



**ANNUAL REPORT & ACCOUNTS
2009 - 2010**

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
S. S. Kelkar
S. Ragothaman
A. K. Hirjee
S. M. Palia
Ms. Vinita Bali (w.e.f. 30.4.2009)
P. V. Kuppuswamy, *Jt. Managing Director (upto 31.3.2010)*
Ness N. Wadia, *Jt. Managing Director*
Durgesh Mehta, *Jt. Managing Director & CFO (w.e.f. 1.4.2010)*
Ishaat Hussain (w.e.f. 1.6.2010)
Jeh N. Wadia (w.e.f. 1.6.2010)

COMPANY SECRETARY

J. C. Bham

CEO/COOs/VICE-PRESIDENTS

P. Makhija, *Chief Executive Officer (Textiles)*
Dr. S. C. Basu, *Chief Operating Officer (Polyester)*
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 (Polyester)*
R. K. Gupta, *Vice-President – Marketing (Polyester)*
J. P. Rathi, *Vice-President – Commercial (Polyester)*

BANKERS

State Bank of India
Axis Bank Ltd.
IDBI Bank 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

AUDITORS

Messrs. Kalyaniwalla & Mistry

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENT

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

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

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THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

NOTICE

The 130th Annual General Meeting of the Members of The Bombay Dyeing & Manufacturing Company Limited will be held at the Birla Matushri Sabhagar, 19, Marine Lines, Mumbai – 400 020, on Wednesday, 11th August, 2010, at 3.45 p.m. to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in the place of Mr. Keshub Mahindra, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in the place of Mr. R. A. Shah, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint a Director in the place of Dr. H. N. Sethna, who retires by rotation, and being eligible, offers himself for reappointment.
6. To appoint Messrs. Kalyaniwalla & Mistry, Chartered Accountants, 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 and to authorise the Board of Directors to fix their remuneration.

Special Business:

To consider and, if thought fit, to pass with or without modification the following Resolutions :

7. As an Ordinary Resolution:
“RESOLVED THAT Mr. Ishaat Hussain be and is hereby appointed as a Director of the Company.”
8. As an Ordinary Resolution:
“RESOLVED THAT Mr. Jeh N. Wadia be and is hereby appointed as a Director of the Company.”
9. As an Ordinary Resolution:
“RESOLVED THAT Mr. Durgesh Mehta be and is hereby appointed as a Director of the Company.”
10. As a Special Resolution:
“RESOLVED THAT :
 - (A) Pursuant to Sections 198, 269, 309, and other applicable provisions, if any, of the Companies Act, 1956, (hereinafter referred to as “the Act”) [including any statutory modification(s) or re-enactment thereof for the time being in force], the Company hereby approves the appointment and the terms of remuneration 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 five years with effect from 1st April, 2010, upon the terms and conditions as set out in the Agreement to be entered into between the Company and Mr. Durgesh Mehta, a draft whereof duly initialled by the Chairman for purposes of identification is submitted to this Meeting which Agreement is hereby specifically sanctioned with the liberty and power to the Board of Directors (hereinafter referred to as “the Board” which expression shall also include a Committee thereof) to grant increments and to alter and vary from time to time the said terms and conditions of appointment and remuneration and/or Agreement in such manner as may be agreed to between the Board and Mr. Durgesh Mehta subject to the approval of the Central Government, if required.
 - (B) Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Durgesh Mehta as JMD & CFO, the Company has no profits or its profits are inadequate, the Company may pay to Mr. Durgesh Mehta all the remuneration by way of salary (including incentive) and allowances, and perquisites not exceeding the limits stipulated in the aforesaid Agreement subject to the approval of the Central Government, if required.
 - (C) The Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or desirable to give effect to this Resolution.”
11. As a Special Resolution:
“RESOLVED THAT pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, so long as the Company has a Managing or Whole-time Director such sum by way of commission not exceeding in the aggregate one percent per annum of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 1956 for each of the five financial years of the Company commencing from 1st April, 2011 be paid to and distributed amongst such Directors of the Company {excluding Managing Director(s) and Whole-time Director(s)} as may be determined by the Board, the proportion and manner of such payment and distribution to be as the Board may from time to time decide.
RESOLVED FURTHER THAT if at any time during the aforesaid period of five financial years commencing from 1st April, 2011, the Company does not have a Managing or Whole-time Director, such sum by way of commission not exceeding in the aggregate three percent per annum of the net profits of the Company computed in the manner laid down in the said Section 198 be paid to and distributed amongst such Directors of the Company, as may be determined by the Board, for the then residual unexpired part of the aforesaid period of five years, the proportion and manner of such payment and distribution to be as the Board may from time to time decide.
RESOLVED FURTHER, for the sake of clarification, that the remuneration aforesaid shall be exclusive of the fees payable to a Director for each Meeting of the Board or a Committee of the Board attended by him.”



Notes:

- (a) The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, setting out material facts relating to the business at Items 7 to 11 of the Notice as set out above, is annexed hereto as **Annexure I**.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES 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.
- (c) The Register of Members and the Share Transfer Books of the Company will be closed from Tuesday, 3rd August, 2010 to Wednesday, 11th August, 2010, both days inclusive.
- (d) Dividend, if any, that may be declared at the Meeting, will, subject to the provisions of Section 206A of the Companies Act, 1956, be paid on or after 12th August, 2010 to those Shareholders whose names stand 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 2nd August, 2010 in respect of shares held in physical form. In respect of shares held in electronic form, the dividend for the year ended 31st March, 2010 will be payable to the beneficial owners of shares as at the closing hours of 2nd August, 2010 as per details furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for this purpose.
- (e) Members are requested to notify immediately any change of address:
 - (i) to their Depository Participants (DPs) in respect of their electronic share accounts, and
 - (ii) 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.
- (f) Members holding shares in physical form are advised to submit their Electronic Clearing Service (ECS) mandates to the Company's R&TA at either of the aforesaid addresses to facilitate remittance by means of ECS.
- (g) Pursuant to the provisions of Section 205A of the Companies Act, 1956, dividends for the financial year ended 31st March, 2003 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
2002-2003	30.07.2003	29.07.2010	05.10.2010
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

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.

- (h) 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 Registered Office or from its R&TA at either of the aforesaid addresses.
- (i) As required in terms of paragraph IV(G)(i) of Clause 49 of the Listing Agreement, the details of the directors seeking reappointment at the Meeting are furnished below:

Mr. Keshub Mahindra

Mr. Keshub Mahindra, Chairman of Mahindra & Mahindra Ltd (M&M), is a graduate from Wharton, University of Pennsylvania, USA. He is a well-known philanthropist who redefined corporate governance by effectively channelising funds into the social sector. He has contributed immensely to the cause of building ethical corporations in India and is currently a part of numerous prestigious organizations and committees. He was also appointed by the Government of India to serve on a number of Committees including the Sachar Commission on Company Law & MRTP; Central Advisory Council of Industries etc. Today, he is an icon, an inspiring business leader and a distinguished corporate citizen that everyone looks up to.

He is a Member of various organizations & committees namely Prime Minister's Council on Trade & Industry, New Delhi; Member of Apex Advisory Council – ASSOCHAM; Founder Member of Indo-Hellenic Friendship League; Founder Member of Governing Council, Integrated Research & Action for Development (IRADe), New Delhi; President - Centre for Research in Rural & Industrial Development Society, Chandigarh; Chairman, Governing Body, Centre for Research in Rural & Industrial Development, Chandigarh; President Emeritus – Employers' Federation of India; President of the Governing Council - University of Pennsylvania Institute for the Advanced Study of India, New Delhi; Member, International Advisory Board – University of Pennsylvania Center for the Advanced Study of India, Philadelphia; and Hon. Fellow - All India Management Association, New Delhi.

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Mr. Keshub Mahindra is the former President of Bombay Chamber of Commerce & Industry (1966-67), President of ASSOCHAM (1969-70), President of Indo-American Society (1991-92), President of M.V.I.R.D.C. - World Trade Centre (1978-95), Chairman of Indian Institute of Management, Ahmedabad (1975-85), Chairman of HUDCO (1971-75), Member of the Foundation Board - International Management Institute, Geneva (1984-89), Hon. Member, Business Advisory Council - International Finance Corporation, Washington (1986-96), Member, International Council - Asia Society, New York (1983-97) and Chairman, India Nominating Committee "Single Nation Programme" - Eisenhower Exchange Fellowships, U.S.A (1998 - 2005), United World Colleges (Int.) Ltd., U.K.

He spearheads social causes in and as Chairman of Mahindra Foundation; Chairman, Board of Trustees - Population First; Member, Governing Board - United Way of Mumbai; Vice-President - National Society for Clean Cities; Chairman and Founder Trustee - Bombay City Policy Research Foundation; Member, Governing Board - Bombay First and Chairman of its Health & Environment Committee; Chairman & Trustee - K.C. Mahindra Education Trust; Hon. Member - Rotary Club of Bombay; Member of the Governing Body of HelpAge India (2000-04); Member of the Board of Governors of Bharat Shiksha Kosh (2002-05); and Director of Pratham - India Education Initiative (2003-08).

He has been the recipient of various prestigious awards namely Chevalier De La Legion D'honneur (1987); Companion - British Institute of Management (1985); Giants International Business Leadership Award (1972-82); NIF-Mody Enterprises Man of the Year Award (1980); Madras Management Association Business Leadership Award (1983); Business India - Businessman of the Year, India (1989); Honorary Fellowship of All India Management Association (1990); Rotary Award for Vocational Excellence (1992); Shiromani Award (1992); Vikas Jyoti Award for Outstanding Services, Contribution & Achievements (1993); FIE Foundation - Rashtra Bhushan Award (1994); The Sir Jehangir Ghandy Medal for Industrial Peace, - XLRI, Jamshedpur (1994); Rotary Vocational Excellence Award in the field of Industry (1996); IMC Diamond Jubilee Endowment Trust Award (1998); Motorindia Automan Award (2000); Dadabhai Naoroji International Award for Excellence & Lifetime Achievement (2000); All India Management Association Lifetime Achievement Award for Management (2003); Award from Overdrive for Excellence in the Indian Automotive Hall of Pride (2004); Institute of Company Secretaries of India (ICSI) Lifetime Achievement Award for Excellence in Corporate Governance (2004); Qimpro Platinum Standard - Statesman for Quality - Business Award (2005); Lakshya Business Visionary Award - NITIE (2006); Indian Business School (IBS) Kolkata Lifetime Achievement Award presented by the Institute of Chartered Financial Analysts of India (ICFAI) (2007); Ernst & Young Entrepreneur of the Year Lifetime Achievement Award (2007); Society of Indian Automobile Manufacturers (SIAM) Award for "Lifetime Contribution to the Automotive Industry" (2008); CNBC TV18 India Business Leaders Lifetime Achievement Award (2008); ACMA Lifetime Achievement Award (2009); and Economic Times Lifetime Achievement Award (2009).

He holds 1,630 equity shares of the Company.

Outside Directorship: Mr. Mahindra is on the Board of Directors as Chairman of Mahindra Ugine Steel Co. Ltd. , Mahindra Holdings Ltd. , Board of Governors of Mahindra United World College of India, Vice-Chairman of Housing Development Finance Corporation Ltd., Director of The Bombay Burmah Trading Corporation Ltd., and Indian Institute for Human Settlements.

Committee Membership: Chairman & Member -Share Transfer and Shareholders/Investors Grievance Committee ; Chairman & Member-Loans and Investment Committee; Member- Remuneration/ Compensation Committee of the Board of M&M; Chairman - Compensation Committee of the Board of HDFC and Chairman - Remuneration Committee of the Board of The Bombay Dyeing & Mfg.Co.Ltd.

MR. R.A. SHAH

Mr. R.A. Shah, is a leading Solicitor and a Senior Partner of M/s.Crawford Bayley & Company, a firm of Solicitors and Advocates. He specialises in a broad spectrum of corporate laws. Mr. R.A. Shah has been a Director on the Board of the Company since December 1979.

He holds 300 equity shares of the Company.

Outside Directorship: Chairman of Clariant Chemicals (India) Ltd., Godfrey Philips India Ltd., Pfizer Ltd., Procter & Gamble Hygiene and Healthcare Ltd.; Vice-Chairman of Colgate Palmolive India Ltd.; Director in Abbot India Ltd, Asian Paints Ltd., ACC Ltd., BASF India Ltd., Century Enka Ltd., Deepak Fertilisers & Petrochemicals Corporation Ltd., Lupin Ltd., Piramal Healthcare Ltd., Wockhardt Ltd., Alternate Director in Atul Limited, BASF Polyurethanes India Ltd., Modicare Ltd., RPG Life Sciences Ltd., Schrader Duncan Ltd. and Uhde India Ltd.

Committee Membership: Audit Committee of the Boards of Colgate Palmolive India Ltd. (Chairman), Pfizer Ltd. (Chairman), Procter & Gamble Hygiene and Healthcare Ltd. (Chairman), Piramal Healthcare Ltd. (Chairman), The Bombay Dyeing & Mfg.Co.Ltd., Clariant Chemicals India Ltd. (Chairman), Abbott India Ltd., BASF India Ltd., Century Enka Ltd. & Wockhardt Ltd.; Remuneration Committee of the Board of The Bombay Dyeing & Mfg.Co.Ltd., Lupin Ltd. and Piramal Healthcare Ltd.; Corporate Governance & Ethics Committee of the Board of Piramal Healthcare Ltd.

DR.H.N.SETHNA

Dr. H. N. Sethna, 86, is B.Sc., B.Sc. (Tech.) from Bombay University and M.S.E. (Michigan); F.A. Sc., F.N.A., F.I.E., M.I.E. He has been conferred with Honorary Doctorates in Science by several Universities in the country and also I.I.T., Bombay and Delhi, apart from Honorary Doctorate in laws by Bombay University.

He was Director of the Bhabha Atomic Research Centre during the period 1966-72. He was appointed Secretary to the Government of India and Chairman Atomic Energy Commission during the period 1972-1981 and Principal Secretary to the Government of India and Chairman Atomic Energy Commission from 1981 to 1983. He was appointed a Member of the Research Advisory Committee of the Planning Commission, Government of India in 1998. He was appointed a Member of the Court of the Indian Institute of Science, Bangalore (1998-2001), the Court of University of Hyderabad (1998) and the Board of Trade, D.G.F.T., Government of India (1999).



He was awarded “Padma Shri” in 1959, followed by “Padma Bhushan” in 1966 and “Padma Vibhushan” in 1975.

Dr. Sethna is the recipient of several Awards including Pandit Jawaharlal Nehru Award for Engineering & Technological Sciences, “UDCT Diamond” Award from the University of Bombay, “Life time Contribution in Engineering Award” from the Indian National Academy of Engineering. He was on the Scientific Advisory Committee of the International Atomic Energy Agency from 1966 to 1981 and also on U.N. Scientific Advisory Committee in 1970. He was the Chairman of Tata Electric Companies from 1989 to 1999.

He has been a Member of several reputed Institutions and organizations. Dr. Sethna has been actively associated with leading Charitable Institutions.

He holds 5,152 equity shares of the Company.

Outside Directorship: Cabot India Limited (Chairman), WIMCO Limited (Chairman), Jost’s Engineering Co. Ltd., and Mahindra Ugine Steel Co. Ltd.

Committee Membership : Audit Committee of the Board of Wimco Ltd. (Chairman), The Bombay Dyeing & Mfg. Co. Ltd. and Cabot India Ltd.; Share transfer and Shareholders/Investors Grievance Committee of the Board of Wimco Ltd. (Chairman) and The Bombay Dyeing & Mfg. Co. Ltd.

Details in respect of Mr. Durgesh Mehta, Mr. Ishaat Hussain and Mr. Jeh N. Wadia have been furnished at the appropriate places in the Explanatory Statement annexed to the Notice. These details are not given here so as to avoid repetition.

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

J. C. BHAM
Company Secretary

Mumbai, 1st June, 2010.

Registered Office:

Neville House, J. N. Heredia Marg,
Ballard Estate, Mumbai 400 001.
Phone: 22618071

ANNEXURE I TO NOTICE

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the business mentioned under items 7 to 11 of the accompanying Notice dated 1st June, 2010.

Items 7 & 8

Mr Ishaat Hussain & Mr. Jeh Wadia joined the Board of Directors with effect from 1st June, 2010 as Additional Directors in terms of Section 260 of the Companies Act, 1956 (“the Act”) and Article 117 of the Company’s Articles of Association. They hold office as Directors upto the date of this Annual General Meeting but are eligible for re-appointment. As required under Section 257 of the Act, a notice in writing along with the requisite deposit has been received from a member signifying his intention to propose Mr. Ishaat Hussain and Mr. Jeh Wadia respectively as Directors of the Company at this Annual General Meeting.

Born on September 2, 1947, Mr Ishaat Hussain completed his schooling from The Doon School in 1963 to join St. Stephens College Delhi to do his graduation in Economics. A Chartered Accountant from England and Wales, Mr Hussain attended the Advanced Management Programme at the Harvard Business School. He joined the Board of The Indian Tube Company (a Tata Steel associate company) in 1981. Thereafter, he moved to Tata Steel in 1983 after Indian Tube was merged with Tata Steel.

Besides being on Board of Tata Sons Limited, he is the Chairman of Voltas Limited and Tata Sky Limited. He is also on the Boards of several Tata Companies viz. Tata Steel, Tata Industries, Tata Teleservices, Titan Industries Limited.

In April 2005, Mr. Hussain has been appointed a Member of the Board of Trade, and in November 2006, has been appointed a Public Interest Director of Bombay Stock Exchange Limited. In January 2008, he has been appointed a Trustee on the Board of India Foundation for the Arts (IFA).

Mr. Ishaat Hussain is not holding any shares in the Company.

Mr. Jeh N. Wadia is a MS – Engineering Management from Warwick University, England. He has had extensive training with the Company in various areas of management, production planning and control. He has been actively associated with the Wadia Group for over 15 years and has taken lead to put the Group in the field of IT. His vision is to create value through innovation, sustainable execution plan and maintenance strategies. He is also the founder of GoAir, a low cost airline in India. He also holds the directorships in various leading companies in India such as Nowrosjee Wadia & Sons Ltd., Gherzi Eastern Ltd., The Bombay Burmah Trading Corporation Ltd., Britannia Industries Ltd. and others.

Mr. Jeh N. Wadia holds 31,800 shares in the Company.

No Director other than Mr. Ishaat Hussain, Mr Jeh Wadia and Mr. Nusli N. Wadia (Chairman), Mr. Ness N. Wadia (Joint Managing Director) being relatives (as defined under Section 6 of the Act) of Mr. Jeh Wadia, are concerned or interested in these Resolutions.

The Directors recommend the Resolutions at Item 7 & 8 for approval by the Members.

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Items 9 & 10

Mr. Durgesh Mehta was appointed as Whole-time Director designated as Joint Managing Director and Chief Financial Officer (JMD & CFO) by the Board for a period of 5 years with effect from 1st April, 2010. The terms and conditions of the appointment of Mr. Durgesh Mehta as JMD & CFO (hereinafter referred to as "Mr. Mehta") are embodied in the Agreement to be made between the Company and Mr. Mehta. 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.

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

1. Mr. Mehta will serve the Company as Joint Managing Director & Chief Financial Officer for a term of 5 years with effect from 1st April, 2010.
2. Mr. Mehta 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. Mehta 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. Mehta 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. Mehta 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. Mehta shall be paid the following remuneration:

Basic Salary upto a maximum of Rs. 8,00,000/- per month.

Benefits, perquisites and allowances 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. 8,00,000/- per month.

Bonus as may be determined by the Remuneration/ Compensation Committee or the Board of Directors, based on performance criteria.

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 and other applicable provisions of the Companies Act, 1956 ("the Act") read with Schedule XIII thereto, as amended from time to time and shall be subject to the approval of the Central Government, if and to the extent necessary.

The contribution to provident fund, superannuation fund or annuity fund, if any, which shall not exceed 27% of the remuneration or such higher percentage as permissible under Rule 87 of the Income Tax Rules, 1962, and gratuity, if any, payable at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of the tenure as per the rules / policies of the Company, which shall not be included in the computation of the ceilings on remuneration.

The Remuneration / Compensation Committee or the Board of Directors may, at its discretion, from time to time, fix the actual remuneration of Mr. Mehta 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, 2010, during the currency of tenure of Mr. Mehta the Company has no profits or its profits are inadequate, the Company shall pay Mr. Mehta remuneration as determined from time to time by the Remuneration/ Compensation 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. Mehta in the absence or inadequacy of profits, in accordance with the provisions of Sections 198(4), 309(3), 311 and other applicable provisions, if any, of the Act read with Schedule XIII thereto (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. Mehta.
7. Mr. Mehta shall not be paid any sitting fees for attending Meetings of the Board or of any Committee thereof.
8. Mr. Mehta shall not, as long as he functions as JMD & CFO 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. Mehta 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. Mehta shall not in the event of his ceasing to be JMD & CFO 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. Mehta 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 JMD & CFO.
12. If Mr. Mehta 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 JMD & CFO desirable, the Company may by not less than 30 days notice in writing to him determine the Agreement and he shall cease to be JMD & CFO, 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. Mehta's employment at any time by payment to him of six months' basic salary in lieu of such notice.
14. If Mr. Mehta ceases to be JMD & CFO 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. Mehta.

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, 2010, and necessary application will be made to the Central Government for approval of such payment.

The draft Agreement to be entered into by the Company with Mr. Mehta 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. Durgesh Mehta is concerned or interested in the Resolution at Items 8 & 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. Durgesh Mehta, when executed, and memorandum of interest pursuant to Section 302 of the Act.

Mr. Durgesh Mehta being Joint Managing Director and Chief Financial Officer would not be liable to retire by rotation in terms of the Articles of Association of the Company.

The Directors recommend the Resolutions at Items 9 & 10 for approval by the Members.

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, 2010.

Particulars	(Rupees in crores)
Turnover & Other Income	1732.04
Net Profit / (Loss) as per Profit & Loss A/c	18.42
Profit / (Loss) as computed under Section 309(5) read with Section 198	(132.37)
Effective Capital	1124.00

THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

3. Export performance and foreign exchange earned for the financial year ended March 31, 2010: The Company's exports were Rs. 202.44 crores while the Company's earnings in foreign exchange were Rs. 147.08 crores for the financial year ended March 31, 2010.
4. Foreign investments or collaborations, if any: **Not applicable.**

II. Information about the Incumbents:

(i) Background details:

Mr. Durgesh Mehta is a qualified Chartered Accountant. Post qualification he joined Hindustan Lever Ltd. (now known as Hindustan Unilever Ltd.) as a Management Trainee and worked for over 28 years in that Company. During this period he held various positions in Accounts and Finance, Internal audit, Commercial management and Commodity Buying. His last job in India was that of Financial Controller of the Company. Thereafter, he was seconded as Finance Director of Unilever Arabia business of the parent Company, Unilever, PLC.

After returning to India in November 2005, he joined SIFY Ltd., as CFO, and in November, 2006 joined Britannia Industries Ltd., as CFO. He was seconded to Bombay Dyeing in November 2008 as CFO. With effect from 1st April, 2010 he was appointed as the Joint Managing Director and Chief Financial Officer of the Company.

(ii) Past remuneration drawn during the financial year 2009-10:

Not Applicable.

(iii) Job Profile and suitability:

Mr. Mehta is a Chartered Accountant and brings with him more than 33 years of experience with various Companies including Hindustan Unilever Ltd., Sify Ltd. and Britannia Industries Limited. He has been the Chief Financial Officer of the Company since 17th November, 2008.

He 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 best 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. Mehta does not have any pecuniary relationship with the Company.

III. Other Information:

A. Reasons for loss or inadequacy of profits:

The Company's working has been adversely impacted by the slow down in economy for the reasons mentioned below:

The Company operates in three businesses:

Textile business:

Overall sales declined by around 11% mainly on account of Exports which dropped from Rs. 80 crores to Rs. 50 crores. Domestic sales were flat due to general economic slowdown and low stocking by trade. The margins were adversely impacted due to unprecedented increase in cotton prices.

Polyester business:

PSF industry continued to face excess capacity. Additionally, there had been a severe shortage of supply of the key raw material, PTA, due to delay in commissioning of a plant. Business profitability suffered on account of low realization due to severe competition coupled with higher raw material prices. Although export markets expanded, the margins remained under pressure.

Real Estate business:

Real Estate business recorded healthy growth. The construction of one residential tower and one commercial building was progressed during the year. The sale of commercial building was completed. However the profit of this division was significantly offset by losses of the other divisions.

B. Steps to improve profitability:

Under these circumstances, the Company has initiated several steps including the following specific measures to control its costs and improve its competitive position and performance:

- (i) New CEO and Heads of Exports, Accounts and Purchase were appointed to improve the performance of the Textiles Division.



- (ii) Inventory and receivables levels are being pruned considerably resulting in lesser interest on working capital of textiles division.
- (iii) New products are being launched to expand the market.
- (iv) Cost reduction initiatives have been actioned to reduce conversion and procurement costs.
- (v) In spite of the odds, the company could increase PSF production and sale by about 42% compared to previous year, and the capacity utilization reached to 77%, comparable with the industry standard. In Q4, the capacity utilization rose to 88%.
- (vi) Switch over from liquid fuel to Natural Gas in second half helped to reduce the energy input cost.
- (vii) 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.

Textile sales are expected to improve during 2010-11 led by introduction of mid price range 'Blooms' as well as new contemporary designs and also consequent to improved supply chain management initiatives.

In the Polyester operations, the market is expected to gradually improve with increased domestic demands for the product during the course of 2010-11. The Company is pursuing a strategy to improve capacity utilization further, confine to a focused profitable product range, and reduce cost on all fronts including import of raw material on long term contract basis and expand the share in the domestic market to improve overall sales realization.

In the Real Estate business the Company proposes to launch two new residential towers at the Spring Mills. The property prices have risen in the past six months. The interest cost is expected to be reduced on account of cash generated from sale of the commercial building.

Item 11

At the 124th Annual General Meeting of the Company held on 23rd July, 2004, the members had passed a Special Resolution approving the renewal of the terms of remuneration by way of commission related to the net profits of the Company payable to the Directors other than Managing or Whole-time Directors for a further period of five years from 1st April, 2005 subject to the overall managerial remuneration laid down in Sections 198 and 309 of the Companies Act, 1956. The aforesaid Resolution covers the five financial years of the Company beginning with 1st April, 2005. The approval conveyed by the aforesaid Resolution will expire at the end of the current financial year i.e. on 31st March, 2010 .

The second part of the Special Resolution seeks to cover a situation if for some reason the Company during the aforesaid period of five financial years commencing from 1st April, 2010 does not have a Managing or Whole-time Director. In such an event, it is proposed to pay the Directors of the Company such remuneration by way of commission related to the net profits of the Company as may be decided by the Board of Directors for the then residual unexpired part of the said period of five years but not exceeding in the aggregate 3% of the net profits of the Company. The proportion and manner of such payment and distribution will be as the Board of Directors may from time to time decide.

The Special Resolution is necessary having regard to the provisions of Section 309(4) of the Companies Act, 1956. The Directors, therefore, recommend the Special Resolution at Item 11 of the accompanying Notice for approval by the Members.

All the Directors of the Company other than the Joint Managing Directors, Mr. Ness N. Wadia and Mr. Durgesh Mehta, may be considered to be concerned or interested in the said Resolution.

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

J. C. BHAM
Company Secretary

Mumbai, 1st June, 2010.

Registered Office:

Neville House, J. N. Heredia Marg,
Ballard Estate, Mumbai 400 001.
Phone: 22618071

**THE BOMBAY DYEING
AND MANUFACTURING COMPANY LIMITED**

SUMMARISED BALANCE SHEET

	(Rupees in crores)	
	Year ended 31.03.2010	Year ended 31.03.2009
WHAT THE COMPANY OWNED		
FIXED ASSETS		
Gross block	1,391.83	1,378.60
Less : Depreciation	<u>231.26</u>	<u>178.72</u>
Net block	1,160.57	1,199.88
INVESTMENTS		
In shares and securities	60.19	60.22
OTHER ASSETS		
Excess of "current assets, loans and advances" over "current liabilities and provisions" and deferred revenue expenditure	764.70	821.20
TOTAL ASSETS	<u><u>1,985.46</u></u>	<u><u>2,081.30</u></u>
WHAT THE COMPANY OWED		
Secured and unsecured loans	1,775.11	1,710.88
SHAREHOLDERS' FUNDS		
Share capital - paid up	38.61	38.61
Reserves	<u>171.74</u>	<u>331.81</u>
	210.35	370.42
TOTAL (CAPITAL EMPLOYED)	<u><u>1,985.46</u></u>	<u><u>2,081.30</u></u>

SUMMARISED PROFIT AND LOSS ACCOUNT

	(Rupees in crores)	
	Year ended 31.03.2010	Year ended 31.03.2009
WE EARNED FROM		
Sales of our products	1,689.22	1,359.90
Interest, dividends & other income	42.82	57.87
	<u>1,732.04</u>	<u>1,417.77</u>
WE PAID OR PROVIDED FOR		
Raw materials etc.	831.44	835.02
Payments to employees	51.12	53.44
Operating expenses	513.85	437.00
Finance charges	207.46	186.54
Depreciation	59.54	55.73
Excise duty and taxation	50.21	44.66
Dividend & corporate dividend tax	11.26	4.52
Retained earnings/ (excess of expenditure over income)	7.16	(199.14)
	<u><u>1,732.04</u></u>	<u><u>1,417.77</u></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, 2010.

1. FINANCIAL RESULTS:

	For the Year ended 31st March, 2010 Rupees in Crores	For the Year ended 31st March, 2009 Rupees in Crores
GROSS TURNOVER AND OTHER INCOME	1732.04	1417.77
Profit before Finance Costs, Depreciation and Voluntary Retirement Compensation	290.59	50.73
Finance Costs	207.46	186.54
Profit/(Loss) before Depreciation & Voluntary Retirement Compensation	83.13	(135.81)
Depreciation	59.54	55.73
Voluntary Retirement Compensation W/O	1.40	2.06
PROFIT /(LOSS) BEFORE TAX	22.19	(193.60)
Less: Tax (net)	3.77	1.02
PROFIT/(LOSS) AFTER TAX	18.42	(194.62)
Add: Balance in Profit and Loss Account of Previous Year	16.34	188.59
Debenture Redemption Reserve	-	7.50
Transferred from General Reserve	-	19.39
SURPLUS AVAILABLE FOR APPROPRIATIONS	34.76	20.86
Appropriations to:		
Dividend	9.66	3.86
Dividend Distribution Tax	1.60	0.66
General Reserve	1.84	-
Balance carried to Balance Sheet	21.66	16.34

2. COMPANY RESULTS AND DIVIDEND:

The Company's turnover increased by over 22% to Rs. 1,732 crores during the current year as compared to Rs.1,418 crores in the previous year. The Textile division recorded decline in turnover from Rs. 334 crores last year to Rs. 294 crores in the current year. The PSF division recorded a turnover of Rs. 867 crores for the current year compared to Rs. 811 crores last year. The revenue from the Real Estate division during the current year was Rs. 562 crores as compared to Rs. 273 crores last year. The profit after tax for the current year was Rs. 18.42 crores compared to a loss of Rs. 194.62 crores in the previous year.

The financial performance of the Company has improved compared to the last year. The demand for textile products remained stagnant in the domestic market. The export market declined due to low demand in USA and Europe. The performance of the PSF division was adversely impacted due to non availability of raw material and over-supply situation in the market.

The Real Estate Division showed marked improvement due to sale of residential units at a better realization per flat. The Division also sold the remaining space in the commercial building at Worli.

The Company's results were also impacted due to increase in finance costs arising from higher borrowings required for the operations.

Your Directors recommend a dividend of Rs. 2.50 per share for the year ended 31st March, 2010 to be paid, if declared by the members at the ensuing Annual General Meeting, as compared to dividend of Re. 1 per share in the previous year.

3. TEXTILE DIVISION:

The overall turnover declined by 12% from Rs. 334 crores to Rs. 294 crores, mainly on account of lower exports at Rs. 50

crores compared to Rs. 80 crores in the previous year. Domestic retail sales witnessed the effect of economic slow-down in the beginning of the year, but recovered during the later part of the year under review. Retail sales at Rs. 158 crores during the year were at the same level as last year.

The profitability of the Division suffered from the effects of falling exports, competition in the domestic market and sharp rise in raw material cost. Several steps have been initiated to improve the performance of the Division such as increased capacity utilization, reduction of factory cost through improved efficiency, lower wastages, reduction in selling & distribution expenses and administrative overheads etc. Inventory and receivables have been reduced considerably resulting in lower burden of interest on working capital.

The Division is striving to improve the sales volume by better marketing in domestic as well as exports market. The international and domestic demand has started looking up with the improved global economic environment.

4. POLYESTER DIVISION:

PSF industry in the country continued to face excess capacity. Despite the adverse conditions the Company could increase sales volume of PSF by 42% as compared to the previous year. The Company achieved average capacity utilization at 77% for the year which is comparable with the industry standards. In March quarter, the capacity utilization rose to 88%.

Division profitability suffered on account of low realization due to severe competition coupled with higher raw material prices. Although export markets expanded, the margins remained under pressure. Switch over from liquid fuel to Natural Gas in second half helped to reduce the energy cost.

The company is pursuing a strategy to increase capacity utilization, confine to focused profitable product range, reduce

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cost in areas of operations including import of raw material on long term contract basis and expand the share in the domestic market to improve overall sales realization.

5. REAL ESTATE DIVISION:

The revenue from the Real Estate Division was Rs. 562 crores during the current year compared to Rs. 273 crores in the previous year. During the year the Company sold the remaining part of the commercial building under construction at Worli and also some flats in the building under construction at Spring Mills, Dadar. The Company has also leased out surplus space in the existing properties, income from which has started accruing from March quarter 2010.

The construction of the residential tower at Spring Mills and the commercial building at Textile Mills is nearing completion. The demand for residential property has picked up and prices of the same have also witnessed a steady rise in the past few quarters. Your Company will be progressing the next phase of development with a view to leverage the market trends.

6. FIXED DEPOSITS:

Your Company has discontinued acceptance of fixed deposits from June 2009. Deposits of Rs. 81.14 crores were outstanding as at 31st March, 2010. No deposits have matured as at 31st March, 2010.

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 Board of Directors at its meeting held on 10th February, 2010 approved the issue of 39,57,000 warrants with option to subscribe to equivalent number of equity shares of Rs. 10 each, subject to shareholders' approval. The shareholders overwhelmingly approved the proposal for the issue of the warrants to the Promoters. The warrant will be converted into equity share at Rs. 527.83 per share as determined in accordance with the pricing formula given in terms of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Allotment of warrants would be made on receipt of approvals from BSE and NSE under the listing agreements.

9. INSURANCE:

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

10. DIRECTORS:

Mr. P. V. Kuppaswamy retired as the Joint Managing Director of the Company effective 31st March, 2010. The Board appreciates the contribution made by Mr. P. V. Kuppaswamy during his tenure of 28 years with the Company, including 16 years as a Director.

The Board of Directors appointed Mr. Durgesh Mehta as an Additional Director designated as Joint Managing Director and Chief Financial Officer with effect from 1st April, 2010 in accordance with the provisions of Section 260 and 269 of the Act and Article 117 of the Company's Articles of Association. Mr. Mehta holds office up to 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.

In accordance with the provisions of the Act and the Company's Articles of Association, Mr. Keshub Mahindra, Mr. R. A. Shah and Dr. H. N. Sethna retire by rotation and are eligible for re-appointment.

11. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Act, 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 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.

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.

As per the requirement of Central Government and pursuant to Section 233B of the Act, the Company carries out an audit of cost records relating to the textile division every year. Subject to the approval of the Central Government, the Company has appointed Messrs. N. I. Mehta & Co., Cost Accountants, as auditors to audit the cost accounts of the Textile division for the financial year 2010-11.

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, 2010.



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, 2010.

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

- Replacement of conventional light fittings with energy saving Compact Fluorescent Lamps (CFL).
- Maintaining power factor near unity.
- Controlling working of light fixtures, fans, air-conditioners, water pumpsets and humidification units as per seasonal requirements.
- Providing galvanized-aluminium sheets having transparent interjection at Ranjangaon facility for natural lighting during day.
- Fitting machines with energy efficient-I motors.
- Recycling good usable water.
- Monitoring instruments have been installed in major energy consuming machines.
- Auditing plant for energy conservation at Ranjangaon from outside recognized parties.
- Creating awareness in the employees for energy saving.
- Installing coal fire boiler and thermopac.

PSF operations

- Systematic schedule for cleaning of condensers of refrigeration Chillers.
- 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%.

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

Textile operations

- Done 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.
- Saving of energy cost at Textile Mills is Rs. 1.11 lakh per year on account of electricity.
- Improved production volume and above measures at PSF plant resulted in a reduction of overall specific energy consumption by about 10%.

(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 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.
- New process development to overcome working problems in production department and meeting marketing needs.
- New product development for improved marketability of products.

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.

THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

3. Future plan of action

- Setting up of product development team
- Process reengineering 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 : Nil.

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 valued satin sheeting qualities with bright prints by printing 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 salable 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.
- Improvement in marketability and business viability through lower cost and newer products.
- 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

1. 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.

2. Total foreign exchange used and earned

	Rs. in crores
Total foreign exchange used	425.74
Total foreign exchange earnings	147.08

On behalf of the Board of Directors

NUSLI N. WADIA
Chairman

Mumbai: 24th May, 2010.



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)		651.19	629.08
Total Amount (Rupees in crores)		34.34	30.88
Rate/Unit (Rupees)		5.27	4.91
(b) Own Generation			
(Through Diesel Generator)			
Unit (KWH in lacs)		0.13	0.48
Units per Ltr. of Diesel		1.83	1.86
Cost/Unit (Rupees)		19.67	12.17
2 Furnace Oil/L.S.H.S.			
Quantity (in M. Tons/mmbtu)		451759.37	22016.06
Total Cost (Rupees in crores)		41.09	56.79
Average Rate (in Rupees per M.T./mmbtu)		909.56	25794.76
3 Coal			
Quantity (in M. Tons)		9380.00	4770.00
Total Cost (Rupees in crores)		3.93	2.37
Average Rate (in Rupees per M.T.)		4188.00	4978.00
B. CONSUMPTION PER UNIT OF PRODUCTION			
1 Electricity (KWH)			
Cloth	1000 Mtrs	544.06	494.98
Yarn	100 Kgs	-	-
PSF	M.T.	414.00	481.00
2 Furnace Oil/L.S.H.S.(M.T.)			
Cloth	1000 Mtrs	0.121	0.158
PSF	M.T.	0.065	0.168
3 Coal (M.T.)			
Cloth	1000 Mtrs	-	-
PSF	M.T.	-	-

THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

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

TEXTILE BUSINESS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Textile Industry in India which was severely impacted by the global slow down and recession all across the world is slowly recovering. The demands in export markets like USA have improved. However, stronger Indian Rupee and fierce price competition among Indian exporters as well as from other competing countries like China and Pakistan have affected the over all exports as well as margins. Consequently, the exports continue to be under pressure.

Inview of these, your company has been impacted with lower realization and loss of volume in the export market.

The domestic home textiles market is slowly recovering from the recessionary trends and slow- down in consumer spending. While the unorganized sector continues to dominate this industry, your Company is taking steps to drive growth through new products at competitive price offerings to consumers.

OPPORTUNITIES AND THREATS

The focus of your Company continues to be on the domestic market where the brand Bombay Dyeing enjoys respect and trust of the consumers. The key opportunity lies in tapping the huge market by leveraging the brand and our extensive presence across the country. Unorganized players, cheap imports and volatile raw material prices are the major threats which could adversely impact Company's margin and volume.

With improved demand in the developed markets like USA and Europe the demand is likely to grow from these markets. Your company is maintaining a balance between volume and value business in these markets. However, high cotton prices, weak US Dollar and price competition from China, Pakistan and other Indian exporters continue to be serious threats to your company's growth plans.

OUTLOOK

The domestic market is expected to deliver reasonable growth in the coming years in view of new products and retail initiatives undertaken. We are expanding our product portfolio to service the consumers' home textile needs and expanding retail presence through exclusive business outlets and greater presence in multi brand outlets and large format stores. We will capitalize on our leadership position through expanded product range and innovative product properties.

Global economic recovery has brightened the outlook for export business and your company is hopeful of improving its market share in overseas markets.

RISKS AND CONCERNS

Dumping by the countries like China, Pakistan and Bangladesh continues to be an area of concern in your company's business growth plans. Also, abnormal price fluctuations in cotton prices and exchange rates could impact margins.

POLYESTER BUSINESS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Amongst the three major PSF producers in the country, your Company recorded highest volume growth at 40 % as compared to the industry growth of 16 %. The growth momentum is expected to

continue during the current year. The exports are also expected to be maintained at current levels, thereby enabling the company to further improve the capacity utilization in the coming year.

OPPORTUNITIES AND THREATS

Steady rate of growth in PSF demand and increasing prices of cotton, viscose and acrylic fibres make way for higher capacity utilization of the PSF plant as well as improved realization. Strategy to rely more on contracted import of raw materials will help to avoid raw material availability constraint. Use of Natural Gas helps in curtailing the conversion cost.

However, wide fluctuation in crude oil prices and exchange rate have a cascading impact on raw material and finished goods prices and consequently, the margins may be adversely affected. Irrational competitive actions may also result in lower profitability.

OUTLOOK

Continued healthy GDP growth is expected to boost the demand for PSF, especially in a scenario where other fibres are witnessing sharp price escalation. The advent of Technical Textiles is also gaining momentum, and will offer opportunities for growth in high margin niche areas. The raw material availability is expected to ease with new capacities both in India and neighbouring countries.

RISKS AND CONCERNS

Wide fluctuation in crude oil prices, exchange rate and any political uncertainties in West Asia will affect the prices and availability of key raw materials. Although we have taken adequate measures to ensure availability of raw materials from various sources, nevertheless, the price instability arising out of such consequences may affect our business prospects.

REAL ESTATE BUSINESS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Real estate industry has shown a visible improvement in the residential segment after the worst crisis across the country. There is an improvement in buyer's interest in acquiring space. Property prices have started looking up consequent to the buyers interest. Many multinational banking and finance sector institution are evaluating acquisition of office spaces to accommodate their units/divisions which has improved the sale of office spaces or leasing out of office spaces, but this is yet to percolate into real demand, and consequently, the prices in these segments has remained flat.

The Government has also increased the ratio of floor space index (FSI) which has helped in reviving the construction activity especially in housing segment. However, imposition of several new taxes such as service tax and VAT, having an overall impact of approximate 5% is a major concern area for the sector.

OPPORTUNITIES AND THREATS

Improved sentiments and infrastructure development through metro/ monorail connection and flyover in Mumbai city are expected to increase the interest of the customer for residential units. On the other hand, excessive supply, especially in commercial segment could keep the prices low, while high prices could adversely impact demand in the residential segment.



OUTLOOK

Residential units prices are already looking up and expected to remain at these levels. The come back of economy has resulted in job opportunities which will result in higher sales of residential units.

Further the improvement in economic condition is expected to spur the demand in commercial sector in coming years. However recovery in commercial office space is slow and showing signs of cautious optimism with demand expected to strengthen in the coming months.

RISKS AND CONCERNS

Service Tax on construction and levy of VAT could increase the cost escalation in price of the key construction materials which could also be a negative factor in the revival of the sector. Threat of increase in interest rates for the housing could affect the decision of consumers to acquire houses. Consumer is also not willing to pay the price beyond certain limit and that would delay the realization of the sale of the constructed buildings. Further the re-development of various old residential buildings into new residential buildings will increase the supply position. The demand growth is partly coming from buoyant investors sentiment and ample liquidity. Over dependant on investors in Realty business is not without pitfalls.

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.

Internal audit reports have been submitted by Messrs. Deloitte Haskins and Sells to the audit committee of the Board. 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 human relations at all the locations. Several new initiatives were undertaken to drive the morale of the employees.

Functional trainings for plant personnel at Patalganga & Ranjangaon were undertaken during the year towards competency building. Occupational health, safety and environment were given due importance through training and awareness programmes.

RESOURCES & LIQUIDITY

During the year the total borrowings of the Company increased by Rs. 64 crores primarily to meet the business requirement.

The Company has significantly reduced the average working capital in Textile and PSF division. In the Real Estate business, the receivables increased on account of the sale of commercial building but the same was in line with the agreed terms of contract. The company continued to fund its working capital requirement from a consortium of banks.

During the year, Company liquidated bank fixed deposits of Rs. 98 crores and funds were deployed in the business operations. The Company also converted a part of its high cost short term debt to low cost long term debts, consequent to which, the interest has come down by 134 basis points.

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, 2010.

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

1. Company's Philosophy on Code of Governance:

Your Company is fully committed to the principles of good corporate governance. In keeping with this commitment your Company has been upholding fair and ethical business and corporate practices and transparency in its dealings and 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 the Non-Executive Chairman, Mr. Nusli N. Wadia, 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 2009-10	Whether attended AGM held on 28 th August, 2009	No. of Directorships in other public companies as on 31.3.2010*		No. of Committee positions held in other public companies** as on 31.3.2010	
				Chairman	Member	Chairman	Member
Mr. Nusli N. Wadia (Chairman)	Non-Executive/Promoter	5	Yes	2	4	-	-
Mr. Keshub Mahindra	Independent Non-Executive	5	Yes	3	2	1	-
Mr. R. N. Tata	-do-	-	No	10	-	-	-
Mr. R. A. Shah	-do-	4	Yes	4	10	5	4
Dr. H. N. Sethna	-do-	2	No	-	5	2	2
Mr. S. S. Kelkar	Non-Executive	5	Yes	-	10	-	3
Mr. S. Ragothaman	Independent Non-Executive	6	Yes	-	6	1	3
Mr. A. K. Hirjee	Non-Executive	5	Yes	2	2	3	4
Mr. S. M. Palia	Independent Non-Executive	5	Yes	-	6	3	3
Mr. P. V. Kuppaswamy (Upto 31.3.2010)	Jt. Managing Director	6	Yes	1	1	1	1
Mr. Ness N. Wadia	Jt. Managing Director	4	Yes	-	3	-	-
Ms. Vinita Bali	Non-Executive	5	Yes	-	4	-	2

Note : Other than Mr. Nusli N. Wadia being father of Mr. Ness 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, 6 Board Meetings were held, the dates being 30th April, 2009, 30th June, 2009, 31st July, 2009, 28th October, 2009, 27th January, 2010 and 10th February, 2010.

3. Board Committees :

The Board has constituted the following Committees of Directors :

(a) Audit Committee:

The Audit Committee consists of the following 5 Non-Executive Directors:

Mr. S. Ragothaman – Chairman (Independent)
Mr. R. A. Shah (Independent)
Mr. S. S. Kelkar
Dr. H. N. Sethna (Independent)
Mr. S. M. Palia (Independent)

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

The Joint Managing Directors, 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, 10 Meetings of the Audit Committee were held, the dates being 7th April, 2009, 22nd June, 2009, 29th June, 2009, 31st July, 2009, 27th August, 2009, 24th September, 2009, 28th October, 2009, 16th December, 2009, 27th January, 2010 and 23rd March, 2010.

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

Name	No. of Audit Committee Meetings attended
Mr. S. Ragothaman	10
Mr. R. A. Shah	10
Mr. S. S. Kelkar	10
Dr. H. N. Sethna	2
Mr. S. M. Palia	10

(b) Remuneration/Compensation Committee:

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

Mr. Keshub Mahindra – Chairman (Independent)

Mr. Nusli N. Wadia

Mr. R. A. Shah (Independent)

Mr. S. Ragothaman (Independent)

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 28th April, 2009 and 27th January, 2010.

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	2
Mr. Nusli N. Wadia	2
Mr. R. A. Shah	1
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 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.

A. Details of remuneration paid to the Joint Managing/Executive Directors during the year 2009-2010 are given below: -

(In Rupees)

Name	Salary	Benefits*	Commission	Total**
Mr. P. V. Kuppaswamy, Joint Managing Director	64,15,920	42,83,928	Nil	1,06,99,848
Mr. Ness N. Wadia, Joint Managing Director	44,33,250	63,69,186	Nil	1,08,02,436

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

** The Central Government has approved a remuneration of Rs. 1.07 crores for Mr. P. V. Kuppaswamy and Rs. 1.08 crores for Mr. Ness Wadia for the year 2009-10 vide letter dated 30th April, 2010. Accordingly the sums of Rs. 0.08 crores and Rs. 0.10 crores are recoverable from Mr. P. V. Kuppaswamy and Mr. Ness Wadia respectively.

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.

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.

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B. Details of payments made to Non-Executive Directors during the year 2009-10 are given below: -

	Sitting Fees (in Rupees)		Commission	Total No. of Shares held in the Company as on 31 st March, 2010
	Board Meeting	Committee Meeting		
Mr. Nusli N. Wadia	50,000	80,000	Nil	1,23,350
Mr. Keshub Mahindra	50,000	20,000	Nil	1,630
Mr. R. N. Tata	-	-	Nil	700
*Mr. R. A. Shah	40,000	1,10,000	Nil	300
Dr. H. N. Sethna	20,000	23,000	Nil	5,152
Mr. S. S. Kelkar	50,000	2,14,000	Nil	7,340
Mr. S. Ragothaman	60,000	2,00,000	Nil	5,000
Mr. A. K. Hirjee	50,000	98,000	Nil	760
Mr. S. M. Palia	50,000	1,40,000	Nil	Nil
Ms. Vinita Bali	50,000	50,000	Nil	Nil

* Mr. R. A. Shah, Non-Executive 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. 26.77 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, Non-Executive Director and Mr. R. A. Shah, Non-Executive Independent Director have booked flats in the residential building being constructed by the Company on its Spring Mills land in respect of which sums aggregating to Rs. 2,11,23,825/- and Rs. 3,51,06,090/-, respectively, towards purchase consideration have been received from them by the Company as at 31st March, 2010. As per the view of the Board of Directors, this transaction of booking of flat by Mr. R. A. Shah is not considered material enough to impinge on his 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 124th Annual General Meeting held on 23rd July, 2004. 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 except those of the Share Transfer, Shareholders'/Investors' Grievance and Ethics & Compliance Committee in respect of which they are paid sitting fees at the rate of Rs.1,000/- per meeting attended. 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 consists of 3 Non-Executive Directors and the Joint Managing Director, namely: -

Dr. H. N. Sethna - Non-Executive Director (Chairman) (Independent)
 Mr. A. K. Hirjee - Non-Executive Director
 Mr. S. S. Kelkar - Non-Executive Director
 Mr. P. V. Kuppaswamy - Joint Managing Director (upto 31.3.2010)
 Mr. Durgesh Mehta - Joint Managing Director (w.e.f. 28.4.2010)

The Committee met 27 times during the year.

(d) Finance Committee:

The Finance Committee consists of the following Directors:

Mr. S. S. Kelkar - Non-Executive Director
 Mr. A. K. Hirjee - Non-Executive Director
 Mr. S. Ragothaman - Independent
 Mr. Ness N. Wadia - Joint Managing Director

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 22nd June, 2009 and 27th August, 2009.

However, 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 (Independent)
- Mr. S. M. Palia (Independent)
- 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 Joint Managing Directors are permanent invitees.

During the year under review, the Executive Committee met 6 times on 28th April, 2009, 30th May, 2009, 2nd September, 2009, 9th October, 2009, 24th November, 2009 and 15th December, 2009.

Name and designation of Compliance Officer:

- Mr. Somnath Majumdar, Company Secretary (upto 18th January, 2010)
- Mr. J. C. Bham, Company Secretary (w.e.f. 8th March, 2010)
- No. of shareholders' complaints received during the year: 112
- No. of complaints not resolved to the satisfaction of shareholders: Nil
- No. of pending share transfers: Nil

4. General Body Meetings :

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

Date & Time	Location	Special Resolutions Passed
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.
25 th July, 2007, at 3.45 p.m.	Birla Matushri Sabhagar, 19, Marine Lines, Mumbai-400020	Nil

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

During the year under review, the Company obtained the approval of the members by way of a special resolution through postal ballot to create, offer, issue and allot not exceeding 39,57,000 Warrants comprising 19,30,000 Warrants with option to subscribe to equivalent number of Equity Shares of Rs.10 each, which option shall be exercisable not later than 31st March, 2011 in one or more tranches subject to such allotment of Equity Shares not exceeding 5% of the existing paid-up Equity Share capital of the Company and further 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, subject to such allotment of Equity Shares not exceeding 5% of the then existing paid-up Equity Share capital of the Company to Promoter(s)/Promoter Group whether or not they are members of the Company, on a preferential basis in such manner and on such terms and conditions as may be determined by the Board in its absolute discretion in accordance with the applicable SEBI Regulations. Mr. Nilesh G. Shah, Practising Company Secretary, was appointed as Scrutiniser for conducting the postal ballot process. The special resolution was passed with requisite majority. Details of the voting pattern were as follows:

Particulars	No. of Ballot Papers	No. of Votes	%
Votes in favour of the Resolution	2724	18901398	99.54
Votes against the Resolution	284	87938	0.46
Invalid Votes	405	230691	N/A
Total	3412	19220458	100.00

Note : Shareholders holding 431 Equity Shares have abstained from voting either for assent or dissent out of the total shares held by them. One of the shareholder has voted for assent for part of his shareholding and dissent for the other part, which explains the difference in the total number of Ballot papers.

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The result of the postal ballot was announced through a notice on the Notice Board at the Registered Office of the Company on 24th March, 2010 and through press advertisements on 25th March, 2010.

- (c) Person who conducted postal ballot exercise :

Mr. Nilesh G. Shah, Practising Company Secretary.

- (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:

The procedure for postal ballot was followed in terms of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001.

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. During the year under review, 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 one month from the end of the quarter and the audited annual results within three months 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 – All editions & Lakshadeep, 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:

11th August, 2010 - 3.45 p.m. at Birla Matushri Sabhagar, 19, Marine Lines, Mumbai – 400 020.

- b. Financial calendar (tentative):

Financial results for the quarter ending 30th June, 2010 : 2nd week August, 2010

Financial results for the quarter ending 30th September, 2010: 2nd week November, 2010



Financial results for the quarter ending 31st December, 2010 : 2nd week February, 2010

Financial results for the year ending 31st March, 2011 : End May, 2011

Annual General Meeting for the year ending 31st March, 2011: 1st or 2nd week of August, 2011.

- (c) Book closure period: 3rd August, 2010 to 11th August, 2010 both days inclusive.
- (d) Dividend payment date : On or after 12th August, 2010.
- (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 2010-11 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 2010.

- (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. The Share Transfer Committee meets every fortnight. The number of shares transferred/transmitted during the year are as under:

	<u>No. of Applications</u>	<u>No. of Shares</u>
Transfers	725	36,699
Transmissions	129	25,293
Total	854	61,992

- (k) Dematerialisation of shares and liquidity:

94.47% of the outstanding Equity Shares have been dematerialised up to 31st March, 2010.

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) Secretarial Audit

As stipulated by Securities and Exchange Board of India (SEBI), a qualified practising Company Secretary carries out the Secretarial 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.

THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

- (m) Outstanding GDRs/Warrants, Convertible Bonds, conversion date and likely impact on equity.
- (i) 5,82,095 GDRs were outstanding as at 31st March, 2010, 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 lacs on share premium.
- (n) (i) Distribution of Shareholding as on 31st March, 2010.

Group of Shares	No. of Shareholders	No. of Shares held	Percentage to total Shares
1 to 50	54,821	10,89,483	2.82
51 to 100	12,400	10,54,895	2.73
101 to 250	7,329	12,44,732	3.22
251 to 500	3,077	11,50,687	2.98
501 to 1000	1,470	11,11,096	2.88
1001 to 5000	1,066	21,84,869	5.66
5001 and above	236	3,07,81,218	79.71
	80,399	3,86,16,980	100.00

- (ii) Shareholding Pattern as on 31st March, 2010.

	No. of shares	%
Promoter Group *	1,82,03,921	47.14
Insurance Companies	33,79,385	8.75
Nationalised Banks	39,490	0.10
Mutual Funds	43,90,144	11.37
FIs	19,05,792	4.94
GDR Holders	5,82,095	1.51
Others	1,01,16,153	26.19
	3,86,16,980	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 Pvt. 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, 2010 an aggregate amount of Rs. 5.44 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: 021-38232700 / 38232800
Fax: 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 & Legal),
at Neville House, J. N. Heredia Marg,
Ballard Estate, Mumbai-400 001.
Tel: 22618071 Fax: 22614520.

*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**.*

Non-Mandatory Requirements:

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

The Company defrays the secretarial 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, 2010.

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, 2010.

For The Bombay Dyeing & Mfg. Co. Ltd.

Durgesh Mehta
Joint Managing Director

Mumbai, 24th May, 2010.

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, 2010, 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 Company Limited for the year ended 31st March, 2010, 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

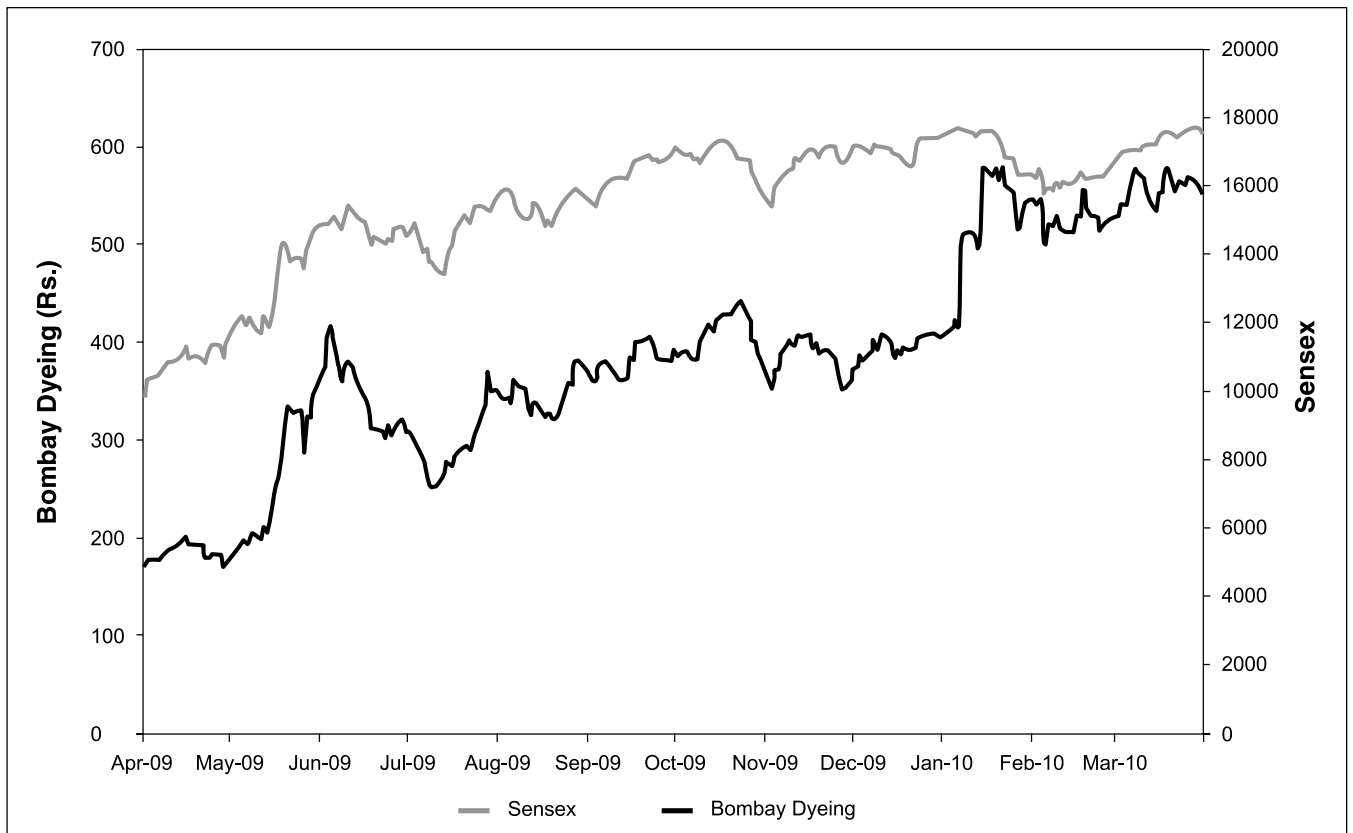
Mumbai, 24th May, 2010

**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. 2009	216.40	216.85	166.25	166.05	105257	342739	6289345	16987180	11837.82	31966.86
May. 2009	355.90	355.00	177.00	176.25	155979	526034	9921191	24703172	25893.50	65047.43
Jun. 2009	425.00	425.00	291.20	292.00	93577	343144	4468218	13886217	16052.52	49897.08
Jul. 2009	374.40	377.30	240.50	240.50	80879	276680	4247030	9645934	12919.91	29407.11
Aug. 2009	394.70	394.95	315.15	305.65	68979	229689	3661934	8166302	13149.89	29251.39
Sep. 2009	417.80	417.75	356.00	357.00	59859	186876	3085062	7473367	12033.42	29183.20
Oct. 2009	451.75	451.00	375.00	373.00	63738	186788	3311981	7856355	13667.58	32389.95
Nov. 2009	416.90	416.90	343.50	342.50	31480	98457	1251445	2900185	4857.08	11275.10
Dec. 2009	424.00	424.00	362.00	360.10	30280	90610	1245328	3280035	4945.80	13016.16
Jan. 2010	615.95	673.00	400.90	403.00	258279	824387	15713705	38129350	84210.35	204129.37
Feb. 2010	567.60	567.40	496.90	498.00	141879	445026	6393949	16293426	34280.68	87231.03
Mar. 2010	592.35	591.85	522.05	521.00	121370	368394	5141261	13674402	29112.42	77419.63

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, 2010 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:
Note 7 of Schedule 19 Notes to Accounts, regarding the sale of the commercial building under construction to its wholly owned subsidiary (up to March 16, 2010)/ associate and recognition of revenue there against of Rs. 423.54 crores (including revenue from the undivided interest in the underlying freehold land therein amounting to Rs. 256.29 crores in line with the company's stated accounting policy) in the Profit and Loss Account. The Company has partly divested its investment in the subsidiary company in March 2010 and it has ceased to be a subsidiary from that date. The said subsidiary has been excluded from consolidation, based on management's representation that control over it was temporary, i.e. being held exclusively with a view to its subsequent divestment in the near future.
- 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, 2010;
 - 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, 2010, 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, 2010, 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, 2010

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, 2010 (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 regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were not material and the same have been properly dealt with in the books of account.
- (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) The Company had given unsecured loan to a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum principal amount involved during the year is Rs. 0.50 crore. The loan has been repaid and there is no balance outstanding at the year end. The company has also placed an interest free shareholders' deposit of Rs.15.22 crore with a joint venture company, as stated in Note 10 of Schedule 19.
- (b) 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 granted to 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, at the time when loans were granted.
- (c) In our opinion and as per the records examined by us the receipt of the principal amount and interest thereon has been regular.
- (d) According to the information and explanation given to us, there is no overdue amount for more than rupees one lakh.
- (e) According to the information and explanation given to us, the Company has taken unsecured loans aggregating Rs. 117.50 crores from a company covered in the register maintained under section 301 of the Companies Act, 1956. The loans have been repaid and there is no balance outstanding at the year end.
- (f) 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.
- (g) 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. Further, 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 accounts 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 Textile division 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 2010 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	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
		Customs Duty	0.13	1992-93	Commissioner of Customs Bond Department, Mumbai
2	The Central Excise Act, 1944	Excise Duty	0.31	1985-86 to 2003-04	Customs, Excise and Service Tax Appellate Tribunal(CESTAT), Mumbai
		Excise Duty	0.16	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	0.08	1999-00 to 2000-01	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. The Company has not incurred cash losses during the financial year covered by our audit however, a cash loss of Rs. 138.89 crores was incurred during 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. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
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, 2010

**THE BOMBAY DYEING
AND MANUFACTURING COMPANY LIMITED**

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule No.	Rupees in crores	Rupees in crores	AS AT 31ST MARCH, 2009	
				Rupees in crores	Rupees in crores
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share capital	(1)	38.61		38.61	
Reserves and surplus	(2)	<u>171.74</u>		<u>331.81</u>	
			210.35		370.42
LOAN FUNDS					
Secured loans	(3)	1,611.97		1,499.00	
Unsecured loans	(4)	<u>163.14</u>		<u>211.88</u>	
			1,775.11		1,710.88
			<u>1,985.46</u>		<u>2,081.30</u>
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross block	(5)	1,183.44		1,159.75	
Less: Depreciation / amortisation		<u>231.26</u>		<u>178.72</u>	
Net block		952.18		981.03	
Capital work-in-progress		2.47		19.31	
Incidental expenditure relating to construction / development		<u>205.92</u>		<u>199.54</u>	
			1,160.57		1,199.88
INVESTMENTS	(6)		60.19		60.22
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	(7)	144.24		380.31	
Sundry debtors	(8)	634.57		405.93	
Cash and bank balances	(9)	33.89		123.58	
Other current assets	(10)	0.64		4.36	
Loans and advances	(11)	<u>278.22</u>		<u>253.02</u>	
		<u>1,091.56</u>		<u>1,167.20</u>	
<i>Less: CURRENT LIABILITIES AND PROVISIONS</i>					
Liabilities	(12)	309.86		335.94	
Provisions	(13)	<u>17.00</u>		<u>11.46</u>	
		<u>326.86</u>	764.70	<u>347.40</u>	819.80
NET CURRENT ASSETS					
MISCELLANEOUS EXPENDITURE					
(to the extent not written off or adjusted)					
Voluntary retirement compensation [Refer Note 13(iii) on Schedule 18]	(14)		-		1.40
			<u>1,985.46</u>		<u>2,081.30</u>
SIGNIFICANT ACCOUNTING POLICIES					
NOTES TO THE ACCOUNTS					

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
NESS N. WADIA
DURGESH MEHTA

Chairman
Jt. Managing Director
Jt. Managing Director & CFO

R.A. SHAH
S. RAGOTHAMAN
A.K.HIRJEE
S. S. KELKAR
S.M. PALIA
Ms. VINITA BALI

Directors

VIRAF R. MEHTA
Partner

J.C. BHAM

Company Secretary

Mumbai, 24th May, 2010.

Mumbai, 24th May, 2010.



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule No.	Rupees in crores	Rupees in crores	2008-2009 Rupees in crores
INCOME				
Gross Sales - Products [Refer Note 23(a) on Schedule 19].....		1,138.30		1,095.97
Less : Excise Duty		46.44		43.64
Net Sales		1,091.86		1,052.33
Revenue from real estate activity [Refer Note 4 on Schedule 18]		550.92		263.93
			1,642.78	1,316.26
Other Income	(15)		42.82	57.87
			<u>1,685.60</u>	<u>1,374.13</u>
EXPENDITURE				
Manufacturing and other expenses	(16)		1,395.01	1,323.40
Interest and finance charges	(17)		207.46	186.54
Depreciation			59.54	55.73
			<u>1,662.01</u>	<u>1,565.67</u>
PROFIT/(LOSS) BEFORE TAX AND VOLUNTARY RETIREMENT COMPENSATION ...			23.59	(191.54)
Less: Voluntary Retirement Compensation Written off			1.40	2.06
PROFIT/(LOSS) BEFORE TAX			<u>22.19</u>	<u>(193.60)</u>
Less:				
Provision for taxation				
a. current tax			3.77	-
b. fringe benefit tax			-	1.02
			<u>3.77</u>	<u>1.02</u>
PROFIT / (LOSS) AFTER TAX			18.42	(194.62)
Balance in profit and loss account brought forward			16.34	188.59
Transferred from debenture redemption reserve			-	7.50
Transferred from general reserve			-	19.39
AMOUNT AVAILABLE FOR APPROPRIATION			<u>34.76</u>	<u>20.86</u>
Less: APPROPRIATIONS				
Proposed dividend			9.66	3.86
Additional income-tax on distributed profits			1.60	0.66
Transferred to general reserve			1.84	-
			<u>13.10</u>	<u>4.52</u>
Balance carried to balance sheet			<u>21.66</u>	<u>16.34</u>
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)			4.77	(50.39)
Diluted earnings per equity share (in rupees)			4.77	(50.39)
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
NESS N. WADIA
DURGESH MEHTA

Chairman
Jt. Managing Director
Jt. Managing Director & CFO

R.A. SHAH
S. RAGOTHAMAN
A.K.HIRJEE
S. S. KELKAR
S.M. PALIA
Ms. VINITA BALI

Directors

VIRAF R. MEHTA
Partner

J.C. BHAM

Company Secretary

Mumbai, 24th May, 2010.

Mumbai, 24th May, 2010.

**THE BOMBAY DYEING
AND MANUFACTURING COMPANY LIMITED**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

			<i>2008-2009</i>	
	Rs. in crores	Rs. in crores	<i>Rs. in crores</i>	<i>Rs. in crores</i>
A. CASH FLOW FROM OPERATING ACTIVITIES:				
NET PROFIT BEFORE TAX		22.19		(193.60)
Adjusted for				
Depreciation	59.54		55.73	
Foreign exchange loss/(gain) (net).....	7.05		19.63	
Profit on sale of investments	(0.45)		(3.57)	
Provision for doubtful debts/advances	8.81		0.34	
Debtors written off (net of provision written back)	0.75		0.27	
Interest income.....	(11.02)		(10.23)	
Loss/(Profit) on sale of fixed assets (net)	0.17		1.48	
Voluntary retirement compensation written off	1.40		1.39	
Interest and other finance charges.....	201.68		186.54	
Provision for retirement benefits.....	(1.20)		3.31	
		<u>266.73</u>		<u>254.89</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS		288.92		61.29
Changes in				
Inventories.....	34.51		38.62	
Trade and other receivables.....	(242.08)		(102.35)	
Trade payables	6.19		16.52	
		<u>(201.38)</u>		<u>(85.83)</u>
CASH GENERATED FROM OPERATIONS.....		87.54		14.08
Direct taxes paid (net)		(12.51)		(4.72)
NET CASH FROM OPERATING ACTIVITIES	(a)	<u>75.03</u>		<u>9.36</u>
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of fixed assets		(16.46)		(80.15)
Proceeds from sale of fixed assets		1.31		0.10
Purchase of investments		-		(93.28)
Acquisition of Wholly owned subsidiary		-		(0.05)
Proceeds from sale of investment in subsidiary		0.48		163.40
Inter-corporate deposits (net).....		(7.10)		(1.28)
Share application money to Joint venture		(4.61)		-
Interest received.....		13.93		8.93
NET CASH USED IN INVESTING ACTIVITIES	(b)	<u>(12.45)</u>		<u>(2.33)</u>



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Rs. in crores	Rs. in crores	2008-2009	
			Rs. in crores	Rs. in crores
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from borrowings		1,618.57		469.15
Proceeds from Fixed Deposits (Net)		67.52		13.63
Repayment of borrowings		(1,503.28)		(277.82)
(Decrease) / Increase in demand loan, cash credit.....		(123.23)		65.14
Interest and other finance charges paid.....		(207.30)		(191.46)
Dividend paid (including corporate dividend tax).....		(4.55)		(15.82)
NET CASH (USED IN) / FROM FINANCING ACTIVITIES	(c)	<u>(152.27)</u>		<u>62.82</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS..... (a + b + c)		<u>(89.69)</u>		<u>69.85</u>
CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR, COMPRISING:				
Cash on hand	0.03		0.15	
Cheques on hand	2.89		3.88	
Balances with scheduled banks				
In current accounts and margin accounts	7.03		0.79	
In fixed deposit accounts [lien has been created on fixed deposits of Rs.113.63 crores (2008-2009 Rs.26.10 crores)]	<u>113.63</u>		<u>48.91</u>	
		123.58		53.73
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR, COMPRISING:				
Cash on hand	0.14		0.03	
Cheques on hand	12.82		2.89	
Balances with scheduled banks				
In current accounts and margin accounts	5.90		7.03	
In fixed deposit accounts [lien has been created on fixed deposits of Rs. 15.03 crores (2008-2009 Rs. 113.63 crores)]	<u>15.03</u>		<u>113.63</u>	
		33.89		123.58
NET (DECREASE) INCREASE AS DISCLOSED ABOVE		<u>(89.69)</u>		<u>69.85</u>

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
KALYANIWALLA & MISTRY
Chartered Accountants

VIRAF R. MEHTA
Partner

Mumbai, 24th May, 2010.

NUSLI N. WADIA
NESS N. WADIA
DURGESH MEHTA

J.C. BHAM

For and on behalf of the Board of Directors

Chairman
Jt. Managing Director
Jt. Managing Director & CFO

Company Secretary

R.A. SHAH
S. RAGOTHAMAN
A.K.HIRJEE
S. S. KELKAR
S.M. PALIA
Ms. VINITA BALI

} Directors

Mumbai, 24th May, 2010.

**THE BOMBAY DYEING
AND MANUFACTURING COMPANY LIMITED**

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

	Rupees in crores	<i>As at 31st March, 2009</i> 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 (2008-2009 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 (2008-09 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 (2008-2009 1,57,910) Equity shares issued under Employees' Stock Option Scheme	0.16	0.16
<u>3,86,16,980</u> (2008-2009 3,86,16,980) Equity shares of Rs. 10 each fully paid-up	<u>38.61</u>	<u>38.61</u>
<i>Note:</i> During the year, the Company has issued Nil equity shares (2008-09, 1840) on exercising of rights of conversion of warrants, based on the Special Court order, which were earlier held in abeyance.		

	Rupees in crores	<i>As at 31st March, 2009</i> 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	2.06
<i>Add:</i> Premium on issue of shares on conversion of warrants	-	0.01
	<u>2.07</u>	<u>2.07</u>
CAPITAL RESERVE		
Amount forfeited on warrants not exercised	11.89	11.89
DEBENTURE REDEMPTION RESERVE		
As per last balance sheet	-	7.50
<i>Less:</i> Transferred to profit and loss account	-	(7.50)
	<u>-</u>	<u>-</u>
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	-
<i>Add:</i> Created during the year on conversion of a part of the freehold land from fixed assets into stock-in-trade	50.76	390.11
<i>Less:</i> Released to profit and loss account on entering into agreements for sale	(252.32)	(188.55)
	<u>-</u>	<u>201.56</u>
FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE		
Exchange loss on long term foreign currency monetary items.....	-	(2.12)
HEDGING RESERVE ACCOUNT		
Loss on derivative contracts qualifying as cash flow hedges	(5.48)	(37.69)
GENERAL RESERVE		
As per last balance sheet	135.90	155.29
<i>Add:</i> Transferred from profit and loss account	1.84	-
<i>Less:</i> Transferred to profit and loss account	-	(19.39)
	<u>137.74</u>	<u>135.90</u>
BALANCE IN PROFIT AND LOSS ACCOUNT		
	21.66	16.34
	<u>171.74</u>	<u>331.81</u>



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

SCHEDULE 3	Rupees in crores	<i>As at 31st March, 2009</i> Rupees in crores
SECURED LOANS		
From Banks		
1. Term Loans	1,243.19	985.89
2. Buyer's Credit in foreign currency	128.94	163.23
3. Cash credit, demand loans and packing credit from banks..... [includes Rs.15.12 crores (2008-09 Rs.1.25 crores) in foreign currencies]	239.84	349.88
	<u>1,611.97</u>	<u>1,499.00</u>

NOTES:

- A.** Term Loans are secured by first part pari passu charge on the immovable properties of the company at Textile Mills at Mumbai, Textile Processing Unit at Ranjangaon, Polyester Division at Patalganga 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 Mills Mumbai (excluding land admeasuring 12,000 square metres and buildings and structures thereon), Textile Processing Unit at Ranjangaon and the Polyester division at Patalganga and hypothecation of fixed assets at Textile Processing Unit at Ranjangaon and the Polyester division at Patalganga.

SCHEDULE 4	Rupees in crores	<i>As at 31st March, 2009</i> Rupees in crores
UNSECURED LOANS		
Fixed Deposits	81.14	13.63
Short term loans		
- From banks	20.00	170.00
- From others	62.00	28.25
	<u>163.14</u>	<u>211.88</u>

**THE BOMBAY DYEING
AND MANUFACTURING COMPANY LIMITED**

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

**SCHEDULE 5
FIXED ASSETS**

(Rupees in crores)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost or book value as at 31-03-2009	Additions during the year	Deductions / adjustments during the year	Cost or book value as at 31-03-2010	Balance as at 01-04-2009	For the Year	On deductions/ adjustments during the year	Balance as at 31-03-2010	As at 31-03-2010	As at 31-03-2009
Land - Leasehold	19.02	-	-	19.02	0.58	0.21	-	0.79	18.23	18.44
- Freehold	11.84	0.07	-	11.91	-	-	-	-	11.91	11.84
Buildings	130.62	9.82	0.73	139.71	15.87	3.30	0.01	19.16	120.55	114.75
Plant and machinery	965.33	17.08	7.15	975.26	152.57	51.36	6.60	197.33	777.93	812.76
Furniture	21.86	4.51	0.14	26.23	5.96	3.18	0.05	9.09	17.14	15.90
Motor vehicles	1.91	0.23	0.46	1.68	1.62	0.06	0.34	1.34	0.34	0.29
Intangible assets - software.....	9.17	0.46	-	9.63	2.12	1.43	-	3.55	6.08	7.05
	1,159.75	32.17	8.48	1,183.44	178.72	59.54	7.00	231.26	952.18	981.03
Previous year.....	1,060.35	100.95	1.55	1,159.75	123.67	55.73	0.67	178.72		
Capital work-in-progress									0.20	12.68
Advances for capital expenditure									2.27	6.63
Incidental expenditure relating to construction/development pending capitalisation/allocation @									205.92	199.54
TOTAL									1,160.57	1,199.88

@ Details of incidental expenditure relating to construction/development pending capitalisation/allocation:

		As at 31st March, 2010	As at 31st March, 2009
Real estate		205.92	199.54
		<u>205.92</u>	<u>199.54</u>
Comprising:			
Opening Balance	(A)	199.54	232.81
Add:			
Architect fees, technical and project related consultancy		0.48	4.13
Civil, electrical, contracting, etc.		0.59	44.85
Payments to local agencies		-	0.36
Payments to and provisions for employees		0.50	1.11
Contractors/Retainers fees		0.22	0.47
Repairs		-	0.17
Travelling and conveyance [Rs. 28,162 (2008-09 Rs. 7,20,499)]		0.00	0.07
Interest on fixed loans		5.25	4.89
Other expenses		1.03	0.74
	(B)	<u>8.07</u>	<u>56.79</u>
Add: Capitalisation of voluntary retirement compensation as a part of expenditure incidental to development of land [Refer Note 13(iii) on Schedule 18]	(C)	0.18	0.58
Transferred to stock-in-trade		1.87	82.53
	(D)	<u>1.87</u>	<u>82.53</u>
	(A)+(B)+(C)-(D)	<u>205.92</u>	<u>207.65</u>
Less: Capitalised/allocated during the year		-	8.11
Incidental expenditure relating to construction/development pending capitalisation/allocation		<u>205.92</u>	<u>199.54</u>



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

	Rupees in crores	As at 31st March, 2009 Rupees in crores
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
5,000 Equity shares of Rs. 10 each in L & T Bombay Developers Private Limited	0.01	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 (2008-09 50,000) Equity shares of Rs.10 each in Bombay Dyeing Real Estate Company Limited (formerly known as White Horse Real Estate Private Limited) - subsidiary upto 16th March 2010. (30,000 Equity shares sold during the year)	0.02	0.05
	<u>5.37</u>	<u>5.40</u>
B. OTHER THAN TRADE:		
Shares and Debentures		
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 (2008-09 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 Debentures of Rs.100 each in Archway Investment Co. Ltd. (carrying no interest).....	3.35	3.35
	<u>54.82</u>	<u>54.82</u>
CURRENT INVESTMENTS (Unquoted fully paid-up)		
OTHER THAN TRADE:		
Units and Certificate of Deposits		
Units:		
7 Units of Rs 10 each in FRDG ICICI Prudential Floating Rate Plan D - Growth of ICICI Prudential AMC Ltd. Rs.86 (2008-09 Rs.86)	-	-
Aggregate amount of unquoted investments.....	<u>60.19</u>	<u>60.22</u>

**THE BOMBAY DYEING
AND MANUFACTURING COMPANY LIMITED**

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

	Rupees in crores	As at 31st March, 2009 Rupees in crores
SCHEDULE 7		
INVENTORIES		
Stores, spare parts and catalysts	15.55	11.38
Stock-in-trade		
Raw materials	42.12	36.68
Work-in-progress	18.34	20.99
Finished goods	60.52	60.39
Office premises	0.30	0.30
Real estate under development [Refer Note 10(ii)(d) on schedule 18]	7.41	250.57
	<u>144.24</u>	<u>380.31</u>
SCHEDULE 8		
SUNDRY DEBTORS		
Unsecured, unless otherwise stated		
Over six months:		
Considered good	33.62	82.17
Considered doubtful	8.45	0.41
	<u>42.07</u>	<u>82.58</u>
Other Debts:		
Considered good* [includes unbilled revenue of Rs.357.74 crores (2008-09 Rs.228.17 crores)]	600.95	323.76
	<u>643.02</u>	<u>406.34</u>
Less : Provision for doubtful debts	8.45	0.41
	<u>634.57</u>	<u>405.93</u>
* Includes :		
(i) Secured Rs. Nil (2008-09 Rs. 0.46 crore)		
(ii) Due from a director Rs. Nil (2008-09 Rs. 0.16 crore) and maximum outstanding Rs. 0.92 crores (2008-09 Rs. 0.16 crore)		
(iii) Due from associate company Rs. 502.34 crores (2008-09 Rs. 228.17 crores from subsidiary company)		
SCHEDULE 9		
CASH AND BANK BALANCES		
Cash on hand	0.14	0.03
Cheques on hand	12.82	2.89
Balances with scheduled banks		
In current accounts	5.90	7.03
In fixed deposit accounts	15.03	113.63
[lien has been created on fixed deposits of Rs. 15.03 crores (2008-2009 Rs. 113.63 crores)]		
	<u>33.89</u>	<u>123.58</u>
SCHEDULE 10		
OTHER CURRENT ASSETS		
Interest accrued on deposits	0.64	4.36
	<u>0.64</u>	<u>4.36</u>



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

	Rupees in crores	As at 31st March, 2009 Rupees in crores
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	212.14	201.59
- Considered doubtful	1.32	1.01
	213.46	202.60
Advance share application money to L&T Bombay Developers Private Limited.....	9.61	5.00
Deposit with a joint venture company (Refer Note 10 on Schedule 19).....	15.22	15.22
Income-tax paid less provisions thereagainst.....	40.43	30.88
Balances with customs, port trust, etc. on current accounts	0.82	0.33
	279.54	254.03
Less: Provision	1.32	1.01
	278.22	253.02
* of which secured is Rs. 0.24 crore (2008-2009 Rs. 0.94 crore) and also includes:		
(i) Inter-corporate deposits Rs.27.25 crores (2008-2009 Rs. 20.15 crores)		
(ii) Security deposits Rs. 9.82 crores (2008-2009 Rs. 5.80 crores)		
(iii) Due from directors of the Company Rs. 0.89 crore (2008-2009 Rs.0.88 crore)		
maximum amount outstanding during the year Rs. 0.89 crore (2008-2009 Rs. 0.88 crore)		
SCHEDULE 12		
CURRENT LIABILITIES		
Sundry creditors (Refer Note 11 on Schedule 19).....	234.01	200.00
Advance payments from customers and others	24.70	73.99
Derivative contracts payable	5.83	37.69
Unpaid dividends*.....	0.83	0.86
Unpaid interest on deposits*.....	-	0.01
Deposits from selling agents, dealers, customers and others.....	9.64	8.08
Other liabilities.....	33.25	13.33
Interest accrued but not due on loans	1.60	1.98
	309.86	335.94
* 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.....	9.66	3.86
Tax on distributed profits	1.60	0.66
Provision for retirement benefits.....	5.74	6.94
	17.00	11.46
SCHEDULE 14		
MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Voluntary retirement compensation:		
[Refer Note 13(iii) on Schedule 18]		
Balance brought forward	1.40	2.79
Written off during the year	1.40	1.39
	-	1.40

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, 2010

	Rupees in crores	2008-2009 Rupees in crores
SCHEDULE 15		
OTHER INCOME		
1. Interest (gross)		
(a) From non-trade investments:		
- Current	-	0.26
(b) Interest on inter-corporate deposits	3.16	2.09
(c) Interest on income-tax refunds	0.81	0.45
(d) Interest on fixed deposits with banks	4.50	6.27
(e) Interest from dealers and others	2.55	1.16
[tax deducted at source Rs. 0.52 crores (2008-2009 Rs. 1.51 crores)]		
	11.02	10.23
2. Profit on sale of current investments	-	3.57
3. Profit on sale of investment in subsidiary	0.45	-
4. Technical know-how fees	-	1.02
5. Lease rental	9.36	7.93
6. Subsidy under Package Scheme of Incentive from Government of Maharashtra	18.62	27.44
7. Miscellaneous income	3.37	7.68
	42.82	57.87

	Rupees in crores	Rupees in crores	2008-2009 Rupees in crores
SCHEDULE 16			
MANUFACTURING AND OTHER EXPENSES			
1. Raw materials consumed		776.63	777.14
2. Contracted production		54.81	57.88
		831.44	835.02
3. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES			
Salaries, wages and bonus		40.05	39.81
Workmen and staff welfare expenses		4.24	4.17
Contribution to gratuity fund		1.79	2.38
Contribution to provident and other funds		3.64	5.02
		49.72	51.38
4. OPERATING AND OTHER EXPENSES			
Stores, spare parts and catalyts		45.70	38.27
Oil and coal		47.72	63.42
Electric energy [net of refund receivable on account of Regulatory Liability Charges ..		31.53	27.96
Water charges		3.62	2.72
Excise duty other than relating to sales		0.02	0.72
Job work / processing charges		22.23	28.13
Rates and taxes		4.24	3.20
Brokerage, commission and indenting charges on sales		7.13	12.49
Discount on sales		40.45	47.18
Freight and forwarding		16.18	14.74
Advertising		10.80	12.96
Insurance		1.31	1.43
Rent		12.36	10.27
Repairs: Buildings		0.92	0.29
Machinery		2.55	2.88
Others		1.71	2.38
Doubtful advances/bad debts written off		1.16	31.25
Less: Reversal of provision for doubtful advances/debts [includes Rs. Nil (2008-2009 Rs. 26.52 crores) adjusted from securities premium account in an earlier year]		(0.41)	(30.98)
		0.75	0.27
Provision for doubtful debts / advances		8.81	0.34
Other expenses		43.85	42.81
		301.88	312.46



SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Rupees in crores	Rupees in crores	2008-2009 Rupees in crores
5. Loss on foreign currency transactions (net)		13.67	39.12
6. Loss on fixed assets scrapped / sold (net)		0.17	1.48
Sub-total		<u>1,196.88</u>	<u>1,239.46</u>
7. Cost in respect of real estate:			
Opening Stock		250.57	-
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]		52.34	400.04
Add: Expenditure relating to construction incurred during the year:			
Architect fees, technical and project related consultancy	3.24		7.07
Civil, electrical, contracting, etc.	138.77		84.38
Payments to local agencies	3.68		12.69
Fees for cancellation of sale contracts/acquiring rights in real estate	1.91		0.42
Preliminaires and site expenses.....	0.03		-
Payments to and provisions for employees	2.13		4.94
Contract/retainership fees	0.92		2.13
Electricity	(0.31)		-
Water charges	(0.27)		-
Rent [Rs. 9,961 (2008-09 Rs. Nil)]	-		-
Repairs	0.01		0.72
Travelling and conveyance	0.03		0.44
Interest on fixed loans	1.22		10.78
Other expenses	1.07		3.65
		<u>152.43</u>	<u>127.23</u>
Less: Release from revaluation reserve on entering into agreements for sale of flats (Refer Note 4 on Schedule 18)		(252.32)	(188.55)
Less: Closing stock (Real estate under development)		(7.41)	(250.57)
Sub-total		<u>195.61</u>	<u>88.15</u>
8. (INCREASE)/DECREASE IN WORK-IN-PROGRESS AND FINISHED GOODS			
(A) Closing stock			
(i) Work-in-progress		18.34	20.99
(ii) Finished goods		60.52	60.39
(iii) Office Premises		0.30	0.30
		<u>79.16</u>	<u>81.68</u>
(B) Opening stock			
(i) Work-in-progress		20.99	21.83
(ii) Finished goods		60.39	55.33
(iii) Office Premises		0.30	0.30
		<u>81.68</u>	<u>77.46</u>
Sub-total		<u>2.52</u>	<u>(4.22)</u>
		<u>1,395.01</u>	<u>1,323.40</u>

SCHEDULE 17

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

(a) Interest:			
- Fixed loans		147.06	125.73
- Others		43.40	45.05
		<u>190.46</u>	<u>170.78</u>
(b) Finance charges		10.24	14.17
Exchange differences on foreign currency loans - (gain) / loss		6.76	1.59
		<u>17.00</u>	<u>15.76</u>
		<u>207.46</u>	<u>186.54</u>

THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 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 fixed 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) Lease hold land – lease period namely 95 yearsThe 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.
- (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.



SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 18 (Contd.)

(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 catalysts on a weighted average method.
 - (b) Raw Materials
 - cotton, fibre, purified terephthalic acid, mono ethylene glycol, dyes & chemicals and other materials on a weighted average method.
 - cloth and yarn on a first-in first-out 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 fairest possible 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 long-term monetary assets and liabilities other than those relating to acquisition of depreciable capital assets are accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortised over the balance period of such long term asset / liability, but not beyond 31st March 2011 by recognition as income or expense. The difference in translation of all other monetary assets and liabilities and realised gains and losses on other 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.

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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.

(iii) Termination benefits

Compensation to employees who have opted for retirement under the Voluntary Retirement Scheme (VRS) of the Company is being written off equally over a period of five years from the date of incurrence or upto 31st March, 2010, whichever is shorter. The VRS incurred during 2006-07 and 2007-08 relating to Textile Mills and New Bleach Works is carried as development cost of the land, as the Company proposes to carry out real estate development at Textile Mills and New Bleach Works.

(14) Taxation

Tax expense comprises current, deferred and fringe benefit tax. Current tax and fringe benefit 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 an 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.



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19

	Rupees in crores	2008-2009 Rupees in crores
(1) Contingent liabilities not provided for		
(a) Income-tax matters in respect of earlier years under dispute (including interest of Rs. 5.77 crores) [31.03.2009. Rs.3.46 crores] as follows:.....	37.10	31.93
(i) Decided in Company's favour by appellate authorities and department in further appeal	5.11	5.66
(ii) Pending in appeal - matters decided against the Company.....	31.99	26.27
(b) Sales Tax and Excise Duties.....	1.47	1.47
(c) Customs duty	0.37	0.37
(d) Other claims against the Company not acknowledged as debts (with interest thereon) ..	4.38	4.09
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. 81.45 crores (31.3.2009 Rs.85.46 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. 71.05 crores (31.3.2009 Rs. 2.34 crores) in favour of IDBI Bank Limited against guarantees issued to Punjab National Bank International London for loans granted to PTFS.		
(ii) Rs. 10.40 crores (31.3.2009 Rs. Nil) in favour of State Bank of India, against guarantees issued to State Bank of India, Indonesia for loans granted to PTFS.		
(iii) Rs. Nil (31.3.2009 Rs.41.07 crores) in favour of Standard Chartered Bank, Mumbai, against guarantees issued to Punjab National Bank International London for loans granted to PTFS.		
(iv) Rs. Nil (31.3.2009 Rs. 33.77 crores) in favour of IDBI Bank Limited against guarantees issued to State Bank of India, Singapore for loans granted to PTFS.		
(v) Rs. Nil (31.3.2009 Rs. 8.28 crores) in favour of State Bank of India, against guarantees issued to State Bank of India, Hongkong 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. 10.40 crores earmarked in favour of State Bank of India.		
As confirmed by PTFS, the Company has a pari passu charge on PTFS's machinery, which would cover the aforesaid indemnity amount.		
(f) Bills discounting.....	25.89	5.48
(g) In accordance with the EPCG Scheme, imports of capital goods are allowed to be made duty free and under Advance License scheme, import of raw material are allowed to be made duty free, subject to condition that the Company will fulfill, in future, a specified amount of export obligation within a specified time. Based on the current operating plan, the Company would fulfill its export obligation within the specified time period. Amount of duty saved on import of the above goods aggregate Rs 29.78 crores (31.03.2009 Rs. 35.62 crores) against which export obligation of Rs 238.26 crores (31.03.2009 Rs. 241.01 crores) need to be fulfilled.		
(2) Capital Commitments		
Estimated amount of contracts to be executed on capital account and not provided for as at 31st March, 2010 Rs 6.05 crores (31.3.2009 Rs.6.30 crores)		
(3) Share Capital		
Under orders from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992, - the allotment against 928 (2008-09- 928) warrants carrying rights of conversion into equity shares of the Company have 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 are issued. During the year Nil (2008-2009- 1,840) equity shares have been allotted out of the shares kept in abeyance.		
(4) The Shareholders of the company have approved on 24 th March 2010 through postal ballot to create, offer, issue and allot not exceeding 39,57,000 Warrants comprising 19,30,000 Warrants with an option to subscribe to equivalent number of Equity Shares of Rs.10 each, which shall be exercisable not later than 31 st March, 2011 in one or more tranches subject to such allotment of Equity Shares not exceeding 5% of the existing paid-up Equity Share capital of the Company and further 20,27,000 Warrants with an option to subscribe to equivalent number of Equity Shares of Rs. 10 each, on or after 1 st April, 2011 but not later than 18 months from the date of issue of the Warrants in		

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SCHEDULE 19 (Contd.)

one or more tranches, subject to such allotment of Equity Shares not exceeding 5% of the then existing paid-up Equity Share capital of the Company to Promoter(s)/Promoter Group whether or not they are members of the Company, on a preferential basis in such manner and on such terms and conditions as may be determined by the Board in its absolute discretion in accordance with the applicable SEBI Regulations. The allotment of warrants will be completed on receipt of relevant approvals from BSE and NSE under the listing agreement.

- (5) Borrowing costs capitalised during the year is Rs.5.25 crores (2008-2009 Rs.10.98 crores) of which an amount of Rs.Nil (2008-2009 Rs.4.22 crores) is included in closing stock of real estate under development.
- (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, 2010 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. 50.76 crores (2008-2009 Rs.390.11 crores) has been credited to Revaluation Reserve. The Company has pursuant to the Memorandum of Agreement sold a part of the commercial building being constructed on such land to Bombay Dyeing Real Estate Company Limited (BDRECL), (erstwhile White Horse Real Estate Pvt. Ltd.) and recognized a revenue there against of Rs. 423.54 crores (2008-2009 Rs.235.02 crores) (including revenue from the undivided interest in the underlying free hold land therein amounting to Rs. 256.29 crores (2008-2009 Rs. 193.34 crores) in line with the Company's stated accounting policy) in the Profit and Loss Account. The Company partly divested its investment in BDRECL in March 2010 and since then it has ceased to be a wholly owned subsidiary.
- (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 for value to be received includes an amount of Rs. 0.08 crores and Rs.0.10 crores recoverable from Mr. P.V. Kuppuswamy and Mr. Ness Wadia respectively towards excess remuneration paid for the year 2009-10.
- (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 (2008-2009 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 clears, 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 during the year 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, 2009	Credit/(charge) for the year	Deferred tax (liability)/asset as at 31st March, 2010
	Rupees in crores	Rupees in crores	Rupees in crores
(a) Deferred tax liabilities			
- Depreciation	(117.95)	(7.17)	(125.12)
Sub-total	<u>(117.95)</u>	<u>(7.17)</u>	<u>(125.12)</u>
(b) Deferred tax assets			
- Item covered under section 43B	1.30	(0.17)	1.13
- 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.....	116.65	7.34	123.99
Sub-total	<u>117.95</u>	<u>7.17</u>	<u>125.12</u>
Net amount.....	<u>(-)</u>	<u>(-)</u>	<u>(-)</u>



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 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	2008-09 Rs. in crores
Employer's contribution to Provident Fund.....	2.48	2.04
Employer's contribution to Family Pension Fund	0.44	0.46
Employer's contribution to Superannuation Fund.....	0.51	2.53

B. Defined Benefit Plan

Gratuity - as per actuarial valuation as on 31st March, 2010

	Rs. in crores	2008-2009 Rs. in crores
i. Reconciliation of opening and closing balances of Defined Benefit Obligation		
Present value of Defined Benefit Obligation as at 31st March, 2009	11.97	10.38
Interest cost.....	0.83	0.77
Current Service Cost.....	0.88	-
Benefits paid.....	(2.03)	(1.61)
Net Actuarial gain / (loss)	0.64	2.43
Present value of Defined Benefit Obligation as at 31st March, 2010.....	<u>12.29</u>	<u>11.97</u>
ii. Reconciliation of fair value of Plan Assets		
Fair value of Plan Assets as at 31st March, 2009.....	11.23	9.63
Expected return on Plan Assets.....	0.88	0.89
Net Actuarial gain / (loss)	(0.23)	(0.05)
Employer's Contribution	0.74	2.35
Benefits Paid	(2.03)	(1.61)
Fair value of Plan Assets as at 31st March, 2010.....	<u>10.59</u>	<u>11.23</u>
The Company expects to contribute in 2010-2011.....	1.56	1.75
The major categories of Plan Assets as a percentage of the fair value of total Plan Assets are as follows:		
Government of India Bonds.....	-	8.04
Corporate Bonds	75.92	(0.37)
State Govt. Securities.....	12.91	4.45
Banks	<u>11.17</u>	<u>87.51</u>
	100.00	100.00
iii. Net assets / (liabilities) recognised in the Balance Sheet as at 31st March, 2010		
Present value of Defined Benefit Obligation.....	(12.29)	(11.97)
Fair value of Plan Assets.....	<u>10.59</u>	<u>11.23</u>
Net Assets / (liability) recognised in Balance Sheet.....	<u>(1.70)</u>	<u>(0.74)</u>
iv. Components of Employer's Expenses		
Current Service Cost.....	0.88	-
Interest Cost.....	0.83	0.77
Expected return on Plan Assets.....	(0.88)	(0.89)
Net Actuarial (gain) / loss	<u>0.88</u>	<u>2.48</u>
Total expenses recognised in the Profit and Loss account in Schedule 16 under Contribution to Gratuity Fund.....	1.71	2.36
Actual return on Plan Assets	0.65	0.85

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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%	7.00%
	Expected rate of return on Plan Assets	8.00%	8.00%
	Salary escalation	6.00%	5.00%
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 an expense in respect of compensated leave absences is Rs. 3.38 crores [2008-09- Rs. 3.83 crores]		

(14) Managerial Remuneration

	Rupees in crores	2008-2009 Rupees in crores
(i) Directors' Fees	0.14	0.12
(ii) Remuneration to the Joint Managing Directors and Executive Directors for previous year (collectively referred to as whole-time directors) [inclusive of contribution to provident and superannuation funds Rs.0.16 crore (2008-2009 Rs. 0.39 crore), estimated monetary value of benefits of Rs.0.16 crore (2008-2009 Rs. 0.14 crore) but excluding contribution to gratuity fund and provision for compensated absences as separate figures are not available].....	2.15*	2.69
* This figure excludes payment of gratuity of Rs 0.87 crore & Leave		
Encashment of Rs. 0.22 crore to Mr.P.V.Kuppuswamy on his retirement.	2.29	2.81
(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	22.19	(193.60)
Add: Whole-time directors' remuneration	2.15	2.69
Provision for doubtful advances	8.81	-
Sitting Fee	0.14	-
Loss on sale of assets	0.17	-
Depreciation as per books.....	59.54	55.73
	<u>93.00</u>	<u>(135.18)</u>
Less: Capital profit on sale of fixed assets	-	-
Profit on sale of investments	(0.45)	(3.57)
Reversal of provision for doubtful debts/advances (net)	-	(26.63)
Excess of expenditure over income for earlier years to the extent not set off *	(165.38)	-
Depreciation as per books.....	(59.54)	(55.73)
	<u>(132.37)</u>	<u>(221.11)</u>
(iv) Remuneration payable to whole-time directors, as per the approval of the Central Government due to inadequacy of profits..	2.15	1.75

Note:

- i. The approval of the Central Government in respect of excess remuneration to the whole time directors during 2007-08 amounting to Rs 1.28 crores has been waived off vide their letter dated 25th June 2009.
- ii. The Company has recovered an amount of Rs 0.17 crore paid in excess to Mr.S.K.Gupta for the year 2008-09.
- iii. The Central Government has approved a remuneration of Rs. 1.08 crores each for Mr. P.V. Kuppuswamy and Mr. Ness Wadia respectively for the year 2008-09 vide its letter dated 3rd July, 2009 and for the year 2009-10 vide letter dated 30th April, 2010. Accordingly the sums of Rs. 0.08 crore and Rs. 0.10 crore are recoverable from Mr. P.V. Kuppuswamy and Mr. Ness Wadia respectively. (Refer note 9 (a))
- iv. *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	2008-2009 Rupees in crores
(15) Auditors' remuneration (excluding service tax)		
(i) Audit fees	0.35	0.39
(ii) Company law matters.....	0.01	0.01
(iii) Other services	0.24	0.29
(iv) Reimbursement of out-of-pocket expenses	0.01	0.03
(16) Foreign Currency Transactions		
(i) Exchange differences charged to the profit and loss account includes loss on cancellation of forward exchange contracts Rs 13.02 crores (net) [2008-2009 Rs. 22.66 crores].		
(ii) Pursuant to notification of the Companies (Accounting Standards) Amendment Rules, 2009 on March 31, 2009, the company had exercised the option of deferring the charge to the profit and loss account arising on exchange differences in respect of accounting periods commencing on or after Dec 07, 2006, on long term foreign currency monetary items. Accordingly Rs. 2.12 crores was transferred to Foreign Currency Monetary Reserve account to be amortised upto July 2010. However as the loan was prepaid on Nov 12, 2009 the entire balance of Rs. 2.12 crores was written off to Profit and Loss account.		
(17) Derivative Instruments		
(i) The following are the outstanding Forward Foreign Exchange Contracts entered into by the Company as on 31st March, 2010 against estimated import of raw materials or export of finished goods :		

Currency	Amount in foreign currency	Buy/Sell
USD/INR (2008-09)	47,961,961 (41,104,773)	Buy
EURO/USD (2008-09)	773,851 (Nil)	Sell
GBP/USD (2008-09)	300,000 (Nil)	Sell
EURO/INR (2008-09)	1,303,500 (5,374,575)	Buy
EURO/USD (2008-09)	Nil (4,112,500)	Buy
EURO/INR (2008-09)	Nil (719,201)	Sell
CHF/USD (2008-09)	Nil (2,768,629)	Buy

Apart from above Forward Foreign Exchange Contracts, the Company has outstanding foreign exchange contract as on 31st March, 2010, to sell 10,00,000 USD or 20,00,000 USD each month, as applicable, as per the terms of the contract from April, 2008 to October, 2010. This contract is hedged against future imports / exports.

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 2,340,157, EURO 340,093, GBP 114,108 (2008-09 USD 665,652, EURO 107,355, GBP 762)
- (b) Amounts payable in foreign currency – USD 33,255, EURO 9137, CHF 2091 (2008-09 USD 594,053, EURO 379,118, CHF 36,850, GBP 825, SGD 148,702)
- (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. 5.48 crores (2008-09 Rs. 37.69 crores) as on 31st March, 2010 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.

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SCHEDULE 19 (Contd.)

(18) Operating Lease

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, 2010 (Rupees in crores)	As at 31 st March, 2009 (Rupees in crores)
(i) Total of minimum lease payments		
Total of minimum lease payments for a period:		
- not later than one year	5.35	6.65
- later than one year but not later than five years	15.85	23.08
- later than five years	0.60	3.67
(ii) Lease payments recognised in the statement of profit and loss for the year	5.38	7.73
(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.		

(19) Earnings Per equity Share

	Rupees in crores	2008-2009 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	18.42	(194.61)
		2008-09
		No. of equity shares
(ii) Weighted average number of equity shares for earnings per equity share of Rs. 10 each		
(a) For basic earnings per equity share	3,86,16,980	3,86,16,449
(b) For diluted earnings per equity share		
No. of equity shares for basic earnings per equity share as per (ii) (a)	3,86,16,980	3,86,16,449
No. of equity shares for diluted earnings per equity share	3,86,16,980	3,86,16,449
(iii) Earnings per equity share		
Basic (in Rupees)	4.77	(50.39)
Diluted (in Rupees)	4.77	(50.39)

(20) Segment Reporting

(i) Primary Segments - Business Segments

	Textile	Polyester [see foot note (b)]	Real Estate	Elimination	Total
A. REVENUE					
1 Segment revenue - External sales/ Income from operations..	293.93 [321.49]	818.55 [765.96]	561.62 [272.88]	- [-]	1674.10 [1360.33]
2 Inter-segment revenue	-	1.78	-	(1.78)	-
3 Total segment revenue	[<u>293.93</u>]	[<u>820.33</u>]	[<u>561.62</u>]	[<u>(1.78)</u>]	[<u>1674.10</u>]
4 Other Income	[321.49]	[765.96]	[272.88]	[(-)]	[1360.33]
TOTAL					11.50 [13.80] <u>1685.60</u> <u>[1374.13]</u>



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19 (Contd.)

(20) Segment Reporting (Contd..)

	Textile	Polyester	Real Estate	Total
B. RESULT				
1 Segment result/operating profit/(loss)	(37.94) [(65.98)]	(66.38) [(72.65)]	346.45 [159.47]	242.13 [20.86]
2 (a) Voluntary Retirement Compensation Written off..				(1.40) [(2.06)]
(b) Interest expenses				(190.46) [(186.54)]
3 Unallocated Income.....				11.50 [13.80]
4 Unallocated Expenses.....				(39.60) [(39.64)]
5 Profit before tax				22.19 [(193.60)]
6 Provision for taxation				(3.77)
- current tax				[-]
- fringe benefit tax.....				(1.02) [-]
7 Profit after tax				18.42 [(194.61)]
C. OTHER INFORMATION				
1 Segment assets.....	467.30 [534.27]	798.25 [793.13]	847.19 [851.12]	2112.74 [2178.52]
2 Other assets				199.58 [250.20]
3 Total assets				2312.32 [2428.72]
4 Segment liabilities	60.12 [122.64]	179.33 [115.42]	61.94 [101.98]	301.39 [340.04]
5 Other liabilities				2010.93 [2088.68]
(including share capital and reserves)				
6 Total liabilities				2312.32 [2428.72]
7 Cost incurred during the year to acquire segment fixed assets	23.66 [73.75]	2.89 [3.08]	5.62 [24.12]	32.17 [100.95]
8 Depreciation	19.69 [16.80]	35.99 [35.88]	3.86 [3.05]	59.54 [55.73]
9 Non-cash expenses other than depreciation				
- doubtful advances written off	0.66 [-]	- [0.22]	0.09 [-]	0.75 [0.22]
- provision for bad & doubtful debts.....	0.36 [-]	8.45 [0.15]	- [-]	8.81 [0.15]

(ii) Secondary Segments - Geographical Segments

	India	Rest of the World	Total
A. Segment revenue from external customers, based on geographical location of customers.....	1471.66 [1179.53]	202.44 [180.80]	1674.10 [1360.33]
B. Segment assets based on geographical location	2098.53 [2158.53]	14.21 [19.99]	2112.74 [2178.52]
C. Cost incurred during the year to acquire fixed assets	32.17 [100.95]	- [-]	32.17 [100.95]

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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:	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
Joint Venture Companies:	Bombay Dyeing Real Estate Company Limited (erstwhile White Horse Real Estate Private Limited) w.e.f.17th March, 2010. PT. Five Star Textile Indonesia Proline India Limited
Key Management Personnel:	L&T Bombay Developers Private Limited Mr. P.V. Kuppaswamy - Joint Managing Director (ceased as Joint Managing Director w.e.f. 31st March 2010) Mr. Ness Wadia - Joint Managing Director Mr. M. K. Singh – Executive Director (up to 06.07.2008) Mr. S. K. Gupta – Executive Director (up to 04.12.2008)

Entities over which Key Management

Personnel exercise significant influence: KPH Dream Cricket Private Limited

(b) Transactions with related parties

Nature of transactions	Subsidiary Company	Associ-ate Companies	Joint Ven-ure Companies	Key Man-agement Personnel	(Rs. in crores)
					Entities over which Key Management Personnel exercise significant influence
I) Transactions:					
(i) Inter-Corporate Deposits (ICDs) given					
- Archway Investment Company Limited	-	72.98	-	-	-
	(-)	(15.00)	(-)	(-)	(-)
- Bombay Dyeing Real Estate Company Limited	15.94	51.75	-	-	-
	(-)	(-)	(-)	(-)	(-)
(ii) Repayment of ICDs					
- Archway Investment Company Limited	-	58.17	-	-	-
	(-)	(17.28)	(-)	(-)	(-)
- Bombay Dyeing Real Estate Company Limited	15.94	51.75	-	-	-
	(-)	(-)	(-)	(-)	(-)
- Proline India Limited	-	-	0.50	-	-
	(-)	(-)	(3.50)	(-)	(-)
(iii) Interest income on ICDs					
- Archway Investment Company Limited	-	2.85	-	-	-
	(-)	(1.55)	(-)	(-)	(-)
- Bombay Dyeing Real Estate Company Limited	0.15	0.12	-	-	-
	(-)	(-)	(-)	(-)	(-)
- Proline India Limited	-	-	0.04	-	-
	(-)	(-)	(0.32)	(-)	(-)
(iv) Inter-Corporate Deposits (ICDs) taken					
- Archway Investment Company Limited	-	74.72	-	-	-
	(-)	(-)	(-)	(-)	(-)
(v) Repayment of ICDs					
- Archway Investment Company Limited	-	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	-	0.22	-	-	-
	(-)	(-)	(-)	(-)	(-)
(vii) Expenses incurred on behalf of related parties (reimbursable)					
- PT. Five Star Textile Indonesia	-	-	1.27	-	-
	(-)	(-)	(0.90)	(-)	(-)
- Scal Services Limited	-	-	-	-	-
	(-)	(0.41)	(-)	(-)	(-)
- L&T Bombay Developers Private Limited	-	-	0.06	-	-
	(-)	(-)	(0.65)	(-)	(-)
- Bombay Dyeing Real Estate Company Limited	-	-	-	-	-
	(0.07)	(-)	(-)	(-)	(-)
(viii) Expenses incurred on behalf of the Company (reimbursable)					
- Scal Services Limited	-	-	-	-	-
	(-)	(0.48)	(-)	(-)	(-)
(ix) Technical know-how fees (income)					
- PT. Five Star Textile Indonesia	-	-	-	-	-
	(-)	(-)	(1.02)	(-)	(-)
(x) Advertisement (Expense)					
- KPH Dream Cricket Private Limited	-	-	-	-	-
	(-)	(-)	(-)	(-)	(1.46)
(xi) Remuneration					
- Mr. P.V. Kuppuswamy - Joint Managing Director ...	-	-	-	1.07	-
	(-)	(-)	(-)	(1.07)	(-)
- Mr. Ness Wadia – Joint Managing Director	-	-	-	1.08	-
	(-)	(-)	(-)	(1.09)	(-)
- Mr. M. K. Singh - Executive Director	-	-	-	-	-
	(-)	(-)	(-)	(0.16*)	(-)
- Mr. S. K. Gupta - Executive Director	-	-	-	-	-
	(-)	(-)	(-)	(0.38*)	(-)
(xii) Guarantee and collaterals					
- PT. Five Star Textile Indonesia	-	-	5.74	-	-
	(-)	(-)	(8.37)	(-)	(-)
(xiii) Purchase of goods					
- Proline India Limited	-	0.03	-	-	-
	(-)	(0.01)	(-)	(-)	(-)
(xiv) Revenue from real estate activity [Refer footnote (b)]					
- Scal Services Limited.....	-	1.93	-	-	-
	(-)	(1.73)	(-)	(-)	(-)
- Mr. P.V. Kuppuswamy –Joint Managing Director	-	-	-	0.34	-
	(-)	(-)	(-)	(0.03)	(-)
- Mr. Ness Wadia – Joint Managing Director	-	-	-	2.27	-
	(-)	(-)	(-)	(0.54)	(-)
- Bombay Dyeing Real Estate Company Limited	423.54	-	-	-	-
[Refer footnote (b)]	(235.02)	(-)	(-)	(-)	(-)
(xv) Reversal of sale on cancellation of contracts					
- Scal Services Limited	-	49.80	-	-	-
	(-)	(27.16)	(-)	(-)	(-)
(xvi) Fees for cancellation of sale contracts					
- Scal Services Limited	-	1.91	-	-	-
	(-)	(0.42)	(-)	(-)	(-)

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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 Com- panies</u>	<u>Key Man- agement Personnel</u>	<u>Entities over which Key Management Personnel exercise significant influence</u>
II) Receivable as at year end					
- Archway Investment Company Limited	-	27.25	-	-	-
- PT. Five Star Textile Indonesia	(-)	(12.44)	(-)	(-)	(-)
- Scal Services Limited	-	11.80	-	-	-
- Proline India Limited	(-)	(68.27)	(-)	(-)	(-)
- L & T Bombay Developers Private Limited	-	-	0.23	-	-
- Mr. M.K. Singh	(-)	(-)	(7.20)	(-)	(-)
- Mr. S.K. Gupta	-	-	-	0.71	-
- Bombay Dyeing Real Estate Company Limited	(-)	(-)	(-)	(0.71)	(-)
- Bombay Dyeing Real Estate Company Limited	-	502.34	-	-	-
	(-)	(227.59)	(-)	(-)	(-)
III) Advances received for allotment of flats					
- Mr. Ness Wadia - Joint Managing Director	-	-	-	0.54	-
	(-)	(-)	(-)	(1.02)	(-)
IV) Shareholders' deposit (as at year end)					
- PT. Five Star Textile Indonesia	-	-	15.22	-	-
	(-)	(-)	(15.22)	(-)	(-)
V) Advance share application money to L&T Bombay Developers Private Limited	-	-	4.61	-	-
	(-)	(-)	(-)	(-)	(-)
- Investment made in Bombay Dyeing Real Estate Company Limited	-	-	-	-	-
	(-)	(0.05)	(-)	(-)	(-)
- Sale of shares held in Bombay Dyeing Real Estate Company Limited	-	0.03	-	-	-
	(-)	(-)	(-)	(-)	(-)
VI) Guarantee and collaterals (as at year end)					
- PT. Five Star Textile Indonesia [Refer footnote (c)]	-	-	81.45	-	-
	(-)	(-)	(85.46)	(-)	(-)
VII) Advances given					
- Scal Services Limited	-	-	-	-	-
	(-)	(7.37)	(-)	(-)	(-)

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 machinery of the joint venture.

(d) Figures in brackets are the corresponding figures in respect of the previous year.

*Net of Rs. 0.18 crore excess remuneration paid which has been shown as recoverable under Advances recoverable in cash or in kind or for value to be received (see schedule 11).



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SCHEDULE 19 (Contd.)

(21) Related party disclosures (Contd..)

(c) 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, 2010 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, 2010
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	27.25 (12.44)	39.82 (21.44)	- (-)
		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 (0.05)	0.05 (0.05)	- (-)
			<u>82.09</u> <u>(69.59)</u>	<u>93.96</u> <u>(69.59)</u>	<u>-</u> <u>(-)</u>
B. Loans and advances in the nature of loans to companies in which directors are interested.					
1	Citurgia Biochemicals Ltd.	Inter Corporate Deposit	- (3.50)	- (3.50)	- (-)
2	PT. Five Star Textile Indonesia	Shareholders' Deposit	15.22 (15.22)	15.22 (15.22)	- (-)
3	Proline India Limited	Inter Corporate Deposit	- (0.50)	0.50 (4.00)	- (-)
			<u>15.22</u> <u>(22.72)</u>	<u>15.72</u> <u>(22.72)</u>	<u>-</u> <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		0.55 (0.49)	0.58 (0.57)	1,250 (1,086)

(22) Joint Ventures

The Company has the following joint ventures as on 31st March, 2010 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, 2010	
(a) Proline India Ltd. (incorporated in India)	49%	9.69 (9.14)	2.90 (2.90)	- (0.01)	- (-)	13.93 (13.41)	13.35 (12.71)
(b) L&T Bombay Developers Private Limited (incorporated in India)	50%	9.83 (9.79)	0.21 (5.99)	- (-)	- (-)	- (-)	0.04 (0.07)

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SCHEDULE 19 (Contd.)

(22) Joint Ventures (Contd.)

		As at 31 st December, 2009\$				For the year ended 31 st December, 2009\$		
(c)	PT. Five Star Textile Indonesia, (PTFS) (Incorporated in Indonesia)	33.89%	52.86 @ (69.96)	33.99 ^ (31.24)	- (-)	- (-)	10.39 (7.62)	9.98 (8.83)

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.

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

	2009-10		2008-2009	
	Quantity	Rupees in crores	Quantity	Rupees in crores
(a) TURNOVER				
Cloth	330.50 Lac mts.	287.16	373.80 Lac mts.	307.17
Yarn	- Lac kgs.	-	1.24 Lac kgs.	1.70
PSF	1,24,881.12 M. tons	774.39	90,572.00 M. tons	538.67
PET - Chips	1,643.00 M. tons	7.13	31,999.00 M. tons	187.72
Wastes	- Lac kgs.	-	1.72 Lac kgs.	0.20
Wastes -PSF	2,675.20 M. tons	5.90	2,382.00 M. tons	6.21
Others	1,492.62 M. tons	6.27	41.00 M. tons	0.06
Export Incentive.....	-	11.01	-	10.60
Real Estate.....	-	550.92	-	263.93
		<u>1642.78</u>		<u>1316.26</u>
(b) RAW MATERIALS CONSUMED				
Cotton.....	3.88 Lac kgs.	2.55	8.36 Lac kgs.	4.40
Fibre	1.27 Lac kgs.	0.85	3.58 Lac kgs.	5.08
Yarn purchased and consumed	38.89 Lac kgs.	33.82	59.28 Lac kgs.	38.54
Grey Cloth	239.26 Lac Mts.	67.59	297.21 Lac Mts.	110.15
Dyes and chemicals	11.13 Lac kgs.	12.04	16.14 Lac kgs.	19.82
Purified Terephthalic Acid	1,09,907.00 M. tons	507.62	1,05,467.00 M. tons	440.60
Mono Ethylene Glycol	42,474.00 M. tons	151.01	41,134.00 M. tons	152.82
Others.....	2,951.12 M. tons	1.15	478.00 M. tons	5.73
		<u>776.63</u>		<u>777.14</u>
(c) OPENING STOCK OF FINISHED GOODS				
Cloth	40.68 Lac mts.	41.50	24.07 Lac mts.	21.97
Wastes	0.03 Lac kgs.	-	0.17 Lac kgs.	0.08
Wastes -PSF	- M. tons	-	31.39 M. tons	0.08
PSF	3,051.00 M. tons	16.36	4678.20 M. tons	28.43
PET-Chips	872.00 M. tons	2.53	802.44 M. tons	4.77
		<u>60.39</u>		<u>55.33</u>
(d) CLOSING STOCK OF FINISHED GOODS				
Cloth	28.06 Lac mts.	33.20	40.68 Lac mts.	41.49
Wastes	- Lac kgs.	-	0.03 Lac kgs.	-
PSF	3,862.85 M. tons	27.18	3,051.49 M. tons	16.49
PET - Chips	8.80 M. tons	0.03	872.40 M. tons	2.41
Wastes -PSF	77.68 Lac kgs.	0.11	- M. tons	-
		<u>60.52</u>		<u>60.39</u>



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19 (Contd.)

(e) LICENSED CAPACITY

	Quantity		Quantity	
Production capacity @ :				
Spindles.....	2,35,132	Spindles	2,35,132	Spindles
Looms.....	3,826	Looms	3,826	Looms
M.tons on 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	2,000.00	M. tons yarn per annum

(f) INSTALLED CAPACITY (as certified by the Management and accepted by the Auditors without verification) as at the year end.

Production capacity :	60	Looms	60	Looms
	1,65,000	M. tons PSF per annum	1,65,000	M. tons PSF per annum
Processing capacity :	600	Lacs mts. Cloth per annum	600	Lac mts. cloth per annum

(g) PACKED PRODUCTION

Cloth	242.65	Lac mts.	311.08	Lac mts.
Yarn	-	Lac kgs.	1.24	Lac kgs.
PSF	1,25,723.80	M. tons	88,945.84	M. tons
PET - Chips	970.20	M. tons	32,068.70	M. tons
Wastes	-	Lac kgs.	1.58	Lac kgs.
Wastes - PSF	2,721.49	M. tons	2,350.61	M. tons

	Rupees	2008-09
	in crores	Rupees
		in crores

(h) CIF VALUE OF IMPORTS OF

(i) Raw materials	405.08	176.76
(ii) Stores, spare parts and catalysts	9.55	9.14
(iii) Capital goods	1.30	13.96

(i) EXPENDITURE IN FOREIGN CURRENCY

(Disclosure on payment basis)		
(i) Travelling expenses	0.72	1.40
(ii) Interest	5.00	5.25
(iii) Architect Fees, technical & project related Consultancy	1.08	1.29
(iv) Other expenditure	3.01	10.84

(j) CONSUMPTION

	%		%	
Imported raw materials, spare parts and components.....	406.23	49.00	183.95	29.50
Indigenous raw materials, spare parts and components.....	416.09	51.00	631.46	70.50
	<u>822.32</u>	<u>100.00</u>	<u>815.41</u>	<u>100.00</u>

**THE BOMBAY DYEING
AND MANUFACTURING COMPANY LIMITED**

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010
AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

SCHEDULE 19 (Contd.)

	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 5,82,095 equity shares, dividend for 2008-2009	0.06	-
(ii) on 5,83,145 equity shares, dividend for 2007-2008	-	0.20
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: 802 (2008-2009 :645)		
(ii) on 46,91,154 equity shares, dividend for 2008-2009	0.47	-
(iii) on 26,58,996 equity shares, dividend for 2007-2008	-	0.93
(l) EARNINGS IN FOREIGN EXCHANGE		
(i) Export of goods calculated on FOB basis	147.08	164.53
(ii) Reimbursement of insurance and freight on exports	5.49	3.20
(iii) Local sales for exports	46.15	13.07
(iv) Technical know-how fees	-	1.02
(v) Sale of Flats	3.72	-

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

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

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

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

For and on behalf of the Board of Directors
NUSLI N. WADIA *Chairman*
NESS N. WADIA *Jt. Managing Director*
DURGESH MEHTA *Jt. Managing Director & CFO*

R.A. SHAH
S. RAGOTHAMAN
A.K.HIRJEE
S. S. KELKAR
S.M. PALIA
Ms. VINITA BALI } *Directors*

VIRAF R. MEHTA
Partner

J.C. BHAM *Company Secretary*

Mumbai, 24th May, 2010.

Mumbai, 24th May, 2010.



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

For and on behalf of the Board of Directors
 NUSLI N. WADIA *Chairman*
 NESS N. WADIA *Jt. Managing Director*
 DURGESH MEHTA *Jt. Managing Director & CFO*

R.A. SHAH
 S. RAGOTHAMAN
 A.K.HIRJEE
 S. S. KELKAR
 S.M. PALIA
 Ms. VINITA BALI } *Directors*

J.C. BHAM *Company Secretary*

THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

10 YEARS' FINANCIAL REVIEW

(Rs. in Crores)

	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001
FINANCIAL POSITION										
Share capital	38.61	38.61	38.61	38.61	38.60	38.58	38.52	39.00	39.17	41.00
Share Warrants	-	-	11.89							
Reserves & Surplus	171.74	331.81	357.30	364.07	426.23	303.38	347.49	314.37	294.82	615.77
Net Worth :										
Total	210.35	370.42	407.80	402.68	464.83	341.96	386.01	353.37	333.99	656.77
Per Equity Share of Rs. 10	54.49	95.96	102.57	104.32	120.42	88.59	100.26	90.61	85.00	160.00
Borrowings	1,775.11	1,710.88	1,415.76	1,052.40	558.37	354.46	362.60	380.90	292.45	597.87
Deferred Tax Liability	-	-	-	1.70	2.60	10.64	35.90	21.77	23.03	-
Debt Equity Ratio	4.64:1	1.28:1	1.39:1	1.35:1	0.78 : 1	0.25 : 1	-	0.01:1	0.20:1	0.10:1
Fixed Assets :										
Gross Block	1,391.83	1,378.60	1,364.25	1,390.11	995.57	813.86	795.40	827.27	875.78	897.03
depreciation	231.26	178.72	123.67	512.86	596.20	622.38	573.15	573.23	578.99	550.55
Net Block	1,160.57	1,199.88	1,240.58	877.25	399.37	191.48	222.25	254.04	296.79	346.48
Investments and Other Assets	824.89	881.42	582.98	579.53	626.43	515.58	562.26	502.00	352.68	908.16
OPERATING RESULTS										
Sales and other Income	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	1,042.41
Manufacturing and other Expenses	1,650.31	1,555.64	960.52	478.29	1,067.52	1,119.35	965.52	934.61	939.07	976.45
Depreciation	59.54	55.73	35.42	17.46	16.90	19.38	34.43	37.23	43.65	47.83
Profit before Tax	22.19	(193.60)	18.01	40.41	59.22	33.68	72.56	33.53	(50.68)	18.13
Current taxation	3.77	-	1.75	4.43	4.97	2.42	4.93	2.48	-	-
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	18.42	(194.62)	16.68	35.93	61.34	26.56	53.50	32.31	(29.06)	18.13
Earnings per Equity Share of Rs. 10	4.77	(50.39)	4.32	9.31	16	7	14	8	(7)	4
Dividends :										
Amount	11.26	4.52	15.82	22.59	22.01	17.59	17.38	13.02	7.83	9.04
Percentage	25	10	35	50	50	40	40	30	20	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. Nil. Average Share Capital for 2009-2010 - Rs. 38.61 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.



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 130th ANNUAL GENERAL MEETING of the above mentioned Company at Birla Matushri Sabhagar, 19, Marine Lines, Mumbai – 400 020, on Wednesday, 11th August, 2010, at 3.45 p.m

Full name of the Member :
(In block letters)

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

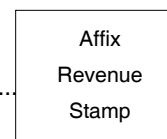
Registered Office : Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai 400 001.

FORM OF PROXY

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

I/We
of.....being a Member/Members of THE BOMBAY DYEING AND MFG. CO. LTD.
hereby appointof.....
or failing himof.....
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 Wednesday, 11th August, 2010, and at any adjournment thereof.

Signed this _____ day of _____, 2010 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