measures for cost reduction.

RISKS AND CONCERNS

The demand and prices of PSF are linked to availability and prices of cotton and any significant change in the size of cotton crop in India as also globally could impact the demand for the product. Wide fluctuation in crude oil prices and the resultant changes in the prices of PTA and MEG as well as exchange rate will affect prices of raw materials and consequently the margins of the business.

REAL ESTATE BUSINESS

INDUSTRY STRUCTURE AND DEVELOPMENTS

After a sharp rise in the demand as well as in prices witnessed last year, the residential property prices remained stagnant during past six months.



At higher prices, the demand appears to be modest especially in Central Mumbai where your Company's land parcels are located. Significant rise in interest rate on home loans has further impacted the demand.

Commercial space demand for both, sale and lease continues to be sluggish and the prices in these segments have remained weak.

The media reported several controversies involving some Builders and Developers, as a result of which the authorities have become far more stricter in the approval process for Real Estate Projects. This has resulted in a longer period of scrutiny and approvals and slowed down both, the construction as well as the marketing processes.

OPPORTUNITIES AND THREATS

The scarcity of land in the City and increasing congestion on road as well as pressure on infrastructure will lead to higher demand for residential accommodation especially in Central Mumbai which is equidistant from the commercial hubs of South Mumbai and Bandra-Kurla Complex in North Mumbai. In addition, the Central Mumbai itself is also developing into a commercial hub.

The Company proposes to develop its land at Spring Mills in the name 'Island City Centre' (ICC). The Textiles Mills at Worli would be developed as 'Wadia International Centre' (WIC). The Realty Division of the Company would operate in the name of 'Bombay Realty' (BR) and launch new projects under the said Brand name.

There are limited numbers of land parcels of reasonable plot size and your Company owns two of the largest sites in Central Mumbai. Your Company proposes a mixed use development strategy to provide residential and commercial towers with life style facilities like school, shopping malls, multiplex, cafeteria, five star hotel, recreational center, etc. at the same location which will provide a significant premium for these developments. Coupled with your Company's brand, we expect to leverage these lands for a superior profitable business proposition.

However, a large number of new Projects are coming in the vicinity which will cater to the same luxury segment. This could put pressure in terms of excess supply and result in slower pace of sale and consequent realization of the opportunity.

The delay in approval process of the Projects by the appropriate authorities would also along the development of the Company's land assets.

OUTLOOK

The Company envisages stable to rising prices for our offering because of the unique business proposition that we are in a position to offer. [The Company would adopt practice of Green building construction which are more environment friendly. Your company would make use of sustainable material, environmental resources and providing green amenities to ensure eco-friendly approach]. We would be judicious in the pace of sale of space to avoid adverse impact of any short term reaction in the market. Further, the medium to long term outlook envisages a more modest interest regime which is likely to revive the demand and should enable your Company to deliver a healthy top and bottom line in this business.

RISKS AND CONCERNS

Higher incidence of stamp duty together with levy of Service Tax and VAT on the construction could be deterrent for the demand for high value residences.

The demand growth which is driven by investing community could slow down either due to market sentiment or liquidity squeeze. The long gestation period for Projects could also result in higher overall cost including interest cost.

Several players who have purchased land by borrowing money from the market may be compelled to undertake distress sale at discount to prevailing market price which in turn again would impact margin as well as demand for space at our site.

SEGMENT-WISE PERFORMANCE

Segment wise performance together with discussion on financial performance with reference to operational performance has been dealt within the Directors' Report which should be treated as forming part of this Management Discussion and Analysis.

GENERAL

INTERNAL CONTROLS

The company maintains adequate internal control system, which provide among other things reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company's assets. The Company has implemented ERP packages with built in control checks.

During the year, the Internal Audit Committee appointed Aneja Associates as Internal Auditors for the Company. The new Internal Auditors have introduced several objective tools to assess strengths of our internal controls as also, identify areas where it need to be further strengthened. The scope and authority of the Internal Audit are well defined in the internal audit charter, approved by the Audit Committee. Internal audit plays a key role in providing an assurance to the Board of Directors of adequate internal control system. The audit committee at its meetings reviewed the reports of the internal auditors as well as the Risk Management process of the Company.

Special audits are undertaken based on the operational requirements and corrective actions are taken accordingly.

HUMAN RESOURCES

The Company enjoys harmonious Industrial Relations in both the Manufacturing facilities at Ranjangaon and Patalganga and cordial employee relations in all its offices. Several employee engagement activities were undertaken during the year with the objective of enhancing employee productivity and morale.

Functional training for plant personnel at Patalganga & Ranjangaon were undertaken during the year towards enhancing skill sets and competencies in different operations. Occupational health, safety and environment were given due importance through training and awareness programmes.

RESOURCES & LIQUIDITY

During the year, total borrowings of the Company were brought down from Rs.1,775 crores as on 31st March, 2010 to Rs.1,237 crores as on 31st March, 2011. Despite increase in the interest rates by RBI to the extent of 200 basis points, your Company managed to reduce its average interest cost by 50 basis points through judicious borrowing arrangements.

The average working capital in Textile and PSF Division increased commensurate with the increase in the scale of business as also operationally to take advantage of rising commodity prices. In the Real Estate business, the receivables were reduced on account of realization of sale proceeds of commercial building. The Company continued to fund its working capital from consortium of banks led by State Bank of India.

Cautionary Statement.

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulation, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

Mumbai, 24th May, 2011.

THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

ANNEXURE 'C' TO THE DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Governance:

In keeping with its commitment to the principles of good corporate governance, which it has always believed leads to efficiency and excellence in the operations of a company, your Company has been upholding fair and ethical business and corporate practices and transparency in its dealings. The Company continuously endeavours to review, strengthen and upgrade its systems and processes so as to bring in transparency and efficiency in its various business segments.

2. Board of Directors:

The Board is headed by Mr. Nusli N. Wadia, Non-Executive Chairman, and is composed of eminent persons with considerable professional experience in diverse fields and comprises a majority of Non-Executive Directors. Over two thirds of the Board consists of Non-Executive Directors and of these, the majority are independent Directors. The details are given below :-

Name	Category	No. of Board Meetings attended during 2010-11	Whether attended AGM held on 11th August, 2010	No. of Directorships in other public companies as on 31.3.2011*		No. of Committee positions held in other public companies** as on 31.3.2011	
				Chairman	Member	Chairman	Member
Mr. Nusli N. Wadia (Chairman)	Non-Executive/Promoter	6	Yes	3	4	-	-
Mr. Keshub Mahindra	Independent	4	Yes	3	2	1	-
Mr. R. N. Tata	-do-	1	No	10	-	-	-
Mr. R. A. Shah	-do-	7	Yes	4	10	5	4
Dr. H. N. Sethna (Expired on 5.9.2010)	-do-	-	No	-	-	-	-
Mr. S. S. Kelkar	-do-	7	Yes	-	10	-	3
Mr. S. Ragothaman	-do-	4	Yes	-	7	1	3
Mr. A. K. Hirjee	-do-	5	Yes	2	2	3	4
Mr. S. M. Palia	-do-	6	Yes	-	6	2	3
Ms. Vinita Bali	Non-Executive; Not independent	5	Yes	-	5	-	1
Mr. Ishaat Hussain	Independent w.e.f. 1.6.2010	5	Yes	2	12	3	6
Mr. Ness N. Wadia	Jt. Managing Director upto 31.3.2011. (Non-Executive/Promoter from 1.4.2011)	5	Yes	-	6	-	-
Mr. Jeh N. Wadia	Non-Executive/Promoter w.e.f. 1.6.2010 (Managing Director from 1.4.2011)	5	Yes	-	4	-	-
Mr. Durgesh Mehta	Jt. Managing Director & CFO w.e.f. 1.4.2010	7	Yes	-	6	-	1

Note : Other than Mr. Nusli N. Wadia, Mr. Ness N. Wadia and Mr. Jeh N. Wadia who are related to each other, no Director is related to any other Director.

* Excludes alternate directorship and directorship in foreign companies, private companies and companies governed by Section 25 of the Companies Act, 1956.

** Excludes Committees other than Audit Committee and Shareholders'/ Investors' Grievance Committee and companies other than public limited companies.

During the year under review, 7 Board Meetings were held, the dates being 28th April, 2010, 24th May, 2010, 20th July, 2010, 20th October, 2010, 12th November, 2010, 10th February, 2011 and 29th March, 2011.

3. Board Committees:

The Board has constituted the following Committees of Directors:

(a) Audit Committee:

The Audit Committee consists of the following 4 (as on 31st March, 2011) Non-Executive Directors:

Mr. S. Ragothaman (Chairman)
Mr. R. A. Shah
Mr. S. S. Kelkar
Dr. H. N. Sethna (Expired on 5.9.2010)
Mr. S. M. Palia

The Chairman of the Committee, Mr. S. Ragothaman, is an independent Director.

Mr. Ness N. Wadia, Joint Managing Director and Mr. Durgesh Mehta, Joint Managing Director and Chief Financial Officer, Internal Auditors, Cost Auditors and the Statutory Auditors attend Audit Committee Meetings as invitees. The Company Secretary acts as the Secretary to the Audit Committee.

The role and terms of reference of the Audit Committee include review of Internal Audit Reports and the Statutory Auditors' Report on the financial statements, general interaction with the internal auditors and statutory auditors, review of financial statements both



quarterly and annual before submission to the Board, review of management discussion and analysis of financial condition and results of operations and review of performance of statutory and internal auditors and adequacy of internal control systems and other matters specified under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

During the year under review, 8 Meetings of the Audit Committee were held, the dates being 24th May, 2010, 20th July, 2010, 4th August, 2010, 26th August, 2010, 19th October, 2010, 28th January, 2011, 10th February, 2011 and 30th March, 2011.

Details of attendance of each member at the Audit Committee Meetings are as follows:-

Name	No. of Audit Committee Meetings attended
Mr. S. Ragothaman	8
Mr. R. A. Shah	7
Mr. S. S. Kelkar	8
Dr. H. N. Sethna	-
Mr. S. M. Palia	7

(b) Remuneration/Compensation Committee:

The Remuneration/Compensation Committee consists of the following Non-Executive Directors:

Mr. Keshub Mahindra (Chairman)
 Mr. Nusli N. Wadia
 Mr. R. A. Shah
 Mr. S. Ragothaman
 Mr. A. K. Hirjee

The Chairman of the Committee, Mr. Keshub Mahindra, is an independent Director.

During the year under review, the Remuneration/Compensation Committee met twice on 24th May, 2010 and 29th March, 2011.

Details of attendance of each member at the Remuneration/Compensation Committee Meetings are as follows:-

Name	No. of Remuneration/Compensation Committee Meetings attended
Mr. Keshub Mahindra	1
Mr. Nusli N. Wadia	2
Mr. R. A. Shah	2
Mr. S. Ragothaman	2
Mr. A. K. Hirjee	2

Broad terms of reference of the Remuneration/Compensation Committee include approval/recommendation to the Board of salary/perquisites, commission and retirement benefits, finalisation of the perquisites package payable to the Company's Managing/Joint Managing/Deputy Managing/Executive Directors and administration and superintendence of the Employee Stock Option Scheme.

Remuneration Policy:

Payment of remuneration to the Managing/Joint Managing Directors is governed by the respective Agreements executed between them and the Company. Their Agreements are approved by the Board and by the shareholders. Their remuneration structure comprises salary, incentive, commission linked to profits, bonus, benefits, perquisites and allowances, contribution to provident fund, superannuation and gratuity. The Non-Executive Directors do not draw any remuneration from the Company other than sitting fees and such commission as may be determined by the Board from time to time.

(i) Details of remuneration paid to the Joint Managing Directors during the year 2010-2011 are given below: –

(In Rupees)

Name	Salary	Benefits*	Commission	Total
Mr. Durgesh Mehta, Joint Managing Director & CFO**	48,00,000	67,79,545	Nil	1,15,79,545
Mr. Ness N. Wadia, Joint Managing Director***	45,00,000	64,76,767	Nil	1,09,76,767

* Also includes the Company's contribution to Provident and Superannuation Funds, but excludes gratuity and leave encashment.

** In view of inadequacy of profits the Company has applied to the Central Government to approve the amount paid as remuneration to Mr. Durgesh Mehta in terms of the approval granted by the shareholders, as minimum remuneration.

*** The Central Government has approved a remuneration of Rs. 1.08 crores for Mr. Ness Wadia for the year 2010-11 vide letter dated 30th April, 2010. Accordingly a sum of Rs. 0.02 crore recoverable from Mr. Ness Wadia, has since been received.

Notes:

a) The Agreements with the Joint Managing Directors are for a period of five years. Either party to the Agreement is entitled to terminate the Agreement by giving not less than six calendar months' prior notice in writing to the other party; provided that the Company shall be entitled to terminate the incumbent's employment at any time by payment to him of six months' salary in lieu of such notice.

Mr. Ness N. Wadia stepped down as Joint Managing Director (JMD) with effect from the close of business hours on 31st March, 2011. It was mutually agreed between the Company and Mr. Ness N. Wadia to foreclose the Agreement dated 8th September, 2009 made between the Company and him in connection with his appointment as JMD.

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- b) The Company has not granted any stock options to whole-time Directors during the year. No stock options which were granted in previous years to whole-time Directors were outstanding for vesting or for exercise at the beginning of the year.
- (ii) Details of payments made to Non-Executive Directors during the year 2010-11 are given below: –

	Sitting Fees (in Rupees)		Commission	Total No. of Shares held in the Company as on 31st March, 2011
	Board Meeting	Committee Meeting		
Mr. Nusli N. Wadia	60,000	40,000	Nil	1,23,350
Mr. Keshub Mahindra	40,000	10,000	Nil	1,630
Mr. R. N. Tata	10,000	-	Nil	700
*Mr. R. A. Shah	70,000	90,000	Nil	300
Dr. H. N. Sethna – (expired on 5.9.2010)	-	-	Nil	5,152
Mr. S. S. Kelkar	70,000	1,65,000	Nil	7,340
Mr. S. Ragothaman	40,000	1,40,000	Nil	5,000
Mr. A. K. Hirjee	50,000	60,000	Nil	760
Mr. S. M. Palia	60,000	80,000	Nil	Nil
Ms. Vinita Bali	50,000	40,000	Nil	Nil
Mr. Ishaat Hussain	50,000	-	Nil	Nil
Mr. Jeh N. Wadia	50,000	-	Nil	31,800

* Mr. R. A. Shah, Independent Director, is a senior partner of Crawford Bayley & Co., Solicitors & Advocates, who have professional relationship with the Company. The quantum of professional fees received by Crawford Bayley & Co. from the Company constitutes less than 2% of the total revenues of the legal firm. As per the view of the Board of Directors and also as per the legal opinion received on the subject of independence of Mr. R. A. Shah, the association of the legal firm, Crawford Bayley & Co., with the Company is not material. The professional fees of Rs. 47.96 lakhs paid/accrued to the legal firm during the year are not considered material enough to impinge on the independence of Mr. R. A. Shah.

Mr. S. S. Kelkar, Mr. R. A. Shah, Mr. Ishaat Hussain, Ms. Vinita Bali, Mr. Ness N. Wadia and Mr. Jeh. N. Wadia, Directors have booked flats in the residential building being constructed by the Company on its Spring Mills land. No amount is outstanding against their names as on 31st March, 2011. As per the view of the Board of Directors, the transaction of booking of flats by Mr. S. S. Kelkar, Mr. R. A. Shah and Mr. Ishaat Hussain is not considered material enough to impinge on their independence.

Remuneration of Non-Executive Directors by way of commission (if any) is determined by the Board within the limits stipulated by the Special Resolution passed at the 130th Annual General Meeting held on 11th August, 2010. Non-Executive Directors are paid sitting fees at the rate of Rs. 10,000/- per meeting for attending the meetings of the Board of Directors/Committees thereof. No stock options have been granted to Non-Executive Directors.

(c) Share Transfer, Shareholders' / Investors' Grievance and Ethics & Compliance Committee:

This Committee (i) approves and monitors transfers, transmission, splitting and consolidation of securities and issue of duplicate Certificates by the Company, (ii) looks into various issues relating to shareholders including redressal of complaints from shareholders relating to transfer of shares, non-receipt of Annual Reports, Dividends, etc. and (iii) carries out the functions envisaged under the Code of Conduct for Prevention of Insider Trading adopted in terms of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992. The Committee consisted of 3 Non-Executive Directors and the Joint Managing Director, namely: –

Dr. H. N. Sethna (Chairman - Expired on 5.9.2010)
Mr. A. K. Hirjee
Mr. S. S. Kelkar
Mr. Durgesh Mehta

The Committee met 15 times during the year.

The Board delegated the power to approve transfer/transmission of shares, issue of duplicate/consolidated/new certificates upto a certain limit to the Jt. Managing Director & CFO and the Company Secretary w.e.f. 1st November, 2010.

Name and designation of Compliance Officer:

Mr. J. C. Bham, Company Secretary

No. of shareholders' complaints received during the year: 63

No. of complaints not resolved to the satisfaction of shareholders: Nil

No. of pending share transfers: Nil

(d) Finance Committee:

The Finance Committee consists of the following Directors:

Mr. S. S. Kelkar
Mr. A. K. Hirjee
Mr. S. Ragothaman
Mr. Ness N. Wadia



The terms of reference of the Finance Committee cover (i) Liability Management related to raising of Rupee/Foreign Currency resources both short-term and long-term to meet the funding requirements of the various operating divisions and approval of terms and conditions covering the borrowing programme; (ii) Foreign Exchange Management involving review of the Company's forex policy and providing direction to the Treasury Department with regard to maintenance and covering of open positions; and (iii) Investment Management related to the employment of temporary and/or long-term surpluses of the Company in various securities whether or not traded on the stock exchanges like units of Mutual Funds and providing direction to the Treasury Department on the composition and the turnover of the investment portfolio from time to time.

During the year under review, the Committee met twice on 4th August, 2010 and 28th January, 2011.

Communication was also undertaken by way of e-mails and discussions were held, as and when required, among the Committee members and decisions taken in matters coming within the Committee's purview.

(e) Executive Committee:

The Executive Committee consists of the following Directors:

- Mr. Nusli N. Wadia (Chairman)
- Mr. S. Ragothaman
- Mr. S. M. Palia
- Mr. S. S. Kelkar
- Mr. A. K. Hirjee
- Ms. Vinita Bali

Broad terms of reference of the Executive Committee include (i) review with the Business Heads of the operating divisions from time to time of business plans and strategies, (ii) addressing issues related to capital expenditure and (iii) review of performance of the business of the Company. The Managing/Joint Managing Directors are permanent invitees.

During the year under review, the Executive Committee met twice on 9th April, 2010 and 7th July, 2010.

4. General Body Meetings :

(a) Location and time where last three AGMs were held:

Date & Time	Location	Special Resolutions Passed
11 th August, 2010, at 3.45 p.m.	Birla Matushri Sabhagar, 19, Marine Lines, Mumbai – 400 020	(i) Appointment of Mr. Durgesh Mehta as a Whole time Director designated as Joint Managing Director & Chief Financial Officer (JMD & CFO) of the Company for a period of 5 years with effect from 1st April, 2010 and terms of remuneration. (ii) Consent of the Company in terms of the Sections 309 and 198 to the Board of Directors for payment of commission to such Directors of the Company {excluding Managing Director(s) and Wholetime Director(s)} as may be determined by the Board, for each of the five financial years of the Company commencing from 1st April, 2011.
28 th August, 2009, at 3.45 p.m.	Lady Shantabai Patkar Convocation Hall of the S.N.D.T. Women's University, 1, Nathibai Thackersey Road, New Marine Lines, Mumbai – 400020.	(i) Re-appointment of Mr. P. V. Kuppuswamy as Jt. Managing Director for 5 years and approval of payment of remuneration for 3 years. (ii) Re-appointment of Mr. Ness N. Wadia as Jt. Managing Director for 5 years and approval of payment of remuneration for 3 years. (iii) Noting of change of Registered Office of the Company's Registrar & Transfer Agents, M/s. Sharepro Services (India) Pvt. Ltd.
2 nd September, 2008, at 3.45 p.m.	Birla Matushri Sabhagar, 19, Marine Lines, Mumbai-400020	(i) Approval of modification of the remuneration payable to Mr. P. V. Kuppuswamy, Jt. Managing Director. (ii) Approval of modification of the remuneration payable to Mr. Ness N. Wadia, Jt. Managing Director. (iii) Approval of the modification of the remuneration payable to Mr. S. K. Gupta, Executive Director.

(b) Whether any Special Resolutions were passed last year through postal ballot :

During the year under review, no Special Resolution was passed through postal ballot.

(c) Person who conducted postal ballot exercise : Not Applicable

(d) Whether any special resolution is proposed to be passed through postal ballot this year :

During the current year, if special resolutions are proposed to be passed through postal ballot, the same would be taken up at the appropriate time.

(e) Procedure for postal ballot :

If any special resolution is passed through postal ballot during the current year, the procedure for postal ballot will be followed in terms of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001, as amended from time to time.

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5. Other disclosures :

- (a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:
Transactions with the related parties are disclosed in Note 21 of Schedule 19 to the financial statements in the Annual Report. However, these transactions are not likely to have any conflict with the Company's interest. The Audit Committee has reviewed these transactions as mandatorily required under Clause 49 of the Listing Agreement.
- (b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:
None.
- (c) Risk Management:
The Company has in place mechanism to inform Board Members about the risk assessment and minimisation procedures. The Audit Committee and the Board have periodically reviewed the risk assessment and minimisation procedures as required under Clause 49 of the Listing Agreement so as to ensure that risk is controlled by the Executive Management.
- (d) Code of Conduct:
The Board of Directors has adopted the Code of Ethics and Business Principles for Non-Executive Directors as also for the employees including Whole-Time Directors and other members of Senior Management. The said Code has been communicated to all the Directors and members of the Senior Management. The Code has also been posted on the Company's website: www.bombaydyeing.com.
- (e) Prevention of Insider Trading Code:
As per the SEBI (Prevention of Insider Trading) Regulations, 1992, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees at senior management level and other employees who could have access to unpublished price sensitive information of the Company are governed by this code.

6. Means of communication :

- (i) Quarterly results:
The unaudited quarterly results are announced within 45 days from the end of the quarter and the audited annual results within sixty days from the end of the last quarter as stipulated under the Listing Agreement with the Stock Exchanges.
- (ii) Newspapers wherein results normally published:
Business Standard or Mint (all editions) & Lakshadweep (Mumbai).
- (iii) Any Website where displayed:
www.bombaydyeing.com
- (iv) Whether Website also displays official news releases:
Yes. Financial Results, distribution of shareholding and press releases, if any, are displayed on the Website.
- (v) Whether presentations made to institutional investors or to analysts:
No presentations were made to institutional investors or to analysts.
- (vi) Management Discussion & Analysis Report :
The Management Discussion & Analysis Report is annexed to the Directors' Report and forms a part of the Annual Report.

7. General Shareholder information:

- a. AGM: Date, time and venue:
4th August, 2011 – 3.30 p.m. at Birla Matushri Sabhagar, 19, Marine Lines, Mumbai – 400 020.
- b. Financial calendar (tentative):
Financial results for the quarter ending 30th June, 2011 : 1st week August, 2011
Financial results for the quarter ending 30th September, 2011: 3rd week October, 2011
Financial results for the quarter ending 31st December, 2011 : 2nd week February, 2012
Financial results for the year ending 31st March, 2012 : End May, 2012
Annual General Meeting for the year ending 31st March, 2012: 1st or 2nd week of August, 2012.
- (c) Book closure period: 27th July, 2011 to 4th August, 2011 both days inclusive.
- (d) Dividend payment date : On 5th August, 2011.
- (e) Listing on Stock Exchanges : Currently, the Company's securities are listed at :
1. Bombay Stock Exchange Ltd. (BSE), Mumbai.
 2. National Stock Exchange of India Ltd. (NSE), Mumbai.
- The Global Depository Receipts are listed at: Societe de la Bourse de Luxembourg.
Annual Listing Fees for the year 2011-12 have been paid to Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. Listing fee to the Societe de la Bourse de Luxembourg for listing of GDRs has been paid for the calendar year 2011.



- (f) Stock Code:
Bombay Stock Exchange Ltd. (BSE) : 500020
National Stock Exchange of India Ltd. (NSE) : BOMDYEING
- (g) Stock Market Data: Please see Annexure 1
- (h) Stock Performance: Please see Annexure 2
- (i) Registrar & Transfer Agents:
Sharepro Services (India) Pvt. Ltd., the Company's Registrar and Transfer Agent (R&TA) handle the entire share registry work, both physical and electronic. Accordingly, all documents, transfer deeds, demat requests and other communications in relation thereto should be addressed to the R&TA at its following offices:

Registered Office :
Sharepro Services (India) Pvt. Ltd.,
Unit: Bombay Dyeing
13AB, Samhita Warehousing Complex,
Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka,
Andheri (East), Mumbai 400 072.
Tel: 022 – 67720300/67720400
Fax: 022 – 28591568
e-mail: sharepro@shareproservices.com

Investor Relation Centre :
Sharepro Services (India) Pvt. Ltd.
Unit: Bombay Dyeing
912, Raheja Centre,
Free Press Journal Road,
Nariman Point,
Mumbai 400 021.
Tel: 022 – 66134700
Fax: 022 – 22825484

- (j) Share Transfer System:
Share transfers in physical form are registered within a period of 7 to 15 days from the date of receipt in case documents are complete in all respects. During the year, the Board delegated the power to approve transfer/transmission of shares, issue of duplicate/consolidated/new certificates upto a certain limit to the Jt. Managing Director & CFO and the Company Secretary w.e.f. 1st November, 2010. Anything above the said limit is approved by the Share Transfer Committee. The number of shares transferred/transmitted during the year are as under:

	<u>No. of Applications</u>	<u>No. of Shares</u>
Transfers	540	25572
Transmissions	146	16555
Total	<u>686</u>	<u>42127</u>

- (k) Dematerialisation of shares and liquidity:
90.27% of the outstanding Equity Shares have been dematerialised up to 31st March, 2011.
Trading in Equity Shares of the Company is permitted only in dematerialised form effective from 29th November, 1999 as per Notification issued by the Securities & Exchange Board of India (SEBI).
- (l) Share Capital Audit
As stipulated by Securities and Exchange Board of India (SEBI), a qualified practising Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), shares held physically as per the register of members and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges, NSDL and CDSL and is also placed before the Share Transfer, Shareholders'/Investors' Grievance and Ethics & Compliance Committee and the Board of Directors.
- (m) Outstanding GDRs/Warrants, Convertible Bonds, conversion date and likely impact on equity.
- (i) 5,66,995 GDRs were outstanding as at 31st March, 2011, each GDR representing one underlying Equity Share.
 - (ii) 928 (2008-2009 : 928) Warrants as part of the rights entitlement kept in abeyance out of the rights issue of non-convertible debentures (NCDs)/secured premium notes (SPNs) with two detachable warrants attached to each NCD/SPN entitling the warrant-holder to apply for and be allotted one equity share of the Company for each warrant at a price of Rs. 60/- per share. Likely impact on full conversion will be Rs.0.09 lac on share capital and Rs. 0.46 lac on share premium.
 - (iii) 20,27,000 Warrants with option to subscribe to equivalent number of Equity Shares of Rs. 10 each, on or after 1st April, 2011 but not later than 18 months from the date of issue of the Warrants in one or more tranches (i.e. on or before 20th January, 2012), subject to such allotment of Equity Shares not exceeding 5% of the then existing paid-up Equity Share capital of the Company, issued on preferential basis to a Company in the Promoter Group at Rs. 527.83 per share. Likely impact on full conversion will be Rs.2.03 crores on share capital and Rs.104.96 crores on share premium.

THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

- (n) (i) Distribution of Shareholding as on 31st March, 2011.

Description	No. of Shareholders	%	Share Holding	%
1 – 50	56111	67.65	1141713	2.82
51 – 100	13141	15.84	1113563	2.75
101 – 250	7690	9.27	1303690	3.22
251 – 500	3179	3.83	1186968	2.93
501 – 1000	1482	1.79	1124583	2.77
1001 – 5000	1108	1.34	2293116	5.65
5001 & Above	231	0.28	32383347	79.86
Total	82942	100.00	40546980	100.00

- (ii) Shareholding Pattern as on 31st March, 2011.

	No. of Shares	%
Promoter Group *	2,01,33,921	49.65
Insurance Companies	27,04,110	6.67
Nationalised Banks	58,795	0.15
Mutual Funds	41,59,214	10.26
FIs	25,25,641	6.23
GDR Holders	5,66,995	1.40
Others	1,03,98,304	25.64
Total	4,05,46,980	100.00

*Promoter Group comprises:

Mr. Nusli N. Wadia and his relatives in terms of Section 6 of the Companies Act, 1956, Ms. Diana Claire Wadia, Ms. Elizabeth Anne Guhl, Ms. Bachoobai W. Daschkow, Jer Mavis Settlement No. II, Diana Claire Wadia Trust, Nusli Neville Wadia Trust, N. N. Wadia – Administrator of Estate of Late E. F. Dinshaw, Nowrosjee Wadia & Sons Limited, The Bombay Burmah Trading Corporation Limited, National Peroxide Limited, Gherzi Eastern Ltd., Ben Nevis Investments Limited, Macrofil Investments Limited, Jehreen Investments Private Limited, Lochness Investments Private Limited, Nessville Trading Private Limited, Lotus Viniyog Private Limited, Botanium Ltd., Go Airlines (India) Ltd., Go Investment & Trading Pvt. Ltd., Nidhivan Investment & Trading Co. Pvt. Ltd., Heera Holdings & Leasing Pvt. Ltd. and Sahara Investments Pvt. Ltd. and their subsidiaries and associates.

- (o) In terms of Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001, the Company has credited during the year ended 31st March, 2011 an aggregate amount of Rs. 7.64 lacs to the Investor Education and Protection Fund (IEPF).
- (p) Plant Locations :

Textile Processing Unit,
B-28, MIDC Industrial Area,
Ranjangaon, Tal. Shirur,
Dist. Pune – 412 220.
Tel. No.: 021-38232700 / 38232800
Fax No.: 021-38232600.

PSF Plant,
A-1, Patalganga Industrial Area,
Dist. Raigad, Taluka Khalapur,
Maharashtra.
Tel. No.: 952192 251096/103
Fax No.: 952192 250263.

Address for correspondence:

For share transfer/dematerialisation of shares/payment of dividend/other queries relating to shares:

Contact M/s. Sharepro Services (India) Pvt. Ltd. at the addresses printed in Sr. No. 7(i) above.

For any queries on Annual Report or investors' assistance:

The Company Secretary OR
The Dy. General Manager (Secretarial),
at C-1, Wadia International Centre (Bombay Dyeing),
Pandurang Budhkar Marg, Worli, Mumbai-400 025.
Tel: (91) (22) 66620000, Fax: (91) (22) 66620069.

Note : As required in terms of Clause 47(f) of the Listing Agreement, the Company has designated an e-mail ID exclusively for the purpose of registering complaints by investors. The e-mail ID is: grievance_redressal_cell@bombaydyeing.com.



(q) **Green Initiative:**

As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs (“MCA”), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, has clarified that the companies would have complied with Section 53 of the Companies Act, 1956, if the service of documents is made through electronic mode.

We therefore appeal to the members to be a part of the said ‘Green Initiative’ and request the members to register their name in getting the said documents in electronic mode by sending an email giving their Registered Folio Number and/or DP Id/Client ID to the dedicated email address at ‘bombaydyeing@shareproservices.com’ or login at the R&TA’s website ‘www.shareproservices.com’ and register their request.

Those members who want the above documents in physical form, must indicate their option by sending a letter or an email to the Registrar at the specially created e-mail ID ‘bombaydyeing@shareproservices.com’ or login at the R&TA’s website ‘www.shareproservices.com’ quoting their DP ID & Client ID and/or Registered Folio Number.

Non-Mandatory Requirements:

(a) **Office of the Chairman of the Board:**

The Company defrays the secretarial and travel expenses of the Chairman’s Office.

(b) **Remuneration Committee:**

As stated earlier, the Board has already set up a Remuneration/Compensation Committee. Details regarding composition and scope of the Remuneration/Compensation Committee are given at Item 3(b) above.

(c) **Shareholder rights – furnishing of half yearly results:**

The Company’s half yearly results are published in the newspapers and also posted on its website and are, therefore, not sent to the shareholders. However, the Company furnishes the quarterly and half yearly results on receipt of a request from the shareholders.

(d) **Unqualified Financial Statements:**

The Company has moved towards a regime of unqualified financial statements.

Adoption of other non-mandatory requirements under Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

Mumbai, 24th May, 2011.

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, this is to confirm that all the Members of the Board and the Senior Management have affirmed compliance with the Code of Conduct for the year ended 31st March, 2011.

For The Bombay Dyeing & Mfg. Co. Ltd.

Durgesh Mehta
Joint Managing Director & CFO

Mumbai, 24th May, 2011.

Auditors’ certificate to the members of The Bombay Dyeing and Manufacturing Company Limited on compliance of the conditions of corporate governance for the year ended 31st March, 2011, under clause 49 of the listing agreements with relevant stock exchanges.

We have examined the compliance of conditions of corporate governance by The Bombay Dyeing and Manufacturing Co. Ltd. for the year ended 31st March, 2011, as stipulated in clause 49 of the listing agreements of the company with relevant stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the management, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

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

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants
Firm Reg. No. 104607W

Viraf R. Mehta
Partner
M. No: 32083

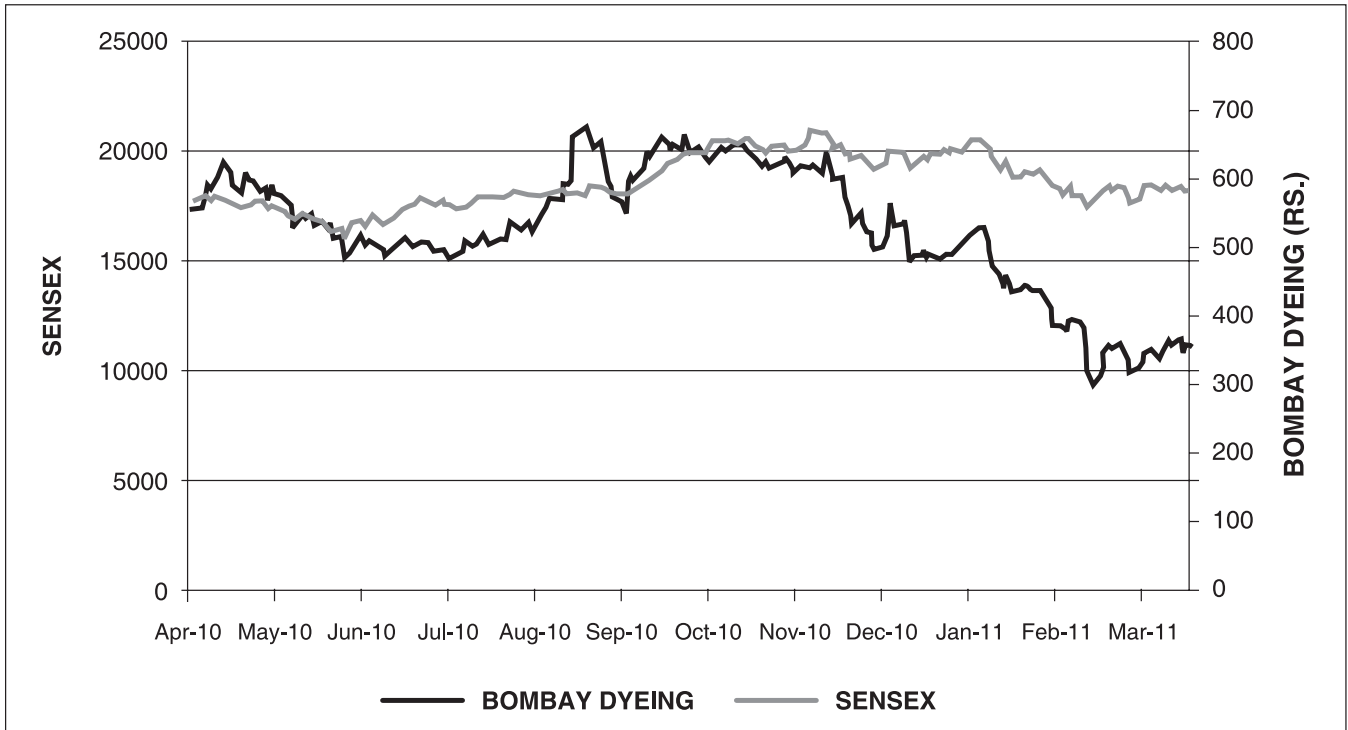
Mumbai, 24th May, 2011

**THE BOMBAY DYEING
AND MANUFACTURING COMPANY LIMITED**

ANNEXURE 1

STOCK MARKET DATA										
	Month's High Price (Rs.)		Month's Low Price (Rs.)		No. of Trades		No. of Shares Traded		Value (Rs. in lacs)	
	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE
Apr. 2010	640.00	639.90	550.00	549.00	141106	431777	6864515	17588870	41107.01	105086.75
May. 2010	588.70	588.70	474.00	475.05	73742	217634	2784040	6884682	14883.60	36876.17
Jun. 2010	527.40	528.00	479.00	480.25	53418	170253	1982751	5529778	10061.16	28015.55
Jul. 2010	545.00	545.70	480.25	478.05	90967	266718	4215090	10689318	21812.13	55321.25
Aug. 2010	692.45	692.50	522.15	521.25	229879	649137	10422251	26326865	65781.34	165811.16
Sep. 2010	674.40	675.90	554.90	555.70	123937	363737	5191853	13635904	32924.55	86377.03
Oct. 2010	669.70	669.00	534.00	609.00	58234	175381	2077247	6195344	13328.61	39758.24
Nov. 2010	661.00	661.50	482.00	480.00	56707	194912	2029109	7317374	12130.39	43701.96
Dec. 2010	575.00	577.00	458.75	442.85	73814	236882	2240859	7893615	11539.58	40490.64
Jan. 2011	537.60	537.70	366.15	360.00	37788	131473	1196690	4011280	5603.12	18225.58
Feb. 2011	404.00	403.90	290.10	290.00	76663	277639	2608977	9099979	8874.04	31133.05
Mar. 2011	381.00	381.00	325.00	325.10	49260	188092	1588368	6150715	5723.82	22209.01

ANNEXURE 2





REPORT OF THE AUDITORS TO THE MEMBERS OF THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

- 1) We have audited the attached Balance Sheet of The Bombay Dyeing and Manufacturing Company Limited as at March 31, 2011 and also the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Without qualifying our report, we draw attention to the following:
 - i) Note 7 of Schedule 19 Notes to Accounts, regarding the sale of a portion of the proposed residential tower (2009-10: commercial building) under construction and recognition of revenue arising from sale of the undivided interest in the underlying freehold land amounting to Rs. 70.57 crore (2009-10: Rs. 256.29 crore) in the Profit and Loss Account with a corresponding release from revaluation reserve.
 - ii) Note 14 of Schedule 19 Notes to Accounts, regarding the managerial remuneration paid to one of the Jt. Managing Directors being in excess of the minimum remuneration under Schedule XIII to the Companies Act, 1956 and subject to the approval of the Central Government. The Company has made an application to the Central Government for such approval, which is pending.
- 5) Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - a) We have 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 appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- 6) On the basis of written representations received from the Directors of the Company as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on March 31, 2011, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants
Firm Reg. No. 104607W

Viraf R. Mehta
Partner
Membership No: 32083

Place: Mumbai
Date: May 24, 2011

THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

Annexure to the Auditor's Report

Annexure to the report of the Auditors to the members of The Bombay Dyeing and Manufacturing Company Limited on the accounts for the year ended March 31, 2011 (referred to in paragraph 3 of our report of even date)

1. (a) The Company has maintained records showing particulars, including quantitative details and situation of fixed assets. The records of certain assets need to be assimilated to make identification possible.
- (b) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion the period of verification is reasonable, having regards to the size of the Company and the nature of its assets. The reconciliation in respect of the fixed assets verified during the year is in progress; discrepancies, if any, will be adjusted on completion of reconciliation.
- (c) The fixed assets disposed off during the year are not substantial and therefore do not affect the going concern assumption.
2. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are generally reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company is generally maintaining proper records of inventory. The discrepancies noticed on verification between physical stock and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
3. (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 except an interest free shareholders' deposit of Rs.15.22 crore with a joint venture company, as stated in Note 10 of Schedule 19. Sub-clauses (b), (c) and (d) of cause 4 (iii) of the Order are not applicable to the Company.
- (b) According to the information and explanation given to us, the Company has taken unsecured loans aggregating Rs. 190 crore from three companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum principal amount involved during the year is Rs. 190 crore and the balance outstanding as at the year end was Rs. 10 crore.
- (c) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions on which the loans have been taken from companies listed in the register maintained under section 301 of the Companies Act, 1956 were not prima facie prejudicial to the interest of the company.
- (d) In our opinion and as per the records examined by us, the payment of principal amount and interest thereon is regular.
4. In our opinion and according to the information and explanations given to us, the Company has internal control procedures which are generally adequate, commensurate with the size of the Company and nature of its business, with regard to purchases of inventory, fixed assets, and for the sale of goods and services. The Company is also implementing steps for further strengthening of the same. On the basis of our examination of the books and records and the information and explanations given to us, we have not come across any continuing failure to correct major weakness in the internal control system.
5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have generally been so entered.
- (b) According to the information and explanation given to us, transactions in pursuance of such contracts or arrangements entered into the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party have been made at prices which are reasonable having regard to the prevailing market prices or at prices for which similar transactions have been made with other parties, except for the transactions where a comparison of prices could not be made since there was no similar transactions with other parties or transactions of a special nature where comparable alternative quotation were not available.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provision of sections 58A, 58AA or any other applicable provisions of the Companies Act,1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. In our opinion, the Company has an internal audit system, commensurate with the size and nature of its business.
8. We have broadly reviewed, without carrying out a detailed examination, the books of account maintained by the company pursuant to the Notification issued /order made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 in respect of the Textile and Polyester Staple Fibre divisions of the Company and are of the opinion that prima facie the prescribed records have been maintained and the prescribed accounts are in the process of being made up.
9. (a) According to the records of the Company, undisputed statutory dues including Provident fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Excise duty, Customs duty, Cess and other material statutory dues applicable to it have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts were in arrears, as on 31st March 2011 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Sales tax, Income tax, Custom duty, Wealth tax, Service tax, Excise duty or cess which have not been deposited on account of any dispute, except as stated below :



No.	Name of the statute	Nature of Dues	Amount (Rs. in crores)	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	Tax Deducted at Source	3.21 3.86	2007-08 2008-09	Commissioner of Income Tax – TDS (Appeals)
2	Bombay Sales Tax Act, 1959.	Sales Tax	4.95	2004-05	Maharashtra Sales Tax Tribunal, Mumbai
3	Central Sales Tax Act, 1956.	Sales Tax	0.67	2004-05	Maharashtra Sales Tax Tribunal, Mumbai
4	The Customs Act, 1962	Customs Duty	0.64	1989	Deputy Commissioner of Customs, Nhava Sheva
		Customs Duty	0.25	1997	Commissioner of Customs(Appeals), Mumbai
5	The Central Excise Act, 1944	Excise Duty	0.10	1989-90 to 1995-96	Commissioners of Central Excise, Mumbai
		Excise Duty	0.68	1997-98 to 2000-01	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai
		Excise Duty	0.01	1999-00 to 2000-01	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai
		Service Tax	0.77	April, 2003 to March, 2006	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai

10. The Company does not have any accumulated losses at the end of the financial year. Also, the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks, financial institution or debenture holders.
12. In our opinion and according to the information and explanations given to us, the Company has maintained adequate records where the company has granted loans and advances on the basis of security by way of pledge of shares.
13. The company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 4 (xiii) of the said Order are not applicable to the Company.
14. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein where the Company is dealing or trading in shares, securities, debentures and other investments and such securities are held by the Company in its own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956.
15. In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given any guarantees for loans taken by others from banks or financial institutions are not prima facie prejudicial to the interest of the Company.
16. In our opinion and according to the information and explanations given to us, the term loans have/are being applied for the purpose for which they were obtained.
17. In our opinion and according to the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, no funds raised on short term basis have been used for long term investment.
18. According to the information and explanations given to us, the company has made preferential allotment of shares to a company covered in the register maintained under section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the company.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issues during the year. Accordingly, the question of disclosure of end use of such monies does not arise.
21. Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For and on behalf of
Kalyaniwalla & Mistry
 Chartered Accountants
 Firm Reg. No. 104607W

Viraf R. Mehta
 Partner
 Membership No: 32083

Place: Mumbai
 Date: May 24, 2011

**THE BOMBAY DYEING
AND MANUFACTURING COMPANY LIMITED**

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule No.	Rupees in crores	Rupees in crores	AS AT 31ST MARCH, 2010	
				Rupees in crores	Rupees in crores
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share capital	(1)	40.54		38.61	
Share warrants [Refer Note 4 on Schedule 19]		26.75		-	
Reserves and surplus	(2)	<u>1,060.90</u>		<u>171.74</u>	
			1,128.19		210.35
LOAN FUNDS					
Secured loans	(3)	1,146.49		1,611.97	
Unsecured loans	(4)	<u>90.81</u>		<u>163.14</u>	
			1,237.30		1,775.11
TOTAL....			<u>2,365.49</u>		<u>1,985.46</u>
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross block	(5)	1,190.14		1,183.44	
Less: Depreciation / amortisation		<u>292.81</u>		<u>231.26</u>	
Net block		897.33		952.18	
Capital work-in-progress		12.23		2.47	
Incidental expenditure relating to construction / development		<u>193.32</u>		<u>205.92</u>	
			1,102.88		1,160.57
INVESTMENTS	(6)		60.19		60.19
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	(7)	1,031.72		144.24	
Sundry debtors	(8)	203.46		634.57	
Cash and bank balances	(9)	21.02		33.89	
Other current assets	(10)	0.69		0.64	
Loans and advances	(11)	<u>285.50</u>		<u>278.22</u>	
		1,542.39		1,091.56	
Less: CURRENT LIABILITIES AND PROVISIONS					
Liabilities	(12)	316.50		309.86	
Provisions	(13)	<u>23.47</u>		<u>17.00</u>	
		339.97		326.86	
NET CURRENT ASSETS.....			1,202.42		764.70
MISCELLANEOUS EXPENDITURE	(14)		-		-
(to the extent not written off or adjusted)					
TOTAL....			<u>2,365.49</u>		<u>1,985.46</u>
SIGNIFICANT ACCOUNTING POLICIES	(18)				
NOTES TO THE ACCOUNTS	(19)				

Schedules referred to above form an integral part of the Balance Sheet
As per our report attached

Signatures to the Balance Sheet and Schedules 1 to 14, 18 & 19
For and on behalf of the Board of Directors

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

NUSLI N. WADIA
DURGESH MEHTA

Chairman
Jt. Managing Director & CFO

K. MAHINDRA
R.A. SHAH
S. S. KELKAR
NESS N. WADIA
Ms. VINITA BALI
ISHAAT HUSSAIN } Directors

VIRAF R. MEHTA
Partner

J.C. BHAM

Company Secretary

Mumbai, 24th May, 2011.

Mumbai, 24th May, 2011.



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

	Schedule No.	Rupees in crores	2009-2010 Rupees in crores
INCOME			
Gross Sales - Products [Refer Note 24(a) on Schedule 19].....		1,775.86	1,138.30
Less : Excise Duty		102.65	46.44
Net Sales		1,673.21	1,091.86
Revenue from real estate activity [Refer Note 4 on Schedule 18]		213.26	550.92
		1,886.47	1,642.78
Other Income	(15)	73.70	42.82
		1,960.17	1,685.60
EXPENDITURE			
Manufacturing and other expenses	(16)	1,693.61	1,395.01
Interest and finance charges	(17)	178.11	207.46
Depreciation		62.08	59.54
		1,933.80	1,662.01
PROFIT/(LOSS) BEFORE TAX AND VOLUNTARY RETIREMENT COMPENSATION ...		26.37	23.59
Less: Voluntary Retirement Compensation Written off		-	1.40
PROFIT/(LOSS) BEFORE TAX		26.37	22.19
Less:			
Provision for taxation			
a. current tax		5.26	3.77
b. excess provision of tax of earlier years		(0.28)	-
		4.98	3.77
PROFIT / (LOSS) AFTER TAX		21.39	18.42
Balance in profit and loss account brought forward		21.66	16.34
AMOUNT AVAILABLE FOR APPROPRIATION		43.05	34.76
APPROPRIATIONS			
Proposed dividend		14.19	9.66
Tax on distributed profits		2.30	1.60
Transferred to general reserve		2.14	1.84
Balance carried to balance sheet		24.42	21.66
		43.05	34.76
SIGNIFICANT ACCOUNTING POLICIES	(18)		
NOTES TO THE ACCOUNTS	(19)		
Earnings per equity share (Refer Note 19 on Schedule 19)			
Basic earnings per equity share (in rupees)		5.54	4.77
Diluted earnings per equity share (in rupees)		5.54	4.77
Nominal value per equity share (in rupees)		10.00	10.00

Schedules referred to above form an integral part of the Profit & Loss Account
As per our report attached

Signatures to the Profit & Loss Account and Schedules 15 to 19,
For and on behalf of the Board of Directors

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

NUSLI N. WADIA

Chairman

DURGESH MEHTA

Jt. Managing Director & CFO

VIRAF R. MEHTA
Partner

J.C. BHAM

Company Secretary

Mumbai, 24th May, 2011.

Mumbai, 24th May, 2011.

K. MAHINDRA
R.A. SHAH
S. S. KELKAR
NESS N. WADIA
Ms. VINITA BALI
ISHAAT HUSSAIN

Directors

**THE BOMBAY DYEING
AND MANUFACTURING COMPANY LIMITED**

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

	Rs. in crores	2009-2010 Rs. in crores
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX	26.37	22.19
Adjusted for		
Depreciation	62.08	59.54
Foreign exchange loss/(gain) (net)	4.04	7.05
Profit on sale of investments	(3.24)	(0.45)
Provision for doubtful debts/advances	0.45	8.81
Debtors written off (net of provision written back)	0.07	0.75
Interest income	(6.87)	(11.02)
Loss/(Profit) on sale of fixed assets (net)	0.70	0.17
Voluntary retirement compensation written off	-	1.40
Interest and other finance charges	175.11	201.68
Provision for retirement benefits	1.24	(1.20)
	<hr/>	<hr/>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS	259.95	288.92
Changes in		
Inventories	(108.66)	34.51
Trade and other receivables	381.04	(242.08)
Trade payables	8.55	6.19
	<hr/>	<hr/>
CASH GENERATED FROM OPERATIONS	540.88	87.54
Direct taxes paid (net)	11.09	(12.51)
NET CASH FROM OPERATING ACTIVITIES	(a) 551.97	75.03
	<hr/>	<hr/>
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(11.98)	(16.46)
Proceeds from sale of fixed assets	7.92	1.31
Purchase of investments	(1,197.23)	-
Proceeds from sale of investment	1,197.98	0.48
Inter-corporate deposits (net)	18.58	(7.10)
(Investment)/Maturity of Fixed Deposits (Net)	(1.02)	98.60
Proceeds from sale of shares in Subsidiary/ Joint Venture	12.10	(4.61)
Interest received	5.16	13.93
NET CASH USED IN INVESTING ACTIVITIES	(b) 31.51	86.15
	<hr/>	<hr/>



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

	Rs. in crores	2009-2010 Rs. in crores
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	616.74	1618.57
Proceeds from Fixed Deposits (Net)	(0.33)	67.52
Repayment of borrowings	(1,000.57)	(1503.28)
(Decrease) / Increase in demand loan, cash credit	(157.91)	(123.23)
Proceeds from issue of equity shares on conversion of warrants	101.87	-
Advance received on preferential allotment warrants	26.75	-
Interest and other finance charges paid	(172.68)	(207.30)
Dividend paid (including corporate dividend tax)	(11.24)	(4.55)
NET CASH USED IN FINANCING ACTIVITIES	(597.37)	(152.27)
	(c)	
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(13.89)	8.91
	(a + b + c)	
CASH AND CASH EQUIVALENTS AT THE COMMENCEMENT OF THE YEAR		
Cash and Bank balances as per Schedule 9	33.89	123.58
Less: Fixed Deposits under lien	15.03	113.63
Cash and cash equivalents	18.86	9.95
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Cash and Bank balances as per Schedule 9	21.02	33.89
Less: Fixed Deposits under lien	16.05	15.03
Cash and cash equivalents	4.97	18.86
NET (DECREASE) / INCREASE AS DISCLOSED ABOVE	(13.89)	8.91
Notes: 1. Figures in brackets are outflows/deductions.		
2. Previous year's figures have been regrouped where necessary.		

As per our report attached

For and on behalf of the Board of Directors

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

NUSLI N. WADIA
DURGESH MEHTA

Chairman
Jt. Managing Director & CFO

K. MAHINDRA
R.A. SHAH
S. S. KELKAR
NESS N. WADIA
Ms. VINITA BALI
ISHAAT HUSSAIN

} Directors

VIRAF R. MEHTA
Partner

J.C. BHAM

Company Secretary

Mumbai, 24th May, 2011.

Mumbai, 24th May, 2011.

**THE BOMBAY DYEING
AND MANUFACTURING COMPANY LIMITED**

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

	Rupees in crores	As at 31st March, 2010 Rupees in crores
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED		
5,00,00,000 shares of Rs. 10 each	50.00	50.00
ISSUED AND SUBSCRIBED		
4,10,04,329 (2009-2010 : 4,10,04,329) Equity shares of Rs. 10 each fully paid-up (of these, 2,10,23,175 equity shares are allotted as fully paid-up by way of bonus shares by capitalisation of reserves of Rs. 20.86 crores and share premium of Rs. 0.17 crore)	41.00	41.00
<i>Less:</i>		
25,45,259 (2009-10: 25,45,259) Equity shares bought back and extinguished in accordance with section 77A of the Companies Act, 1956	(2.55)	(2.55)
<i>Add:</i>		
1,57,910 (2009-2010: 1,57,910) Equity shares issued under Employees' Stock Option Scheme	0.16	0.16
<i>Add:</i>		
19,30,000 (2009-2010 : Nil) Equity shares allotted on exercise of Warrants issued on Preferential basis to Promoter/Promoter Group Company)	1.93	-
<u>4,05,46,980</u> (2009-2010 : 3,86,16,980) Equity shares of Rs. 10 each fully paid-up	<u>40.54</u>	<u>38.61</u>

	Rupees in crores	As at 31st March, 2010 Rupees in crores
SCHEDULE 2		
RESERVES AND SURPLUS		
CAPITAL REDEMPTION RESERVE		
As per last balance sheet	2.55	2.55
SECURITIES PREMIUM ACCOUNT		
As per last balance sheet	2.07	2.07
Add: Premium on issue of shares on conversion of warrants	99.94	-
	<u>102.01</u>	<u>2.07</u>
CAPITAL RESERVE		
As per last balance sheet	11.89	11.89
INVESTMENT RESERVE		
As per last balance sheet	1.31	1.31
REVALUATION RESERVE [Refer Note 4 on Schedule 18]		
As per last balance sheet	-	201.56
Add: Created during the year on conversion of a part of the freehold land from fixed assets into stock-in-trade	853.96	50.76
Less: Released to profit and loss account on entering into agreements for sale	(75.13)	(252.32)
	<u>778.83</u>	<u>-</u>
HEDGING RESERVE ACCOUNT		
Gain/(Loss) on derivative contracts qualifying as cash flow hedges	0.01	(5.48)
GENERAL RESERVE		
As per last balance sheet	137.74	135.90
Add: Transferred from profit and loss account	2.14	1.84
	<u>139.88</u>	<u>137.74</u>
BALANCE IN PROFIT AND LOSS ACCOUNT	24.42	21.66
	<u>1,060.90</u>	<u>171.74</u>



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

	Rupees in crores	As at 31st March, 2010 Rupees in crores
SCHEDULE 3		
SECURED LOANS		
From banks		
1. Term Loans	935.61	1,243.19
2. Buyer's Credit in foreign currency	91.24	128.94
3. Cash credit,demand loans and packing credit from banks	119.64	239.84
[includes Rs. Nil (2009-10 Rs.15.12 crores) in foreign currencies]		
	1,146.49	1,611.97

NOTES:

- A. Term Loans are secured by first part pari passu charge on the immovable properties of the Company at Textile Processing Unit at Ranjangaon, Polyester division at Patalganga, Textile Mills at Mumbai including Plant & Machinery, buildings and structures thereon and part of the land admeasuring 76,450 square metres at Spring Mills at Mumbai including buildings and structures thereon and hypothecation of fixed assets at Textile Processing Unit at Ranjangaon and the Polyester division at Patalganga.
- B. Cash credit, demand loans, packing credit and Buyer's Credit from banks are secured by hypothecation of stocks, book debts and other current assets (excluding the assets at Roha and Spring Mills at Mumbai) and a second charge on the immovable properties of the Company at Textile Processing Unit at Ranjangaon, Polyester Division at Patalganga and Textile Mills at Mumbai and hypothecation of fixed assets at Textile Processing Unit at Ranjangaon and the Polyester division at Patalganga.

	Rupees in crores	As at 31st March, 2010 Rupees in crores
SCHEDULE 4		
UNSECURED LOANS		
Fixed Deposits	80.81	81.14
Bill discounted	10.00	-
Short term loans		
- From banks	-	20.00
- From others	-	62.00
	90.81	163.14

SCHEDULE 5

FIXED ASSETS

(Rupees in crores)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost or book value as at 31-03-2010	Additions/ Adjustments during the year	Deductions / Adjustments during the year	Cost or book value as at 31-03-2011	Balance as at 01-04-2010	For the Year	On deductions / adjustments during the year	Balance as at 31-03-2011	As at 31-03-2011	As at 31-03-2010
Land - Leasehold	19.02	-	-	19.02	0.79	0.19	-	0.98	18.04	18.23
- Freehold	11.91	-	0.05	11.86	-	-	-	-	11.86	11.91
Buildings	139.71	2.14	4.77	137.08	19.16	3.57	-	22.73	114.35	120.55
Plant and machinery	975.26	4.02	3.46	975.82	197.33	50.95	0.10	248.18	727.64	777.93
Furniture	26.23	9.21	0.56	34.88	9.09	5.74	0.24	14.59	20.29	17.14
Motor vehicles	1.68	0.01	0.20	1.49	1.34	0.08	0.19	1.23	0.26	0.34
Intangible assets - software	9.63	0.48	0.12	9.99	3.55	1.55	-	5.10	4.89	6.08
	1,183.44	15.86	9.16	1,190.14	231.26	62.08	0.53	292.81	897.33	952.18
Previous year	1,159.75	32.17	8.48	1,183.44	178.72	59.54	7.00	231.26		
Capital work-in-progress									3.21	0.20
Advances for capital expenditure									9.02	2.27
Incidental expenditure relating to construction/development pending capitalisation/allocation @									193.32	205.92
TOTAL									1,102.88	1,160.57

THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 SCHEDULE 5 FIXED ASSETS (Contd...)

@ Details of incidental expenditure relating to construction/development pending capitalisation/allocation: (Rupees in crores)

		As at 31st March, 2011	As at 31st March, 2010
Real estate		*193.32	205.92
		<u>193.32</u>	<u>205.92</u>
Comprising:			
Opening Balance	(A)	205.92	199.54
Add:			
Architect fees, technical and project related consultancy		3.98	0.48
Civil, electrical, contracting, etc.		6.57	0.59
Payments to local agencies		0.88	0.00
Payments to and provisions for employees		1.78	0.50
Contractors/Retainers fees		0.20	0.22
Travelling and conveyance [Rs.2,63,004/- (2009-10 Rs.28,162/-)]		0.03	0.00
Interest on fixed loans		1.04	5.25
Other expenses		0.34	1.03
	(B)	<u>14.82</u>	<u>8.07</u>
Add: Capitalisation of voluntary retirement compensation as a part of expenditure incidental to development of land	(C)	-	0.18
Transferred to stock-in-trade		24.21	1.87
	(D)	<u>24.21</u>	<u>1.87</u>
	(E)=(A)+(B)+(C)-(D)	<u>196.53</u>	<u>205.92</u>
Less: Written off	(F)	3.21	-
Incidental expenditure relating to construction/development pending capitalisation/ allocation	(E)-(F)	<u>193.32</u>	<u>205.92</u>

* includes Voluntary Retirement Cost incurred during 2006-07 and 2007-08 relating to Textiles and New Bleach Works, as development cost of the land.

SCHEDULE 6

INVESTMENTS

LONG TERM INVESTMENTS (Unquoted fully paid-up)

A. TRADE INVESTMENTS:

Equity Shares

12,49,010	Equity shares of Rs. 10 each in Proline India Ltd.....	3.75	3.75
Nil	Equity shares of Rs. 10 each in L & T Bombay Developers Private Limited..... (5000 Equity shares sold during the year)	-	0.01
2,217	Series A shares of U.S. \$ 1,000 each in PT. Five Star Textile Indonesia	1.59	1.59
20,000	Equity shares of Rs. 10 each in Bombay Dyeing Real Estate Company Limited (formerly known as White Horse Real Estate Private Limited) a subsidiary upto 16th March, 2010	0.02	0.02
1,900	Equity shares of Rs. 10 each in BDS Urban Infrastructure Pvt. Ltd. (10,000 shares purchased and 8,100 shares sold during the year) a wholly owned subsidiary from 29.07.2010 to 10.03.2011.....	0.01	-
		<u>5.37</u>	<u>5.37</u>

B. OTHER THAN TRADE:

Equity Shares

2,15,600	Equity shares of Rs. 100 each in Archway Investment Co. Ltd.....	2.16	2.16
88,200	Equity shares of Rs. 100 each in Pentafil Textile Dealers Ltd.....	0.88	0.88
78,400	Equity shares of Rs. 100 each in Scal Services Ltd.....	0.78	0.78
100	Shares of Rs.25 each in Roha Industries Association's Co-operative Consumers Society Ltd. Rs.2500/- (2009-10 Rs.2500/-)	-	-

Debentures

47,65,000	Zero-Interest Unsecured Fully Convertible Debentures - A Series of Rs.100 each in Archway Investment Co. Ltd.....	47.65	47.65
3,35,000	Fully Convertible Unsecured (Interest Free) Debentures of Rs.10 each in Archway Investment Co.Ltd.	3.35	3.35
		<u>54.82</u>	<u>54.82</u>

CURRENT INVESTMENTS (Unquoted fully paid-up)

OTHER THAN TRADE:

Mutual Fund Units

7	Units of Rs.10 each in FRDG ICICI Prudential Floating Rate Plan D - Growth of ICICI Prudential AMC Ltd. Rs.86/- (2009-10 Rs.86/-)	-	-
		<u>60.19</u>	<u>60.19</u>

Aggregate amount of quoted investment	-	-
Aggregate amount of unquoted investment	60.19	60.19
	<u>60.19</u>	<u>60.19</u>



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

SCHEDULE 6 (Contd...)

Particulars of Investment purchased and sold/redeemed during the year:

	Cost of acquisition (Rupees in crores)
3,227,694 Units of Rs. 1000 each in Axis Liquid Fund Institutional Growth.....	334.75
97,305 Units of Rs.1000 each in Axis Treasury Advantage Fund - Institutional Growth.....	10.00
1,909,199 Units of Rs.10 each in Birla Sunlife Cash Manager - Institutional Plan - Growth.....	3.00
57,602,903 Units of Rs.10 each in Birla Sunlife Cash Plus - Institutional Premium - Growth.....	86.93
17,043,772 Units of Rs.10 each in Birla Sun Life Savings Fund Institutional - Growth.....	30.00
60,365,376 Units of Rs.10 each in Canara Robeco Liquid Super Inst. Growth Fund.....	69.00
20,724,432 Units of Rs.10 each in Canara Robeco Treasury Advantage Super Inst. Growth Fund.....	29.00
212,426 Units of Rs.1000 each in DSP BlackRock Floating Rate Fund Institutional Plan - Growth.....	28.35
496,215 Units of Rs.1000 each of DSP BlackRock Liquidity Fund Institutional Plan - Growth.....	66.95
14,759,566 Units of Rs.10 each in HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Growth	30.00
19,377,839 Units of Rs.10 each in HDFC Liquid Fund - Premium Plan - Growth.....	36.00
4,688,501 Units of Rs.10 each in HDFC Liquid Fund - Premium Plus Plan - Growth.....	9.00
1,681,561 Units of Rs.100 each in ICICI Prudential Flexible Income Plan Premium - Growth.....	29.00
5,900,302 Units of Rs.100 each in ICICI Prudential Liquid Super Institutional Plan - Growth.....	82.27
32,233,440 Units of Rs.10 each in JM High Liquidity Fund - Super Institutional Plan - Growth.....	48.50
24,602,597 Units of Rs.10 each in Kotak Floater Long Term - Growth.....	36.20
31,789,705 Units of Rs.10 each in Kotak Liquid (Institutional Premium) - Growth.....	60.04
22,534,806 Units of Rs.10 each in LIC MF Liquid Fund - Growth Plan.....	38.65
13,576,225 Units of Rs.10 each in LIC MF Savings Plus Fund - Growth Plan.....	20.00
19,772,314 Units of Rs.10 each in SBI - Magnum Insta Cash Fund Cash Option.....	41.85
552,668 Units of Rs.1000 each in Templeton India Treasury Management Account Super Institutional Plan - Growth.....	77.70
25,158,136 Units of Rs.10 each in Templeton India Ultra Short Bond Fund Super Institutional Plan - Growth.....	30.00

	Rupees in crores	As at 31st March, 2010 Rupees in crores
SCHEDULE 7		
INVENTORIES		
Stores, spare parts and catalysts	14.94	15.55
Stock-in-trade:		
Raw materials	79.89	42.12
Work-in-progress	24.89	18.34
Finished goods	101.46	60.52
Office premises	0.30	0.30
Real estate under development [Refer Note 10(ii)(d) on schedule 18]	810.24	7.41
	<u>1,031.72</u>	<u>144.24</u>

SCHEDULE 8		
SUNDRY DEBTORS*		
Unsecured, unless otherwise stated		
Over six months:		
Considered good	40.13	33.62
Considered doubtful	8.90	8.45
	<u>49.03</u>	<u>42.07</u>
Other Debts:		
Considered good* [includes unbilled revenue of Rs.73.04 crores (2009-10 Rs.357.74 crores)]	163.33	600.95
	<u>212.36</u>	<u>643.02</u>
Less : Provision for doubtful debts	8.90	8.45
	<u>203.46</u>	<u>634.57</u>

* Includes : (i) Due from associate company Rs. 1.28 crores (2009-10 Rs. 502.34 crores)

SCHEDULE 9		
CASH AND BANK BALANCES		
Cash on hand	0.08	0.14
Cheques on hand	-	12.82
Balances with scheduled banks		
In current accounts	4.89	5.90
In fixed deposit accounts.....	16.05	15.03
[lien has been created on fixed deposits of Rs. 16.05 crores (2009-2010 Rs. 15.03 crores)]		
	<u>21.02</u>	<u>33.89</u>

THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

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

	Rupees in crores	As at 31st March, 2010 Rupees in crores
SCHEDULE 10		
OTHER CURRENT ASSETS		
Interest accrued on deposits	0.69	0.64
	<u>0.69</u>	<u>0.64</u>
SCHEDULE 11		
LOANS AND ADVANCES		
Unsecured, considered good unless otherwise stated		
Advances recoverable in cash or in kind or for value to be received *		
- Considered good	243.44	212.14
- Considered doubtful	0.96	1.32
	<u>244.40</u>	<u>213.46</u>
Advance share application money to L&T Bombay Developers Private Limited.....	-	9.61
Deposit with a joint venture company (Refer Note 10 on Schedule 19)	15.22	15.22
Income-tax paid less provisions there against.....	26.03	40.43
Balances with customs, port trust, etc. on current accounts	0.81	0.82
	<u>286.46</u>	<u>279.54</u>
Less: Provision	0.96	1.32
	<u>285.50</u>	<u>278.22</u>
* of which secured is Rs. Nil (2009-2010 Rs. 0.24 crore) and also includes:		
(i) Inter-corporate deposits Rs.8.67 crores (2009-2010 Rs. 27.25 crores)		
(ii) Security deposits Rs. 10.18 crores (2009-2010 Rs. 15.11 crores)		
(iii) Due from directors of the Company Rs. 0.02 crore (2009-2010 Rs.0.89 crore) maximum amount outstanding during the year Rs. 0.02 crore (2009-2010 Rs. 0.89 crore)		
SCHEDULE 12		
CURRENT LIABILITIES		
Sundry creditors (Refer Note 11 on Schedule 19).....	226.28	234.01
Advance payments from customers and others	27.17	24.70
Derivative contracts payable	0.44	5.83
Unpaid dividends*	0.85	0.83
Deposits from selling agents, dealers, customers and others	13.36	9.64
Other liabilities	43.33	33.25
Interest accrued but not due on loans	5.07	1.60
	<u>316.50</u>	<u>309.86</u>
* Represents warrants, refund orders, etc. issued but not encashed.		
Note: There is no amount due and outstanding to be credited to Investor Education and Protection Fund.		
SCHEDULE 13		
PROVISIONS		
Proposed dividend.....	14.19	9.66
Tax on distributed profits	2.30	1.60
Provision for retirement benefits.....	6.98	5.74
	<u>23.47</u>	<u>17.00</u>
SCHEDULE 14		
MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Voluntary retirement compensation:		
Balance brought forward	-	1.40
Written off during the year	-	1.40
	<u>-</u>	<u>-</u>



SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Rupees in crores	2009-2010 Rupees in crores
SCHEDULE 15		
OTHER INCOME		
1. Interest (gross)		
(a) Interest on inter-corporate deposits.....	0.64	3.16
(b) Interest on income-tax refunds.....	1.66	0.81
(c) Interest on fixed deposits with banks	0.76	4.50
(d) Interest from dealers and others	3.81	2.55
[tax deducted at source Rs. 0.20 crores (2009-2010 Rs. 0.52 crores)]		
	<u>6.87</u>	<u>11.02</u>
2. Profit on sale of long term investments	2.47	0.45
3. Profit on sale of current investments	0.77	-
4. Profit on sale of investment in subsidiary (Rs.. 20,250/-)	-	-
5. Lease rental.....	20.45	9.36
6. Subsidy under Package Scheme of Incentive from Government of Maharashtra.....	30.28	18.62
7. Miscellaneous income	12.86	3.37
	<u>73.70</u>	<u>42.82</u>

	Rupees in crores	Rupees in crores	2009-2010 Rupees in crores
SCHEDULE 16			
MANUFACTURING AND OTHER EXPENSES			
1. Raw materials consumed		1,123.10	776.63
2. Contracted production		91.59	54.81
		<u>1,214.69</u>	<u>831.44</u>
3. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES			
Salaries, wages and bonus		48.79	40.05
Workmen and staff welfare expenses		5.04	4.24
Contribution to gratuity fund		2.01	1.79
Contribution to provident and other funds		4.18	3.64
		<u>60.02</u>	<u>49.72</u>
4. OPERATING AND OTHER EXPENSES			
Stores, spare parts and catalysts		46.39	45.70
Oil and coal consumed.....		46.72	47.72
Electric energy [net of refund receivable on account of Regulatory Liability Charges]		34.96	31.53
Water charges		4.00	3.62
Excise duty other than relating to sales		0.20	0.02
Job work / processing charges		28.92	22.23
Rates and taxes		3.65	4.24
Brokerage, commission and indenting charges on sales		36.32	8.50
Discount on sales		49.40	40.45
Freight and forwarding		21.46	16.18
Advertising		10.95	10.80
Insurance		1.21	1.35
Rent		13.01	12.36
Repairs: Buildings		1.40	0.92
Machinery		4.37	2.55
Others		2.31	1.71
Doubtful advances/bad debts written off		0.07	1.16
Less: Reversal of provision for doubtful advances/debts		-	(0.41)
		<u>0.07</u>	<u>0.75</u>
Provision for doubtful debts/advances		0.45	8.81
Other expenses		49.50	42.44
		<u>355.29</u>	<u>301.88</u>
5. Loss on foreign currency transactions (net)		2.56	13.67
6. Loss on fixed assets scrapped/sold (net)		0.70	0.17
		<u>1,633.26</u>	<u>1,196.88</u>
	Sub-total		

THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011 SCHEDULE 16 (Contd...)

	Rupees in crores	Rupees in crores	2009-2010 Rupees in crores
7. Cost in respect of real estate activity:			
Opening Stock		7.41	250.57
Add: Conversion of a part of the freehold land from fixed assets into stock-in-trade on the basis of a market valuation [Refer Note 4 on Schedule 18]		856.22	52.34
Add: Incidental expenditure relating to construction/development transferred from capital work-in-progress to stock-in-trade (allocated costs in respect of projects commenced during the year).....		18.12	-
Add: Expenditure relating to construction incurred during the year:			
Architect fees, technical and project related consultancy	3.49		3.24
Civil, electrical, contracting, etc.	68.28		138.77
Payments to local agencies	-		3.68
Fees for cancellation of sale contracts/acquiring rights in real estate	25.73		1.91
Preliminaries and site expenses.....	0.05		0.03
Payments to and provisions for employees	6.18		2.13
Contract/retainership fees	1.67		0.92
Electricity	0.10		(0.31)
Repairs	-		0.01
Travelling and conveyance	0.07		0.03
Interest on fixed loans	-		1.22
Estimated losses to completion.....	2.56		-
Other expenses	3.33		0.80
		111.46	152.43
Less: Release from revaluation reserve on entering into agreements for sale of flats (Refer Note 4 on Schedule 18)		(75.13)	(252.32)
Less: Closing stock (Real estate under development)		(810.24)	(7.41)
		107.84	195.61
Sub-total			
8. (INCREASE)/DECREASE IN WORK-IN-PROGRESS AND FINISHED GOODS			
(A) Closing stock			
(i) Work-in-progress		24.89	18.34
(ii) Finished goods		101.46	60.52
(iii) Office Premises		0.30	0.30
		126.65	79.16
(B) Opening stock			
(i) Work-in-progress		18.34	20.99
(ii) Finished goods		60.52	60.39
(iii) Office Premises		0.30	0.30
		79.16	81.68
Sub-total		(47.49)	2.52
Total		1,693.61	1,395.01

SCHEDULE 17

INTEREST AND FINANCE CHARGES (Refer Note 5 on Schedule 19)

(a) Interest:			
- Fixed loans		115.81	147.06
- Exchange differences on foreign currency loans - (gain) / loss		4.04	6.76
- Others		45.43	43.40
		165.28	197.22
(b) Finance charges		12.83	10.24
		12.83	10.24
		178.11	207.46

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE****SCHEDULE 18****SIGNIFICANT ACCOUNTING POLICIES****(1) Basis of accounting**

The financial statements are prepared under the historical cost convention, on an accrual basis, in accordance with Generally Accepted Accounting Principles in India and are in accordance with the requirements of the Companies Act, 1956 and comply with the Accounting Standards.

(2) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities as of the date of the financial statements and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from the estimates.

(3) Revenue recognition

Revenue from sales is recognised when the significant risks and rewards of ownership of the goods are transferred to the customers.

(4) Revenue from real estate activity

Revenue from real estate is recognised on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration.

The freehold land under Real Estate Development planned for sale, is converted from fixed assets into stock-in-trade at market value. The difference between the market value and cost of that part of freehold land is credited to revaluation reserve. Revenue arising on sale of undivided interest in the underlying freehold land pertaining to flats / office premises, which are under construction, is being accounted when agreement for sale for such flats / office premises, is entered into with a corresponding release from revaluation reserve.

Revenue from construction activity is recognised on the 'Percentage of Completion Method' of accounting. Revenue is recognised in relation to the sold areas only, on the basis of percentage of actual cost incurred as against the total estimated cost of construction. Revenue is only recognised if the actual cost incurred is in excess of 25% of the total estimated cost. The estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined. The estimated cost of the construction as determined, is based on management's estimate of the cost expected to be incurred till the final completion and includes cost of materials, service and other related overheads. Unbilled costs are carried as real estate work in progress.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project / activity and the foreseeable losses to completion.

(5) Fixed assets

Fixed assets are stated at cost (net of cenvat credit wherever applicable) less accumulated depreciation and impairment losses, if any. The cost includes cost of acquisition, construction, erection, installation etc, preoperative expenses (including trial run) and borrowing costs incurred during construction period.

(6) Depreciation

Depreciation on fixed assets other than furniture and motor vehicles is provided under the straight line method in a manner that amortises the cost of the assets after commissioning, over their estimated useful lives or lives based on the rates specified in Schedule XIV to the Companies Act, 1956, whichever is higher. Depreciation on furniture and motor vehicles is provided on the written down value method at the rates specified in Schedule XIV to the Companies Act, 1956. Useful lives as estimated by the management are as under:

- (i) Assets of retail shops including leasehold improvement – 6 years
- (ii) Computer software – 5 years
- (iii) Technical know-how – 10 years
- (iv) Leases hold land – lease period namely 95 years

The Textile processing plant at Ranjangaon has been treated as a Continuous process plant based on technical assessment.

(7) Impairment

The carrying amounts of the Company's tangible and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss, if any, is recognized in the statement of Profit and Loss in the period in which impairment takes place.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, however subject to the increased carrying amount not exceeding the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognized for the asset in prior accounting periods.

(8) Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 18 (Contd.)

- (9) Investments
- (i) Long term investments are stated at cost. Provision for diminution is made to recognise a decline, other than temporary, in value of long term investments, where applicable.
 - (ii) Current investments are stated at lower of cost and fair value and the resultant decline, if any, is charged to revenue.
- (10) Inventories
- (i) Inventories are valued at lower of cost and net realisable value.
 - (ii) Cost is determined as follows:
 - (a) Stores, spare parts and catalyts on a weighted average method.
 - (b) Raw Materials
 - cotton, fibre, cloth, yarn, purified terephthalic acid, mono ethylene glycol, dyes & chemicals and other materials on a weighted average method.
 - (c) Work-in-process and finished goods
 - Textile division-
 - Material costs included in the valuation are determined on the basis of the average consumption rates closer to the year end so as to reflect the fair approximation to the costs incurred. Costs of conversion and other costs are determined on the basis of standard costs, adjusted for variances between standard and actual costs, if material. Cost of inventory at retail outlets is determined on a 'retail method', by reducing from the sales value of the inventory, an appropriate percentage of gross margin. Cost of ready finished cloth is determined by a combination of specific identification plus weighted average method.
 - PSF division-
 - Material cost included in the valuation are determined on the basis of the weighted average rate and cost of conversion and other costs are determined on the basis of average cost of conversion of the last month.
 - (d) Real estate under development-
 - Real estate under development comprises undivided interest in the freehold land at market value, determined at the rate at which it was converted from fixed assets into stock-in-trade and expenditure relating to construction. Cost of land and construction/development is charged to profit and loss account proportionate to area sold and at the time when corresponding revenue is recognised.
- (11) Foreign currency transactions
- (i) Transactions in foreign currency are recorded at exchange rates on the date of transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of all monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Profit & Loss Account.
 - (ii) Forward exchange contracts other than those entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions are translated at period end exchange rates and the resultant gains and losses as well as the gains and losses on cancellation of such contracts are recognised in the Profit and Loss Account. Premium or discount on such forward exchange contracts is amortised as income or expense over the life of the contract.
 - (iii) The company used forward foreign exchange contract to hedge its exposure against movements in foreign exchange rates.
- (12) Accounting for Derivatives
- The Company enters into derivative financial instruments to hedge foreign currency risk of firm commitments and highly probable forecast transactions. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The carrying amount of a derivative designated as a hedge is presented as a current asset or liability. The company does not enter into any derivatives for trading purposes.
- Cash Flow Hedge
- Forward exchange contracts entered into to hedge foreign currency risks of firm commitments or highly probable forecast transactions, that qualify as cash flow hedges are recorded in accordance with the principles of hedge accounting enunciated in Accounting Standard (AS) 30 – Financial Instruments Recognition and Measurement. The gains or losses on designated hedging instruments that qualify as effective hedges is recorded in the Hedging Reserve account and is recognized in the statement of Profit and Loss in the same period or periods during which the hedged transaction affects profit or loss.
- Gains or losses on the ineffective hedge transactions are immediately recognized in the Profit and Loss account. When a forecasted transaction is no longer expected to occur the gains and losses that were previously recognized in the Hedging Reserve are transferred to the statement of Profit and Loss immediately.
- (13) Employees benefits
- (i) Short term employee benefits:
 - Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE****SCHEDULE 18 (Contd.)**

(ii) Post-employment benefits:

(I) Defined Contribution Plan:

a) Provident and Family Pension Fund

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both the employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to the provident fund and pension fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner. The Company has no further obligations beyond making the contribution, except that any shortfall in the fund assets based on the Government specified minimum rates of return in respect of provident fund set up by the Company, and the Company recognises such contributions and shortfall, if any, as an expense in the year incurred.

b) Superannuation

The eligible employees of the Company are entitled to receive post employment benefits in respect of superannuation fund in which the Company makes annual contribution at a specified percentage of the employees' eligible salary (currently 10% or 15 % of employees' eligible salary). The contributions are made to the Superannuation fund set up as irrevocable trust by the Company. Superannuation is classified as Defined Contribution Plan as the Company has no further obligations beyond making the contribution. The Company's contribution to Defined Contribution Plan is charged to profit and loss account as incurred.

(II) Defined Benefit Plan:

a) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days or 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Contributions are made to the Gratuity Fund set up as irrecoverable trust by the Company. The Company accounts for gratuity benefits payable in future on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using Project Unit Credit method. Actuarial gains and losses which comprise experience adjustment and the effect of change in actuarial assumptions are recognised in the profit and loss account.

b) Other long-term employee benefits - compensated absences

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/ availment. The Company makes provision for compensated absences based on an actuarial valuation by an independent actuary at the year end, which is calculated using Project Unit Credit Method. Actuarial gains and losses which comprise experience adjustment and the effect of change in actuarial assumptions are recognised in the profit and loss account.

(14) Taxation

Tax expense comprises current and deferred tax. Current tax is measured at the amount expected to be paid in accordance with the Income-tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rate and tax laws enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are not recognised on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(15) Provisions and Contingent Liabilities

A provision is recognised when the enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

(16) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as operating leases. Operating lease payments/receipts are recognised as an expense/income in the Profit and Loss Account on a straight-line basis over the lease term.

(17) Government Grants

Grants in the nature of subsidies related to revenue are recognized in the profit and loss account over the period in which the corresponding costs are incurred and are recorded on accrual basis.

THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19

	Rupees in crores	2009-2010 Rupees in Crores
(1) Contingent liabilities not provided for		
(a) Income-tax matters in respect of earlier years under dispute (including interest of Rs. 5.86 crores) [31.03.2010. Rs.5.77 crores] as follows:	41.18	37.10
(i) Decided in Company's favour by appellate authorities and department in further appeal ..	5.11	5.11
(ii) Pending in appeal - matters decided against the Company.....	36.07	31.99
(b) Sales Tax, Service Tax and Excise Duties.....	14.12	1.47
(c) Customs duty	0.25	0.37
(d) Other claims against the Company not acknowledged as debts (with interest thereon)	6.99	4.38
In respect of items (a) to (d) above, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments pending at various forums/authorities.		
(e) Counter indemnity for an amount of Rs. 96.22 crores (31.3.2010 Rs.81.45 crores) issued in favour of banks which in turn have guaranteed loans granted by other banks abroad to PT Five Star Textile, Indonesia, (PTFS), a joint venture company as under:-		
(i) Rs. 84.16 crores (31.3.2010 Rs. 71.05 crores) in favour of IDBI Bank Limited against guarantees issued to Punjab National Bank International London for loans granted to PTFS.		
(ii) Rs. 12.06 crores (31.3.2010 Rs. Nil) in favour of IDBI Bank Limited against guarantees issued to Punjab National Bank International London for loans granted to PTFS.		
(iii) Rs. Nil (31.3.2010 Rs. 10.40 crores) in favour of State Bank of India, against guarantees issued to State Bank of India, Indonesia for loans granted to PTFS.		
Item No. (i) secured by first Mortgage/charge over part of the land of the Company at Spring Mills at Mumbai admeasuring 46,442.13 square metres and buildings and structures thereon.		
Item No. (ii) is secured by fixed deposit of Rs. 12.51 crores earmarked in favour of IDBI Bank Limited.		
As confirmed by PTFS, the Company has a pari passu charge on PTFS's assets, which would cover the aforesaid indemnity amount.		
(f) Bills discounting.....	41.44	25.89
(g) In accordance with the EPCG Scheme, the company had during 2006-07 and 2007-08 imported capital goods duty free, subject to condition that the Company will fulfill, in future, a specified amount of export obligation within eight years. Amount of duty saved on import of the above goods aggregate Rs 29.78 crores (31.03.2010 Rs. 29.78 crores) against which export obligation of Rs 238.26 crores (31.03.2010 Rs. 238.26 crores) needs to be fulfilled. The company has made an application to the Government for modification of the export obligation. If the Company fails to meet the required export obligation, the company will be required to pay the import duty saved together with interest thereon.		
(h) Export obligation under Advance Licence Scheme Rs. 2.81 crores (31.03.2010 Rs. 2.81 crores) and duty saved thereon Rs. 0.71 crore (31.03.2010 Rs. 0.71 crore).		
(2) Capital Commitments		
Estimated amount of contracts to be executed on capital account and not provided for as at 31st March, 2011 Rs 7.72 crores (31.3.2010 Rs.6.05 crores)		
(3) Share Capital		
Under orders from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992, - the allotment against 928 (2009-10- 928) warrants carrying rights of conversion into equity shares of the Company has been kept in abeyance in accordance with section 206A of the Companies Act, 1956, till such time as the title of the bonafide owner is certified by the concerned Stock Exchanges.		
(4) The Shareholders of the company had approved on 24 th March 2010 through postal ballot issue of 39,57,000 Warrants with an option to subscribe equivalent number of shares of Rs.10 each comprising 19,30,000 Warrants to be exercised on or before 31 st March, 2011 and further 20,27,000 Warrants to be exercised on or after 1 st April, 2011 but not later than 18 months from the date of issue of the Warrants to Promoter(s)/Promoter Group in accordance with the applicable SEBI Regulations. Perman Project Supports Ltd. (PPSL), a company in the Promoter Group had on 19 th July, 2010 accepted the above offer and paid an amount of Rs. 52.22 crores, representing 25% of the		



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19 (Contd.)

issue price of Rs. 527.83 per share fixed in accordance with the pricing of equity shares given in SEBI Regulations. PPSL exercised option of conversion of 19,30,000 warrants into equity shares on 28th March, 2011 and paid the subscription money of Rs. 76.40 crores towards the balance amount payable after adjusting the initial payment of 25% of the issue price. The Company has on 29th March, 2011 allotted to PPSL 19,30,000 equity shares of Rs. 10/- each at a premium of Rs. 517.83 per share.

- (5) Borrowing costs capitalised during the year as incidental expenditure relating to construction/development is Rs.1.04 crores (2009-2010 Rs.5.25 crores).
- (6) During the year 2000-2001, pursuant to the scheme of amalgamation between Scal Investments Limited (SIL) and the Company, sanctioned by the jurisdictional court on 20th April, 2001, the assets, liabilities and reserves of SIL had been transferred to and vested in the Company with effect from 1st October, 2000. The Company is taking necessary steps for securing transfer of some of the assets and liabilities in the name of the Company.
- (7) The Company has during the year ended 31st March, 2011 converted a part of the freehold land under real estate development from fixed assets to stock in trade at market value and the difference between the market value and cost amounting to Rs. 853.96 crores (2009-2010 Rs.50.76 crores) has been credited to Revaluation Reserve. Further, pursuant to an Agreement for sale, the Company has sold a part of the proposed residential tower being constructed on such land and in accordance with the accounting policy consistently followed by the Company, recognised the revenue arising on sale of the undivided interest in underlying freehold land amounting to Rs. 70.57 Crores (2009-10 Rs. 256.29 Crores) in the Profit & Loss Account, with a corresponding release from revaluation reserve.
- (8) Debtors and creditors balances are subject to confirmation and consequent reconciliation, if any.
- (9) Advances recoverable in cash or in kind or for value to be received
 - (a) Advances recoverable in cash or in kind or value to be received includes an amount of Rs. 0.02 crores recoverable from Mr.Ness Wadia towards excess remuneration paid for the year 2010-11, since recovered.
 - (b) Advances recoverable in cash or in kind or for value to be received include Rs. 0.71 crore on account of remuneration recoverable from Mr. M.K.Singh, Executive Director, whose services were terminated on 6th July, 2008 consequent to detection of irregular conduct. A suit has been filed by the company in the High Court of Judicature of Mumbai alleging fraudulent misconduct. The matter is pending before the Court.
- (10) Deposit with a joint venture company
 Deposit of Rs.15.22 crores (2009-2010 Rs. 15.22 crores) with a joint venture company is a "shareholders' deposit with PT. Five Star Textile Indonesia (PTFS). This deposit, originally denominated in U.S. \$, was w.e.f. 1st April 2003 converted to Indian rupees, as approved by the Board of Directors of the Company and by the Board of Commissioner's of PTFS. This deposit was earlier repayable by PTFS after it cleared, in full, the term loan availed by it from a consortium of Indian nationalised banks, which was to be effected in installments spread out between 1996 and 2010. During the year 2000-2001, PTFS has prepaid the aforesaid term loan by raising funds through other borrowings subject to annual review and the aforesaid deposit is now repayable by PTFS after these borrowings are eventually repaid or by the year 2015 (RBI has extended the tenure by 5 years from 2010), whichever is earlier.
- (11) Current Liabilities
 There are no amounts due to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006; this information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose.
- (12) Deferred taxes

Nature of timing difference	Deferred tax (liability)/asset as at 1st April, 2010 Rupees in crores	Credit/(charge) for the year Rupees in crores	Deferred tax (liability)/asset as at 31st March, 2011 Rupees in crores
(a) Deferred tax liabilities			
- Depreciation	(125.12)	(1.66)	(126.78)
Sub-total	<u>(125.12)</u>	<u>(1.66)</u>	<u>(126.78)</u>
(b) Deferred tax assets			
- Item covered under section 43B	1.13	0.33	1.46
- Unabsorbed depreciation under the Income-tax Act, 1961, recognised in view of timing difference in (a) above restricted to the extent of deferred tax liability.....	123.99	1.33	125.32
Sub-total	<u>125.12</u>	<u>1.66</u>	<u>126.78</u>
Net amount	<u>(-)</u>	<u>(-)</u>	<u>(-)</u>

THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19 (Contd.)

(13) Employee Benefits

A. Defined Contribution Plan

The Company has recognized the following amounts in the statement of Profit and Loss Account under Contribution to provident and other funds in Schedule 16 as under:

	Rs. in crores	<i>2009-10</i> <i>Rs. in crores</i>
Employer's contribution to Provident Fund.....	2.86	2.48
Employer's contribution to Family Pension Fund	0.45	0.44
Employer's contribution to Superannuation Fund.....	0.47	0.51

B. Defined Benefit Plan

Gratuity - as per actuarial valuation as on 31st March, 2011

i. Reconciliation of opening and closing balances of Defined Benefit Obligation

Present value of Defined Benefit Obligation as at 31st March, 2010	12.29	11.97
Interest cost.....	1.01	0.83
Current Service Cost	0.63	0.88
Benefits paid.....	(1.34)	(2.03)
Net Actuarial gain / (loss)	1.16	0.64
Present value of Defined Benefit Obligation as at 31st March, 2011	<u>13.75</u>	<u>12.29</u>

ii. Reconciliation of fair value of Plan Assets

Fair value of Plan Assets as at 31st March, 2010	10.59	11.23
Expected return on Plan Assets	1.04	0.88
Net Actuarial gain / (loss)	(0.34)	(0.23)
Employer's Contribution	3.04	0.74
Benefits Paid	(1.34)	(2.03)
Fair value of Plan Assets as at 31st March, 2011	<u>12.99</u>	<u>10.59</u>
The Company expects to contribute in 2011-2012.....	1.83	1.56

The major categories of Plan Assets as a percentage of the fair value of total Plan Assets are as follows:

Government of India Bonds.....	-	-
Corporate Bonds	63.02	75.92
State Govt. Securities.....	-	12.91
Banks	4.27	11.17
Insurance Funds.....	32.71	-
	<u>100.00</u>	<u>100.00</u>

iii. Net assets / (liabilities) recognised in the Balance Sheet as at 31st March, 2011

Present value of Defined Benefit Obligation.....	(13.75)	(12.29)
Fair value of Plan Assets.....	12.99	10.59
Net Assets / (liability) recognised in Balance Sheet	<u>(0.76)</u>	<u>(1.70)</u>

iv. Components of Employer's Expenses

Current Service Cost	0.63	0.88
Interest Cost	1.01	0.83
Expected return on Plan Assets	(1.04)	(0.88)
Net Actuarial (gain) / loss	1.49	0.88
Total expenses recognised in the Profit and Loss account in Schedule 16 under Contribution to Gratuity Fund.....	<u>2.09</u>	<u>1.71</u>
Actual return on Plan Assets	0.70	0.65



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19 (Contd.)

(13) Employee Benefits (Contd.)

v.	Actuarial Assumptions		
	Mortality Table	LIC (1994-96) (Ultimate)	LIC (1994-96) (Ultimate)
	Discount Rate (per annum)	8.25%	8.25%
	Expected rate of return on Plan Assets.....	8.00%	8.00%
	Salary escalation	6.50%	6.00%
vi.	a.	The estimates of rate of escalation in salary considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.	
	b.	The discounting rate is considered based on market yield on government bonds having currency and terms consistent with the currency and terms of the post-employment benefit obligations.	
	c.	The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risk, historical results of return on plan assets and the Company's policy for plan assets management.	
vii.	The above information is certified by the actuary.		
	Other long term benefits-		
	Amount recognised as a liability in respect of compensated leave absences is Rs. 4.49 crores [2009-10- Rs. 3.38 crores]		

(14) Managerial Remuneration

	Rupees in crores	2009-2010 Rupees in crores
(i) Directors' Fees	0.12	0.14
(ii) Remuneration to the Joint Managing Directors [inclusive of contribution to provident and superannuation funds Rs.0.25 crore (2009-2010 Rs. 0.16 crore), estimated monetary value of benefits of Rs.0.02 crore (2009-2010 Rs. 0.16 crore) but excluding contribution to gratuity fund and provision for compensated absences as separate figures are not available].....	2.24	2.15
	<u>2.36</u>	<u>2.29</u>
(iii) Computation of net profits in accordance with section 309(5) read with section 349 of the Companies Act, 1956:		
Profit/ (Loss) before tax as per profit and loss account	26.37	22.19
Add: Whole-time directors' remuneration	2.24	2.15
Provision for doubtful advances	0.45	8.81
Sitting Fee	0.12	0.14
Loss on sale of assets.....	0.70	0.17
Depreciation as per books.....	62.08	59.54
	<u>91.96</u>	<u>93.00</u>
Less: Profit on sale of investments	(3.24)	(0.45)
Excess of expenditure over income for earlier years to the extent not set off *	(72.83)	(165.38)
Depreciation as per books.....	(62.08)	(59.54)
	<u>(46.19)</u>	<u>(132.37)</u>
(iv) Minimum remuneration under schedule XIII of the Companies Act, 1956.....	0.96	0.96
(v) Remuneration payable to Joint Managing Directors/whole-time directors, as per the approval of the Central Government.....	1.08	2.15
(vi) Remuneration payable to Mr. Durgesh Mehta as per the approval of the shareholders, subject to the approval of the Central Government.....	1.16	-

Note:

- i. The Central Government has approved a remuneration of Rs. 1.08 crores for Mr. Ness Wadia for the year 2010-11 vide letter dated 30th April, 2010. Accordingly the sum of Rs. 0.02 crore recoverable from Mr. Ness Wadia, has since been received. (Refer Note 9(a))
- ii. In view of inadequacy of profits, the Company has made an application to the Central Government for payment of remuneration to Mr. Durgesh Mehta in excess of the minimum remuneration under schedule XIII.
- iii. *Depreciation has been excluded from the excess of expenditure over income as it does not represent expenditure as per decision of the Calcutta High Court.

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SCHEDULE 19 (Contd.)

	Rupees In crores	2009-2010 Rupees in crores
(15) Auditors' remuneration (excluding service tax)		
(i) Audit fees	0.35	0.35
(ii) Company law matters.....	-	0.01
(iii) Other services	0.24	0.24
(iv) Reimbursement of out-of-pocket expenses	0.01	0.01
(16) Foreign Currency Transactions		
(i) Exchange differences charged to the profit and loss account includes loss on cancellation of forward exchange contracts Rs. 3.84 crores (net) {2009-2010 Rs. 13.02 crores}.		
(17) Derivative Instruments		
(i) The following are the outstanding Forward Foreign Exchange Contracts entered into by the Company as on 31st March, 2011 against estimated import of raw materials or export of finished goods :		

Currency	Amount in foreign currency	Buy/Sell
USD/INR (2009-10)	57,822,404 (47,961,961)	Buy
EURO/USD (2009-10)	Nil (773,851)	Sell
GBP/USD (2009-10)	Nil (300,000)	Sell
EURO/INR (2009-10)	Nil (1,303,500)	Buy
USD/INR (2009-10)	10,425,145 (Nil)	Sell
EURO/INR (2009-10)	1,262,075 (Nil)	Sell
GBP/INR (2009-10)	189,386 (Nil)	Sell

These Foreign Exchange Contracts are entered into for hedging purposes and not for speculation purposes.

- (ii) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:
- (a) Amounts receivable in foreign currency – USD 2,649,836, EURO 205,112, GBP 97,688 (2009-10 USD 2,340,157, EURO 340,093, GBP 114,108)
- (b) Amounts payable in foreign currency – USD 48,008, EURO 11,058, GBP 1,965 (2009-10 USD 33,255, EURO 9137, CHF 2091)
- (iii) The Company has adopted the principles of hedge accounting as set out in Accounting Standard 30, 'Financial Instruments: Recognition and Measurement', issued by The Institute of Chartered Accountants of India. Accordingly, the foreign exchange (gain)/ loss of Rs. (0.01) crores (2009-10 Rs. 5.48 crores) as on 31st March, 2011 on forward foreign exchange contracts entered into to hedge firm commitments and highly probable forecast transactions, which qualify for hedge accounting, has been accounted under Hedging Reserve to be ultimately recognised in the profit and loss account when the forecasted transactions arise.
- (iv) Figures in brackets are the corresponding figures in respect of the previous year.
- (18) Operating Lease
- (a) The Company has taken certain motor vehicles and retail shops on operating lease. The particulars in respect of such leases are as follows:

	As at 31 st March, 2011 (Rupees in crores)	As at 31 st March, 2010 (Rupees in crores)
(i) Total of minimum lease payments		
Total of minimum lease payments for a period:		
- not later than one year	2.53	5.35
- later than one year but not later than five years.....	5.35	15.85
- later than five years.....	0.31	0.60
(ii) Lease payments recognised in the statement of profit and loss for the year	5.70	5.38



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SCHEDULE 19 (Contd.)

(18) Operating Lease (Contd.)

(iii) The lease agreements are for a period of four years for vehicles and for a period of one to nine years for retail shops including further periods for which the Company has the option to continue the lease of retail shop with the condition of increase in rent.

(b) The Company has given commercial space on operating lease. The particulars in respect of such leases are as follows:-

	As at 31 st March, 2011 (Rupees in crores)	As at 31 st March, 2010 (Rupees in crores)
Lease rental income:		
Total of minimum lease receipts for a period:		
- not later than one year	19.79	18.33
- later than one year but not later than five years	54.53	53.69
- later than five years	22.53	29.35

(19) Earnings Per Equity Share

	Rupees in crores	2009-2010 Rupees in crores
(i) Profit computation for both basic and diluted earnings per equity share of Rs. 10 each		
Net profit as per profit and loss account available for equity shareholders.....	21.39	18.42
	<u>No. of equity shares</u>	<u>No. of equity shares</u>
(ii) Number of Equity Share		
Number of Equity Shares at the beginning of the year.....	3,86,16,980	3,86,16,980
Add:- Shares allotted during the year.....	19,30,000	-
Number of Equity Shares at the end of the year	4,05,46,980	3,86,16,980
	<u>No. of equity shares</u>	<u>No. of equity shares</u>
Weighted average number of equity shares		
(a) For basic earnings.....	3,86,32,843	3,86,16,980
(b) For diluted earnings.....	3,86,32,843	3,86,16,980
Face value of Equity Share= Rs. 10/-		
(iii) Earnings per equity share		
Basic (in Rupees)	5.54	4.77
Diluted (in Rupees).....	5.54	4.77

(20) Segment Reporting

(i) Primary Segments - Business Segments

	<u>Textile</u>	<u>Polyester</u>	<u>Real Estate</u>	<u>Elimination</u>	<u>Total</u>
		[see foot note (b)]			
A. REVENUE					
1 Segment revenue - External sales/ Income from operations..	398.00 [293.93]	1312.64 [818.55]	239.37 [561.62]	- [-]	1950.01 [1674.10]
2 Inter-segment revenue	- [-]	1.97 [1.78]	- [-]	(1.97) [(1.78)]	- [-]
3 Total segment revenue	<u>398.00</u> [293.93]	<u>1314.61</u> [820.33]	<u>239.37</u> [561.62]	<u>(1.97)</u> [(1.78)]	<u>1950.01</u> [1674.10]
4 Other Income					10.16 [11.50]
TOTAL.....					<u>1960.17</u> [1685.60]

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SCHEDULE 19 (Contd.)

(20) Segment Reporting (Contd.)

	Textile	Polyester	Real Estate	Total
B. RESULT				
1. Segment result/operating profit/(loss)	(21.67)	151.89	86.06	216.27
	[(37.83)]	[(66.38)]	[348.78]	[244.57]
2. Unallocated (Expenses)/Income Net.....				(24.62)
				[(23.76)]
3. Operating Profit				191.65
				(220.81)
4. (a) Voluntary Retirement Compensation Written off..				(-)
				[(1.40)]
(b) Interest expenses.....				(165.28)
				[(197.22)]
5. Income Taxes.....				(4.98)
				[(3.77)]
6. Net Profit				21.39
				[18.42]
C. OTHER INFORMATION				
1. Segment assets.....	490.25	839.11	1201.79	2531.15
	[467.30]	[798.25]	[847.19]	[2112.74]
2. Unallocated assets				174.30
				[199.58]
3. Total assets				2705.45
				[2312.32]
4. Segment liabilities	56.49	184.19	65.10	305.78
	[60.12]	[179.33]	[61.94]	[301.39]
5. Unallocated liabilities.....				1271.49
				[1800.58]
6. Total liabilities				1577.27
				[2101.97]
7. Cost incurred during the year to acquire segment fixed assets	4.55	1.58	4.68	10.81
	[23.66]	[2.89]	[5.62]	[32.17]
8. Depreciation	20.28	35.98	5.82	62.08
	[19.69]	[35.99]	[3.86]	[59.54]
9. Non-cash expenses other than depreciation				
- doubtful advances written off	-	-	0.07	0.07
	[0.66]	[-]	[0.09]	[0.75]
- provision for bad & doubtful debts.....	0.82	(0.37)	-	0.45
	[0.36]	[8.45]	[-]	[8.81]

(ii) Secondary Segments - Geographical Segments

	India	Rest of the World	Total
A. Segment revenue from external customers, based on geographical location of customers.....	1655.02	294.99	1950.01
	[1471.66]	[202.44]	[1674.10]
B. Segment assets based on geographical location	2506.30	24.85	2531.15
	[2098.53]	[14.21]	[2112.74]
C. Cost incurred during the year to acquire fixed assets	10.81	-	10.81
	[32.17]	[-]	[32.17]



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19 (Contd.)

(20) Segment Reporting (Contd.)

Notes:

- (a) The Company's operating facilities are located in India. Most of the assets are not identifiable separately to any reportable segment as these are used interchangeably between segments.
- (b) Corporate expenses have been apportioned between the segments on a reasonable basis.
- (c) Figures in italics and in brackets are the corresponding figures in respect of the previous year.

(21) Related party disclosures

(a) Names of related parties and nature of relationship:

Subsidiary Company:	BDS Urban Infrastructure Private Limited (From 23rd July, 2010 to 11th March, 2011) Bombay Dyeing Real Estate Company Limited (erstwhile White Horse Real Estate Private Limited) up to 16th March, 2010
Associate Companies:	Archway Investment Company Limited Pentafil Textile Dealers Limited Scal Services Limited Bombay Dyeing Real Estate Company Limited (erstwhile White Horse Real Estate Private Limited) w.e.f. 17th March, 2010
Joint Venture Companies:	PT. Five Star Textile Indonesia Proline India Limited L&T Bombay Developers Private Limited (Upto 29th July, 2010)
Key Management Personnel:	Mr. Ness N. Wadia - Joint Managing Director Mr. Durgesh Mehta (Joint Managing Director & CFO) w.e.f. 1st April, 2010 Mr. P.V. Kuppuswamy - Joint Managing Director (Upto 31st March, 2010).

Entity over which Key Management

Personnel exercise significant influence: KPH Dream Cricket Private Limited

(b) Transactions with related parties

<u>Nature of transactions</u>	<u>Subsidiary Company</u>	<u>Associ-ate Companies</u>	<u>Joint Ven-ure Companies</u>	<u>Key Man-agement Personnel</u>	<u>Entities over which Key Management Personnel exercise significant influence</u>
(Rs. in crores)					
I) Transactions:					
(i) Inter-Corporate Deposits (ICDs) given					
- Archway Investment Company Limited	-	12.08	-	-	-
	(-)	(72.98)	(-)	(-)	(-)
- Bombay Dyeing Real Estate Company Limited	-	-	-	-	-
	(15.94)	(51.75)	(-)	(-)	(-)
(ii) Repayment of ICDs					
- Archway Investment Company Limited.....	-	30.66	-	-	-
	(-)	(58.17)	(-)	(-)	(-)
- Bombay Dyeing Real Estate Company Limited	-	-	-	-	-
	(15.94)	(51.75)	(-)	(-)	(-)
- Proline India Limited	-	-	-	-	-
	(-)	(-)	(0.50)	(-)	(-)
(iii) Interest income on ICDs					
- Archway Investment Company Limited	-	0.60	-	-	-
	(-)	(2.85)	(-)	(-)	(-)
- Bombay Dyeing Real Estate Company Limited	-	-	-	-	-
	(0.15)	(0.12)	(-)	(-)	(-)
- Proline India Limited	-	-	-	-	-
	(-)	(-)	(0.04)	(-)	(-)
(iv) Inter-Corporate Deposits (ICDs) taken					
- Archway Investment Company Limited.....	-	55.27	-	-	-
	(-)	(74.72)	(-)	(-)	(-)
(v) Repayment of ICDs					
- Archway Investment Company Limited.....	-	55.27	-	-	-
	(-)	(74.72)	(-)	(-)	(-)

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SCHEDULE 19 (Contd.)

(21) Related party disclosures (Contd.)

<u>Nature of transactions</u>	<u>Subsidiary Company</u>	<u>Associ- ate Compa- nies</u>	<u>Joint Ven- ture Compa- nies</u>	<u>Key Man- agement Personnel</u>	<u>Entities over which Key Management Personnel exercise significant influence</u>
(vi) Interest paid on ICDs					
- Archway Investment Company Limited	-	0.14	-	-	-
	(-)	(0.22)	(-)	(-)	(-)
(vii) Expenses incurred on behalf of related parties (reimbursable)					
- PT. Five Star Textile Indonesia	-	-	2.52	-	-
	(-)	(-)	(1.27)	(-)	(-)
- L&T Bombay Developers Private Limited	-	-	0.22	-	-
	(-)	(-)	(0.06)	(-)	(-)
(viii) Remuneration					
- Mr. P.V. Kuppuswamy - Joint Managing Director ...	-	-	-	-	-
	(-)	(-)	(-)	(1.07)	(-)
- Mr. Ness N. Wadia – Joint Managing Director	-	-	-	1.08	-
	(-)	(-)	(-)	(1.08)	(-)
- Mr. Durgesh Mehta – Joint Managing Director & CFO	-	-	-	1.16	-
	(-)	(-)	(-)	(-)	(-)
(ix) Guarantee and collaterals					
- PT. Five Star Textile Indonesia	-	-	14.77	-	-
	(-)	(-)	(5.74)	(-)	(-)
(x) Purchase of goods					
- Proline India Limited	-	-	-	-	-
	(-)	(0.03)	(-)	(-)	(-)
(xi) Revenue from real estate activity [Refer footnote (b)]					
- Scal Services Limited.....	-	0.05	-	-	-
	(-)	(1.93)	(-)	(-)	(-)
- Mr. P.V. Kuppuswamy –Joint Managing Director	-	-	-	0.01	-
	(-)	(-)	(-)	(0.34)	(-)
- Mr. Ness N. Wadia – Joint Managing Director.....	-	-	-	0.09	-
	(-)	(-)	(-)	(2.27)	(-)
- Bombay Dyeing Real Estate Company Limited	-	-	-	-	-
[Refer footnote (b)]	(423.54)	(-)	(-)	(-)	(-)
(xii) Reversal of sale on cancellation of contracts					
- Scal Services Limited	-	6.14	-	-	-
	(-)	(49.80)	(-)	(-)	(-)
- Bombay Dyeing Real Estate Company Limited	-	658.56	-	-	-
	(-)	(-)	(-)	(-)	(-)
(xiii) Fees for cancellation of sale contracts					
- Scal Services Limited	-	2.70	-	-	-
	(-)	(1.91)	(-)	(-)	(-)
II) Receivable as at year end					
- Archway Investment Company Limited	-	8.67	-	-	-
	(-)	(27.25)	(-)	(-)	(-)
- PT. Five Star Textile Indonesia	-	-	15.89	-	-
	(-)	(-)	(14.36)	(-)	(-)
- Scal Services Limited	-	-	-	-	-
	(-)	(11.80)	(-)	(-)	(-)
- L & T Bombay Developers Private Limited	-	-	-	-	-
	(-)	(-)	(0.23)	(-)	(-)
- BDS Urban Infrastructure Private Limited	0.10	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
- Bombay Dyeing Real Estate Company Limited	-	-	-	-	-
	(-)	(502.34)	(-)	(-)	(-)



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19 (Contd.)

(21) Related party disclosures (Contd.)

<u>Nature of transactions</u>	<u>Subsidiary Company</u>	<u>Associate Companies</u>	<u>Joint Venture Companies</u>	<u>Key Management Personnel</u>	<u>Entities over which Key Management Personnel exercise significant influence</u>
III) Payables as at year end					
- Scal Services Limited	-	1.64	-	-	-
	(-)	(-)	(-)	(-)	(-)
IV) Advances received for purchase of flats					
- Mr. Ness N. Wadia - Joint Managing Director	-	-	-	0.57	-
	(-)	(-)	(-)	(0.54)	(-)
V) Shareholders' deposit (as at year end)					
- PT. Five Star Textile Indonesia	-	-	15.22	-	-
	(-)	(-)	(15.22)	(-)	(-)
VI) Advance share application money to					
L&T Bombay Developers Private Limited	-	-	-	-	-
	(-)	(-)	(4.61)	(-)	(-)
- Sale of shares held in Bombay Dyeing Real Estate Company Limited	-	-	-	-	-
	(-)	(0.03)	(-)	-	(-)
- Sale of shares held in BDS Urban Infrastructure Private Limited	0.01	-	-	-	-
	(-)	(-)	(-)	-	(-)
VII) Guarantee and collaterals (as at year end)					
- PT. Five Star Textile Indonesia [Refer footnote (c)]	-	-	96.22	-	-
	(-)	(-)	(81.45)	(-)	(-)
VIII) Advances given					
- Scal Services Limited	-	66.61	-	-	-
	(-)	(-)	(-)	(-)	(-)
- BDS Urban Infrastructure Private Limited	250.10	-	-	-	-
	(-)	(-)	(-)	(-)	(-)

Notes:

- (a) Dividend paid has not been considered by the Company as a transaction falling under the purview of Accounting Standard 18 "Related Party Disclosures".
- (b) Revenue from real estate activity is disclosed based on aggregate value of sales consideration as per agreements.
- (c) Secured by a pari-passu charge on the assets of the joint venture.
- (d) Figures in brackets are the corresponding figures in respect of the previous year.

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SCHEDULE 19 (Contd.)

(22) Additional disclosure as required by the amended clause 32 of the listing agreements with relevant stock exchanges.

Sr. No.	Name	Nature of transaction	Balance as at 31 st March, 2011 Rupees in crores	Maximum amount outstanding during the year Rupees in crores	No. of shares of the Company held by the loanees as at 31 st March, 2011
A. Investments and Loans and advances in subsidiary and associates					
1	Scal Services Ltd.	Investment in equity shares	0.78 (0.78)	0.78 (0.78)	- (-)
2	Archway Investment Company Ltd.	Inter corporate deposit	8.67 (27.25)	28.38 (39.82)	- (-)
		Investment in equity shares	2.16 (2.16)	2.16 (2.16)	- (-)
		Investment in fully convertible debentures (carrying no interest)	51.00 (51.00)	51.00 (51.00)	- (-)
3	Pentafil Textile Dealers Ltd.	Investment in equity shares	0.88 (0.88)	0.88 (0.88)	- (-)
4	Bombay Dyeing Real Estate Company Ltd.	Investment in equity shares	0.02 (0.02)	0.02 (0.05)	- (-)
5	BDS Urban Infrastructure Private Limited	Investment in equity shares	0.01 (-)	0.01 (-)	- (-)
		Advances	0.10 (-)	250.10 (-)	- (-)
			<u>63.62</u> (82.09)	<u>333.33</u> (93.96)	<u>-</u> (-)
B. Loans and advances in the nature of loans to companies in which directors are interested.					
1	PT. Five Star Textile Indonesia	Shareholders' Deposit	15.22 (15.22)	15.22 (15.22)	- (-)
2	Proline India Limited	Inter Corporate Deposit	- (-)	0.50 (0.50)	- (-)
			<u>15.22</u> (15.22)	<u>15.22</u> (15.72)	<u>-</u> (-)
C. Loans and advances in the nature of loans where there is: (i) repayment beyond seven years or (ii) no interest or interest below section 372A of the Companies Act, 1956, other than referred in A2 and B2 above.					
	Employee Loans		0.95 (0.55)	1.09 (0.58)	1,250 (1,250)

(23) Joint Ventures

The Company has the following joint ventures as on 31st March, 2011 and its proportionate share in the assets, liabilities, income and expenditure of the respective joint venture companies is given below:

(Rupees in crores)

Name of the joint venture company	Percentage of holding	Assets	Liabilities #	Contingent liabilities	Capital commitment	Income	Expenditure
						As at 31st March, 2011	
(a) Proline India Ltd. (incorporated in India)	49%	10.07 (9.69)	2.45 (2.90)	0.01 (-)	- (-)	17.37 (13.93)	16.53 (13.35)
(b) L&T Bombay Developers Private Limited (incorporated in India)*	50%	- (9.83)	- (0.21)	- (-)	- (-)	- (-)	- (0.04)



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19 (Contd.)

(23) Joint Ventures (Contd.)

			As at 31 st December, 2010 \$				For the year ended 31 st December, 2010 \$	
(c)	PT. Five Star Textile Indonesia, (PTFS) (Incorporated in Indonesia)	33.89%	58.67 @ (52.86)	40.73 ^ (33.99)	- (-)	- (-)	11.73 (10.39)	13.00 (9.98)

* ceased to be Joint venture as on 29th July, 2010.

net after deducting shareholders' funds.

@ excludes stockholders' equity (capital deficiency)

^ excludes shareholders' deposit considered by PTFS as promoters' funds and included in stockholders' equity

\$ translated using the closing rate.

§ translated using the average monthly closing rate.

Also see notes 1(e) and 10 above

(24) ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3 AND 4 OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

	2010-11			2009-10		
	Quantity		Rupees in crores	Quantity		Rupees in crores
(a) TURNOVER						
Cloth	387.75	Lac mts.	391.27	330.50	Lac mts.	287.16
PSF	1,54,894.17	M. tons	1,258.28	1,24,881.12	M. tons	774.39
PET - Chips	341.00	M. tons	1.36	1,643.00	M. tons	7.13
Wastes -PSF	3,100.72	M. tons	9.28	2,675.20	M. tons	5.90
Others	203.30	M. tons	0.92	1,492.62	M. tons	6.27
Export Incentive.....	-		12.10	-		11.01
Real Estate.....	-		213.26	-		550.92
			<u>1,886.47</u>			<u>1,642.78</u>
(b) RAW MATERIALS CONSUMED						
Cotton	1.79	Lac kgs.	2.44	3.88	Lac kgs.	2.55
Fibre	0.96	Lac kgs.	0.35	1.27	Lac kgs.	0.85
Yarn purchased and consumed	36.22	Lac kgs.	52.72	38.89	Lac kgs.	33.82
Grey Cloth	286.99	Lac Mts.	112.48	239.26	Lac Mts.	67.59
Dyes and chemicals	11.78	Lac kgs.	15.33	11.13	Lac kgs.	12.04
Purified Terephthalic Acid	1,35,394.72	M. tons	706.81	1,09,907	M. tons	507.62
Mono Ethylene Glycol	52,148.01	M. tons	224.58	42,474	M. tons	151.01
Others.....	98,761.02	M. tons	8.39	2,951.12	M. tons	1.15
			<u>1,123.10</u>			<u>776.63</u>
(c) OPENING STOCK OF FINISHED GOODS						
Cloth	28.06	Lac mts.	33.20	40.68	Lac mts.	41.50
Wastes	-	Lac kgs.	-	0.03	Lac kgs.	-
Wastes -PSF	77.68	M. tons	0.11	-	M. tons	-
PSF	3,862.85	M. tons	27.18	3051.49	M. tons	16.36
PET-Chips	8.80	M. tons	0.03	872.40	M. tons	2.53
			<u>60.52</u>			<u>60.39</u>
(d) CLOSING STOCK OF FINISHED GOODS						
Cloth	39.19	Lac mts.	47.65	28.06	Lac mts.	33.20
Wastes - PSF	1.22	Lac kgs.	0.01	77.68	Lac kgs.	0.11
PSF	5,257.43	M. tons	53.80	3,862.85	M. tons	27.18
PET - Chips	-	M. tons	-	8.80	M. tons	0.03
			<u>101.46</u>			<u>60.52</u>

**THE BOMBAY DYEING
AND MANUFACTURING COMPANY LIMITED**

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011
AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

SCHEDULE 19 (Contd.)

(e) LICENSED CAPACITY	2010-2011		2009-2010
	Quantity		Quantity
Production capacity @ :			
Spindles.....	2,35,132	Spindles	2,35,132 Spindles
Looms.....	3,826	Looms	3,826 Looms
M.tons of non woven fabrics per annum	246	M. tons non woven fabrics per annum	246 M. tons non woven fabrics per annum
Production of PSF are exempt from the licensing requirements by virtue of Notification No.477(E) of 25-07-91			
As per the application under Industrial Entrepreneurs Memorandum No.IEM-1869/SIA/MO/- 2005 dated 19.04.2005 the capacity of PSF plant is 1,65,000 M.Tons per annum.			
Processing Capacity @:.....	1,532.88	Lac mts. cloth per annum	1,532.88 Lac mts. cloth per annum
	2,000.00	M. tons yarn per annum	2,000 M. tons yarn per annum
@ As per registration certificates.			
(f) INSTALLED CAPACITY (as certified by the Management and accepted by the Auditors without verification) as at the year end.			
Production capacity :.....			
Spindles.....	-	Spindles	- Spindles
Looms.....	60.00	Looms	60 Looms
	1,65,000	M. tons PSF per annum	1,65,000 M. tons PSF per annum
	54,000.00	M. tons Polyester Chips per annum	-
	5,000.00	M. tons Waste Polyester per annum	-
Processing capacity :	600	Lacs mts. Cloth per annum	600 Lacs mts. Cloth per annum
(g) PACKED PRODUCTION			
Cloth	281.03	Lac mts.	242.65 Lac mts.
PSF	1,56,309.28	M. tons	1,25,723.80 M. tons
PET - Chips	466.40	M. tons	970.20 M. tons
Wastes - PSF	3,024.27	M. tons	2,721.49 M. tons
	2010-11		2009-10
	Rupees		Rupees
	in crores		in crores
(h) CIF VALUE OF IMPORTS OF			
(i) Raw materials	620.40		405.08
(ii) Stores, spare parts and catalysts	72.17		9.55
(iii) Capital goods	0.88		1.30
(i) EXPENDITURE IN FOREIGN CURRENCY (Disclosure on payment basis)			
(i) Travelling expenses	0.87		0.72
(ii) Interest	3.23		5.00
(iii) Architect Fees, technical & project related Consultancy	0.03		1.08
(iv) Other expenditure	5.27		3.01



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19 (Contd.)

	2010-2011		2009-2010	
	Rupees in crores	%	Rupees in crores	%
(j) CONSUMPTION				
Imported raw materials, spare parts and components	625.77	54.00	406.23	49.00
Indigenous raw materials, spare parts and components	542.35	46.00	416.09	51.00
	<u>1,168.12</u>	<u>100.00</u>	<u>822.32</u>	<u>100.00</u>
	2010-2011	2009-2010		
	Rupees in crores	Rupees in crores		
(k) REMITTANCES IN FOREIGN CURRENCIES				
Remittance in foreign currencies on account of dividend to one non-resident shareholder, the depository for the GDR holders:				
(i) on 5,81,995 equity shares, dividend for 2009-2010	0.15	-		
(ii) on 5,82,095 equity shares, dividend for 2008-2009	-	0.06		
Apart from the above, the Company has not made any remittance in foreign currencies on account of dividends and does not have information as to the extent to which remittances in foreign currencies on account of dividends have been made by or on behalf of the other non-resident shareholders. The particulars of dividends paid to such non-resident shareholders are as under:				
(i) number of non-resident shareholders: 806 (2009-2010 :802)				
(ii) on 55,57,955 equity shares, dividend for 2009-2010	1.39	-		
(iii) on 46,91,154 equity shares, dividend for 2008-2009	-	0.47		
(l) EARNINGS IN FOREIGN EXCHANGE				
(i) Export of goods calculated on FOB basis	249.00	147.08		
(ii) Reimbursement of insurance and freight on exports	9.17	5.49		
(iii) Local sales for exports	36.08	46.15		
(iv) Sale of Flats	0.74	3.72		

Note : Figures in brackets indicate corresponding figures for the previous year.

(25) Previous year's figures have been regrouped where necessary.

Signatures to the Balance Sheet and Schedules 1 to 19 which form an integral part of the accounts

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

VIRAF R. MEHTA
Partner

For and on behalf of the Board of Directors

NUSLI N. WADIA

Chairman

DURGESH MEHTA

Jt. Managing Director & CFO

J.C. BHAM

Company Secretary

K. MAHINDRA
R.A. SHAH
S. S. KELKAR
NESS N. WADIA
Ms. VINITA BALI
ISHAAT HUSSAIN

Directors

Mumbai, 24th May, 2011.

Mumbai, 24th May, 2011.

**THE BOMBAY DYEING
AND MANUFACTURING COMPANY LIMITED**

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

I. Registration Details			
Registration No.	L 1 7 1 2 0 M H 1 8 7 9 P L C 0 0 0 0 3 7	State Code	1 1
Balance Sheet Date	3 1 0 3 2 0 1 1		
	Date Month Year		
II. Capital raised during the year (Amount in Rs. Thousands)			
	Public Issue		Rights Issue
	□ □ □ □ N I L		□ □ □ □ N I L
	Bonus Issue		Private Placements
	□ □ □ □ N I L		□ □ □ □ N I L
	Employee Stock Option Scheme		Share Warrants
	□ □ □ □ N I L		□ □ 1 9 3 0 0
III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)			
	Total Liabilities		Total Assets
	2 3 6 5 4 8 1 7		2 3 6 5 4 8 1 7
Sources of Funds	Paid-up Capital		Reserves and Surplus
	□ □ 4 0 5 4 6 9		1 0 6 0 8 8 9 4
	Secured Loans		Unsecured Loans
	1 1 4 6 4 8 3 4		□ □ 9 0 8 1 3 9
	Deferred Tax Liability (net)		Share Warrants
	□ □ □ □ N I L		□ □ 2 6 7 4 7 7
Application of Funds	Net Fixed Assets		Investments
	1 1 0 2 8 7 6 4		□ □ 6 0 1 8 5 7
	Net Current Assets		Miscellaneous Expenditure
	1 2 0 2 4 1 9 5		□ □ □ □ N I L
	Accumulated Losses		
	□ □ □ □ N I L		
IV. Performance of Company (Amount in Rs. Thousands)			
	Turnover		Total Expenditure
	2 0 6 2 8 1 9 3		1 9 3 3 7 8 8 4
	Profit/Loss before tax		Profit/Loss after tax
+ □ □	□ □ 2 6 3 8 1 7	+ □ □	□ □ 2 1 4 0 1 8
	(+ for profit, - for loss)		
	Basic earnings per equity share in Rs.		Dividend Rate %
	+ □ □ 5 . 5 4		3 5
V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)			
Item Code No. (ITC Code)	5 5 0 3 2 0 . 0 0		
Product Description	P O L Y E S T E R S T A P L E F I B R E		
	(P S F)		
Item Code No. (ITC Code)	□ □ 5 2 . 0 8		
Product	C O T T O N P R O C E S S E D		
Description	L O N G L E N G T H		
Item Code No. (ITC Code)	6 3 0 2 3 1 . 0 0		
Product Description	C O T T O N M A D E U P S		

For and on behalf of the Board of Directors

NUSLI N. WADIA *Chairman*
DURGESH MEHTA *Jt. Managing Director & CFO*
J.C. BHAM *Company Secretary*

K. MAHINDRA
R.A. SHAH
S. S. KELKAR
NESS N. WADIA
Ms. VINITA BALI
ISHAAT HUSSAIN } *Directors*

Mumbai, 24th May, 2011.



10 YEARS' FINANCIAL REVIEW

(Rs. in Crores)

	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002
FINANCIAL POSITION										
Share capital	40.54	38.61	38.61	38.61	38.61	38.60	38.58	38.52	39.00	39.17
Share Warrants	26.75	-	-	11.89	-	-	-	-	-	-
Reserves & Surplus	1,060.90	171.74	331.81	357.30	364.07	426.23	303.38	347.49	314.37	294.82
Net Worth :										
Total	1,128.19	210.35	370.42	407.80	402.68	464.83	341.96	386.01	353.37	333.99
Per Equity Share of Rs. 10	271.96	54.49	95.96	102.57	104.32	120.42	88.59	100.26	90.61	85.00
Borrowings	1,237.30	1,775.11	1,710.88	1,415.76	1,052.40	558.37	354.46	362.60	380.90	292.45
Deferred Tax Liability	-	-	-	-	1.70	2.60	10.64	35.90	21.77	23.03
Debt Equity Ratio	0.69:1	4.64:1	1.28:1	1.39:1	1.35:1	0.78 :1	0.25 :1	-	0.01:1	0.20:1
Fixed Assets :										
Gross Block	1,395.69	1,391.83	1,378.60	1,364.25	1,390.11	995.57	813.86	795.40	827.27	875.78
Depreciation	292.81	231.26	178.72	123.67	512.86	596.20	622.38	573.15	573.23	578.99
Net Block	1,102.88	1,160.57	1,199.88	1,240.58	877.25	399.37	191.48	222.25	254.04	296.79
Investments and Other Assets	1,262.61	824.89	881.42	582.98	579.53	626.43	515.58	562.26	502.00	352.68
OPERATING RESULTS										
Sales and other Income	2,062.82	1,732.04	1,417.77	1,013.95	536.16	1,143.64	1,172.41	1,072.51	1,005.37	932.04
Manufacturing and other Expenses	1,974.37	1,650.31	1,555.64	960.52	478.29	1,067.52	1,119.35	965.52	934.61	939.07
Depreciation	62.08	59.54	55.73	35.42	17.46	16.90	19.38	34.43	37.23	43.65
Profit before Tax	26.37	22.19	(193.60)	18.01	40.41	59.22	33.68	72.56	33.53	(50.68)
Current taxation	5.26	3.77	-	1.75	4.43	4.97	2.42	4.93	2.48	-
Excess Provision of Tax of earlier years	(0.28)	-	-	-	-	-	-	-	-	-
Deferred tax credit	-	-	-	(1.70)	(0.90)	(8.04)	4.70	14.13	(1.26)	21.62
Fringe benefit tax	-	-	1.02	1.28	0.95	0.95	-	-	-	-
Profit after Tax	21.39	18.42	(194.62)	16.68	35.93	61.34	26.56	53.50	32.31	(29.06)
Earnings per Equity Share of Rs. 10	5.54	4.77	(50.39)	4.32	9.31	16	7	14	8	(7)
Dividends :										
Amount	16.49	11.26	4.52	15.82	22.59	22.01	17.59	17.38	13.02	7.83
Percentage	35	25	10	35	50	50	40	40	30	20

Notes :

- Capital : Original Rs. 0.63 crore, Bonus Shares Rs. 21.02 crores, conversion of Debentures Rs. 0.83 crore, Global Depository Receipts (GDRs) representing equity shares Rs. 5.51 crores, conversion of equity warrants relating to NCD/SPN Issue Rs. 9.81 crores and conversion of preferential warrants to promoters Rs. 3.20 crores, Equity shares bought back and extinguished upto 31st March, 2004 Rs. 2.55 crores, Equity shares issued under Employees' Stock Option Scheme Rs. 0.16 crore. Equity shares allotted on exercise of warrants issued on Preferential basis to Promoter/Promoter Group Company Rs. 1.93 crores. Average Share Capital for 2010-2011 - Rs. 40.54 crores.
- Reserves & surplus include revaluation reserve.
- Debt Equity ratio is on Long Term Debt.
- Sales and other Income include excise duty, sale of assets etc.
- Dividend amount includes Corporate Dividend Tax on the proposed/interim dividend.
- Depreciation includes lease equalisation.

Notes

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THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

Registered Office : Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai 400 001.

ATTENDANCE SLIP

I hereby record my presence at the 131st ANNUAL GENERAL MEETING of the above mentioned Company at Birla Matushri Sabhagar, 19, Marine Lines, Mumbai – 400 020, on Thursday, 4th August, 2011, at 3.30 p.m.

Full name of the Member :
(In block letters)

Members' Folio No. : _____ and / or	No. of Shares : _____
DPID No./Client ID No. : _____	No. of Shares : _____

SIGNATURE OF THE SHAREHOLDER OR THE PROXY ATTENDING THE MEETING

If Shareholder, please sign here	If Proxy, please sign here

- N. B. : 1. Members attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.
2. The practice of distributing copies of the Annual Report at the Annual General Meeting having been discontinued, members attending the Meeting are requested to bring their copies of the Annual Report with them.



THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

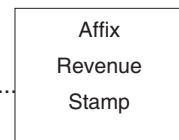
Registered Office : Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai 400 001.

FORM OF PROXY

Members' Folio No. : _____ and / or	No. of Shares : _____
*DPID No./Client ID No. : _____	No. of Shares : _____

I/We
of.....being a Member/Members of THE BOMBAY DYEING AND MFG. CO. LTD.
hereby appoint.....of.....
or failing him.....of.....
as my/our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 4th August, 2011, and at any adjournment thereof.

Signed this _____ day of _____, 2011 Signature.....



* Applicable to investors holding shares in electronic form.

NOTE : This form of proxy duly completed, stamped and signed should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

BOOK-POST



BOMBAY DYEING

Bring style home

If undelivered please return to :
Sharepro Services (India) Pvt. Ltd.,
Unit: Bombay Dyeing
13AB, Samhita Warehousing Complex,
2nd floor, Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road,
Sakinaka, Andheri (East),
Mumbai 400 072.
Tel: 022 - 67720300/67720400

