



BOMBAY DYEING

**THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED
A WADIA ENTERPRISE**

Annual Report 2013-14





At Bombay Dyeing, we have always been led by the core values of trust and transparency. It is these values that still drive all our businesses, after over 130 years of enriching people's lives with our value-based offerings and initiatives.

Last year we set out to revamp our textile retail business to improve, enhance and develop a better product bouquet and a far superior customer experience. We are glad and gratified with the response and reaction we have received. This only motivates us to scale newer heights and create better customer delight and more value for our stakeholders.

The real estate division too, is poised to take the next leap with the development of its iconic & luxurious project in the heart of Mumbai.

We are moving ahead with the same grit and determination that we have, in the last so many years, to create a better future for our customers and stakeholders.



CORPORATE INFORMATION

DIRECTORS

Nusli N. Wadia, *Chairman*

Keshub Mahindra (*upto 13.02.2014*)

R. A. Shah

S. S. Kelkar

S. Ragothaman

A. K. Hirjee

S. M. Palia

Ms. Vinita Bali

Ishaat Hussain

Ness N. Wadia

Jeh N. Wadia, *Managing Director*

Durgesh Mehta, *Jt. Managing Director*
(*upto 15.02.2014*)

CHIEF EXECUTIVE OFFICERS

Debashis Poddar (*Textiles*)

Ashok Kaul (*Retail*)

Suresh Khurana (*PSF*)

CHIEF FINANCIAL OFFICER

Raghuraj Balakrishna

COMPANY SECRETARY

J. C. Bham

AUDITORS

Messrs. Kalyaniwalla & Mistry

REGISTERED OFFICE

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

CORPORATE OFFICE:

C-1, Wadia International Center,
Pandurang Budhkar Marg,
Worli, Mumbai-400 025.
(CIN: L17120MH1879PLC000037)
Email: grievance_redressal_cell@bombaydyeing.com
Phone: (91) (22) 66620000;
Fax: (91) (22) 66193262
Website: www.bombaydyeing.com

BANKERS

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

ADVOCATES & SOLICITORS

Messrs. Crawford Bayley & Co.
Messrs. Karanjawala & Co.
Messrs. Solomon & Co.

REGISTRAR & TRANSFER AGENT

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

13AB, Samhita Warehousing Complex,
Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka,
Andheri (East),
Mumbai 400 072.
Tel: 022 - 67720300/67720400
Fax: 022 - 28591568

912, Raheja Centre,
Free Press Journal Road,
Nariman Point,
Mumbai – 400 021.
Tel: 022 - 66134700
Fax: 022 - 22825484

e-mail: sharepro@shareproservices.com
Website: www.shareproservices.com

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NOTICE

THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

(CIN: L17120MH1879PLC000037)

Registered Office : Neville House, J. N. Heredia Marg,
Ballard Estate, Mumbai – 400001.

Email: grievance_redressal_cell@bombaydyeing.com

Website: www.bombaydyeing.com

Phone: (91) (22) 66620000; Fax: (91) (22) 66193262

Notice is hereby given that the 134th Annual General Meeting of the Members of The Bombay Dyeing and Manufacturing Company Limited will be held at the Yashwantrao Chavan Center Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai - 400021, on Friday, 8th August, 2014, at 3.45 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. Nusli N. Wadia (DIN: 00015731), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, M/s. Kalyaniwalla & Mistry, Chartered Accountants, Mumbai, (ICAI Registration No. 104607W), be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, on such remuneration as shall be fixed by the Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit."

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules,

2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. N. I. Mehta & Co., Cost Accountants, Mumbai, (ICWA Registration No. 000023), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Textiles and Polyester Divisions of the Company and also submit Compliance Report under Section 148 of the Act, in respect of Real Estate activities of the Company for the financial year ending 31st March, 2015, be paid the remuneration of ₹ 5,00,000/- (Rupees Five Lakhs) plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. A. K. Hirjee (DIN: 00044765), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company for five consecutive years with effect from 8th August, 2014 upto 7th August, 2019 with an option to retire from the office at any time during the term of appointment."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. S. S. Kelkar (DIN: 00015883), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the

Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, for five consecutive years with effect from 8th August, 2014 upto 7th August, 2019 with an option to retire from the office at any time during the term of appointment.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. R. A. Shah (DIN: 00009851), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, for five consecutive years with effect from 8th August, 2014 upto 7th August, 2019 with an option to retire from the office at any time during the term of appointment.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. S. Ragothaman (DIN: 00042395), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company for five consecutive years with effect from 8th August, 2014 upto 7th August, 2019 with an option to retire from the office at any time during the term of appointment.”

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. S. M. Palia (DIN: 00031145), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, for five consecutive years with effect from 8th August, 2014 upto 7th August, 2019 with an option to retire from the office at any time during the term of appointment.”

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Ishaat Hussain (DIN: 00027891), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, for five consecutive years with effect from 8th August, 2014 upto 7th August, 2019 with an option to retire from the office at any time during the term of appointment.”

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

“RESOLVED THAT in supersession of the earlier resolution passed at the 129th Annual General Meeting of the members of the Company held on 28th August, 2009, the consent of the Company be and is hereby accorded under the provisions of Section 180(1) (c) of the Companies Act, 2013, to the Board of Directors of the

Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to borrow from time to time such sum or sums of money as they may deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from cash credit arrangement, discounting of bills and other temporary loans obtained from Company's bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose; Provided that the total amount up to which monies may be borrowed by the Board of Directors and which shall remain outstanding at any given point of time shall not exceed the sum of ₹ 2,000 Crores (Rupees Two Thousand Crores)."

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

"RESOLVED THAT in supersession of the earlier resolution passed at the 129th Annual General Meeting of the Company held on 28th August, 2009, consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) for creating such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties of the Company wheresoever situate, both present and future, on such terms, at such time, in such form and in such manner as the Board may deem fit, together with power to take over the management of the business and concern of the Company in certain events in favour of all or any of the following, namely: Banks, Financial Institutions, Insurance Companies, Investment Institutions, other investing agencies, Bodies Corporate incorporated under any statute and trustees for the holders of debentures/secured premium notes/bonds/other securities/debt instruments, and other secured lenders (hereinafter referred to as "the Lenders") to secure repayment of any loans (both rupee loans and foreign currency loans) and/or any other financial assistance and/or guarantee facilities already obtained or that may hereafter be obtained from any of the Lenders by the Company, and/or to secure redemption of debentures (whether partly/fully convertible or non-convertible)/secured premium notes/bonds/other securities/debt instruments and/or rupee/foreign currency convertible bonds and/or bonds with share warrants attached, already issued or that may hereafter be issued by the Company, together with

all interest, compound additional interest, commitment charge, liquidated damages, premium on prepayment or on redemption, trustees' remuneration, costs, charges, expenses and all other monies including revaluation/devaluation/fluctuation in the rates of foreign currencies involved, payable by the Company to the Lenders concerned, in terms of their respective Loan Agreements/Heads of Agreements/Hypothecation Agreements/Trustees Agreements/Letters of Sanction/Memorandum of terms and conditions/Debenture Certificates entered into/to be entered into/issued/to be issued by the Company; Provided that the total borrowings of the Company (exclusive of interest) whether by way of loans and/or any other financial assistance and/or guarantee facilities and/or issue of debentures/secured premium notes/other securities/debt instruments to be secured as aforesaid (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) shall not any time exceed the limit of ₹ 2000 Crores (Rupees Two Thousand Crores).

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalise and execute with any of the Lenders jointly or severally, the documents, instruments and writings for creating aforesaid mortgage/charge and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for implementing the aforesaid Resolution and to resolve any question, difficulty or doubt which may arise in relation thereto or otherwise considered by the Board to be in the best interest of the Company."

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

"RESOLVED THAT in terms of Sections 73 to 76 of the Companies Act, 2013 ("the Act") and the Companies (Acceptance of Deposits), Rule, 2014 ("the Rules"), (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company do renew and accept Fixed Deposits from members and public as per the limits specified in the Rules and in the manner permissible under the Act and the Rules.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize and execute, the documents, instruments and writings for renewing and accepting Fixed Deposits and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for implementing the aforesaid Resolution including delegation of authority to the Committee of Board or to one or more director or any Key Managerial Personnel of the Company and to resolve any question, difficulty or doubt which may arise in relation thereto or otherwise considered by the Board to be in the best interest of the Company."

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

“RESOLVED THAT in supersession of the resolutions previously passed by the shareholders in this regard and pursuant to the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the non-executive directors of the Company (i.e. directors other than the Managing Director and/or the Whole-time Directors) be paid, remuneration, in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof, as the Board of Directors may from time to time determine, not exceeding in aggregate one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company (including the Nomination and Remuneration Committee) be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

J. C. BHAM
Company Secretary

Mumbai, 27th May, 2014

Notes:

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/ authority, as applicable.
- b. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to the Special Business at the meeting, is annexed hereto.
- c. Brief resume of Directors proposed to be appointed/re-appointed, nature of their expertise in functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees and shareholding, are hereto annexed as 'Annexure I'.
- d. The Register of Members and the Share Transfer Books of the Company will be closed from Wednesday, 30th July, 2014 to Friday, 8th August, 2014 both days inclusive.
- e. The dividend as recommended by the Board of Directors, if approved by the members at the 134th Annual General Meeting, shall be paid on or after Monday, 11th August, 2014 to those members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers lodged with the Registrar & Share Transfer Agents of the Company on or before 29th July, 2014 in respect of shares held in physical form. In respect of shares held in electronic form, the dividend for the year ended 31st March, 2014 will be paid on or after Monday, 11th August, 2014 to the beneficial owners of shares as at the closing hours of 29th July, 2014 as per details furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for this purpose.
- f. Members are requested to notify immediately any change of address:
- (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.
- g. In view of the circular issued by SEBI, the Electronic Clearing Services (ECS/NECS) facility should mandatorily be used by the companies for the distribution of dividend to its members. In order to avail the facility of ECS/NECS, members holding shares in physical form are requested to provide bank account details to the Company or its Registrar and Share Transfer Agents.
- Members holding shares in electronic form are hereby informed that bank particulars registered against their respective

depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

- h. Pursuant to the provisions of Section 205A and 205C and other applicable provisions of the Companies Act, 1956, dividends for the financial year ended 31st March, 2007 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
2006-07	25.07.2007	24.07.2014	28.09.2014
2007-08	02.09.2008	01.09.2015	04.11.2015
2008-09	28.08.2009	27.08.2016	03.11.2016
2009-10	11.08.2010	10.08.2017	17.10.2017
2010-11	04.08.2011	03.08.2018	10.10.2018
2011-12	07.08.2012	06.08.2019	13.10.2019
2012-13	06.08.2013	05.08.2020	09.10.2020

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.

- i. Members holding shares in physical form may avail themselves of the facility of nomination in terms of Section 72 of the Companies Act, 2013 by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's Office at C-1, Wadia International Center (Bombay Dyeing), Pandurang Budhkar Marg, Worli, Mumbai - 400025 or from its R&TA at either of the aforesaid addresses.
- j. As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send official documents through electronic mode.

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

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

- k. Members intending to require information about the Financial Accounts, to be explained at the Meeting are requested to inform the Company at least a week in advance of their intention to do so, so that the papers relating thereto may be made available.
- l. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.
- m. Members are requested to bring their copy of the Annual Report to the meeting.
- n. **Voting through electronic means:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the Listing Agreement with Stock Exchanges, the Company is pleased to provide members facility to exercise their right to vote at the 134th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

In case of members receiving e-mail:

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" i.e. The Bombay Dyeing & Mfg. Co. Ltd. from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID:
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company. (6 Digit Alpha-Numeric)
- (v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number R12345 then enter RA00R12345 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that

company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> i.e. The Bombay Dyeing & Mfg. Co. Ltd., on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 2nd August, 2014 at 9.00 a.m. and ends on 4th August, 2014 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of (record date) of 4th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- o. Mr. Nilesh G. Shah, Practicing Company Secretary, (Membership No. 2631) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- p. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- q. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.bombaydyeing.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the NSE and BSE Limited.
- r. MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.

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

J. C. BHAM
Company Secretary

Mumbai, 27th May, 2014.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item 5

The Board of Directors on the recommendation of the Audit Committee have approved the appointment of M/s. N I Mehta & Co., Cost Accountants, Mumbai, (ICWA Registration No. 000023) as Cost Auditors at a remuneration of ₹ 5,00,000/- (Rupees Five Lakh only) plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit for the financial year 2014-15. A Certificate issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the registered office of the Company during 11.00 A.M to 1.00 P.M on working days and shall also be available at the meeting.

Accordingly, consent of the shareholders is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2015.

None of the Directors and Key Managerial Personnel of the Company, their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board of Directors recommends the resolution set out at Item 5 of the Notice for approval by the shareholders.

Items 6 to 11

Mr. A. K. Hirjee, Mr. S. S. Kelkar, Mr. R. A. Shah, Mr. S. Ragothaman, Mr. S. M. Palia and Mr. Ishaat Hussain (herein after collectively referred to as "Independent Directors of the Company") are Independent Directors of the Company.

Under Section 149 and other applicable provisions of the Companies Act, 2013 ("the Act"), independent directors are to be appointed for a consecutive term of five years and is not liable to retire by rotation.

Further, the Securities and Exchange Board of India (SEBI) has proposed amendment to Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

The Nomination and Remuneration Committee of the Board has recommended the appointment of Mr. A. K. Hirjee, Mr. S. S. Kelkar, Mr. R. A. Shah, Mr. S. Ragothaman, Mr. S. M. Palia and Mr. Ishaat Hussain as Independent Directors under the Act and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof) to hold office for 5 (five) consecutive years for a term from 8th August, 2014 upto 7th August, 2019.

The Independent Directors of the Company are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from member(s) alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of the Independent Directors of the Company for the office of Directors of the Company. The Company has also received declarations from the Independent Directors of the Company that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. A. K. Hirjee, Mr. S. S. Kelkar, Mr. R. A. Shah, Mr. S. Ragothaman, Mr. S. M. Palia and Mr. Ishaat Hussain fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. They are independent of the management.

Brief resume of the Independent Directors of the Company, nature of their expertise in functional areas and names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in Annexure I of the Notice.

Copy of the draft letters for respective appointments of Mr. A. K. Hirjee, Mr. S. S. Kelkar, Mr. R. A. Shah, Mr. S. Ragothaman, Mr. S. M. Palia and Mr. Ishaat Hussain as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Independent Directors of the Company are interested in the resolutions set out respectively at Item Nos. 6 to 11 of the Notice with regard to their respective appointments.

The relatives of the Independent Directors of the Company may be deemed to be interested in the resolutions set out respectively at Item Nos. 6 to 11 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolutions set out at Item Nos. 6 to 11 of the Notice for approval by the shareholders.

Items 12 & 13

The Members of the Company, at the 129th Annual General Meeting of the Company held on 28th August, 2009, had accorded by way of an Ordinary Resolution, their approval to the Board of Directors of the Company and/or a Committee thereof for borrowing monies on behalf of the Company, from time to time, upto an aggregate amount (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) not exceeding the paid up share capital of

the Company and its free reserves by ₹ 2,000 Crores. However, after the applicability of the provisions of Section 180(1)(c) of the Companies Act, 2013, a company can borrow monies exceeding the aggregate of its paid up capital and free reserves (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) with the approval of Members of the Company by way of a Special Resolution at item No. 12 of the Notice.

The borrowings of the Company may, if necessary, be secured by way of charge/mortgage/pledge/hypothecation on the Company's assets comprising of the movable and/or immovable, tangible/intangible properties of the Company, present or future, in favour of the lender(s)/agent(s)/trustee(s) from time to time, in such form, manner and ranking as mentioned in the Resolution at Item No. 13. The documents relating to charge and/or mortgage and/or pledge and/or hypothecation in favour of the lender(s)/agent(s)/trustee(s) may contain the provisions to take over substantial assets of the Company in certain events with a power to take over the management of the business and concern of the Company, which may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 180(1)(a) of the Companies Act, 2013.

As per Section 180(1)(a) of the Companies Act, 2013, the Board of Directors of the Company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially whole of the undertaking of the Company, only with the consent of the Company by a Special Resolution.

The Resolution under Item No. 13 is therefore proposed to be passed to seek consent of shareholders for creation of charge/mortgage/pledge/hypothecation to secure borrowings subject to the limits approved under Section 180(1)(a) of the Companies Act, 2013 and temporary loans obtained from the Company's Bankers in the ordinary course of business.

The Board of Directors recommends passing of the Special Resolutions at Item Nos. 12 and 13 of the Notice.

None of the Directors and the Key Managerial Personnel of the Company, including their relatives, is in any way, concerned or interested, financially or otherwise, in the said resolutions.

Item 14

Pursuant to Section 58 of the Companies Act, 1956 and Deposits Rules made thereunder, the Company had accepted fixed deposits ("FD") from the shareholders and public. To enable the Company to renew existing deposits or accept fresh deposits from the members and public, the Company will comply with the conditions of the Companies Act, 2013 (Sections 73 to 76) and Companies (Acceptance of Deposits) Rules, 2014, to enable it to renew existing deposits or accept fresh deposits from the members and public.

The Resolution under Item No. 14 is therefore proposed to be passed to seek consent of shareholders for renewing and accepting Fixed Deposits from the shareholders and public subject to the limit as set out in the Companies Act, 2013 (Sections 73 to 76) and Companies (Acceptance of Deposits) Rules, 2014.

The Board of Directors recommends passing of the Resolution at Item No. 14 of the Notice.

Except for deposits, if any, kept by the Directors, Key Managerial Personnel and their respective relatives and interest earned on the same, none of the Directors and the Key Managerial Personnel of the Company, including their relatives, is in any way, concerned or interested, financially or otherwise, in the said resolution.

Item 15

Section 197 of the Companies Act, 2013 provides for payment of remuneration to the directors who are neither managing directors nor whole-time directors (that is non-executive directors) shall not exceed 1% of the net profits of the Company. The Board of Directors of the Company, subject to the approval of members of the Company, may propose to remunerate the non-executive directors (i.e. directors other than the Managing Director and the Whole-time Directors) not exceeding in aggregate one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Act.

The said remuneration to non-executive directors, if paid, shall be in addition to the sitting fee payable to them for attending meetings of the Board and Committees thereof.

Mr. Nusli N. Wadia, Mr. Ness N. Wadia and Mr. Jeh N. Wadia who are related to each other may be concerned or interested in this Resolution. None of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 15 of the Notice, except to the extent of their shareholding interest, if any, in the Company.

The Board recommends the Special Resolution set out at Item No. 15 of the Notice for approval by the shareholders.

For THE BOMBAY DYEING & MFG. CO. LTD.

J. C. BHAM
Company Secretary

Mumbai, 27th May, 2014

Registered Office:

Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai – 400001.
(CIN: L17120MH1879PLC000037)
Email: grievance_redressal_cell@bombaydyeing.com,
Website: www.bombaydyeing.com
Phone: (91) (22) 66620000, Fax: (91) (22) 66193262

ANNEXURE I TO THE NOTICE

Brief resume of Directors proposed to be appointed/re-appointed.

1. Mr. Nusli N. Wadia

Mr. Nusli N. Wadia, 70, was inducted on the Company's Board in 1968. In 1970, he was appointed as its Joint Managing Director. Since April, 1977, he has been the Chairman of the Company. Mr. Wadia has contributed actively in the deliberations of various organizations such as the Cotton Textiles Export Promotion Council (TEXPROCIL), Millowners' Association (MOA), Associated Chambers of Commerce & Industry, etc. He is the former Chairman of TEXPROCIL and MOA.

Mr. Wadia was appointed on the Prime Minister's Council on Trade & Industry during 1998 to 2004. He was the Convenor of the Special Group Task Force on Food and Agro Industries Management Policy in September, 1998. He was a Member of the Special Subject Group to review regulations and procedures to unshackle Indian Industry and on the Special Subject Group on Disinvestment. He was a member of ICMF from 1984-85 to 1990-91. He is on the Managing Committee of the Nehru Centre, Mumbai.

Mr. Wadia has a distinct presence in public affairs and has been actively associated with leading charitable and educational institutions.

He is Promoter of the Company and holds 19,26,770 shares of the Company in his name as on 31st March, 2014.

Outside Directorship: The Bombay Burmah Trading Corporation Limited (Chairman), Britannia Industries Limited (Chairman), Go Airlines (India) Ltd. (Chairman), Tata Steel Ltd., Tata Motors Ltd., Tata Chemicals Ltd., Wadia Techno-Engineering Services Ltd. and others. He is also on Nomination and Remuneration Committees of the Board of many of the said companies.

2. Mr. A. K. Hirjee

Mr. A. K. Hirjee, 75, is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in May, 2001. Mr. Hirjee is B.A.(Hons.), LL.B. (Hons.), Barrister-at-Law, SLOAN Fellow of London Business School. He has 49 years of experience in different areas of Business Management and his expertise extends to finance, banking, legal, commercial, industrial and general administration. He has been actively associated with leading Charitable Institutions.

He holds 3,800 shares of the Company in his name as on 31st March, 2014.

Outside Directorship: Atlas Copco (India) Limited (Chairman), HDFC Trustee Co. Ltd. (Chairman), The Bombay Burmah Trading

Corporation Limited (Vice Chairman), Britannia Industries Limited and others.

Committee Membership: Audit Committee of the Boards of The Bombay Burmah Trading Corporation Limited, Atlas Copco (India) Limited (Chairman), HDFC Trustee Company Limited (Chairman) and Britannia Industries Limited; Stakeholders' Relationship Committee of the Boards of The Bombay Burmah Trading Corporation Limited (Chairman), Atlas Copco (India) Limited, Britannia Industries Limited and The Bombay Dyeing & Manufacturing Company Limited and other Committees of the Board.

3. Mr. S. S. Kelkar

Mr. S. S. Kelkar, 75, joined the Board of Directors of the Company in August, 1994. Mr. Kelkar is a Post Graduate in Commerce. He worked in a leading commercial Bank for 10 years and has for the last 42 years been with the Company. He retired as Executive Director (Finance) in 2001. He now holds the position of a Non-Executive Independent Director.

Outside Directorship: Britannia Industries Limited, TVS Infrastructure Limited, Harvard Plantations Limited, Nowrosjee Wadia & Sons Limited, Macrofil Investments Limited, Placid Plantations Limited, Kotak Mahindra Asset Management Co. Ltd. and Naperol Investments Limited and others.

Committee Membership: Audit Committee of the Boards of The Bombay Dyeing & Mfg. Co. Ltd., Nowrosjee Wadia & Sons Limited and Kotak Mahindra Asset Management Company Limited; Stakeholders' Relationship Committee of the Boards of Britannia Industries Limited and The Bombay Dyeing & Manufacturing Company Limited and other Committees of the Board.

He holds 50,000 shares of the Company in his name as on 31st March, 2014.

4. Mr. R. A. Shah

Mr. R. A. Shah, 82, 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 1,500 shares of the Company in his name as on 31st March, 2014.

Outside Directorship: Clariant Chemicals India Ltd. (Chairman), Godfrey Philips India Ltd (Chairman), Pfizer Ltd. (Chairman), Procter & Gamble Hygiene and Healthcare Ltd. (Chairman), Colgate Palmolive India Ltd. (Vice-Chairman), Abbot India Ltd,

Asian Paints Ltd., BASF India Ltd., Century Enka Ltd., Deepak Fertilisers & Petrochemicals Corporation Ltd., Lupin Ltd., Wockhardt Ltd., Atul Limited, Modicare Ltd. (Alternate Director), RPG Life Sciences Ltd. (Alternate Director), Schrader Duncan Ltd. (Alternate Director), Uhde India Ltd. (Alternate Director) and others.

Committee Membership: Audit Committee of the Boards of Pfizer Ltd. (Chairman), Colgate Palmolive India Ltd. (Chairman), Procter & Gamble Hygiene and Healthcare Ltd. (Chairman), Clariant Chemicals India Ltd. (Chairman), The Bombay Dyeing & Mfg. Co. Ltd., BASF India Ltd., Abbot India Ltd., Century Enka Ltd. and Wockhardt Ltd. and other Committees of the Board.

5. Mr. S. Ragothaman

Mr. S. Ragothaman, 68, is a Graduate in Commerce and Fellow Member of the Institute of Chartered Accountants of India. He has a vast and rich experience in banking with specialization in the areas of project advice, risk assessment and financial management. Mr. Ragothaman also offers consultancy services.

He holds 35,000 shares of the Company in his name as on 31st March, 2014.

Outside Directorship: National Peroxide Ltd., Digjam Ltd., Hinduja Foundries Ltd., Shreyas Shipping & Logistics Ltd., Xpro India Ltd., Xpro Global Ltd., Sakthi Finance Ltd. and Shreyas Relay Systems Ltd.

Committee Membership: Audit Committee of the Boards of The Bombay Dyeing & Mfg. Co. Ltd., National Peroxide Ltd., Digjam Ltd., Hinduja Foundries Ltd., Shreyas Shipping & Logistics Ltd., Xpro India Ltd. Shreyas Relay Systems Ltd.; Stakeholders' Relationship Committee of Hinduja Foundries Ltd.; and other Committees of the Board.

6. Mr. S. M. Palia

Mr. S. M. Palia, 76, is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in May, 2006. Mr. S. M. Palia, is a development banker. He holds a degree in Commerce, Law and Banking [CAIIB, CAIB (London)] and has 25 years working experience in Industrial Development Bank of India (IDBI) in various capacities. He retired as Executive Director of IDBI in 1989.

He does not hold any shares of the Company in his name as on 31st March, 2014.

Outside Directorship: Gruh Finance Ltd., Al Champdany Industries Ltd., Saline Area Vitalisation Enterprises Ltd., and others.

Committee Membership: Audit Committee of the Boards of Gruh Finance Ltd. (Chairman) and The Bombay Dyeing & Mfg. Co. Ltd.

7. Mr. Ishaat Hussain

Mr. Ishaat Hussain, 66, is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in June, 2010. He 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 (Tata Steel associate company) in 1981. Thereafter, he moved to Tata Steel in 1983 after Indian Tube was merged with Tata Steel.

In April 2005, Mr. Hussain has been appointed a Member of the Board of Trade and in January 2008, he has been appointed a Trustee on the Board of India Foundation for the Arts (IFA).

He does not hold any shares of the Company in his name as on 31st March, 2014.

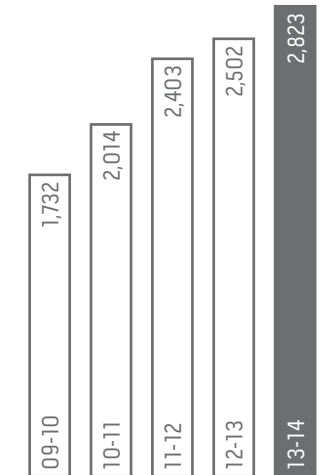
Outside Directorship: Chairman of Voltas Ltd. and Tata Sky Ltd.; Director in Tata Sons Ltd., Tata Steel Ltd., Titan Company Ltd., Tata Teleservices Ltd., Tata Industries Ltd., Tata AIG General Insurance Co. Ltd., Tata AIG Life Insurance Co. Ltd., Tata Consultancy Services Ltd., Tata Capital Ltd., Viom Networks Ltd. and Tata Capital Financial Services Ltd. and others.

Committee Membership: Chairman of Audit Committee of Tata Industries Ltd., Tata Teleservices Ltd. and The Bombay Dyeing & Mfg. Co. Ltd.; Member of the Audit Committee of Tata Steel Ltd., Titan Company Ltd., Tata Sons Ltd., Tata Teleservices Ltd., Tata AIA Life Insurance Co. Ltd., Tata Sky Ltd. and Tata Consultancy Services Ltd.; Chairman of the Stakeholders' Relationship Committee of Tata Steel Ltd.

FINANCIAL PERFORMANCE

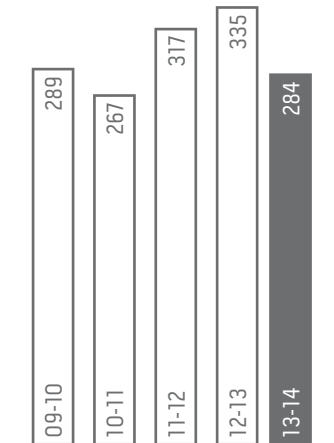
TOTAL REVENUE

(₹ in crores)



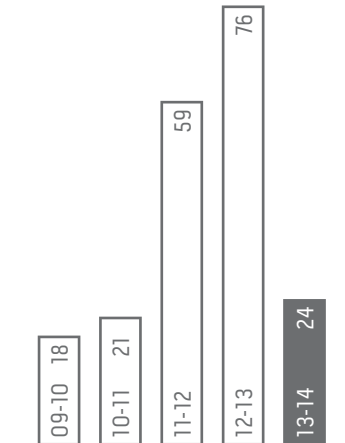
EBITDA

(₹ in crores)



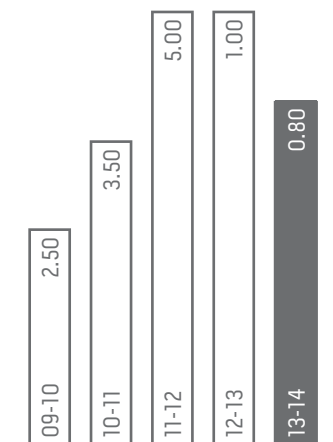
PAT

(₹ in crores)

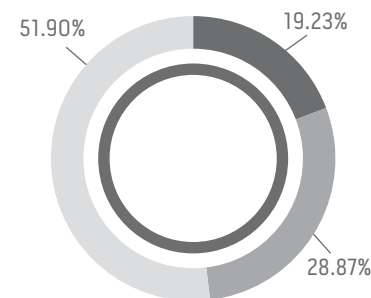


DIVIDEND PER SHARE

(₹)



SEGMENT BREAK-UP OF REVENUES, FY 2013-14 (%)



	(₹ in crores)
Textile	535
Bombay Realty	803
PSF	1445

* Graph not to scale

Note: The equity shares of the Company were sub-divided from ₹ 10 per share to ₹ 2 per share effective 31st October, 2012.

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, 2014.

1. FINANCIAL RESULTS:

(₹ in crores)

	For the Year ended 31 st March, 2014	For the Year ended 31 st March, 2013
GROSS TURNOVER AND OTHER INCOME	2822.68	2501.37
Profit before Finance Costs and Depreciation and amortization expenses	284.18	334.58
Finance Costs	191.02	174.74
Profit before Depreciation and amortization expenses	93.16	159.84
Depreciation and amortization expenses	60.02	62.03
PROFIT BEFORE TAX	33.14	97.81
Less: Tax (net)	8.80	22.11
PROFIT AFTER TAX	24.34	75.70
Add: Balance in Statement of Profit and Loss of Previous Year	97.79	53.82
SURPLUS AVAILABLE FOR APPROPRIATIONS	122.13	129.52
Appropriations to:		
Proposed Dividend	16.52	20.66
Dividend Distribution Tax	2.81	3.50
Transferred to General Reserve	2.43	7.57
Balance carried to Balance Sheet	100.37	97.79

Previous year figures have been regrouped where necessary.

2. COMPANY RESULTS AND DIVIDEND

The Company's turnover for the year rose to ₹ 2,783 crores from ₹ 2,458 crores in the previous year, registering a growth of 13%. Despite the growth in turnover, the profitability of the Company was adversely affected by the general economic slowdown, sustained inflationary pressures leading to higher interest rates and a volatile foreign exchange market. It is expected that with a stable and strong Government, the overall economic scenario will change for the better. We are already seeing some signs of that. Exchange rates have stabilized to a great extent and the Reserve Bank of India has signalled an end to the increasing interest rate cycle. Inflation also appears to be under control.

On the business front, Textile exports reported a substantial increase last year and the momentum is likely to continue in the current year. A higher rate of economic growth will also mean higher disposable income for domestic consumers and consequently a higher demand for quality textiles. The domestic retail business witnessed a strong turnaround and robust growth driven by greater investments in brand building, new product introductions and expansion & modernisation of the retail network.

Polyester Staple Fibre (PSF) markets both in India and across Western economies are showing signs of increasing demand which is expected to grow by 4 to 4.5% p.a. in the coming years. The impact of growing demand coupled with the Company's focus on specialty fibre and an innovative product mix will lead to improved financial results of the Division. Also, cost reduction programs like the substitution of coal as fuel for the boiler instead of gas, will improve the Company's cost competitiveness and profitability.

With all the regulatory road blocks out of the way, the Realty Division will soon commence construction of two Towers, One ICC & Two ICC, lending further strength to the Company's operations.

Despite the drop in profitability in the current year and in view of the improved business environment in the future, your Directors have recommended a dividend of ₹ 0.80 per equity share of ₹ 2/- against ₹ 1/- per equity share in the previous year, subject to shareholders' approval.

3. REAL ESTATE DIVISION:

The general economic slowdown witnessed in the last two years, coupled with high interest rates seriously affected home buying decisions, and led to a slowdown in sales and build up of unsold inventory across the market. Despite this, revenue from real estate activity for your Company was ₹ 803 crores as compared to ₹ 667 crores in the previous year. Operating Profit for the year was ₹ 372 crores as against ₹ 350 crores in the previous year.

The issue of land handover that was holding up the development project of the Company has been resolved with the Order passed by the Hon'ble High Court, Mumbai in November 2013. Work on the two towers i.e. One ICC and Two ICC is now expected to commence shortly.

Looking ahead, the investment sentiment is expected to improve with a strong new government coming to power at the Center and expected to undertake positive and crucial reforms in this sector. This will lead to substantial improvement in the performance of the Realty Division.

The initiation of major reforms in 2013 in the form of Real Estate Regulatory (RER) Bill and Land Acquisition, Resettlement and Rehabilitation (LARR) Bill are expected to boost the confidence of investors and home buyers.

4. TEXTILE DIVISION:

Textile turnover has increased from ₹ 455 crores in the previous year to ₹ 535 crores for the year ending 31st March, 2014 i.e. a growth of 18% over the previous year.

Domestic business grew by 12% led by mix improvement. Export turnover at ₹ 73.40 crore grew by 45% over the previous year, due to significant marketing efforts which led to an increase in the customer base and introduction of Chief Value Cotton (CVC) products. However, margins remained under pressure due to severe competition from China and other markets.

The Company's expansion of its domestic retail business has been received very well by the market and the Company will continue to invest and strengthen its brands and their availability. Simultaneously, several new products in the existing space of bed & linen will be introduced to diversify the product range.

5. POLYESTER DIVISION:

The Division achieved a turnover of ₹ 1,445 crores during the year as compared to ₹ 1,328 crores in the previous year. The average capacity utilization of 85.1%, was higher than 81.5% achieved in the previous year and significantly better than industry average capacity utilization of 70% during the year.

The domestic polyester industry witnessed mixed market sentiments during FY 2013-14, reflecting an overall moderate and cautious growth pattern.

The margins of PSF Division were adversely impacted due to volatility in the raw material prices against the backdrop of fluctuating prices of petrochemicals, volatility in the Rupee - US Dollar exchange rate and sharp increase in conversion cost resulting from an increase in re-liquidified natural gas prices. However, demand conditions have improved both in the domestic and overseas markets. This, together with product mix changes and cost control initiatives that are yielding good results, should lead to an enhanced financial performance.

6. FIXED DEPOSITS:

During the year, the Company continued to renew/repay maturing deposits. However, no new deposits were accepted.

Total deposits outstanding as on 31st March, 2014 amounted to ₹ 129.89 crores out of which 55 deposits aggregating ₹ 0.30 crores had matured, but remained unclaimed.

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. EMPLOYEE STOCK OPTION SCHEME (ESOS):

Requisite disclosure in respect of the Employee Stock Option Scheme in terms of Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, has been provided in Annexure 'B' to this Report.

9. INSURANCE:

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

10. DIRECTORS:

During the year Mr. Keshub Mahindra stepped down as Director of the Company after a long association of more than four decades. The Directors wish to place on record their deep appreciation of the immense contribution made by Mr. Mahindra to the growth and development of the Company's business.

Mr. Durgesh Mehta resigned as Joint Managing Director of the Company on 15th February, 2014 and ceased to be a Director as from that date.

In accordance with the provisions of the Act and the Company's Articles of Association, Mr. Nusli N. Wadia retires by rotation and is eligible for re-appointment.

In line with the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. A. K. Hirjee, Mr. S. S. Kelkar, Mr. R. A. Shah, Mr. S. Ragothaman, Mr. S. M. Palia and Mr. Ishaat Hussain, directors of the Company, are being appointed as independent directors for five consecutive years from the date of the ensuing Annual General Meeting.

Necessary resolutions for the appointment/reappointment of the aforesaid directors have been included in the notice convening the ensuing AGM and requisite details have been provided in the explanatory statement of the notice. Your directors commend their appointments/reappointment.

All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 274(1)(g) of the Companies Act, 1956 and Section 164(2) of the Companies Act, 2013.

11. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (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 'C' to this Report. A separate report on Corporate Governance and a certificate from the Statutory Auditors of the Company regarding compliance of the conditions of Corporate Governance are annexed to this Report as Annexure 'D'.

13. PARTICULARS OF EMPLOYEES:

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

14. AUDITORS:

Messrs. Kalyaniwalla & Mistry, Chartered Accountants, who are the Statutory Auditors of the Company, hold office upto the conclusion of the ensuing Annual General Meeting. Pursuant to the provisions of Section 139 of the Companies Act, 2013 ("the Act") and the rules made thereunder, the Board recommends the re-appointment of Messrs. Kalyaniwalla & Mistry as auditors of the Company. If reappointed, they will hold office from the conclusion of the current AGM to the conclusion of the following AGM.

Under Section 148 of the Companies Act, 2013 ("the Act") read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors on the recommendation of Audit Committee, have appointed M/s N. I. Mehta & Company as the Cost Auditors for the audit of the cost accounts relating to Textiles and Polyester Divisions. They will also submit a Compliance Report in respect of the Real Estate activities for the financial year 2014-15. The remuneration payable to the Cost Auditor is required to be ratified by the shareholders at the AGM.

The Central Government had accorded its approval to the appointment of M/s. N. I. Mehta & Company, as the Cost Auditors for auditing the cost accounts relating to Textiles and Polyester for the Financial Year 2013-14. The Cost Audit Reports for Textiles and PSF Divisions for the Financial Year 2012-13 were submitted to the Central Government within the scheduled time period.

15. APPRECIATION:

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

On behalf of the Board of Directors
NUSLI N. WADIA
 Chairman

Place: Mumbai

Date: 27th May, 2014.

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, 2014.

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

- Installed Variable frequency drives on Boiler & Thermic Fluid Heaters.
- Staggered Operation of VFD on ETP with respect to Oxygen demand in aeration tank.
- Bleaching Range – Singeing machine - Water recycling.
- Hot water from CRP is recycled to Boiler to optimize thermal energy.
- Replaced HPMV fittings (High Bay fittings – 400 watts) with CFL fitting (85 watts) in production area.
- Replaced HPSV fittings (150 watts) with CFL fitting (85 watts) on street light area.
- Modified exhaust ducting of compressors to increase efficiency of compressor as per TERI suggestion.

PSF operations

- Optimisation of comfort AHU and Spinning AHU Quench Temperature.
- VFD provision to operate Cooling Tower fan as per load.
- UFPP and Finisher scrubber flow reduction.
- Glycol Ejector condenser flow optimisation to reduce power consumption.
- Relocation of Catalyst injection point to accelerate reaction rate.
- Reduction in UFPP mole ratio to reduce heat load.
- Optimisation Glycol Ejector vapour pressure.
- Use of VFD for HTF Vent condenser fan.

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

Textile operations

- Installation of EffMax System on Boiler & Thermic Fluid Heater.

- Installation of Variable Frequency Drives on Stenters.
- Condensate Recovery to be optimized.

PSF operations

- Coal fired boiler is under commissioning.
- Process waste heat utilisation for ETP sludge drying.
- PTA transfer by Chain conveying system.
- Replacement of cooling water pumps by energy efficient pumps.

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

Textile operations

- Improvement in specific energy consumption per kg of fabric.
- Reduction in water consumption per kg of fabric.
- Reduction in steam consumption per kg of fabric.

PSF operations

- Improvement in overall specific energy consumption per MT of PSF production.

(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

Textile operations

- Initiative taken to reduce process route length in pretreatment to reduce cost and improve end quality for many varieties where process route were double.
- New finish lotus leaf soft development in bed linen as per marketing trends of very soft, durable hand feel with many more additional attributes.
- Initiative taken to improve reactive print brightness, shade depth of dark color from existing level to offer improved product line in bed linen segment.
- Functional finish like economical silver based anti-bacterial product /bed linen with all compliances.

PSF operations

- Establishing production process for specialty products like Spun Lace, Super Micro Denier and Super High Tenacity PSF for technical textiles.
- Process development for reduction in energy consumption.

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

- Improvement in product quality, cost.
- Improvement in product range, product quality to make more competitive with added value.
- To satisfy customer for quality & cost with desired protocol.

PSF operations

- Improvement in product mix and availability of value added products.
- Improvement in energy consumption per MT of PSF production.

3. Future plan of action**PSF operations**

- Execution of various Process Improvement Projects for reduction in Energy consumption.
- Procurement of specialised Spinerettes to increase the volume of Specialty Fibre.
- Produce shortcut Fibre for Paper and construction industries.
- Planned Process modification to produce Spunlace/Hygiene products.
- Waste conversion to value added product.
- Usage of alternate chemicals and catalyst.

4. Expenditure on R&D

- Expenditure reported on R&D during the year under report: ₹ NIL (previous year ₹ Nil)

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**1. Efforts in brief, made towards technology absorption, adaptation and innovation:****Textile operations**

- Optimization of production route.
- New innovative finish as per trends.

PSF operations

- Use of specially designed spinnerets for production of high value added fibres.

- Optimization of production process for dope dyed fibres.

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

- Reduce cost & improve quality.
- Improved customer base.
- Energy Saving.

PSF operations

- Improved product mix with increased high value added products.
- Improved customer base.

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

- Technology imported: – Nil
- Year of import: – N/A
- Has Technology been fully absorbed? – N/A
- If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action: – N/A

4. Foreign Exchange Earnings And Outgo:**(i) Activities relating to exports, initiatives taken to increase exports, development of export markets for products and services and export plans:****Textile**

Textile exports were adversely impacted by intense competition coupled with low demand in the western markets. Export team in Textile division is working on to expand the customer base and also to revive the old customers.

PSF

PSF export volume increased by 14% over previous year. Export market was expanded both in terms of volume and new markets.

(ii) Total foreign exchange used and earned:

	<u>₹ in crores</u>
Total foreign exchange used	1,168.06
Total foreign exchange earnings	334.97

On behalf of the Board of Directors

NUSLI N.WADIA
Chairman

Place: Mumbai

Date: 27th May, 2014

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 lakhs)		652.20	640.85
Total Amount (₹ in crores)		42.99	44.11
Rate/Unit (₹)		6.59	6.88
(b) Own Generation			
(Through Diesel Generator)			
Unit (KWH in lakhs)		0	0.05
Units per Ltr. of Diesel		0	1.88
Cost/Unit (₹)		0	26.75
2 Furnace Oil/L.S.H.S.			
Quantity (in M. Tons)		632.96	74.00
Total Cost (₹ in crores)		2.54	0.31
Average Rate (in ₹ per M.T.)		40187.80	42313.90
3 RLN GAS			
Quantity in (MMBTU)		730701.00	788926.00
Total Cost (₹ in crores)		84.56	71.67
Average Rate (in ₹ per MMBTU)		1157.26	908.47
4 Coal			
Quantity (in M. Tons)		21690.00	22051.00
Total Cost (₹ in crores)		13.40	10.88
Average Rate (in ₹ per M.T.)		6176.56	4933.04
B. CONSUMPTION PER UNIT OF PRODUCTION			
1 Electricity (KWH)			
Cloth	1000 Mtrs	460.56	457.33
PSF	per M.T.	377.00	395.00
2 Furnace Oil/L.S.H.S.(M.T.)			
Cloth	1000 Mtrs	-	3.62
PSF	M.T.	0.005	-
3 RLN GAS			
PSF	per MMBTU	5.08	5.83
4 Coal (M.T.)			
Cloth	1000 Mtrs	946.78	1075.45

ANNEXURE 'B' to the Directors' Report

Disclosure pursuant to the provisions of SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

Particulars	No. Of Options																											
(a) Options granted	Financial Year: 2002-0370,000 Options Financial Year: 2003-0455,000 Options Financial Year: 2004-05 23,700 Options Financial Year: 2005-06 14,500 Options Financial Year: 2006-07 1,210 Options Financial Year: 2012-13 <u>14,000</u> Options Total: <u>1,78,410</u> Options The numbers of options have been appropriately adjusted upon sub-division of the equity shares on 31 st October, 2012 as under: <table border="1" data-bbox="494 687 1381 1022"> <thead> <tr> <th>Financial Year</th> <th>No. of Options granted prior to Sub-division of shares</th> <th>Adjusted No. of Options post Sub-division of shares</th> </tr> </thead> <tbody> <tr> <td>2002-03</td> <td>70,000</td> <td>3,50,000</td> </tr> <tr> <td>2003-04</td> <td>55,000</td> <td>2,75,000</td> </tr> <tr> <td>2004-05</td> <td>23,700</td> <td>1,18,500</td> </tr> <tr> <td>2005-06</td> <td>14,500</td> <td>72,500</td> </tr> <tr> <td>2006-07</td> <td>1,210</td> <td>6,050</td> </tr> <tr> <td>2012-13</td> <td>14,000</td> <td>70,000</td> </tr> <tr> <td>2013-14*</td> <td>-</td> <td>50,000</td> </tr> <tr> <td>Total</td> <td>1,78,410</td> <td>9,42,050</td> </tr> </tbody> </table>	Financial Year	No. of Options granted prior to Sub-division of shares	Adjusted No. of Options post Sub-division of shares	2002-03	70,000	3,50,000	2003-04	55,000	2,75,000	2004-05	23,700	1,18,500	2005-06	14,500	72,500	2006-07	1,210	6,050	2012-13	14,000	70,000	2013-14*	-	50,000	Total	1,78,410	9,42,050
Financial Year	No. of Options granted prior to Sub-division of shares	Adjusted No. of Options post Sub-division of shares																										
2002-03	70,000	3,50,000																										
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2006-07	1,210	6,050																										
2012-13	14,000	70,000																										
2013-14*	-	50,000																										
Total	1,78,410	9,42,050																										
	*Options issued subsequent to the sub-division																											
(b) The pricing formula	<p>Prior to the amendment to the Employee Stock Option Scheme (ESOS) of the Company at the Annual General Meeting held on 7th August, 2012, the exercise price was ₹ 10/- per share.</p> <p>After the said amendment, the exercise price was determined in accordance with the pricing formula approved by the shareholders on 7th August, 2012, i.e. at the latest available closing market price on the stock exchange having highest trading volume, prior to the date of the meeting of the Board of Directors or Remuneration/Compensation Committee in which options were granted.</p> <p>Accordingly, the options were granted at an exercise price of ₹ 10/- per share for the grants made during the Financial Years 2002-03 to 2006-07, i.e. prior to the amendment to the scheme on 7th August, 2012.</p> <p>Subsequent to the amendment, 14,000 options were granted at an exercise price of ₹ 528.25 being the closing market price on the previous date of grant, i.e. 6th August, 2012 for the grants made on 7th August, 2012, which was prior to the sub-division of shares.</p> <p>Consequent upon the sub-division of equity shares on and from 31st October, 2012, the exercise price was adjusted as under:</p> <table border="1" data-bbox="494 1514 1054 1580"> <thead> <tr> <th>Date of Grant</th> <th>Adjusted Exercise Price (₹/share)</th> </tr> </thead> <tbody> <tr> <td>07.08.2012</td> <td>105.65</td> </tr> </tbody> </table> <p>Further, 50,000 Options were granted at an exercise price of ₹ 79.50, being the closing market price on the previous date of grant, i.e. 27th May, 2013 for the grants made on 28th May, 2013.</p>	Date of Grant	Adjusted Exercise Price (₹/share)	07.08.2012	105.65																							
Date of Grant	Adjusted Exercise Price (₹/share)																											
07.08.2012	105.65																											
(c) Options vested (as at 31 st March 2014)	8,59,550 Options. Options vest 1 year after the date of grant of options. 50,000 options which were granted on 28 th May, 2013 were due for vesting on 28 th May, 2014. However, these options have lapsed as the grantee has resigned from the Company before the vesting date.																											
(d) Options exercised (as at 31 st March 2014)	7,89,550 Options																											

Particulars	No. Of Options
(e) The total number of shares arising as a result of exercise of option.	7,89,550 Equity Shares
(f) Options lapsed	82,500 Equity Shares (including 50,000 options granted and lapsed during the year)
(g) Variation of terms of options	N/A
(h) Money realized by exercise of options.	₹ 15,79,100/-
(i) Total number of options in force.	70,000 Options
(j) Employee wise details of options granted to:	
(i) Senior managerial personnel.	1,20,000 Options granted to the ex-Joint Managing Director, Mr. Durgesh Mehta, of which 50,000 Options have lapsed before vesting.
(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	N/A
(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	N/A
(k) Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 Earnings Per Share.	₹ 1.18
(l) Employee compensation cost:	
(i) Method of calculating employee Compensation cost	The Company has calculated the employee compensation cost using the intrinsic value method of accounting for the Options granted under the Scheme
(ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options	₹ Nil

Particulars	No. Of Options																			
(iii) The impact of this difference on the profits and on EPS of the Company	<p>The effect on the profits and earnings per share, had the fair value method been adopted, is presented below:</p> <table border="1"> <thead> <tr> <th>Profit After Tax</th> <th>₹ in Crores</th> </tr> </thead> <tbody> <tr> <td>As reported</td> <td>24.34</td> </tr> <tr> <td>Add: Compensation cost as per Intrinsic Value</td> <td>Nil</td> </tr> <tr> <td>Less: Compensation cost as per Fair Value (Black-Scholes model)</td> <td>Nil</td> </tr> <tr> <td>Adjusted Profit</td> <td>24.34</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Earnings Per Share</th> <th>Basic (₹)</th> <th>Diluted (₹)</th> </tr> </thead> <tbody> <tr> <td>As reported</td> <td>1.18</td> <td>1.18</td> </tr> <tr> <td>As adjusted</td> <td>1.18</td> <td>1.18</td> </tr> </tbody> </table>	Profit After Tax	₹ in Crores	As reported	24.34	Add: Compensation cost as per Intrinsic Value	Nil	Less: Compensation cost as per Fair Value (Black-Scholes model)	Nil	Adjusted Profit	24.34	Earnings Per Share	Basic (₹)	Diluted (₹)	As reported	1.18	1.18	As adjusted	1.18	1.18
Profit After Tax	₹ in Crores																			
As reported	24.34																			
Add: Compensation cost as per Intrinsic Value	Nil																			
Less: Compensation cost as per Fair Value (Black-Scholes model)	Nil																			
Adjusted Profit	24.34																			
Earnings Per Share	Basic (₹)	Diluted (₹)																		
As reported	1.18	1.18																		
As adjusted	1.18	1.18																		
(m) Weighted-average exercise price and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock. [Also refer point (b)]	<p>Weighted average Exercise Price for the options granted during the year: ₹ 79.50. Weighted average Fair Value of Option: ₹ 22.65 per option.</p>																			
(n) Description of method and significant assumptions used during the year to estimate the fair values of options:	<p>Black-Scholes Model</p> <p>i) risk – free interest rate 7.32%</p> <p>ii) expected life of options 3 years</p> <p>iii) expected volatility 37.03%</p> <p>iv) expected dividends 60% of face value of share</p> <p>v) the price of the underlying share in market at the time of option grant ₹ 79.50 per share of ₹ 2/- i.e. the closing price at NSE prior to the date of the meeting of the Board for grant.</p>																			

On behalf of the Board of Directors

NUSLI N. WADIA
CHAIRMAN

Mumbai, 27th May, 2014.

ANNEXURE 'C' to the Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS

The year under review was challenging in many respects for business. The global economy continued to witness slower economic growth despite modest recovery in the US led by housing and consumer sectors. The economies of India and China were forced to tighten liquidity to control inflation, resulting in a demand slow-down. Global events also had a dampening impact on the Indian economy - deceleration in industrial output and lower exports weakened India's economic growth with only a 4.5% GDP growth during the year 2013-14.

With a clear mandate in the recently held parliament election, the new government is expected to implement wide ranging economic reforms without many of the impediments faced by the erstwhile coalition government. The same sentiment is reflected in the buoyancy on the stock exchange and the rupee has already strengthened against the US dollar and other currencies. The new Government is expected to evolve a growth-focused agenda and improve the regulatory environment in the country. An emphasis on infrastructure and mining projects moving will boost employment and capital investment. That said the new government will face inflation as a major challenge and will have to find solutions to the ever rising subsidies to avoid a drag on its resources.

REAL ESTATE BUSINESS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The last 12 months were difficult for the Indian economy with slowing GDP and disposable income growth, inflation and the sustained weakness of the Rupee. RBI's measures to control inflation through monetary tightening had a major negative impact on the real estate business in India. High interest rates coupled with a highly regulated and complex administrative and legal framework in the sector, led to a slowdown of construction activity and a reduction in new launches, apart from delaying delivery of existing projects by several months.

To bring transparency and best practices in the sector, major reforms were initiated around mid-2013 in the form of Real Estate Regulatory (RER) Bill and the Land Acquisition, Resettlement & Rehabilitation (LARR) Bill. While these reforms are expected to boost confidence of home buyers and investors, they have their drawbacks. The RER bill will raise developer's funding concerns and the LARR bill will make land acquisition more costly and time consuming, thereby, further escalating prices.

SEBI has reiterated the importance of Real Estate Investment Trusts (REITs) which is expected to infuse a large pool of money into the real estate sector by opening up opportunities for small investors to participate. Currently, the participation is largely restricted to NRIs, HNIs and institutional investors.

The year also saw significant NRI investment due to the sustained fall in the Rupee and a shift in favour of buyers, due to large unsold inventory.

OPPORTUNITIES & THREATS

While on one hand reforms are making land acquisition costly and time consuming, your Company enjoys the benefits of two large contiguous land parcels with clear titles, giving it a clear advantage over other real estate players. The strategic location of two sites, well connected with the commercial hub of Central Mumbai and equidistant from the commercial hubs of South Mumbai and Bandra-Kurla Complex, is expected to add value to the sites. The plan is to develop these sites as mixed-use destinations, comprising residences, offices, luxury retail and hotels, with well-planned amenities and large open spaces.

Investment sentiment is expected to improve because of a new government with a clear majority and the aspiration to make a real difference. Though a sharp turnaround is not expected in the near future, sales are expected to improve in the 2nd half of the fiscal year on account of progressive monetary policies.

Possible delays in approval processes at multiple levels of authorities along with upcoming assembly elections scheduled later this year could adversely impact project time lines and corresponding construction linked cash flows.

RISKS AND CONCERNS

The current real estate market is unfavourably impacted by higher interest rates & delays in approvals that could delay the development plans of your Company. Large number of luxury projects in the vicinity could create pressure on pricing and sales and adversely impact profitability. Tepid global economic recovery, fiscal deficit and adverse monetary policies can delay the proposed reforms and impact the real estate industry and your Company's projects.

TEXTILE BUSINESS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The textile industry plays a crucial role in the Indian Economy. Apart from one of the basic necessities of life, it contributes significantly to the industrial output, employment generation and export earnings of the country. During 2013-14, Indian textiles and clothing exports increased by 14% over the previous year. Textile industry friendly policies and schemes were announced by the Government of India and State Governments to encourage value addition and growth.

The country's economic growth has created significant opportunities for textile retail growth. The textile sector, contributes about 14% to

Industrial output, 4% to GDP, and accounts for 17% of the country's exports. Textiles industry is one of the largest employers in India and has strong linkages with the rural economy. It provides direct employment to over 35 million people and another 20 million in indirect employment.

Within the overall Textile sector, Home Textile market size is estimated at over ₹ 10,000 crores. The share of the formal organized sector, is still less than 10% and likely to grow significantly in the near future as the salience of brands and branding increases.

In the recent years substantial growth has been witnessed in Large Format Stores which offer a variety of products under a single roof compared to Wholesale and multi brand outlets, and are therefore popular among young consumers, who seek variety and are pressed for time. Consumers are also becoming far more conscious of brands and are making their choice based on various features such as range of designs, shopping ambience and brand position in addition to pricing. Consequently, modern retail is becoming an increasingly important strategic growth driver.

OPPORTUNITIES AND THREATS

There is a growing trend among modern consumers who are looking at home décor as lifestyle products, beyond just its utility value. There is greater need and propensity to spend money on home décor products, including bed and bath, so as to reflect their lifestyles and personalities.

To capitalise on this new and emerging opportunity several new products are going to be introduced this year, reaching out to a wider section of consumers all across. The introduction of several exciting new products like the kids brand Disney will plug the gap in our existing category and add to the consumer base. At the other end, to cater to premium consumers, the Company has launched 600 Thread Count printed bed sheets for the first time, the ultimate product for luxury loving consumers. Adding to the increase in range, your Company is introducing a wider assortment in the popular Ultrix range in bath towels.

The Company will cater to larger markets through an expansion of the product range by way of an increased array of designs and textures. The launch of a new category mattress will expand the portfolio beyond bed and bath linen.

Your Company has opened new stores in several locations with new retail designs and plans to upgrade 100 existing stores by the end of this year. Investment in brand building activities and sharpening brand imagery will also continue, in addition to expanding distribution reach and penetration in selected markets and product categories.

With the renewed customer confidence emanating from better quality and on time performance, exports are expected to grow significantly in 2014-15. Moreover, all traditional bed linen importing countries have forecast higher GDP growth in 2014 compared with 2013, which will result in higher demand of bed linen in these countries.

The United States, which has the highest share of Home Textile import globally, is experiencing good growth and this will have a positive impact on Home Textile Export from India.

The industry is facing major challenges in the form of rising production cost from increasing wages, power and interest cost.

Key threats for the Company continue to be cheap imports from China, launch of new brands and competitors in the market. Also, existing market players have become more aggressive through competitive pricing. Higher margin demand from large retailers is also putting pressure on the Company's margin.

Additionally, EU has given a special status of "GSP+" to Pakistan w.e.f. 1st January, 2014 resulting in a price disadvantage of almost 9% to Indian exporters to this region. Further, the Indian currency after huge depreciation during the last year has started appreciating against the US\$ which might erode India's price competitiveness against other exporting countries.

OUTLOOK

Cotton prices were fairly stable in 2013-14 and provided stability to raw material cost. This year, however, the rainfall is likely to be below average as per the India Meteorological Department (IMD), which may push raw material prices higher, resulting in pressure on both sales as well as margins.

RISKS AND CONCERNS

Key concern remains cheap imports especially from countries like China. Failure of monsoon in India could lead to pressure on costs which may be difficult to pass on to customers. Under these circumstances the Company remains cautiously optimistic of the future prospect of the business.

POLYESTER BUSINESS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Your Company is one of 4 producers of Polyester Staple Fibre (PSF) in the country with a market share of 16%. While the market leader is fully vertically integrated, the other producers, including your Company are stand-alone PSF manufacturers.

Over the past few years, use of recycled polyester, derived from recycling of used PET bottles and other waste material has been gaining strength. However, such fibre being of inferior quality has limited usage compared to fibre produced by your Company.

Polyester markets faced challenges during the year as capacity growth outpaced demand growth. PSF business saw only a marginal growth in volume due to static demand in the western hemisphere countries and a modest growth in China and other Asian markets. The sharp fall and exchange rate volatility of the Rupee to US Dollar resulted in inflation and volatile raw material prices. The overall polyester industry's capacity utilization came down to barely 70% but your Company's increased to 85.6% (as against 81.5% in the previous year).

OPPORTUNITIES AND THREATS

The opportunity for PSF is driven by its durability, versatility of end usage and lower price as compared to cotton and other substitute fibres, natural or man-made. Polyester is used in apparel, sportswear, home furnishing, automotive and industrial textiles. India has an enormous market potential, with per capita consumption of all fibres in India at approximately 50% of global per capita consumption. Polyester accounts for 45% of per capita fibre consumption in India compared to 65% globally. PSF consumption is expected to grow at 4-4.5% p.a. over the next 3 years against the backdrop of India's favourable demographics, increasing workforce, rise in number of middle income families, limited growth in cotton production and expected improvement in GDP growth. In line with global trends this would pave the way for larger man-made fibre consumption, benefiting the polyester industry at large. This will help your Company to achieve higher capacity utilization and contain manufacturing costs.

However, any slowdown in the economy in general and particularly in the downstream textile industry could dampen demand. Abundance of cotton production and consequently, low cotton prices, coupled with inflationary trend in petrochemical prices, and volatility in currency exchange rates could create severe cost pressures, erode margins and jeopardize the viability of the industry. With 60% of global PSF capacity, China has a dominant influence on polyester, fibre intermediaries and downstream textile industries.

OUTLOOK

While 2013-14 was not rewarding from a business perspective, long term prospects for the PSF industry are promising in view of improving demand and sustained efforts on the part of your Company to achieve higher capacity utilization. This will be further aided by your Company's focus on specialty fibre, innovative product mix and long term measures for cost reduction by converting fuel from RLNG to coal. Coal boiler project implementation has been completed and is operational in Q1 of 2014-15 resulting in greater cost competitiveness.

RISKS AND CONCERNS

Supply and price of cotton and any significant change in the size of cotton crop in India, and globally could have an impact on the demand of PSF. Inflationary trends in petrochemical and energy prices could impact margins and profitability. Volatile currencies, particularly Rupee to US Dollar exchange rate could impact margins and profitability.

SEGMENT-WISE PERFORMANCE

Segment wise performance together with a discussion on operational and financial performance has been covered in 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 systems, 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.

The Internal Auditors have introduced several objective tools to assess strengths of internal controls as also, identify areas which need to be further strengthened. The scope and authority of the Internal Audit are well defined in the internal audit charter, approved by the Audit Committee. Internal audit plays a key role in providing an assurance to the Board of Directors of adequate internal control systems. The Audit Committee at its meetings reviews the reports of the internal auditors as well as the Risk Management process of the Company.

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

HUMAN RESOURCES

A structured benchmarking of Key HR processes and systems of your Company was undertaken in consultation with IBM consulting to leverage best practices. A leadership competency framework based on critical success factors for businesses and competency traits required for achieving high performance have been developed for all management levels.

Company has acquired fresh talent during the year for some of the critical leadership positions based on business requirements. Additionally, industrial relations at both our manufacturing facilities at Patalganga and Ranjangaon continue to be harmonious.

RESOURCES & LIQUIDITY

The Company's liquidity remained under pressure during the year. The total borrowings increased to ₹ 1,435.25 Crores compared to ₹ 1,247.89 Crores in the previous year.

The working capital requirement of the Company continued to be funded by a consortium of banks led by State Bank of India.

The Company is exposed to currency fluctuations as its purchases are denominated in US dollars. The Company is also exposed to currency risk where its realization is in foreign currency. The Company has a comprehensive & robust forex risk management policy in place, by which it mitigates the fluctuations. Regular reporting is done to the Finance Committee.

The Company borrows funds in domestic markets and strives to access these through the lowest cost of finance, including banking lines and trade credit.

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.

ANNEXURE 'D' to the Directors' Report REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Governance:

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

2. Board of Directors:

The Board is 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. Mr. Nusli N. Wadia is the Chairman of the Board. The details are given below:-

Name	Category	No. of Board Meetings attended during 2013-14	Whether attended AGM held on 6th August, 2013	No. of Directorships in other public companies as on 31.3.2014*		No. of Committee positions held in other public companies** as on 31.3.2014	
				Chairman	Member	Chairman	Member
Mr. Nusli N. Wadia (Chairman)	Non-Executive/Promoter	5	Yes	3	4	-	-
Mr. Keshub Mahindra (upto 13.02.2014)	Independent	0	No	-	-	-	-
Mr. R. A. Shah	-do-	5	Yes	4	9	4	4
Mr. S. S. Kelkar	-do-	5	Yes	-	8	-	3
Mr. S. Ragothaman	-do-	3	Yes	-	9	1	6
Mr. A. K. Hirjee	-do-	5	Yes	2	2	3	3
Mr. S. M. Palia	-do-	4	Yes	-	3	1	-
Ms. Vinita Bali	Non-Executive - Not independent	5	Yes	-	5	-	2
Mr. Ishaat Hussain	Independent	5	Yes	2	11	3	6
Mr. Ness N. Wadia	Non-Executive/Promoter	4	Yes	1	5	-	1
Mr. Jeh N. Wadia	Managing Director/Promoter	5	Yes	-	4	-	1
Mr. Durgesh Mehta (upto 15.02.2014)	Jt. Managing Director	4	Yes	-	-	-	-

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

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

** Excludes Committees other than Audit Committee and Stakeholders Relationship Committee (formerly 'Share Transfer, Shareholders'/Investors' Grievance and Ethics & Compliance Committee') and companies other than public limited companies

During the year under review, 5 Board Meetings were held, the dates being 28th May, 2013, 6th August, 2013, 14th November, 2013, 13th February, 2014 and 26th March, 2014.

3. Board Committees:

The Board has constituted the following Committees of Directors:

(a) Audit Committee:

The Audit Committee was strengthened by inducting Mr. Ishaat Hussain as a member of the Committee and appointing him as Chairman of the said Committee. The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Committee comprises of members who possess financial and accounting expertise/exposure. The Committee now consists of the following 5 Non-Executive Independent Directors:

Mr. Ishaat Hussain (w.e.f. 14-11-2013) [Chairman]

Mr. S. Ragothaman (Chairman upto 13-11-2013)

Mr. R. A. Shah

Mr. S. S. Kelkar

Mr. S. M. Palia

Mr. Jeh N. Wadia, Managing Director, Mr. Durgesh Mehta, Joint Managing Director (upto the date of his resignation) and Mr. Raghuraj Balakrishna, 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 modified Audit Committee Charter was adopted by the Board on the recommendation of the Audit Committee at the Board Meeting held on 27th May, 2014.

The Audit Committee of the Board of Directors functions with the following main objectives:

- i. To provide direction and to oversee the operation of the audit function.
- ii. To review the internal audit system with special emphasis on its quality and effectiveness.
- iii. To discuss matters related to frauds.
- iv. To oversee the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statements are correct, sufficient and credible.
- v. To recommend to the Board, the appointment, re-appointment, and if required, the replacement or removal of the Statutory Auditors and to fix their audit fees.

- vi. To approve payments to Statutory Auditors for any other services rendered by them.
- vii. To review, with the management, the annual financial statements before submission to the Board for its approval with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement in the Board's report.
 - Changes, if any, in accounting policies & practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by the management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report, if any.
- viii. To review, with the management, the quarterly financial statements before submission to the Board for its approval.
- ix. To review, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board for taking steps in the matter.
- x. To review, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- xi. To review the adequacy of internal audit function, reporting structure, coverage and frequency of internal audit.
- xii. To discuss with internal auditors any significant audit findings and follow up thereon.
- xiii. To review the findings of any internal investigations by the internal auditors into matters where there is

suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

- xiv. To discuss with Statutory Auditors, before the commencement of audit, the nature and scope of audit as also conduct post-audit discussion to ascertain any area of concern.
- xv. To review the functioning of the Whistle Blower Mechanism.
- xvi. To approve the appointment of the Chief Financial Officer before finalisation of the same by the management. The Audit Committee, while approving the appointment, shall assess the qualifications, experience & background etc. of the candidate; and
- xvii. Carrying out any other function as is mentioned in terms of reference of the Audit Committee.

During the year under review, 7 Meetings of the Audit Committee were held, the dates being 7th May, 2013, 27th May, 2013, 30th July, 2013, 5th August, 2013, 13th November, 2013, 15th January, 2014 and 12th February, 2014.

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

Name	No. of Audit Committee Meetings attended
Mr. Ishaat Hussain	2
Mr. S. Ragothaman	4
Mr. R. A. Shah	7
Mr. S. S. Kelkar	7
Mr. S. M. Palia	6

Internal Audit and Control:

M/s. Aneja & Associates, Chartered Accountants, are the internal auditors of the Company and their internal audit plan and remuneration are approved by the Audit Committee. The reports and findings of the internal auditor and the internal control system are periodically reviewed by the Audit Committee.

(b) Nomination and Remuneration Committee:

The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013, Clause 49 of the Listing Agreement and Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time.

In view of the mandatory requirement to constitute a Nomination & Remuneration Committee of Directors, the existing Remuneration/Compensation Committee of the Company has been renamed as 'Nomination and Remuneration Committee'.

To strengthen the role of the Committee, Mr. Ishaat Hussain has been inducted as a member of the Nomination and Remuneration Committee and also appointed as the Chairman of the said Committee.

The Nomination and Remuneration Committee consists of the following Non-Executive Directors:

Mr. Ishaat Hussain (w.e.f. 14-11-2013) [Chairman]

Mr. Keshub Mahindra (upto 13-02-2014)

Mr. Nusli N. Wadia

Mr. R. A. Shah

Mr. S. Ragothaman

Mr. A. K. Hirjee

The Chairman of the Committee, Mr. Ishaat Hussain, is an independent Director.

During the year under review, the Committee met once on 28th May, 2013. Mr. Nusli N. Wadia, Mr. R. A. Shah, Mr. A. K. Hirjee and Mr. S. Ragothaman attended the said meeting.

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

Remuneration Policy:

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

- (i) Details of remuneration paid to the Managing Director and Joint Managing Director during the year 2013-14 are given below:

(In ₹)

Name	Salary	Benefits*	Bonus	Total
Mr. Jeh. N. Wadia, Managing Director	2,43,64,620	2,19,47,433	75,00,000	5,38,12,053
Mr. Durgesh Mehta, Joint Managing Director (upto 15-02-2014)	58,15,430	1,47,22,000	-	2,05,37,430

* Includes the Company's contribution to Provident and Superannuation Funds, but excludes gratuity.

Notes:

- a) The Agreements with the Managing Director and Joint Managing Director 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) During the year, under the ESOS, the erstwhile Remuneration/Compensation Committee had granted 50,000 stock options on 28th May, 2013 to Mr. Durgesh Mehta, Joint Managing Director. Mr. Mehta resigned from the Company on 15.02.2014. As per the ESOS, if prior to the date that the Options granted shall first become vested an employee resigns or otherwise leaves the Company's service, then the right of the employee to exercise the options shall terminate and all exercise rights thereunder shall cease. As Mr. Mehta resigned before the said options were first vested, the 50,000 options granted during the year stand terminated and therefore cannot be exercised.
- (ii) Details of payments made to Non-Executive Directors during the year 2013-14 and the number of shares held by them are given below: -

	Sitting Fees (in ₹)		Total No. of Shares held in the Company as on 31st March, 2014
	Board Meeting	Committee Meeting	
Mr. Nusli N. Wadia	1,00,000	80,000	19,26,770
Mr. Keshub Mahindra (upto 13.02.2014)	-	-	8,150
Mr. R. A. Shah*	1,00,000	1,60,000	1,500
Mr. S. S. Kelkar	1,00,000	2,70,000	50,000
Mr. S. Ragothaman	60,000	1,20,000	35,000
Mr. A. K. Hirjee	1,00,000	1,30,000	3,800
Mr. S. M. Palia	80,000	1,80,000	Nil
Ms. Vinita Bali	1,00,000	60,000	Nil
Mr. Ishaat Hussain	1,00,000	80,000	Nil
Mr. Ness N. Wadia	80,000	20,000	12,19,418

* Mr. R. A. Shah, Independent Director, is a senior partner of Crawford Bayley & Co., Solicitors & Advocates, who have professional relationship with the Company. The quantum of professional fees received by Crawford Bayley & Co. from the Company constitutes less than 2% of the total revenues of the legal firm. As per the view of the Board of Directors and also as per the legal opinion received on the subject of independence of Mr. R. A. Shah, the association of the legal firm, Crawford Bayley & Co., with the Company is not material. The professional fees of ₹ 1.48 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.

Remuneration of Non-Executive Directors by way of commission (if any) is determined by the Board within the limits stipulated by the Special Resolution passed at the 130th Annual General Meeting held on 11th August, 2010. Non-Executive Directors are paid sitting fees at the rate of ₹ 20,000/- per meeting for attending the meetings of the Board of Directors/Committees thereof

except Stakeholders Relationship Committee wherein the Non-Executive Directors are paid sitting fees at the rate of ₹ 10,000/- per meeting.

No stock options have been granted to Non-Executive Directors.

(c) Stakeholders Relationship Committee:

In terms of Section 178 (5) of the Companies Act, 2013 ("the Act") the Board of Directors of a company which has more than one thousand shareholders, debenture-holders, deposit-holders and any other security holders at any time during a financial year is required to constitute a Stakeholders Relationship Committee consisting of a chairperson who will be a non-executive director and such other members as may be decided by the Board to consider and resolve the grievances of security holders of the Company.

In view of the above requirement to constitute a Stakeholders Relationship Committee of Directors, the Board at its meeting held on 26th March, 2014 renamed the Share Transfer, Shareholders'/Investors' Grievance and Ethics & Compliance Committee as "Stakeholders Relationship Committee".

Further, in view of the resignation of Mr. Durgesh Mehta as Jt. Managing Director of the Company, the Committee was reconstituted by including the name of Mr. Jeh N. Wadia in the Committee.

The broad terms of reference of the said Committee are as follows:

- i. To look into the redressal of grievances such as transfer of security, non-receipt of annual reports, dividends, interest, etc. of various stakeholders of the Company viz. shareholders, debenture holders, fixed deposit holders and other security holders.
- ii. To approve and monitor transfers, transmission, splitting, consolidation, dematerialisation, rematerialisation of securities issued by the Company and issue of duplicate security certificates.
- iii. To carry out the functions as envisaged under the Code of Conduct for Prevention of Insider Trading adopted by the Company in terms of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

The Committee consisted of 2 Non-Executive Directors and the Jt. Managing Director/Managing Director, namely: -

Mr. S. S. Kelkar (Chairman)

Mr. A. K. Hirjee

Mr. Durgesh Mehta (upto 15-02-2014)

Mr. Jeh N. Wadia (w.e.f. 26-03-2014)

During the year under review, the Committee met once on 4th February, 2014 and all the members at that date attended the meeting.

The Board at its meeting held on 20th October, 2010 and as modified by the Board at its meeting held on 28th May, 2013, had delegated the powers to approve transfer and transmission of securities, issue of duplicate/consolidated/new certificates, etc. subject to certain guidelines and limits laid down, severally to the Managing Director/Joint Managing Director, Chief Financial Officer and the Company Secretary. Accordingly, the transfer and transmission of shares, issue of duplicate/consolidated/new certificates, etc. upto the limits laid down are approved on a weekly basis by any of the above delegates.

Name and designation of Compliance Officer:

Mr. J. C. Bham, Company Secretary

No. of shareholders' complaints received during the year: 129

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

No. of pending share transfers: Nil

(d) Finance Committee:

The Finance Committee consists of the following Directors:

Mr. S. S. Kelkar

Mr. A. K. Hirjee

Mr. S. Ragothaman

Mr. Ness N. Wadia

Mr. S. M. Palia (w.e.f. 26-03-2014)

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.

The Managing/Joint Managing Directors and Chief Financial Officer are permanent invitees.

During the year under review, the Committee met 3 times on 25th September, 2013, 4th February, 2014 and 21st February, 2014.

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

Name	No. of Finance Committee Meetings attended
Mr. S. S. Kelkar	3
Mr. A. K. Hirjee	3
Mr. S. Ragothaman	-
Mr. Ness N. Wadia	1

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

(e) Executive Committee:

The Executive Committee consists of the following Directors:

Mr. Nusli N. Wadia (Chairman)

Mr. S. Ragothaman

Mr. S. M. Palia

Mr. S. S. Kelkar

Mr. A. K. Hirjee

Ms. Vinita Bali

Mr. Ishaat Hussain

The Managing Director, Joint Managing Director, Chief Financial Officer and Mr. Ness Wadia are permanent invitees.

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.

During the year under review, the Executive Committee met 3 times on 5th July, 2013, 14th January, 2014 and 11th March, 2014.

Name	No. of Executive Committee Meetings attended
Mr. Nusli N. Wadia	3
Mr. S. Ragothaman	1
Mr. S. M. Palia	3
Mr. S. S. Kelkar	3
Mr. A. K. Hirjee	2
Ms. Vinita Bali	3
Mr. Ishaat Hussain	2

(f) Corporate Social Responsibility (CSR) Committee:

Pursuant to Section 135 of the Companies Act, 2013 the Company constituted a Corporate Social Responsibility (CSR) Committee of the Board at the Board Meeting held on 26th March, 2014.

The CSR Committee consists of the following Directors:

Ms. Vinita Bali (Chairperson)

Mr. S. M. Palia

Mr. Ness N. Wadia

Mr. S. S. Kelkar

The CSR Committee will:

- (i) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
- (ii) recommend the amount of expenditure to be incurred on the activities referred to in clause (i); and
- (iii) monitor the CSR Policy of the Company from time to time.

No meeting of the CSR Committee was held during the year under review.

(g) Whistle Blower Policy:

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour. Towards this end, the Company has implemented a Whistle Blower Policy, with a view to provide a mechanism for employees and Directors of the Company to approach the Ethics Committee or Chairman of the Audit Committee of the Company to report instances of violations of laws, rules and regulations, unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The vigil mechanism also provides adequate safeguards against victimisation of persons who use such mechanisms and also to ensure direct access to the Ethics Committee or Chairman of the Audit Committee in appropriate or exceptional cases.

4. General Body Meetings:

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

Date & Time	Location	Special Resolutions Passed
6 th August, 2013, at 3.45 p.m.	Yashwantrao Chavan Center Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai - 400021	Nil
7 th August, 2012, at 3.45 p.m.	Yashwantrao Chavan Center Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai - 400021	(i) Alteration in Employee Stock Option Scheme of the Company.
4 th August, 2011, at 3.30 p.m.	Birla Matushri Sabhagar, 19, Marine Lines, Mumbai – 400 020	(i) Appointment of Mr. Jeh N. Wadia as a Whole time Director designated as Managing Director of the Company for a period of 5 years with effect from 1st April, 2011 and terms of remuneration.

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

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

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

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

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

(e) Procedure for postal ballot:

If any special resolution is passed through postal ballot during the current year, the procedure for postal ballot will be followed in terms of Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, as amended from time to time.

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 49 to the financial statements in the Annual Report. However, these transactions are not likely to have any conflict with the Company's interest. The Audit Committee has reviewed these transactions as mandatorily required under Clause 49 of the Listing Agreement.

(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

None

(c) Risk Management:

The Company has in place mechanism to inform Board Members about the risk assessment and minimisation procedures. The Audit Committee and the Board have periodically reviewed the risk assessment and minimisation procedures as required under Clause 49 of the Listing Agreement so as to ensure that risk is controlled by the Executive Management.

(d) CEO/CFO Certification:

Mr. Jeh N. Wadia, Managing Director, and Mr. Raghuraj Balakrishna, Chief Financial Officer, have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31st March, 2014.

(e) 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.

(f) Prevention of Insider Trading Code:

As per the SEBI (Prevention of Insider Trading) Regulations, 1992, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees at senior management level and other employees who could have access to unpublished price sensitive information of the Company are governed by this code.

6. Means of communication:

(i) Quarterly results:

The unaudited quarterly results are announced within 45 days from the end of the quarter and the audited annual results within sixty days from the end of the last quarter as stipulated under the Listing Agreement with the Stock Exchanges.

(ii) Newspapers wherein results normally published:

Financial Express (all editions) & Loksatta (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:

8th August, 2014 - 3.45 p.m. at Yashwantrao Chavan Center Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai - 400021.

(b) Financial calendar (tentative):

Financial results for the quarter ending 30th June, 2014: 1st week August, 2014

Financial results for the quarter ending 30th September, 2014: 2nd week November, 2014

Financial results for the quarter ending 31st December, 2014: 2nd week February, 2015

Financial results for the year ending 31st March, 2015: End May, 2015

Annual General Meeting for the year ending 31st March, 2015: 1st or 2nd week of August, 2015.

(c) Book closure period: 30th July, 2014 to 8th August, 2014 both days inclusive.(d) Dividend payment date: On or from 11th August, 2014.

(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 2014-15 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 2014.

(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 Board at its meeting held on 20th October, 2010 and as modified at its meeting held on 28th May, 2013 had delegated the powers to approve transfer and transmission of shares, issue of duplicate/consolidated/new certificates etc. subject to

certain guidelines and limits laid down, severally to the Managing Director, Joint Managing Director, Chief Financial Officer and the Company Secretary. Anything above the said limit is approved by the Share Transfer Committee. The number of shares transferred/transmitted during the year is as under:

	No. of Applications	No. of Shares
Transfers	253	69,465
Transmissions	65	29,380
Total	318	98,845

(k) Dematerialisation of shares and liquidity:

97.35% of the outstanding Equity Shares have been dematerialised up to 31st March, 2014. All shares held by Promoters/Promoter Group Companies have been dematerialised. Trading in Equity Shares of the Company is permitted only in dematerialised form effective from 29th November, 1999 as per Notification issued by the Securities & Exchange Board of India (SEBI).

(l) Share Capital Audit:

As stipulated by Securities and Exchange Board of India (SEBI), a qualified practising Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), shares held physically as per the register of members and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges, NSDL and CDSL and is also placed before the Share Transfer, Shareholders'/Investors' Grievance and Ethics & Compliance Committee and the Board of Directors.

(m) Outstanding GDRs/Warrants, Convertible Bonds, conversion date and likely impact on equity:

(i) 5,60,385 GDRs were outstanding as at 31st March, 2014, each GDR representing five underlying equity shares of ₹ 2/- each.

(ii) 928 (2012-13: 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 five equity shares of the Company for each warrant at a price of ₹ 12 per share. Likely impact on full conversion will be ₹ 0.09 lakh on share capital and ₹ 0.46 lakh on share premium.

(n) (i) Distribution of Shareholding as on 31st March, 2014.

Description	No. of Shareholders	%	Share Holding	%
1 - 50	28,856	31.10	7,69,746	0.37
51 - 100	12,969	13.98	11,42,667	0.55
101 - 250	22,526	24.28	42,72,186	2.07
251 - 500	14,157	15.26	58,77,813	2.84
501 - 1000	7,149	7.70	56,71,212	2.75
1001 - 5000	5,868	6.32	1,26,77,242	6.14
5001 & Above	1,258	1.36	17,61,24,034	85.28
Total	92,783	100.00	20,65,34,900	100.00

(ii) Shareholding Pattern as on 31st March, 2014.

	No. of Shares	%
Promoter Group *	10,81,22,618	52.35
Insurance Companies	22,01,994	1.07
Nationalised Banks	1,81,375	0.08
Mutual Funds	1,54,29,304	7.47
FII's	1,81,73,306	8.80
GDR Holders	28,01,925	1.37
Others	5,96,24,378	28.86
Total	20,65,34,900	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, Estate of Smt. Bachoobai Woronzow, 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, Sunflower Investments & Textiles Pvt. Ltd., Wadia Techno-Engineering Services Ltd., Ben Nevis Investments Limited, Macrofil Investments Limited, Jehreen Investments Private Limited, Lochness Investments Private Limited, Nessville Trading Private Limited, Lotus Viniyog Private Limited, Go Airlines (India) Ltd., Go Investment & Trading Pvt. Ltd., Nidhivan Investment & Trading Co. Pvt. Ltd., Heera Holdings & Leasing Pvt. Ltd. and Sahara Investments Pvt. Ltd. and their subsidiaries and associates.

(o) In terms of Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001, the Company has credited during the year ended 31st March, 2014 an aggregate amount of ₹ 13.24 lakhs to the Investor Education and Protection Fund (IEPF).

(p) Plant Locations:

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

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

Address for correspondence:

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

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

For any queries on Annual Report or investors' assistance:

The Company Secretary OR
The Dy. General Manager (Secretarial),
at C-1, Wadia International Center (Bombay Dyeing),
Pandurang Budhkar Marg, Worli, Mumbai-400 025.
Tel: (91) (22) 66620000 Fax: (91) (22) 66193262.

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

(q) **Green Initiative:**

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

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

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

Non-Mandatory Requirements:

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

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

(b) **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.

(c) **Unqualified Financial Statements:**

There are no qualifications in the Auditor's Report on the accounts for the year 2013-14.

Mumbai, 27th May, 2014.

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, 2014.

For The Bombay Dyeing & Mfg. Co. Ltd.

Jeh N. Wadia
Managing Director

Mumbai, 27th May, 2014.

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, 2014, 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 ("the Company") for the year ended 31st March, 2014, 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 a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the 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 KALYANIWALLA & MISTRY
Chartered Accountants
Registration No: 104607W

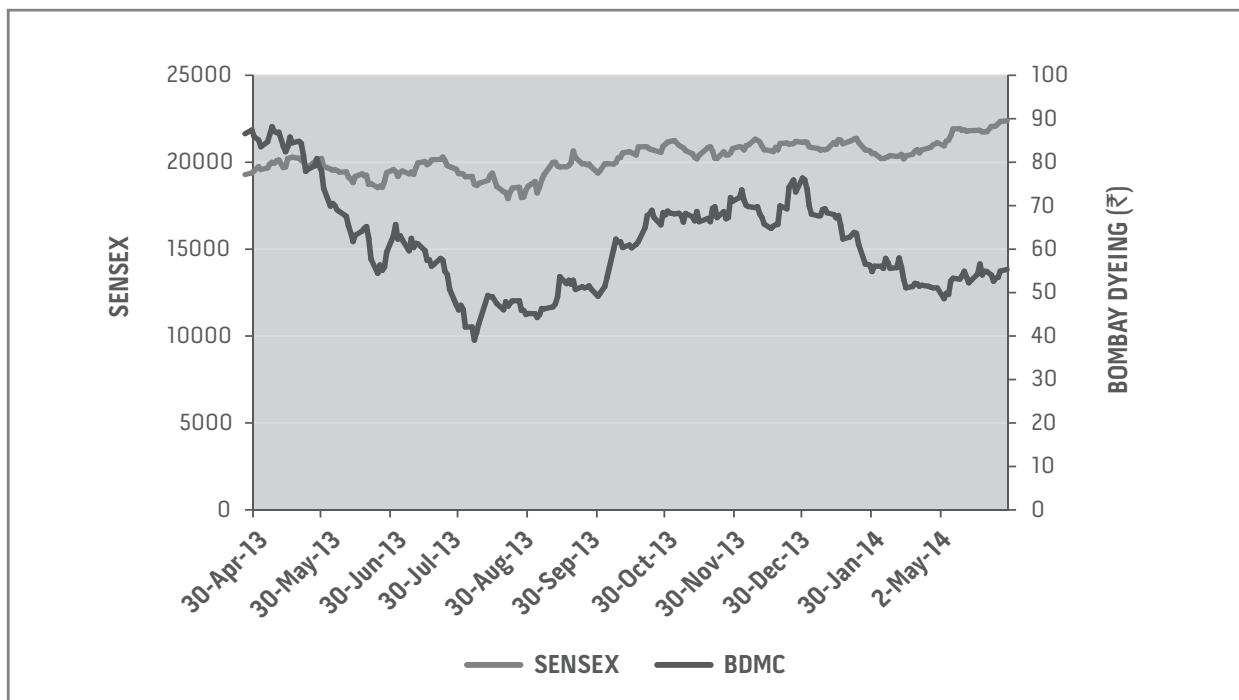
Ermin K. Irani
Partner
Membership No. 35646
Place: Mumbai

Date: May 27, 2014.

ANNEXURE 1

STOCK MARKET DATA								
April-2013 to March-2014								
	Month's High Price (₹)		Month's Low Price (₹)		No. of Shares Traded		Value (₹ in lacs)	
	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE
Apr. 2013	95.80	95.50	82.40	82.40	4246425	9229569	3695.12	8045.05
May. 2013	89.70	89.85	73.30	73.20	3419327	11304166	2874.55	9496.11
Jun. 2013	74.50	74.70	52.20	52.15	1911838	5799417	1218.51	3726.60
Jul. 2013	68.75	68.90	44.45	44.30	1986726	6387217	1151.64	3707.28
Aug. 2013	51.40	51.45	37.25	37.10	2374093	7131412	1097.41	3271.52
Sep. 2013	55.85	55.95	43.90	44.00	3268424	9879218	1662.16	5005.56
Oct. 2013	71.30	71.25	49.25	49.25	8079583	25675343	5092.77	16142.95
Nov. 2013	75.30	75.40	64.50	64.55	5384126	17262106	3769.09	12135.74
Dec. 2013	79.90	79.95	64.35	64.35	6071292	22592699	4429.37	16563.56
Jan. 2014	76.75	76.70	54.15	54.15	8486843	24328797	5627.09	16206.90
Feb. 2014	59.25	59.25	50.75	50.00	4169291	9861820	2272.07	5370.08
Mar. 2014	58.30	58.25	48.25	48.50	7509660	19793497	4055.16	10704.25

ANNEXURE 2



10 YEARS' FINANCIAL REVIEW

(₹ in Crores)

	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005
FINANCIAL POSITION										
Share capital	41.31	41.31	41.31	40.54	38.61	38.61	38.61	38.61	38.60	38.58
Share Warrants	-	-	-	26.75	-	-	11.89	-	-	-
Reserves & Surplus	1422.24	1645.77	1751.09	1060.90	171.74	331.81	357.30	364.07	426.23	303.38
Net Worth:										
Total	1463.55	1687.08	1792.40	1128.19	210.35	370.42	407.80	402.68	464.83	341.96
*Per Equity Share of ₹ 2	70.86	81.68	86.78	271.96	54.49	95.96	102.57	104.32	120.42	88.59
Borrowings	1435.25	1247.88	1295.30	1240.87	1775.11	1710.88	1415.76	1052.40	558.37	354.46
Deferred Tax Liability	-	-	-	-	-	-	-	1.70	2.60	10.64
Debt Equity Ratio	0.38:1	0.33:1	0.28:1	0.44:1	4.64:1	1.28:1	1.39:1	1.35:1	0.78:1	0.25:1
Fixed Assets:										
Gross Block	1469.36	1445.59	1380.62	1386.66	1391.83	1378.60	1364.25	1390.11	995.57	813.86
Depreciation	458.22	410.73	349.16	292.81	231.26	178.72	123.67	512.86	596.20	622.38
Net Block	1011.14	1034.86	1031.46	1093.85	1160.57	1199.88	1240.58	877.25	399.37	191.48
Investments and Other Assets	2752.45	2749.77	2556.64	1581.80	824.89	881.42	582.98	579.53	626.43	515.58
OPERATING RESULTS										
Sales and other Income	2822.68	2501.37	2402.63	2014.11	1732.04	1417.77	1013.95	536.16	1143.64	1,172.41
Manufacturing and other Expenses	2729.52	2341.53	2266.39	1925.66	1650.31	1555.64	960.52	478.29	1067.52	1119.35
Depreciation	60.02	62.03	61.39	62.08	59.54	55.73	35.42	17.46	16.90	19.38
Profit before Tax	33.14	97.81	74.85	26.37	22.19	(193.60)	18.01	40.41	59.22	33.68
Current taxation	8.80	22.11	15.50	5.26	3.77	-	1.75	4.43	4.97	2.42
Excess Provision of Tax of earlier years	-	-	-	(0.28)	-	-	-	-	-	-
Deferred tax credit	-	-	-	-	-	-	(1.70)	(0.90)	(8.04)	4.70
Fringe benefit tax	-	-	-	-	-	1.02	1.28	0.95	0.95	-
Profit after Tax	24.34	75.70	59.35	21.39	18.42	(194.62)	16.68	35.93	61.34	26.56
*Earnings per Equity Share of ₹ 2	1.18	3.67	2.92	5.54	4.77	(50.39)	4.32	9.31	16	7
Dividends:										
Amount	19.33	24.16	24.02	16.49	11.26	4.52	15.82	22.59	22.01	17.59
Percentage	40	50	50	35	25	10	35	50	50	40

* Valued only for current and immediate preceding 2 financial years, post sub-division of shares from ₹ 10/- per share to ₹ 2/- per share.

Notes:

- Capital: Original ₹ 0.63 crore, Bonus Shares ₹ 21.02 crores, conversion of Debentures ₹ 0.83 crore, Global Depository Receipts (GDRs) representing equity shares ₹ 5.51 crores, conversion of equity warrants relating to NCD/SPN Issue ₹ 9.81 crores and conversion of preferential warrants to promoters ₹ 3.20 crores, Equity shares issued under Employees' Stock Option Scheme ₹ 0.16 crores, Equity shares allotted on exercise of warrants issued on Preferential basis to Promoter/Promoter Group Company ₹ 2.70 crores, (Less) Equity shares bought back and extinguished upto 31st March, 2004 ₹ 2.55 crores. Average Share Capital for 2013-2014 - ₹ 41.31 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.
- Previous year's figures have been regrouped where necessary.

INDEPENDENT AUDITOR'S REPORT

To the Members of

The Bombay Dyeing and Manufacturing Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of The Bombay Dyeing and Manufacturing Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

1. We draw attention to Note 35 to the financial statements regarding agreements to sell certain apartments in the proposed residential towers being constructed at Island City Centre to SCAL Services Ltd., an associate company, for a consideration of ₹ 1,505.64 crores (2012-13: ₹ 667.07 crores). The Company has during the year recognized net revenues of ₹ 670.13 crores (2012-13: ₹ 323.11 crores) and resultant profit before tax of ₹ 355.45 crore (2012-13: ₹ 203.96 crore) from sale of apartments to SCAL.
2. We draw attention to Note 39 to the financial statements regarding the remuneration paid to the Managing Director being in excess of the limits prescribed under sections 198 and 309 of the Companies Act 1956 by ₹ 2.92 crore, due to inadequacy of profits. The excess remuneration is subject to the approval of the Central Government for which an application has been made.

Our opinion is not qualified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, (the "Order") as amended, issued by the Central Government in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, 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 purpose of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- (c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act read with the General circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
- (e) on the basis of written representations received from the directors as at March 31, 2014, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Kalyaniwalla & Mistry
Chartered Accountants
Firm Registration No.: 104607W

Ermin K. Irani
Membership No.: 35646

Mumbai: May 27, 2014.

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" 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 in a phased manner. In our opinion, the period of verification is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed in respect of the assets physically verified during the year.
- (c) In our opinion, the fixed assets disposed off during the year are not substantial and therefore do not affect the going concern assumption.
2. (a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company is generally maintaining proper records of inventory. The discrepancies noticed on verification between physical stock and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
3. (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 except an interest free shareholders' deposit of ₹ 15.22 crores to a joint venture company, as stated in Note 15 (a).
- (b) As stated above, the said shareholders' deposit has been given free of interest.
- (c) As stated in Note 15 (a), the repayment of the said deposit has been extended upto the year 2015 as permitted by Reserve Bank of India.
- (d) No amount is overdue as the terms of repayment have been extended upto 2015.
- (e) According to the information and explanation given to us, the Company has taken secured/unsecured loans aggregating ₹ 130 crores from two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum principal amount involved during the year was ₹ 130 crores and the balance outstanding as at the year-end is ₹ 40 crores.

- (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. 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 quotations 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. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the 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 the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 in respect of Textile division and Polyester Staple Fibre division of the Company and are of the opinion that prima facie, the prescribed records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of records for any other product or services of the Company.
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 generally 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 2014 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 (₹ In crores)	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	Income tax	0.03	2007-08	Deputy Commissioner of Income Tax-TDS, Mumbai
		Income tax	0.02	2008-09	Deputy Commissioner of Income Tax-TDS, Mumbai
		Income tax	0.13	2009-10	Commissioner of Income Tax (Appeals), Mumbai
2	The Customs Act, 1962	Interest on customs duty	0.95	1995 to 2012	Commissioners of Customs (Appeals), Mumbai
3	The Central Excise Act, 1944	Excise Duty	0.16	1989-90 to 1995-96	Commissioners of Central Excise (Appeals), Mumbai
		Excise Duty	0.70	1995-96 to 1997-98, 2000-01 to 2003-04	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai
		Service Tax	0.76	2003-04 to 2005-06	Commissioner of Service Tax, Mumbai Tribunal
		Excise Duty	0.08	2008-2010	Commissioner of Central Excise, Customs & Service Tax, Raigad
		Excise Duty	9.85 *	2010-2012	Commissioner of Central Excise, Customs & Service Tax, Raigad
4	Municipal Corporation of Greater Mumbai Octroi Rules, 1965	Octroi	2.16	2007-2008	Deputy Assessor & Collector (Octroi)
		Octroi			

* The company has obtained a stay against the said demand from CESTAT

10. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks, financial institution or debenture holders.
12. In our opinion and according to the information and explanations given to us, the Company has maintained adequate records where the company has granted loans and advances on the basis of security by way of pledge of shares.
13. The company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provision of clause 4 (xiii) of the said Order are not applicable to the Company.
14. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein where the Company is dealing or trading in shares, securities, debentures and other investments and such securities are held by the Company in its own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956.
15. In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given any guarantees for loans taken by others from banks or financial institutions are not prima facie prejudicial to the interest of the Company.
16. In our opinion and according to the information and explanations given to us, the term loans have been 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, the funds raised on short term basis have not been used for long term investment.
18. The Company has not made any preferential allotment of shares to any parties or Companies covered in the register maintained under section 301 of the Act.
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 Kalyaniwalla & Mistry
Chartered Accountants
Firm Reg No. 104607W

Ermin K. Irani

Partner

Membership No: 35646

Place: Mumbai

Date: May 27, 2014

BALANCE SHEET as at 31st March, 2014

(₹ in crores)

	Note	As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	41.31	41.31
Reserves and surplus	3	1,422.24	1,645.77
		1,463.55	1,687.08
Non-current liabilities			
Long-term borrowings.....	4	553.96	559.64
Other Long-term liabilities.....	5	10.90	9.36
Long-term provisions.....	6	12.03	10.81
		576.89	579.81
Current liabilities			
Short-term borrowings.....	7	512.11	401.96
Trade payables	8	640.60	586.66
Other current liabilities	9	514.54	479.34
Short-term provisions.....	10	55.90	49.78
		1,723.15	1,517.74
	TOTAL	3,763.59	3,784.63
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	852.91	902.71
Intangible assets	12	4.84	5.24
Capital work-in-progress.....		88.70	69.04
Incidental expenditure relating to construction/development	13	64.69	57.87
Non-current investments	14	55.96	55.96
Long-term loans and advances.....	15	37.84	47.08
Other non current assets	16	1,086.95	805.19
		2,191.89	1,943.09
Current assets			
Inventories	17	718.72	1,285.99
Trade receivables	18	195.80	216.70
Cash and bank balances	19	28.23	42.55
Short-term loans and advances.....	20	157.33	132.23
Other current assets	21	471.62	164.07
		1,571.70	1,841.54
	TOTAL	3,763.59	3,784.63
Significant Accounting Policies	1		
The accompanying notes are an integral part of the financial statements			

As per our report attached

Signatures to the Balance Sheet and Notes
For and on behalf of the Board**FOR KALYANIWALLA & MISTRY**

NUSLI N. WADIA

Chairman

Chartered Accountants

Firm Registration No.104607W

JEH N. WADIA

*Managing Director***Ermin K. Irani**

Partner

Membership No.35646

RAGHURAJ BALAKRISHNA

Chief Financial Officer

J.C. BHAM

Company Secretary

R.A. SHAH

S. S. KELKAR

S. RAGOTHAMAN

A. K. HIRJEE

S. M. PALIA

MS. VINITA BALI

ISHAAT HUSSAIN

NESS N. WADIA

Directors

Mumbai, 27th May 2014.

Mumbai, 27th May 2014.

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2014

(₹ in crores)

	Note	2013-14	2012-13
INCOME			
Revenue from operations	22	2,782.93	2,457.70
Less: Excise Duty		126.70	126.89
Revenue from operations (net)		2,656.23	2,330.81
Other income	23	39.75	43.67
Total Revenue		2,695.98	2,374.48
EXPENSES			
Cost of materials consumed	24	1,391.65	1,194.25
Purchases of Stock-in-Trade		141.27	124.09
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade ..	25	318.14	173.67
Employee benefits expenses	26	93.30	99.21
Finance costs	27	191.02	174.74
Depreciation and amortisation expenses	28	60.02	62.03
Other expenses	29	467.44	448.68
		2,662.84	2,276.67
Profit before tax		33.14	97.81
Tax expenses:			
Current tax		8.80	22.11
Excess provision of tax of earlier years		-	_*
		8.80	22.11
Profit for the year		24.34	75.70
Earnings per equity share (Refer Note No. 46)			
Basic earnings per equity share (in ₹)		1.18	3.67
Diluted earnings per equity share (in ₹)		1.18	3.67
Nominal value per equity share (in ₹)		2.00	2.00
*denotes amount less than ₹ 1 lakh			
Significant Accounting Policies	1		
The accompanying notes are an integral part of the financial statements			

As per our report attached

FOR KALYANIWALLA & MISTRYChartered Accountants
Firm Registration No.104607W**Ermin K. Irani**Partner
Membership No.35646

Mumbai, 27th May 2014.

NUSLI N. WADIA

JEH N. WADIA

RAGHURAJ BALAKRISHNA

J.C. BHAM

*Chairman**Managing Director**Chief Financial Officer**Company Secretary*

Mumbai, 27th May 2014.

Signatures to the Statement of Profit and Loss and Notes
For and on behalf of the BoardR.A. SHAH
S. S. KELKAR
S. RAGOTHAMAN
A. K. HIRJEE
S. M. PALIA
MS. VINITA BALI
ISHAAT HUSSAIN
NESS N. WADIA

Directors

CASH FLOW STATEMENT for the year ended 31st March, 2014

(₹ in crores)

	2013-2014	2012-2013
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX	33.14	97.81
Adjusted for:		
Depreciation and amortisation.....	60.02	62.03
Foreign exchange loss/(gain) (net)	(24.19)	0.12
Profit on sale of investments.....	-	(0.04)
Provision for doubtful debts/advances	7.28	9.66
Sundry balances/excess provision written back (net)	(0.86)	(1.48)
Interest income.....	(6.49)	(9.47)
Loss/(Profit) on sale of fixed assets (net)	(0.03)	(0.11)
Interest and other finance charges	191.02	174.74
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS	259.89	333.26
Changes in:		
Inventories	339.62	106.83
Trade receivables	20.47	(81.23)
Other current and non-current assets	(625.94)	(348.32)
Trade payables, other liabilities and provisions.....	58.67	248.81
Other current and non-current liabilities.....	(61.99)	53.80
Provisions.....	11.28	28.73
CASH GENERATED FROM OPERATIONS	2.00	341.88
Direct taxes paid (net)	(15.77)	(19.35)
NET CASH FROM OPERATING ACTIVITIES	(13.77)	322.53
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets.....	(39.06)	(65.96)
Proceeds from sale of fixed assets	2.79	0.64
Purchase of investments	-	(64.65)
Proceeds from sale of investment	-	64.69
Inter-corporate deposits placed	(144.56)	(123.84)
Inter-corporate deposits received back.....	155.47	119.18
Bank deposits not considered as cash and cash equivalents		
- Placed.....	(4.35)	(34.88)
- Matured.....	26.75	30.02
Interest received	6.52	9.75
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	3.56	(65.05)

(a)

(b)

CASH FLOW STATEMENT for the year ended 31st March, 2014 (Contd.)

(₹ in crores)

	2013-2014	2012-2013
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from borrowings.....	727.36	575.64
Repayment of borrowings.....	(618.40)	(704.16)
Proceeds from fixed deposits/Inter-corporate borrowings.....	146.50	219.89
Repayment of matured fixed deposits/Inter-corporate borrowings.....	(151.42)	(167.82)
(Decrease)/Increase in demand loan, cash credit	87.72	25.34
Interest and other finance charges paid	(168.56)	(156.69)
Dividend paid (including corporate dividend tax)	(24.12)	(24.11)
NET CASH USED IN FINANCING ACTIVITIES..... (c)	(0.92)	(231.91)
NET INCREASE IN CASH AND CASH EQUIVALENTS..... (a + b + c)	(11.13)	25.57
CASH AND CASH EQUIVALENTS AT THE COMMENCEMENT OF THE YEAR..	31.25	5.68
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	20.12	31.25
NET (DECREASE)/INCREASE	(11.13)	25.57
Notes:		
1. Cash and Cash Equivalents comprises of:		
Balances with banks in current accounts	17.07	22.86
Cheques on hand.....	2.92	8.20
Cash on hand.....	0.13	0.19
Cash and cash equivalents.....	20.12	31.25
2. Figures in brackets are outflows/deductions.		
3. Previous year's figures have been regrouped where necessary.		

As per our report attached

FOR KALYANIWALLA & MISTRYChartered Accountants
Firm Registration No.104607W**Ermin K. Irani**Partner
Membership No.35646

Mumbai, 27th May 2014.

NUSLI N. WADIA

JEH N. WADIA

RAGHURAJ BALAKRISHNA

J.C. BHAM

*Chairman**Managing Director**Chief Financial Officer**Company Secretary*

Mumbai, 27th May 2014.

For and on behalf of the Board

R.A. SHAH
S. S. KELKAR
S. RAGOTHAMAN
A. K. HIRJEE
S. M. PALIA
MS. VINITA BALI
ISHAAT HUSSAIN
NESS N. WADIA

Directors

NOTES to financial statements for the year ended 31st March, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared under the historical cost convention, except for revaluation of certain freehold land on conversion to stock-in-trade, on an accrual basis of accounting, in accordance with Generally Accepted Accounting Principles in India, the accounting standards notified under the Companies Act, 1956 ("the Act") read with the General circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and the provisions of the Act, to the extent applicable.

The classification of assets and liabilities of the Company into current or non-current is based on the criterion specified in the Revised Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

(b) 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, liabilities and contingent 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.

(c) Revenue recognition

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

(d) Revenue from real estate activity

Revenue from real estate activity is recognised on the transfer of all significant risks and rewards of ownership to the customers 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 and is released to the Statement of Profit and Loss in the proportion of revenue recognized under the percentage

of completion method on entering into an agreement/contract for sale.

Revenue from real estate development activity where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards, is recognised on the 'Percentage of Completion Method'. Revenue is recognised in relation to the sold areas, on the basis of percentage of actual cost incurred, including land, development and construction costs as against the total estimated cost of project. Revenue is recognised, if the cost incurred is in excess of 25% of the total estimated cost and the outcome of the project can be reliably ascertained. The company continues to recognize revenue in accordance with the Guidance Note on Recognition of Revenue by Real Estate Developers (Issued 2006) as the Company's ongoing projects have commenced before 1st April 2012.

Cost of Construction/Development (including cost of land) incurred is charged to the statement of profit and loss proportionate to area sold and the balance cost is carried over under Inventory as part of Development Work-in-Progress. Cost of construction/development includes all costs directly related to the Project and other expenditure as identified by the management which are reasonably allocable to the project.

Unbilled revenue disclosed under other non-current and other current assets represents revenue recognized over and above amount due as per payment plans agreed with the customers. Progress billings which exceed the costs and recognized profits to date on projects under construction are disclosed as advance received from customers under other current liabilities. Any billed amount that has not been collected is disclosed under trade receivables.

The estimates of saleable area and cost of construction 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 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 development 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.

NOTES to financial statements for the year ended 31st March, 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(e) 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.

(f) Depreciation

Depreciation on fixed assets other than furniture & fixtures and motor vehicles is provided on the straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956 or at higher rates in accordance with their estimated useful life. Depreciation on furniture & fixtures and motor vehicles is provided on the written down value method at the rates prescribed in Schedule XIV to the Companies Act, 1956. The asset categories on which depreciation is provided over their estimated useful life and the useful life as estimated by the management are as under:

- (i) Assets of retail shops including leasehold improvements – 6 years
- (ii) Movable site offices – 10 years
- (iii) Computer software – 5 years
- (iv) Technical know-how – 10 years
- (v) Lease hold land – lease period namely 95 years

The Textile processing plant at Ranjangaon and the PSF manufacturing plant at Patalganga are treated as a Continuous process plants based on technical assessment.

(g) 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 recognised 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

amortization or depreciation) had no impairment loss been recognized for the asset in prior accounting periods.

(h) Borrowing costs

Borrowing costs include interest, amortization of ancillary costs, amortization of discounts related to borrowings and foreign exchange difference to the extent they are regarded as adjustment to interest costs. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such asset till such time that the asset is ready for its intended use or sale. 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.

(i) Investments

- (i) Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long term investments.
- (ii) Long term investments are stated at cost. Provision for diminution is made to recognise a decline, other than temporary, in value of each long term investment, where applicable.
- (iii) Current investments are stated at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

(j) 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, cloth, yarn, purified terephthalic acid, mono ethylene glycolon, dyes & chemicals and other materials on a weighted average method.
 - (c) Work-in-process and finished goods (including stock lying at our own retail store)
 - Textile division-
 - Material costs included in the valuation

NOTES to financial statements for the year ended 31st March, 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

are determined on the basis of the average consumption rates closer to the year end so as to reflect the fair approximation to the costs incurred. Costs of conversion and other costs are determined on the basis of standard costs, adjusted for variances between standard and actual costs, if material. Cost of ready finished goods is determined on 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 for present and future development, expenditure relating to construction, allocated expenses incidental to the projects undertaken by the Company. Cost of land and construction/development is charged to Statement of Profit and Loss proportionate to area sold and at the time when corresponding revenue is recognised.

(k) Foreign currency transactions

(i) Transactions in foreign currency are recorded at standard exchange rates determined monthly. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of all monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Statement of Profit & Loss.

(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 Statement of Profit and Loss. Premium or

discount on such forward exchange contracts is amortised as income or expense over the life of the contract. Forward exchange contracts entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions are treated as derivative financial instruments.

(iii) The company used forward foreign exchange contracts to hedge its exposure against movements in foreign exchange rates.

(l) Derivative Financial Instruments and Hedging

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 Statement of Profit and Loss. 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.

(m) Employees benefits

(i) Short term employee benefits:

Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

NOTES to financial statements for the year ended 31st March, 2014

1. SIGNIFICANT ACCOUNTING POLICIES (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 Statement of Profit and Loss 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 irrevocable 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 Statement of Profit and Loss.

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 Statement of Profit and Loss.

c) Termination Benefits

The Company provides for compensation payable as part of termination benefits when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Termination benefits falling due more than twelve months after the balance sheet date are provided on the basis of an actuarial valuation by an independent actuary as at the year-end using Project Unit Credit Method.

NOTES to financial statements for the year ended 31st March, 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(n) Employee share based payments

Equity settled stock options granted under the Company's Employee stock option (ESOP) scheme are accounted as per the accounting treatment prescribed by SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share based payments issued by ICAI. The Company measures compensation cost relating to employee stock options using the intrinsic value method and compensation expense, if any, is amortised over the vesting period of the option on a straight line basis.

(o) Taxation

Tax expense comprises current and deferred tax. Current tax is measured at the amount expected to be paid in accordance with the Income-tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rate and tax laws enacted or substantially enacted at the balance sheet date. Deferred tax assets and MAT credit entitlement 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.

(p) Provisions and Contingent Liabilities

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

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

(q) 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 Statement of Profit and Loss on a straight-line basis over the lease term.

(r) Government Grants

Grants in the nature of subsidies related to revenue are recognized in the Statement of Profit and Loss over the period in which the corresponding costs are incurred and are recorded on accrual basis.

(s) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits with banks and short term highly liquid investments, which are readily convertible into cash and have original maturities of three months or less.

(t) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events, such as bonus issue, bonus element in a rights issue and shares split that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating Diluted Earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(u) Segment Reporting

The Accounting Policies adopted for segment reporting are in line with the Accounting Policies of the Company. Segment assets include all operating assets used by the business segments and consist principally of fixed assets, debtors and inventories. Segment liabilities include the operating liabilities that result from the operating activities of the business. Segment assets and liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income/Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income/expenses. Inter-segment transfers are accounted at prevailing market prices.

NOTES to financial statements for the year ended 31st March, 2014

(₹ in crores)

2. SHARE CAPITAL	As at 31st March, 2014	As at 31st March, 2013
AUTHORISED 25,00,00,000 (2012-2013: 25,00,00,000) Equity shares of ₹ 2 each	50.00	50.00
ISSUED, SUBSCRIBED AND PAID-UP 20,65,34,900 (2012-2013: 20,65,34,900) Equity shares of ₹ 2 each fully paid-up	41.31	41.31
<u>20,65,34,900</u>	<u>41.31</u>	<u>41.31</u>

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

	31-03-2014		31-03-2013	
	Numbers	₹ in crores	Numbers	₹ in crores
At the beginning of the period	206,534,900	41.31	41,306,980	41.31
Add: Shares issued on exercise of warrants to promoters	-	-	-	-
Add: Increase in number of shares on sub-division of shares from ₹ 10 per share to ₹ 2 per share	-	-	165,227,920	-
Outstanding at the end of the period	<u>206,534,900</u>	<u>41.31</u>	<u>206,534,900</u>	<u>41.31</u>

(b) The Company had vide a postal ballot, whose results were declared on 18th October, 2012, approved the sub-division of each equity share of the company having face value of ₹ 10/- each fully paid into five equity shares of the face value of ₹ 2/- each fully paid up. The Authorised share capital of the Company, was also sub divided into 25,00,00,000 Equity shares of ₹ 2 each.

(c) Rights, preferences and restrictions attached to Equity shares

The company has one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(d) Details of shareholders holding more than 5% shares in the company

	31-03-2014		31-03-2013	
	Numbers Face Value of ₹ 2	% holding	Numbers Face Value of ₹ 2	% holding
The Bombay Burmah Trading Corporation Limited	29,644,375	14.35	29,644,375	14.35
N. W. Exports Limited	27,771,550	13.45	27,771,550	13.45
Sunflower Investment and Textiles Private Limited	13,550,037	6.56	-	-
Jehreen Investments Limited	-	-	12,739,725	6.17
Reliance Capital Trustee Company Limited	11,297,695	5.47	11,869,785	5.75
	<u>82,263,657</u>	<u>39.83</u>	<u>82,025,435</u>	<u>39.72</u>

(e) Shares reserved for issue under options

Pursuant to the Employee Stock Option Scheme (ESOS) approved by the shareholders on 13th August, 2002 and as further amended by the shareholders on 07th August, 2012, the Company has granted 14,000 options, (70,000 options post sub-division) to the Joint Managing Director of the Company at an exercise price of ₹ 528.25 (₹ 105.65 post sub-division) per share. As per the terms of the ESOS, each option is exercisable for conversion into one equity share of the Company (Refer Note 44).

(f) Information regarding issue of shares during last five years

- (i) No shares were allotted pursuant to contracts without payment being received in cash.
- (ii) No bonus shares have been issued.
- (iii) No shares have been bought back.

NOTES to financial statements for the year ended 31st March, 2014

2. SHARE CAPITAL (Contd.)

(g) Shares held in Abeyance

Under orders from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992, - the allotment of 4,640 shares (2012-13- 4,640 shares) of face value of ₹ 2/- each against warrants carrying rights of conversion into equity shares of the Company has been kept in abeyance in accordance with section 206A of the Companies Act, 1956, till such time as the title of the bonafide owner is certified by the concerned Stock Exchanges.

(₹ in crores)

3. RESERVES AND SURPLUS	As at 31st March,2014	As at 31st March,2013
Capital Reserve		
As per last balance sheet	28.60	28.60
Capital Redemption Reserve		
As per last balance sheet	2.55	2.55
Securities Premium Account		
As per last balance sheet	141.37	141.37
Revaluation Reserve [Refer Note 1 (d)]		
As per last balance sheet	1,220.95	1,377.86
Less: Released to statement of profit and loss in proportion of revenue recognised on entering into agreements for sale	(227.65)	(156.91)
	993.30	1,220.95
Investment Reserve		
As per last balance sheet	1.31	1.31
Hedging Reserve Account		
As per last balance sheet	(0.18)	(0.23)
Add/(Less):Fair value gain/(loss) on derivative contracts designated as cash flow hedges	(0.89)	0.05
	(1.07)	(0.18)
General Reserve		
As per last balance sheet	153.38	145.81
Add: Transferred from statement of profit and loss	2.43	7.57
	155.81	153.38
Surplus in statement of profit and loss		
Balance as per last balance sheet	97.79	53.82
Add: Profit for the year	24.34	75.70
	122.13	129.52
Less: Appropriations		
Proposed dividend	(16.52)	(20.66)
Dividend distribution tax	(2.81)	(3.50)
Transferred to General Reserve	(2.43)	(7.57)
Net surplus in the statement of profit and loss	100.37	97.79
	1,422.24	1,645.77

NOTES to financial statements for the year ended 31st March, 2014

(₹ in crores)

4. LONG-TERM BORROWINGS	As at 31st March, 2014	As at 31st March, 2013
Secured		
Term Loans		
- from banks	458.84	388.54
- from others	-	40.00
	458.84	428.54
Unsecured		
Fixed Deposits	95.12	131.10
	553.96	559.64

a) Nature of Security and terms of repayment of secured borrowing:

- i) Term Loans aggregating ₹ 47.26 crores (2012-13 ₹ 66.50 crores) are secured by first pari passu charge on the Company's existing as well as future fixed assets at Textile Processing Unit at Ranjangaon and the Polyester Division at Patalganga other than fixed assets charged exclusively to term lenders. Repayable in quarterly instalments over a period of 3 to 4 years.
- ii) Term loan amounting to ₹ 3.37 crores (2012-13 ₹ 10.03 crores) is secured by first pari-passu charge on the fixed assets of the Company at Polyester Division at Patalganga. Repayable in half yearly instalment in the next year.
- iii) Term loans aggregating ₹ 41.66 crores (2012-13 ₹ 208.30 crores) are secured by first pari-passu charge over part of the land of the Company at Textile Mills at Mumbai admeasuring upto 89,819.85 square metres and plant and machinery, buildings and structures thereon. Repayable in quarterly instalments in the next year.
- iv) Term loans aggregating ₹ 250.00 crores (2012-13 ₹ 200.00 crores) are secured by first pari passu charge on Company's plant & machinery at Textile Processing unit at Ranjangaon and the Polyester Division at Patalganga. Repayable over 1 to 3 years.
- v) Term loans aggregating ₹ 406.25 crores (2012-13 ₹ 230.00 crores) are secured by first pari-passu charge over part of the land of the Company at Textile Mills at Mumbai and plant and machinery, buildings and structures thereon. Repayable in quarterly installments over a period of 5 years.
- vi) Term loan amounting to ₹ 45.00 crores (2012-13 ₹ NIL) is to be secured by first pari-passu charge of rent receivables from premises given on lease by the Company and second charge of portion of Spring Mills land and buildings and structures thereon. Repayable in monthly installments over 5 years.

b) Terms of repayment of unsecured borrowing:

Fixed Deposits from shareholders and public are repayable over three years from the date of deposit maturing between January 2015 and July 2016.

(₹ in crores)

5. OTHER LONG-TERM LIABILITIES	As at 31st March, 2014	As at 31st March, 2013
Trade payables	2.15	2.18
Deposits	8.75	7.18
	10.90	9.36

NOTES to financial statements for the year ended 31st March, 2014

(₹ in crores)

6. LONG TERM PROVISIONS	As at 31st March,2014	As at 31st March,2013
Provision for employee benefits		
- Provision for compensated absences	4.27	3.96
- Provision for termination benefits (Refer Note 34)	5.88	6.21
- Provision for Sales Tax Forms	1.88	0.64
	12.03	10.81

(₹ in crores)

7. SHORT-TERM BORROWINGS	As at 31st March,2014	As at 31st March,2013
Secured		
- Working capital demand loans from banks [includes ₹ Nil (2012-13 ₹ 17.27 crores) in foreign currencies]	202.81	122.37
- Buyer's Credit in Foreign currency	268.16	242.73
Unsecured		
Bills discounted with banks	21.14	13.86
Intercompany deposits	20.00	23.00
	512.11	401.96

a) Nature of Security for Short term borrowings

- (i) Working Capital loans of ₹ 202.81 crores (2012-13 ₹ 122.37 crores) and Buyer's Credit amounting to ₹ 158.92 crores (2012-13 ₹ 113.21 crores) from banks under consortium arrangement is secured by hypothecation of present and future stocks, book debts and other current assets on pari passu basis and a second charge over part of the land of the Company at Textile Mills at Mumbai admeasuring 89,819.85 square metres and plant and machinery and buildings thereon on pari passu basis.
- (ii) Buyer's Credit aggregating ₹ 109.24 crores (2012-13 ₹ 91.35 crores) is secured by first pari-passu charge on land of the Company at Spring Mills at Mumbai admeasuring 36,617.13 square metres (2012-13 36,617.13 square metres) and ₹ Nil (2012-13 ₹ 38.17 crores) is secured by first pari-passu charge over part of the land of the Company at Textile Mills at Mumbai admeasuring 60,767.19 square metres and plant & machinery, buildings and erections thereon.

(₹ in crores)

8. TRADE PAYABLES	As at 31st March,2014	As at 31st March,2013
Acceptances under suppliers line of credit	201.42	173.95
Dues to Micro and Small Enterprises	0.14	0.17
Other Creditors	439.04	412.54
	640.60	586.66

- a) The dues payable to Micro and Small enterprises is based on the information available with the Company and takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose (Refer Note 43)

NOTES to financial statements for the year ended 31st March, 2014

(₹ in crores)

9. OTHER CURRENT LIABILITIES	As at 31st March, 2014	As at 31st March, 2013
Current maturities of long-term borrowings [Refer Note 4 (a)]		
- Term loans from banks	334.71	286.28
- Fixed deposits	34.47	-
Interest accrued and due on borrowings	2.13	5.13
Interest accrued but not due on borrowings	2.55	3.13
Unclaimed matured deposits *	0.30	0.70
Unpaid dividends *	0.97	0.92
Advances from customers	36.57	84.25
Deposits	2.74	4.94
Liability in respect of forward exchange contracts	44.35	24.52
Statutory dues including service tax and tax deducted at source	21.62	24.74
Creditors for capital expenditure	0.57	1.57
Employees benefits payable	6.38	6.03
Other payables	27.18	37.13
	514.54	479.34

- a) * There are no amounts due for payment to the Investor Education & Protection Fund under section 205C of the Companies Act, 1956 as at the year end.
- b) Interest accrued and due on borrowings represents interest due as on Balance Sheet date but debited by the bank after the Balance Sheet date.

(₹ in crores)

10. SHORT TERM PROVISIONS	As at 31st March, 2014	As at 31st March, 2013
Provision for employee benefits		
Provision for compensated absences	1.80	1.85
Provision for gratuity (net)	-	1.33
Provision for termination benefits (Refer Note 34)	0.83	0.46
	2.63	3.64
Other provisions		
Provision for litigation and disputes (Refer Note (a) below)	8.86	7.06
Provision for commercial and other matters (Refer Note (a) below)	25.08	14.92
Proposed dividend	16.52	20.66
Provision for tax on proposed dividend	2.81	3.50
	53.27	46.14
	55.90	49.78
(a) Movement in provisions		
- Litigation and disputes		
Balance as at the beginning of the year	7.06	0.76
Additions	2.64	6.30
Amounts utilised	(0.84)	-
Balance as at the end of the year	8.86	7.06
- Commercial and other matters		
Balance as at the beginning of the year	14.92	8.33
Additions	12.99	10.66
Amounts utilised	(2.83)	(4.07)
Balance as at the end of the year	25.08	14.92

NOTES to financial statements for the year ended 31st March, 2014

11. TANGIBLE ASSETS

(₹ in crores)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost or book value as at 01-04-2013	Additions during the Year	Deductions during the Year	Cost or book value as at 31-03-2014	Balance as at 01-04-2013	For the Year	Deductions during the Year	Balance as 31-03-2014	As at 31-03-2014	As at 31.03.2013
Land										
Freehold	104.90	0.75	-	105.65	-	-	-	-	105.65	104.90
Leasehold	19.02	-	-	19.02	1.57	0.20	-	1.77	17.25	17.45
Building*	150.20	1.57	-	151.77	28.32	3.79	-	32.11	119.66	121.88
Office Equipments	19.72	1.39	1.09	20.02	12.48	1.72	0.03	14.17	5.85	7.24
Plant & Machinery	966.80	4.63	9.50	961.93	334.43	48.03	8.80	373.66	588.27	632.37
Furniture & Fixture	42.27	2.55	4.23	40.59	24.00	4.54	3.62	24.92	15.67	18.27
Motor Vehicles	2.05	0.14	0.09	2.10	1.45	0.17	0.08	1.54	0.56	0.60
Total	1,304.96	11.03	14.91	1,301.08	402.25	58.45	12.53	448.17	852.91	902.71
As at 31.03.2013	1,267.72	38.23	0.99	1,304.96	342.39	60.32	0.46	402.25	902.71	-

- a) *The company has given commercial premises on operating lease which form part of its premises at Neville House, Ballard Estate and C-1 Wadia International Centre, Worli. Since only a portion of the buildings are given on lease, the gross carrying amount and accumulated depreciation of the premises given on lease is not separately available.

12. INTANGIBLE ASSETS

(₹ in crores)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost or book value as at 01-04-2013	Additions during the Year	Deductions during the Year	Cost or book value as at 31-03-2014	Balance as at 01-04-2013	For the Year	Deductions during the Year	Balance as 31-03-2014	As at 31-03-2014	As at 31.03.2013
Technical Know How	4.22	-	-	4.22	2.32	0.42	-	2.74	1.48	1.90
Software	9.50	1.55	0.38	10.67	6.16	1.15	-	7.31	3.36	3.34
Total	13.72	1.55	0.38	14.89	8.48	1.57	-	10.05	4.84	5.24
As at 31.03.2013	10.86	2.86	-	13.72	6.77	1.71	-	8.48	5.24	-

(₹ in crores)

13. INCIDENTAL EXPENDITURE RELATING TO CONSTRUCTION/DEVELOPMENT	As at 31st March, 2014	As at 31st March, 2013
Opening balance	57.87	57.66
Architect fees and technical and project related consultancy	1.12	1.59
Civil, Electrical, contracting etc.	0.67	1.15
Payment to local agencies	(0.27)	0.40
Compensation for rehabilitation of tenants	5.30	-
	6.82	3.14
Less: Written off	-	(2.93)
Closing balance	64.69	57.87

- (a) Incidental expenditure relating to construction/development represents expenditure incurred by the Company on various projects which are delayed or yet to be commenced. Management expects to commence these projects in the near future and does not expect any loss on this account.

NOTES to financial statements for the year ended 31st March, 2014

(₹ in crores)

14. NON-CURRENT INVESTMENTS	As at 31st March,2014	As at 31st March,2013
TRADE INVESTMENTS (Valued at Cost)		
(Unquoted, fully paid-up)		
Equity Shares		
Investment in associate companies		
20,000 Equity shares of ₹ 10 each in Bombay Dyeing Real Estate Company Ltd.	0.02	0.02
1,900 Equity shares of ₹ 10 each in BDS Urban Infrastructure Pvt. Ltd.	0.01	0.01
30,400 Equity shares of ₹ 100 each in Scal Services Ltd.	0.30	0.30
Investment in joint venture company		
2,217 Series A shares of U.S. \$ 1,000 each in PT. Five Star Textile, Indonesia	1.59	1.59
	1.92	1.92
OTHER INVESTMENTS (Valued at Cost)		
(Unquoted, fully paid-up)		
Equity Shares		
Investment in associate companies		
2,15,600 Equity shares of ₹ 100 each in Archway Investment Co. Ltd.	2.16	2.16
88,200 Equity shares of ₹ 100 each in Pentafile Textile Dealers Ltd.	0.88	0.88
100 Shares of ₹ 25 each in Roha Industries Association's Co-operative Consumers Society Ltd. [₹ 2500/- (2012-13 ₹ 2500/-)]	*	*
Debentures		
Investment in associate companies		
47,65,000 Zero-Interest Unsecured Fully Convertible Debentures - A Series of ₹ 100 each in Archway Investment Co. Ltd.	47.65	47.65
3,35,000 Fully Convertible Unsecured (Interest Free) Debentures of ₹ 100 each in Archway Investment Co. Ltd.	3.35	3.35
	54.04	54.04
	55.96	55.96
* denotes values less than ₹ 1 lakh.		
Aggregate amount of Quoted Investment	-	-
Aggregate amount of Unquoted Investment	55.96	55.96
Aggregate provision for diminution in value of investments	-	-
	55.96	55.96

NOTES to financial statements for the year ended 31st March, 2014

(₹ in crores)

15. LONG-TERM LOANS AND ADVANCES	As at 31st March, 2014	As at 31st March, 2013
Unsecured, Considered good (unless otherwise stated)		
Capital advances	2.33	8.59
Security deposits		
- Considered good	4.10	3.19
- Considered doubtful	0.57	0.57
- Less: Provision for doubtful advances	(0.57)	(0.57)
	4.10	3.19
Loans and advances to related parties		
- Considered good	27.06	30.26
- Considered doubtful	11.18	6.35
- Less: Provision for doubtful advances	(11.18)	(6.35)
	27.06	30.26
Advances recoverable in cash or kind		
- Considered good	3.03	3.11
- Considered doubtful	2.74	2.55
- Less: Provision for doubtful advances	(2.74)	(2.55)
	3.03	3.11
Prepaid expenses	0.06	0.04
Loans to employees	0.23	0.30
Balances with government authorities		
- Considered good	1.03	1.59
- Considered doubtful	1.48	1.48
- Less: Provision for doubtful advances	(1.48)	(1.48)
	1.03	1.59
	37.84	47.08

a) Loans and advances to related parties include a deposit of ₹ 15.22 crores (2012-13 ₹ 15.22 crores) and amounts recoverable of ₹ 8.84 crores (net of provisions) (2012-13 ₹ 12.04 crores) from PT. Five Star Textile Indonesia (PTFS), a joint venture company. PTFS has been incurring continuous losses. The Company is considering various options to improve the profitability of the venture including restructuring of the operations of PTFS for recovery of the deposits and advances. In the opinion of the management the advances and deposits are considered good and fully recoverable.

b) Loans and advances to related parties pertain to:		
P. T. Five Star Textile Indonesia (net)	24.06	27.26
The Bombay Burmah Trading Corporation Limited - Deposit	3.00	3.00
	27.06	30.26

NOTES to financial statements for the year ended 31st March, 2014

(₹ in crores)

16. OTHER NON-CURRENT ASSETS	As at 31st March, 2014	As at 31st March, 2013
Long term deposits with banks (Refer Note (a) below)	2.10	21.28
Unamortised finance charges	2.76	3.71
Industrial subsidy receivable	11.26	13.39
Unbilled revenue	1,070.83	766.81
	1,086.95	805.19

(a) Deposits with banks are under lien as security for guarantees issued on behalf of the Company.

(₹ in crores)

17. INVENTORIES (Valued at lower of cost and net realisable value)	As at 31st March, 2014	As at 31st March, 2013
Raw materials [includes in transit ₹ 54.17 crores (2012-13 ₹ 77.37 crores)]	120.20	144.13
Work-in-progress	18.20	20.26
Finished goods [includes in transit ₹ 2.94 crores (2012-13 ₹ 0.78 crores)]	160.83	128.94
Stock-in-Trade	30.40	14.85
Stores, spares and catalysts	20.19	17.43
Real estate development work-in-progress	368.90	960.38
	718.72	1,285.99

(₹ in crores)

18. TRADE RECEIVABLES	As at 31st March, 2014	As at 31st March, 2013
Unsecured, considered good unless otherwise stated		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	36.30	36.45
Considered doubtful	10.89	9.39
	47.19	45.84
Less: Provision for doubtful receivables	(10.89)	(9.39)
	36.30	36.45
Other receivables - considered good	159.50	180.25
	195.80	216.70

(a) Trade receivables include ₹ Nil (2012-13 ₹ 0.27) due from the Managing Director towards purchase of flats.

(b) Trade receivables includes ₹ 34.90 crores (2012-13 ₹ 34.65 crores) due from a customer towards part compensation for sale of property, common area maintenance charges and project related costs. The receivables are under dispute and the matter has been referred to the arbitration. Pending finalisation of arbitration proceedings, the receivables are considered good.

NOTES to financial statements for the year ended 31st March, 2014

(₹ in crores)

19. CASH AND BANK BALANCES	As at 31st 31st March, 2014	As at 31st 31st March, 2013
Cash and Cash Equivalents		
Balances with banks in current accounts	17.07	22.86
Cheques on hand	2.92	8.20
Cash on hand	0.13	0.19
	20.12	31.25
Other bank balances		
In unpaid dividend account	0.97	0.93
Bank deposits with maturity more than 3 months but less than 12 months (Refer Note (a) below)	7.14	10.37
	8.11	11.30
	28.23	42.55

(a) Bank deposits includes:

- Fixed deposits under lien towards security for guarantees issued on behalf of the Company and as security against a claim on the Company - ₹ 1.27 crore (2012-13 ₹ 0.77 crore).
- Fixed deposits held in trust out of fund received as corpus fund and maintenance deposits from flat owners ₹ 4.22 crore (2012-13 ₹ 7.20 crore).

(₹ in crores)

20. SHORT-TERM LOANS AND ADVANCES	As at 31st 31st March, 2014	As at 31st 31st March, 2013
Unsecured, considered good, unless otherwise stated:		
Security deposits	0.29	0.46
Loans and advances to related parties	0.29	11.14
Advances recoverable in cash or kind or for value to be received	27.08	45.38
Advance income-tax (net of provision for taxation)	30.41	23.44
Prepaid expenses	2.84	2.76
Loans/advances to employees	0.72	0.45
Balances with government authorities	95.70	48.60
	157.33	132.23

a) Advances recoverable in cash or in kind or for value to be received includes ₹ 0.73 crore (2012-13 ₹ 0.73 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.

b) Loans and advances to related parties pertain to:

(₹ in crores)

	As at 31st 31st March, 2014	As at 31st 31st March, 2013
Archway Investment Company Limited	-	10.90
Go Airlines (India) Limited	0.28	0.16
The Bombay Burmah Trading Corporation Ltd.	0.01	-
Jeh Wadia, Managing Director (since recovered)	-	0.08
	0.29	11.14

NOTES to financial statements for the year ended 31st March, 2014

(₹ in crores)

21. OTHER CURRENT ASSETS	As at 31st 31st March, 2014	As at 31st 31st March, 2013
Unsecured, considered good		
Interest accrued on deposits	0.17	0.20
Unamortised finance charges	5.41	4.39
Deferred premium	21.86	14.50
Industrial subsidy receivable	26.01	26.49
Export benefits receivable	8.97	2.41
Unbilled revenue	409.20	116.08
	471.62	164.07

(₹ in crores)

22. REVENUE FROM OPERATIONS	2013-14	2012-13
Sale of products and services		
Finished goods	1,757.28	1,589.68
Traded goods	190.34	168.91
Processing income	5.68	10.22
Real estate development activity (Refer Note 35)	781.25	644.20
Other operating revenue		
Lease Rentals	22.22	23.13
Scrap sales	2.19	1.74
Others	23.97	19.82
	2,782.93	2,457.70
Less: Excise duty	126.70	126.89
Revenue from operations (net)	2,656.23	2,330.81
Details of Products Sold		
Finished and Traded goods sold		
Polyester staple fibre	1,423.63	1,311.27
Cotton processed long length	151.01	141.74
Cotton made ups	182.64	136.67
Traded goods - long length and made ups	190.34	168.91
	1,947.62	1,758.59

(₹ in crores)

23. OTHER INCOME	2013-14	2012-13
Interest income		
on inter-corporate deposits	1.47	2.18
on income-tax refunds	-	1.49
on fixed deposits with banks	0.62	1.40
on others	4.40	4.40
Profit on sale of current investments	-	0.04
Profit on fixed assets scrapped/sold (net)	0.03	0.11
Subsidy under Package Incentive Scheme	26.07	23.38
Gain on foreign currency transactions (net)	-	1.35
Sundry balances/excess provisions written back	1.06	1.78
Other non-operating income	6.10	7.54
	39.75	43.67

NOTES to financial statements for the year ended 31st March, 2014

(₹ in crores)

24. COST OF MATERIALS CONSUMED	2013-14	2012-13
Inventory at the beginning of the year	66.34	44.04
Add: Purchases	1,390.10	1,216.55
Less: Inventory at the end of the year	(64.79)	(66.34)
	1,391.65	1,194.25

Details of material consumed

(₹ in crores)

1. Cotton	0.96	2.40
2. Fibre	1.58	0.15
3. Yarn	22.62	34.54
4. Grey cloth	170.93	109.18
5. Dyes and chemicals	21.49	16.12
6. Purified Terephthalic Acid	854.47	749.75
7. Mono Ethylene Glycol	310.87	268.38
8. Others	8.73	13.73
	1,391.65	1,194.25

(₹ in crores)

25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	2013-14	2012-13
Manufacturing		
Inventories at the end of the year		
Finished goods	155.77	123.86
Work-in-progress	18.20	20.26
Stock-in-trade	30.40	14.55
	204.37	158.67
Inventories at the beginning of the year		
Finished goods	123.86	143.32
Work-in-progress	20.26	13.80
Stock-in-trade	14.55	12.37
	158.67	169.49
Inventory change - manufacturing (a)	(45.70)	10.82
Real Estate		
Inventories at the end of the year		
Stock in trade	5.07	5.07
Office Premises	-	0.30
Development work-in-progress	368.90	960.39
	373.97	965.76
Inventories at the beginning of the year		
Stock in trade	5.07	-
Office Premises	0.30	0.30
Development work-in-progress	960.39	1,285.22
	965.76	1,285.52
Less: Office premises capitalised during the year	(0.30)	-
Decrease/(increase) in inventory	591.49	319.76
Release from revaluation reserve in proportion of revenue recognised on entering into an agreement for sale	(227.65)	(156.91)
Inventory change - real estate (b)	363.84	162.85
	318.14	173.67

NOTES to financial statements for the year ended 31st March, 2014

(₹ in crores)

26. EMPLOYEE BENEFITS EXPENSE	2013-14	2012-13
Salaries, wages and bonus	83.15	86.98
Contribution to provident and other funds	5.79	7.81
Workmen and staff welfare expenses	4.36	4.42
	93.30	99.21

(₹ in crores)

27. FINANCE COSTS	2013-14	2012-13
Interest on long term borrowing	127.02	108.51
Interest on working capital loans	9.41	25.28
Ancillary borrowing costs	16.74	20.01
Exchange difference to the extent considered as an adjustment to borrowing costs	37.85	20.94
	191.02	174.74

(₹ in crores)

28. DEPRECIATION AND AMORTISATION EXPENSES	2013-14	2012-13
Depreciation on tangible assets	58.45	60.32
Depreciation on intangible assets	1.57	1.71
	60.02	62.03

(₹ in crores)

29. OTHER EXPENSES	2013-14	2012-13
Manufacturing Expenses		
Stores, spare parts and catalysts	60.14	49.54
Oil and coal consumed	100.54	83.96
Electric energy (net of refund receivable on account of regulatory liability charges)	43.75	47.31
Water charges	3.92	4.11
Repairs: Buildings	2.47	2.12
Machinery	6.11	5.97
Others	1.78	2.40
Excise duty other than relating to sales	0.06	1.07
Job work/processing charges	26.91	23.26
	245.68	219.74
Construction Expenses		
Architect fees and technical and project related consultancy	5.80	8.32
Civil, Electrical, contracting etc..	1.00	43.07
Payment to local agencies	-	0.86
Fees for cancellation of contracts,acquiring rights in real estate	0.23	5.87
Expenditure relating to construction/development transferred from capital work-in-progress in respect of commenced projects	-	2.74
Provision for estimated losses to completion	-	(1.84)
Transfer to Capital work-in-progress	-	(0.04)
	7.03	58.98

NOTES to financial statements for the year ended 31st March, 2014

29. OTHER EXPENSES (Contd.)

	2013-14	2012-13
Selling and Distribution Expenses		
Brokerage, commission and indenting charges on sales	14.88	20.32
Discount on sales	1.74	5.77
Freight and forwarding	24.96	17.56
Advertisement expense	24.80	33.85
	66.38	77.50
Establishment Expenses		
Rent	8.34	7.30
Rates and taxes	12.30	6.42
Insurance	1.62	1.86
Sundry balances written off	0.20	0.30
Provision for doubtful advances/debts	7.28	9.66
Legal and Professional Fees	10.02	7.47
Retainership Fees	1.96	2.34
Loss on foreign currency transactions (net)	56.37	-
Other expenses	50.26	57.11
	148.35	92.46
	467.44	448.68
Payment to auditor		
As an auditor:		
Audit Fee	0.47	0.42
Limited Review	0.35	0.30
In other capacity:		
Certification fees	0.01	0.01
Reimbursement of expenses	0.01	0.01
	0.84	0.74

NOTES to financial statements for the year ended 31st March, 2014

(₹ in crores)

30 Contingent Liabilities	2013-14	2012-13
A. Claims against the company not acknowledged as debt.		
(a) Income-tax matters in respect of earlier years under dispute (including interest of ₹ 4.91 crores) [31.03.2013. ₹ 5.85 crores] as follows:	23.72	25.77
i Decided in Company's favour by appellate authorities and department in further appeal	0.18	0.74
ii Pending in appeal - matters decided against the Company	23.54	25.03
(b) Sales Tax, Service Tax and Excise Duties	11.70	1.86
(c) Custom Duty	0.95	0.95
(d) Others (Claims against the company not acknowledged as debts) (with interest thereon)	45.04	34.59
In respect of items (a) to (d) above, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various forums/authorities.		
B. Guarantees		
1. Counter indemnity for an amount of ₹ 166.53 crores (31.3.2013 ₹ 116.67 crores) issued in favour of IDBI Bank Limited which in turn has guaranteed loans granted by Punjab National Bank International London and Bank of India, Jersey to PTFS secured by first pari-passu charge on 36,617.13 square metres of land at Company's Spring Mill Dadar, Naigaon together with all buildings, structures and erections there on.		
2. Corporate guarantee for an amount of ₹ 19.94 crores (31.03.2013 ₹ 17.45 crores) issued in favour of Bank of Bahrain & Kuwait, Bahrain for loans granted to PTFS. The Company has a pari passu charge on PTFS's assets, which would cover the aforesaid indemnity amount.		
C. Other money for which the company is contingently liable		
Bills Discounted	22.63	30.58

(₹ in crores)

31 Capital & other commitments	2013-14	2012-13
i Estimated amount of contracts to be executed on capital account and not provided for:	30.09	32.83
ii Other Commitments not provided for related to construction under development	53.92	62.25
iii In accordance with the EPCG Scheme, the company had during 2006-07 and 2007-08 imported capital goods at concessional rate of duty, subject to condition that the Company will fulfill, in future, a specified amount of export obligation within eight years. Amount of duty saved on import of the above goods aggregate ₹ 30.08 crores (31.03.2013 ₹ 30.04 crores) against which export obligation of ₹ 415.34 crores (31.03.2013 ₹ 402.04 crores) needs to be fulfilled. Of the same, export obligation amounting to ₹ 392.76 crores (31.03.2013 ₹ 339.12 crores) has been fulfilled and the balance export obligation amounting to ₹ 22.58 crores (31.03.2013 ₹ 62.92 crores) yet to be fulfilled by the year 2016.		
iv Export obligation pending under Advance License Scheme is ₹ 0.72 crores (31.03.2013 ₹ 1.06 crores) and duty saved thereon.	0.17	0.22

NOTES to financial statements for the year ended 31st March, 2014

- 32 During the year 2000-01, 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 titles in respect of certain immovable properties amalgamated into the Company are still in the process of transfer.
- 33 Based on the advice obtained by the Company, the premium charged by the Company on sale of apartments under the deferred payment scheme compared to the price charged under the normal sales scheme is also considered as part of sales consideration and is recognised as revenue under the percentage of completion method.
- 34 The Company vide notice dated 08th January, 2013 notified the closure of its textile mills manufacturing undertaking at Worli, pursuant to which some of the textile workers accepted alternate employment in the company and the remaining workers accepted closure of the undertaking and consequent termination of services under the memorandum of agreement signed by the Company with the workers union. In accordance with the agreement, the Company has paid/provided to such employees the terminal dues, closure compensation and ex-gratia compensation. Whilst some workers have accepted lump sum compensation, others have opted for a monthly payment up to age 63 or till demise, whichever is earlier. The liability in respect of the monthly payments has been actuarially determined as on the Balance sheet date at ₹ 6.40 crores (2012-13: ₹ 6.67 crores) by the independent actuary. As at the time of the previous voluntary retirement schemes, the cost relating to ex-gratia compensation aggregating to ₹ 0.76 crores (2012-13: ₹ 10.07 crores) has been added to the development cost of land as the said land is freed for real estate development.
- 35 During the year, the Company has agreed to sell certain apartments in the proposed residential towers being constructed at Island City Centre to SCAL Services Ltd., an associate company for a net consideration of ₹ 1505.64 crores (2012-13: ₹ 667.07 crores) in accordance with the Memorandum of Understanding (MOUs) entered between the companies. Based on the method of accounting followed by the company (percentage of completion), the Company has during the year recognized net revenue of ₹ 670.13 crores (2012-13: ₹ 323.11 crores) and resultant profit before tax of ₹ 355.45 crores (2012-13: ₹ 203.96 crores) from sale of apartments to SCAL, including an amount of ₹ 188.53 crores (2012-13: ₹ 87.31 crore) released from Revaluation Reserve.
- 36 Recognition of income and expenses on on-going real estate project under long term contracts is based on actual sales; estimated costs and work completion status. Determination of profits/losses, the percentage of completion, costs to completion and realisability of the construction work in progress & unbilled revenues necessarily involves making estimates by the Company, some of which being of a technical nature, are being relied upon by auditors. Profit from these contracts and valuation of construction work in progress/unbilled revenue is based on such estimates.
- 37 During the year 2010-11, the Company had agreed to sell certain area of in the proposed tower TWO ICC to Shaan Realtors Pvt. Ltd. (Formerly known as Accord Holding Pvt. Ltd.). The area agreed to be sold is under dispute and the matter has been referred to arbitration. The arbitrator vide order dated 13th January, 2014 passed the final award directing the company to allot to the claimants and/or its associates, friends, nominees carpet area of 1,00,000 sq. ft. less the carpet area as already allotted to them in the proposed tower TWO ICC. The Company has filed an appeal in the Bombay High Court under section 34 of the Arbitration & Conciliation Act, 1996 against the final award. The Company is confident that the final award passed by the learned arbitrator will get reversed in view of the strong merits in the case. Accordingly, the requisite area has been set aside by the Company and the total area allotted to Shaan Realtors Pvt. Ltd. (Formerly known as Accord Holding Pvt. Ltd.) will be accounted on disposal of the appeal filed in the High Court. No adjustment has been made in the accounts for the year ended 31st March, 2014 in view of the uncertainty involved.
- 38 The Bombay High Court vide its order dated 20th November, 2013 permitted the company to surrender land at one location i.e. Wadala, as per the application made by the company under integrated development scheme. As per this order the total of 66,651 sq. meter of land would be surrendered at Island City Centre, Wadala. The company has almost completed all the formalities required for surrendering the abovesaid land and land would be surrendered at the earliest. However, a Union filed another writ petition requiring the company to surrender non textile mill land. The Bombay High Court has directed the company to reserve additional 10,000 sq. meters of land adjacent to the land to be surrendered. The company believes that abovesaid writ petition filed in Bombay High Court has no impact on the development of two towers at ICC since the reserved land of 10,000 sq. meters is different from the one where construction of the two towers is coming up.
- 39 The remuneration paid to Managing Director is in excess of the limits laid down in section 198 of the Companies Act, 1956 read with Schedule XIII of the said Act. The excess remuneration of ₹ 2.92 crore is subject to the approval of the Central Government, in respect of which the Company has made an application and the approval is awaited.

NOTES to financial statements for the year ended 31st March, 2014

40 Prior Period expenses/(income) included under "Statement of Profit and Loss" for the year.

(₹ in crores)

	2013-14	2012-13
Interest liability not accounted	-	1.15
Gain on foreign currency transactions	-	(2.01)
Brokerage on sale of flats	-	6.57
Brokerage, commission and indenting charges on sales	0.62	-
	0.62	5.71

41 Employee Benefits

A. Defined Contribution Plan

The Company has recognized the following amounts in the statement of profit and loss under contribution to provident and other funds as under:

(₹ in crores)

	2013-14	2012-13
Employer's contribution to Provident Fund	3.45	3.44
Employer's contribution to Family Pension Fund	0.46	0.49
Employer's contribution to Superannuation Fund	0.66	0.68

B. Defined Benefit Plan

Gratuity - as per actuarial valuation as on 31st March, 2014

(₹ in crores)

	2013-14	2012-13
i. Reconciliation of opening and closing balances of Defined Benefit Obligation		
Present value of Defined Benefit Obligation as at 31st March, 2013	16.40	15.33
Interest cost	1.31	1.30
Current Service Cost	1.66	1.33
Benefits paid	(1.08)	(2.13)
Liability transferred out	-	(1.19)
Net Actuarial (gain)/loss	(1.25)	1.77
Present value of Defined Benefit Obligation as at 31st March, 2014	17.04	16.41
ii. Reconciliation of fair value of Plan Assets		
Fair value of Plan Assets as at 31st March, 2013	15.08	14.51
Expected return on Plan Assets	1.31	1.25
Net Actuarial gain/(loss)	(0.28)	(0.28)
Employer's Contribution	1.33	0.79
Transfer to other company	-	(1.19)
Benefits Paid	-	-
Fair value of Plan Assets as at 31st March, 2014	17.44	15.08
The Company expects to contribute in 2014-2015	1.13	2.71
The major categories of Plan Assets as a percentage of the fair value of total Plan Assets are as follows:		
Insurance Funds	75.20	100.00
Others	24.80	-
	100.00	100.00

NOTES to financial statements for the year ended 31st March, 2014

41 Employee Benefits (Contd.)

iii. Net assets/(liabilities) recognised in the Balance Sheet as at 31st March, 2014		
Present value of Defined Benefit Obligation	(17.04)	(16.41)
Fair value of Plan Assets	17.44	15.08
Net Assets/(liability) recognised in Balance Sheet	0.40	(1.33)
iv. Components of Employer's Expenses		
Current Service Cost	1.66	1.33
Interest Cost	1.31	1.29
Expected return on Plan Assets	(1.31)	(1.25)
Net Actuarial (gain)/loss	(0.97)	2.05
Total expenses recognised in the statement of profit and loss under contribution to Gratuity Fund	0.69	3.42
Actual return on Plan Assets	1.04	0.97
v. Actuarial Assumptions		
Mortality Table	LIC (1994-96)	LIC (1994-96)
Discount Rate (per annum)	9.25%	8.00%
Expected rate of return on Plan Assets	8.70%	8.70%
Salary escalation	8.50%	7.50%

vi. Amount recognized in current year and previous years

	(₹ in crores)				
	2013-14	2012-13	2011-12	2010-11	2009-10
1. Present Value of Defined Benefit Obligation as at 31st March	17.04	16.41	15.33	13.75	12.29
2. Fair Value of Plan Assets as on 31st March	17.44	15.08	14.51	12.99	10.58
3. Funded Status [Surplus / (Deficit)]	0.40	(1.33)	(0.82)	(0.76)	(1.71)
4. Experience adjustment on Plan Liabilities [(Gain)/Loss]	(1.00)	1.35	0.74	(0.15)	1.61
5. Experience adjustment on Plan Assets [(Loss)/Gain]	(0.28)	(0.27)	(0.37)	(0.34)	(0.23)

- vii 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.

viii The above information is certified by the actuary.

C. Other long term benefits-

Amount recognised as a liability in respect of compensated leave absences is ₹ 6.07 crores [2012-13- ₹ 5.71 crores]

D. Termination Benefits

Liability recognised in respect of termination benefits payable on monthly basis upto age 63 or demise whichever is earlier, as per actuarial valuation ₹ 6.40 crores (2012-13- ₹ 6.67 crores). The said amount together with other lump-sum payments aggregating to ₹ 0.76 crores (2012-13 - ₹ 10.07 crores) is added to the development cost of land (Refer note 34)

NOTES to financial statements for the year ended 31st March, 2014

42 Deferred Taxes

(₹ in crores)

	Deferred Tax (Liability)/Asset as at 1st April, 2013	Credit/(Charge) for the year	Deferred Tax (Liability)/Asset as at 31st March, 2014
Nature of Timing Difference			
(a) Deferred Tax Liabilities			
- Depreciation	(134.84)	1.73	(133.11)
	(134.84)	1.73	(133.11)
(b) Deferred Tax Assets			
- Item covered under section 43B	1.94	0.12	2.06
- Item covered under section 40A(ia)	-	1.33	1.33
- 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	129.72	(5.65)	124.07
- Provision for bad and doubtful debts	3.18	2.47	5.65
	134.84	(1.73)	133.11
Net	-	-	-

43 Current Liabilities

The amount of dues owed to Micro, Small and Medium Enterprises as on 31st March, 2014 amounted to ₹ 0.11 crore (31st March, 2013- ₹ 0.17 crore). This amount has been outstanding for more than 45 days at the Balance Sheet date. The information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Company has sought confirmation from vendors whether they fall in the category of Micro, Small and Medium Enterprises. Based on the information available the required disclosure under Micro, Small and Medium Enterprises Development Act, 2006 is given below:

Particulars	2013-14	2012-13
Principal amount due to suppliers and remaining unpaid under MSMED Act, 2006	0.11	0.17
Interest accrued and due and unpaid to suppliers under MSMED Act, on the above amount (₹ 3,831)	-	-
Interest paid	0.03	-
Payment made to suppliers (Other than interest) beyond the appointed day, during the year	2.11	1.46
Interest due and payable to suppliers under MSMED Act, for payments already made for the period of delay	0.02	0.02
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	0.03	0.03
Amount of further interest remaining due and payable in succeeding year	-	0.03

NOTES to financial statements for the year ended 31st March, 2014

- 44 The Company had introduced the Employee Stock Option Scheme (ESOS) as approved by the shareholders at the Annual General Meeting held on 13th August 2002. The scheme was amended by the shareholders at the Annual General Meeting held on 23rd July 2004 to incorporate the amendments under The Stock Option Guidelines vide SEBI circular dated 30th June 2003. The scheme has been further amended by the shareholders at the Annual General Meeting held on 7th August 2012 wherein the exercise price shall be based on the market price as defined in the SEBI (Employee Stock Option Scheme) Guidelines 1999 i.e. at the latest available closing market price, prior to the date of the meeting of the Board of Directors or Remuneration/Compensation Committee in which options were granted, on the stock exchange having highest trading volume.

As per the Scheme, the Remuneration/Compensation Committee grants options to the employees and Whole-time Directors of the Company. The vesting period of the option is one year from the date of grant. Options granted under the Scheme can be exercised within a period of three years from the date of vesting. Vesting of an option is subject to continued employment.

Under the Scheme, during the financial years from 2002-03 to 2006-07 the Company granted 1,64,410 options, each option representing one equity share of ₹ 10/- each. Out of these 1,57,910 options were exercised into equity shares and balance 6,500 options lapsed.

The Company has further granted 50,000 on 28th May, 2013 at an exercise price of ₹ 79.50 per share to the Joint Managing Director of the Company. 50,000 options which were granted on 28th May, 2013 were due for vesting on 28th May, 2014. However, these options have lapsed as the grantee has resigned from the Company before the vesting date. Consequent upon the sub-division of shares on and from 31st October, 2012, the number of options and the exercise price have been appropriately adjusted.

Method used for accounting of share based payment plan:

The Company has used intrinsic value method to account for the compensation cost of stock options to the Whole-time Director of the Company. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option. Since the options under the Scheme were granted at the market price, the intrinsic value of the option is ₹ Nil. Consequently the accounting value of the option (compensation cost) is also ₹ Nil.

Movement in the options under the Scheme:	31st March, 2014	31st March, 2013
Options outstanding at the beginning of the year	70,000	NIL
Options granted during the year	50,000	70,000
Options vested during the year	70,000	NIL
Options exercised during the year	NIL	NIL
Options lapsed during the year	50,000	NIL
Unexercised option outstanding as at the end of the year	70,000	70,000
Weighted average price per option (₹)	105.65	105.65

Fair Value Methodology:

Options have been valued based on Fair Value Method of accounting as described under guidance note on Accounting for Employee Share-based Payments using Black-Scholes valuation option-pricing model, using the market values of the Company's shares as quoted on the National Stock Exchange.

The key assumptions used in Black-Scholes model for calculating fair value of options under the Scheme as on the date of grant are as follows:

Particulars	31 March 2014	31 March 2013
No. of option granted	50,000	70,000
Date of grant	28th May, 2013	07th August, 2012
Vesting period (years)	Lapsed	1
Expected life of option (years)	2.50	3
Expected volatility	37.03%	45.42%
Risk free rate	7.32%	8.09%
Expected dividends	60% of face value of share	50% of face value of share
Weighted -average fair values of options per share (₹)	22.65	36

NOTES to financial statements for the year ended 31st March, 2014

Had the compensation cost for the Scheme been determined based on fair value approach, the Company's net profit and earnings per share would have been as per the pro-forma amounts indicated below:

Particulars	31 March 2014	31 March 2013
Net profit (as reported)	24.34	75.70
Less: Stock-based compensation expense determined under fair value based-method, net of Intrinsic Value (without considering tax impact)	-	0.25
Net profit (pro-forma) considered for computing EPS (pro-forma)	24.34	75.45
Basic earnings per share (as reported)	1.18	3.67
Basic earnings per share (pro-forma)	1.18	3.65
Diluted earnings per share (as reported)	1.18	3.67
Diluted earnings per share (pro-forma)	1.18	3.65

45 Derivative Instruments & unhedged foreign currency exposure

- (i) The following are the outstanding Forward Foreign Exchange Contracts entered into by the Company as on 31st March, 2014 for hedging the currency risk:

Particulars	Purpose	Amount in foreign currency	
		As at 31st March, 2014	As at 31st March, 2013
Forward contracts to buy USD	Hedge of external commercial borrowings & raw material imports	111,669,984	98,459,437
Forward contracts to sell USD	Hedge of firm commitments, highly probable forecast transactions and export of finished goods	3,000,000	9,986,221
Forward contracts to sell AUD	Hedge of firm commitments, highly probable forecast transactions and export of finished goods	NIL	3,055,128

- (ii) Particulars of unhedged foreign currency exposures as on 31st March, 2014

	As at 31st March, 2014	As at 31st March, 2013
(a) Trade Receivables		
USD	1,099,992	NIL
EURO	359,499	353,478
(b) Trade and Other Payables		
USD	346,553	1,192,056
EURO	213,795	56,224

- (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 ₹ 1.07 crores (2012-13 ₹ 0.18 crores) as on 31st March, 2014 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 Statement of Profit and Loss when the forecasted transactions arise.

NOTES to financial statements for the year ended 31st March, 2014

46 Earnings Per Equity Share

(₹ in crores)

	2013-14	2012-13
(i) Profit computation for both basic and diluted earnings per equity share of ₹ 2 each. Net profit as per Statement of profit and loss available for equity Shareholders	24.34	75.70
(ii) Number of Equity Share	No. of equity shares	No. of equity shares
Number of Equity Shares at the beginning of the year	206,534,900	206,534,900
Add:- Shares allotted during the year	-	-
Number of Equity Shares at the end of the year	206,534,900	206,534,900
Weighted average number of equity shares		
(a) For basic earnings	206,534,900	206,534,900
(b) For diluted earnings	206,534,900	206,539,258
Face value of Equity Shares (In ₹)	2	2
(iii) Earning per equity share		
Basic (in ₹)	1.18	3.67
Diluted (in ₹)	1.18	3.67

47 Operating Lease

- (a) The Company has taken certain motor vehicles, retail shops, flats and godown on operating lease. The particulars in respect of such leases are as follows:

(₹ in crores)

	As at 31st March, 2014	As at 31st March, 2013
(i) Total of minimum lease payments		
Total of minimum lease payments for a period:		
- not later than one year	5.10	2.79
- later than one year but not later than five years	12.43	2.23
- later than five years	2.79	-
(ii) Lease payments recognised in the statement of profit and loss for the year	3.89	2.57

- (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, for a period of one year for godowns and for a period of 3 years for flats

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

(₹ in Crores)

	As at 31st March, 2014	As at 31st March, 2013
(i) Lease rental income:		
Total of minimum lease payments for a period:		
- not later than one year	19.05	17.23
- later than one year but not later than five years	56.06	53.28
- later than five years	3.57	15.63

- (ii) With regards to details such as gross carrying amount, accumulated depreciation and depreciation for the current year, the same are not available separately.

NOTES to financial statements for the year ended 31st March, 2014

48 Segment Reporting

(₹ in Crores)

(i) Primary Segments - Business Segments	Textile	Polyester	Real Estate	Elimination	Total
A REVENUE					
1 Segment revenue - External sales/income from operations	535.16	1,317.59	803.28	-	2,656.03
	[454.65]	[1,208.82]	[667.25]	[-]	[2330.72]
2 Inter - segment revenue	-	4.68	-	(4.68)	-
	[-]	[3.87]	[-]	[(3.87)]	[-]
3 Total segment revenue	535.16	1,322.27	803.28	(4.68)	2,656.03
	[454.65]	[1212.69]	[667.25]	[(3.87)]	[2,330.72]
4 Unallocated revenue					0.20
					[0.09]
TOTAL					2,656.23
					[2330.81]
B RESULT					
1 Segment result/operating profit/(loss)	15.15	(110.01)	372.46		277.60
	[(12.34)]	[(27.04)]	[349.61]		[310.23]
2 Unallocated (Expenses)/Income Net					(53.44)
					[(37.68)]
3 Operating Profit					224.16
					[272.55]
4 Interest Expenses					(191.02)
					[(174.74)]
5 Income Taxes					(8.80)
					[(22.11)]
6 Net Profit					24.34
					[75.70]
C OTHER INFORMATION					
1 Segment assets	478.16	902.71	2,232.47		3,613.34
	[436.07]	[901.43]	[2,260.14]		[3,597.64]
2 Unallocated assets					150.25
					[186.98]
3 Total assets					3,763.59
					[3,784.62]
4 Segment liabilities	66.19	614.77	104.05		785.01
	[45.30]	[562.68]	[171.11]		[779.09]
5 Unallocated liabilities					79.75
					[70.58]
6 Total liabilities					864.76
					[849.67]
7 Cost incurred during the year to acquire segment fixed assets	4.08	4.00	4.50		12.58
	[6.78]	[2.52]	[31.79]		[41.09]

NOTES to financial statements for the year ended 31st March, 2014

48 Segment Reporting (Contd.)

(i) Primary Segments - Business Segments	Textile	Polyester	Real Estate	Elimination	Total
8 Depreciation	18.91 [19.90]	35.06 [36.19]	6.05 [5.94]		60.02 [62.03]
9 Non-cash expenses other than depreciation					
- doubtful advances written off	0.21 [0.30]	- [-]	- [-]		0.21 [0.30]
- provision for bad & doubtful debts	3.23 [3.76]	- [-]	- [-]		3.23 [3.76]
(ii) Secondary Segments - Geographical Segments			India	Rest of the World	Total
A Segment revenue from external customer, based on geographical location of customers			2,321.06 [2,057.85]	334.97 [272.96]	2,656.03 [2,330.81]
B Segment assets based on geographical location			3,547.65 [3,521.25]	65.69 [77.38]	3,613.34 [3,598.63]
C Cost incurred during the year to acquire fixed assets			12.58 [41.09]	- [-]	12.58 [41.09]

Notes:

- (a) The Company's operating facilities are located in India. Some 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.

49 Related party disclosures

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

Associate Companies:

Archway Investment Company Limited
 Pentafil Textile Dealers Limited
 Scal Services Limited
 Bombay Dyeing Real Estate Company Limited

Joint Venture Companies:

PT.Five Star Textile Indonesia

Key Management Personnel:

Mr.Jeh N Wadia - Managing Director
 Mr.Durgesh Mehta - Joint Managing Director (Upto 15.02.2014)
 Mr.Ness N Wadia - Director- Brother of Managing Director

Entities over which key management personnel and relatives exercise significant influence:

Go Airlines (India) Limited
 The Bombay Burmah Trading Corporation Ltd.

NOTES to financial statements for the year ended 31st March, 2014

49 Related party disclosures (Contd.)

(b) Transactions with Related Parties

(₹ in Crores)

Nature of transactions	Associate Companies	Joint Venture Companies	Key Management Personnel & their relatives	Entities over which Key Management Personnel & their relatives exercise significant influence
I) Transactions:				
(i) Inter-Corporate Deposits/Advances given				
- Archway Investment Company Limited	42.51	-	-	-
	(123.84)	(-)	(-)	(-)
- Scal Services Ltd.	-	-	-	-
	(16.50)	(-)	(-)	(-)
- Bombay Dyeing Real Estate Co. Ltd.	102.05	-	-	-
	(-)	(-)	(-)	(-)
- Jeh Wadia	-	-	-	-
	(-)	(-)	(0.08)	(-)
- Go Airlines (India) Ltd.	-	-	-	0.02
	(-)	(-)	(-)	(-)
(ii) Repayment received against ICD/Advances				
- Archway Investment Company Limited	53.41	-	-	-
	(119.16)	(-)	(-)	(-)
- Scal Services Ltd.	-	-	-	-
	(24.59)	(-)	(-)	(-)
- Bombay Dyeing Real Estate Co. Ltd.	102.05	-	-	-
	(-)	(-)	(-)	(-)
- Jeh Wadia	-	-	0.08	-
	(-)	(-)	(-)	(-)
(iii) Interest income on ICD/Advance				
- Archway Investment Company Limited	0.48	-	-	-
	(1.80)	(-)	(-)	(-)
- Scal Services Ltd.	-	-	-	-
	(0.46)	(-)	(-)	(-)
- Bombay Dyeing Real Estate Co. Ltd.	0.99	-	-	-
	(-)	(-)	(-)	(-)
(iv) ICDs taken				
- Scal Services Ltd.	-	-	-	-
	(3.92)	(-)	(-)	(-)
(v) Repayment of ICDs				
- Scal Services Ltd.	-	-	-	-
	(3.92)	(-)	(-)	(-)
(vi) Interest expense on ICD/advance				
- Scal Services Ltd.	-	-	-	-
	(0.08)	(-)	(-)	(-)
(vii) Airlines Tickets purchased				
- Go Airlines (India) Limited	-	-	-	0.01
	(-)	(-)	(-)	(0.13)

NOTES to financial statements for the year ended 31st March, 2014

49 Related party disclosures (Contd.)

(₹ in Crores)				
Nature of transactions	Associate Companies	Joint Venture Companies	Key Management Personnel & their relatives	Entities over which Key Management Personnel & their relatives exercise significant influence
(viii) Expenses incurred on behalf of related parties (reimbursable)				
- PT. Five Star Textile Indonesia	-	2.71	-	-
	(-)	(3.90)	(-)	(-)
- Go Airlines (India) Limited	-	-	-	0.47
	(-)	(-)	(-)	(0.26)
- The Bombay Burmah Trading Corporation Ltd.	-	-	-	0.71
	(-)	(-)	(-)	(0.72)
- Scal Services Ltd.	4.76	-	-	-
	(8.35)	(-)	(-)	(-)
(ix) Expenses incurred on behalf of Company (reimbursable)				
- The Bombay Burmah Trading Corporation Ltd.	-	-	-	0.13
	(-)	(-)	(-)	(0.09)
(x) Remuneration				
- Mr. Jeh Wadia	-	-	5.38	-
	(-)	(-)	(5.13)	(-)
- Mr. Durgesh Mehta	-	-	2.80	-
	(-)	(-)	(1.92)	(-)
(xi) Guarantee and collaterals				
- PT. Five Star Textile Indonesia	-	52.35	-	-
	(-)	(20.65)	(-)	(-)
(xii) Revenue from real estate activity [Refer footnote (b)]				
- Scal Services Limited	1,587.22	-	-	-
	(701.81)	(-)	(-)	(-)
(xiii) Reversal of sale on cancellation of contracts [Refer footnote (b)]				
- Scal Services Limited	81.58	-	-	-
	(34.74)	(-)	(-)	(-)
(xiv) Fees for cancellation of sale contracts/upside				
- Scal Services Limited	-	-	-	-
	(5.87)	(-)	(-)	(-)
(xv) Price differential on SCAL apartments sold				
- Scal Services Limited	3.28	-	-	-
	(9.63)	(-)	(-)	(-)
(xvi) Lease Rent income				
- Go Airlines (India) Ltd.	-	-	-	1.84
	(-)	(-)	(-)	(2.42)
(xvii) Sale of goods				
- Go Airlines (India) Ltd.	-	-	-	0.08
	(-)	(-)	(-)	(0.08)
- The Bombay Burmah Trading Corporation Ltd.	-	-	-	0.03
	(-)	(-)	(-)	(-)

NOTES to financial statements for the year ended 31st March, 2014

49 Related party disclosures (Contd.)

(₹ in Crores)				
Nature of transactions	Associate Companies	Joint Venture Companies	Key Management Personnel & their relatives	Entities over which Key Management Personnel & their relatives exercise significant influence
(xviii) Sale of fixed assets				
- Go Airlines (India) Ltd.	-	-	-	0.02
	(-)	(-)	(-)	(-)
(xix) Interest income on delayed payments				
- Scal Services Limited	0.93	-	-	-
	(-)	(-)	(-)	(-)
II) Receivable as at year end				
- Archway Investment Company Limited	-	-	-	-
	(10.90)	(-)	(-)	(-)
- PT. Five Star Textile Indonesia	-	20.02	-	-
	(-)	(18.44)	(-)	(-)
- Go Airlines (India) Limited	-	-	-	0.30
	(-)	(-)	(-)	(0.16)
- The Bombay Burmah Trading Corporation Ltd.	-	-	-	0.23
	(-)	(-)	(-)	(0.13)
- Jeh Wadia	-	-	-	-
	(-)	(-)	(0.35)	(-)
III) Payables as at year end				
- Scal Services Limited	9.04	-	-	-
	(49.02)	(-)	(-)	(-)
IV) Advances received for purchase of flats				
- Mr. Ness Wadia	-	-	0.57	-
	(-)	(-)	(0.81)	(-)
- Mr. Jeh Wadia	-	-	0.28	-
	(-)	(-)	(0.28)	(-)
V) Shareholders' deposit (as at year end)				
- PT. Five Star Textile Indonesia	-	15.22	-	-
	(-)	(15.22)	(-)	(-)
VI) Deposit (as at year end)				
- The Bombay Burmah Trading Corporation Ltd.	-	-	-	3.00
	(-)	(-)	(-)	(3.00)
VII) Guarantee and collaterals (as at year end)				
- PT. Five Star Textile Indonesia [Refer footnote (c)]	-	186.47	-	-
	(-)	(134.12)	(-)	(-)

Notes:

- Dividend paid has not been considered by the Company as a transaction falling under the purview of Accounting Standard 18 "Related Party Disclosures".
- Revenue from real estate activity and reversal of sale on cancellation of contracts are disclosed based on aggregate value of sales consideration as per agreements.
- Guarantees and collaterals to PT. Five Star Textile Indonesia are secured by a pari passu charge on the assets of the joint venture.

NOTES to financial statements for the year ended 31st March, 2014

50 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, 2014 ₹ in crores ₹ in crores	Maximum amount outstanding during the year ₹ in crores	No. of shares of the Company held by the loanees as at 31 st March, 2014
A. Investments and Loans and advances in subsidiary and associates					
1	Archway Investment Company Ltd.	Inter corporate deposit	- [10.90]	21.75 [39.24]	- [-]
		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]	- [-]
2	Pentafil Textile Dealers Ltd.	Investment in equity shares	0.88 [0.88]	0.88 [0.88]	- [-]
3	Bombay Dyeing Real Estate Company Ltd.	Investment in equity shares	0.02 [0.02]	0.02 [0.02]	- [-]
		Inter corporate deposit	- [-]	31.00 [-]	- [-]
4	Scal Services Ltd.	Investment in equity shares	0.30 [0.30]	0.30 [0.30]	- [-]
		Loans & advances	- [-]	- [16.34]	- [-]
			54.36 [65.26]	107.11 [109.94]	- [-]
B. Loans and advances in the nature of loans to companies in which directors are interested.					
1	PT. Five Star Textile Indonesia	Shareholders' Deposit	15.22 [15.22]	15.22 [15.22]	- [-]
		Loans & Advances	20.02 [18.44]	21.59 [18.44]	- [-]
			35.24 [33.66]	36.81 [33.66]	- [-]
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 A1, A4 and B1 above.					
	Employee Loans		0.60 [0.58]	0.76 [0.82]	- [-]

NOTES to financial statements for the year ended 31st March, 2014

51 Joint Ventures

The Company has the following joint venture as on 31st March, 2014 and its proportionate share in the assets, liabilities, income and expenditure of the respective joint venture company is given below:

(₹ in Crores)

	Name of the joint venture company	Percentage of holding	Assets	Liabilities #	Contingent Liabilities	Capital commitment	Income	Expenditure
			As at 31st December, 2013				For the year ended 31st December, 2013	
a.	PT. Five Star Textile Indonesia, (PTFS) (Incorporated in Indonesia)	33.89%	54.48	55.41	-	-	7.13	7.82
			@	^				
			[56.62]	[58.42]	[-]	[-]	[5.61]	[6.13]

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.

52 CIF value of imports of

(₹ in Crores)

	2013-14	2012-13
(i) Raw material	1,124.08	850.91
(ii) Stores, spare parts & catalysts	27.32	19.72
(iii) Capital goods	0.84	0.36
(iv) Construction material	-	0.96

53 Expenditure in foreign currency (Disclosure on payment basis)

(₹ in crores)

	2013-14	2012-13
(i) Travelling expenses	1.35	1.04
(ii) Interest	8.79	6.56
(iii) Architect Fees, technical & project related Consultancy	0.52	0.54
(iv) Other expenditure	3.83	3.92

54 Consumption

(₹ in Crores)

	2013-14	%	2012-13	%
Imported raw materials, spare parts and components	1,127.72	77.68	858.08	68.99
Indigenous raw materials, spare parts and components	324.08	22.32	385.71	31.01
	1,451.80	100.00	1,243.79	100.00

NOTES to financial statements for the year ended 31st March, 2014

55 Remittances in foreign currencies

(₹ in Crores)

	2013-14	2012-13
Remittance in foreign currencies on account of dividend to three non-resident shareholder i.e. the depository for the GDR holders and two Non-Domestic Companies:		
(i) on 1,33,35,715 equity shares of ₹ 2/-each, dividend for 2012-2013	1.33	-
(ii) on 5,66,945 equity shares of ₹ 10/-each, dividend for 2011-2012	-	0.28
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: 815 (2012-2013:717)		
(ii) on 2,18,26,077 equity shares of ₹ 2/-each, dividend for 2012-2013	2.18	-
(iii) on 44,90,980 equity shares of ₹ 10 each, dividend for 2011-2012	-	2.25

56 Earnings in foreign exchange

(₹ in Crores)

	2013-14	2012-13
(i) Export of goods calculated on FOB basis	321.81	265.52
(ii) Reimbursement of insurance and freight on exports	9.97	7.37
(iii) Sale of Flats	3.19	0.07

57 Figures in Brackets indicate corresponding figures for the previous year.

58 Previous year figures have been regrouped where necessary.

As per our report attached

FOR KALYANIWALLA & MISTRY

Chartered Accountants
Firm Registration No.104607W

Ermin K. Irani

Partner
Membership No.35646

Mumbai, 27th May 2014.

NUSLI N. WADIA

JEH N. WADIA

RAGHURAJ BALAKRISHNA

J.C. BHAM

Chairman

Managing Director

Chief Financial Officer

Company Secretary

Mumbai, 27th May 2014.

For and on behalf of the Board

R.A. SHAH
S. S. KELKAR
S. RAGOTHAMAN
A. K. HIRJEE
S. M. PALIA
MS. VINITA BALI
ISHAAT HUSSAIN
NESS N. WADIA

Directors



THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

(CIN: L17120MH1879PLC000037)

Registered Office: Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai – 400001.

Email: grievance_redressal_cell@bombaydyeing.com Phone: (91) (22) 66620000; Fax: (91) (22) 66193262

Website: www.bombaydyeing.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

ENV No.:

Name and Address of the Shareholder :

Registered Folio No./DP ID & Client ID :

No. of shares held :

I/We, being the member (s) of _____ shares of the above named Company, hereby appoint:

1. Name: _____ of _____
_____ Email: _____ Signature _____ or failing him/her,
2. Name: _____ of _____
_____ Email: _____ Signature _____ or failing him/her,
3. Name: _____ of _____
_____ Email: _____ Signature _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 134th Annual General Meeting of the Company to be held at Yashwantrao Chavan Center Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai – 400021 on Friday, 8th August, 2014, at 3.45 p.m. and at any adjournment thereof in respect of such resolutions as are indicated on the reverse of this page:

Resolution No.	Resolutions	For	Against
Ordinary Business			
1	Adoption of Audited Statement of Profit and Loss for the year ended 31 st March, 2014 and the Balance Sheet as on that date and the Reports of the Directors and the Auditors thereon		
2	Declaration of Dividend for the financial year ended 31 st March, 2014		
3	Appoint a Director in place of Mr. Nusli N. Wadia, who retires by rotation and being eligible, offers himself for re-appointment.		
4	Appoint M/s. Kalyaniwalla & Mistry, Chartered Accountants, as Statuary Auditors of the Company		
Special Business			
5	Approval of the Remuneration of the Cost Auditors		
6	Appoint Mr. A. K. Hirjee as Independent Director of the Company		
7	Appoint Mr. S. S. Kelkar as Independent Director of the Company		
8	Appoint Mr. R. A. Shah as Independent Director of the Company		
9	Appoint Mr. S. Ragothaman as Independent Director of the Company		
10	Appoint Mr. S.M. Palia as Independent Director of the Company		
11	Appoint Mr. Ishaat Hussain as Independent Director of the Company		
12	Special Resolution Under Sections 180(1)(c) of the Companies Act, 2013 for borrowing upto ₹ 2,000 crores.		
13	Special Resolution Under Sections 180(1)(a) of the Companies Act, 2013 for creating charges, mortgages and hypothecations in connection with the borrowing upto ₹ 2,000 crores.		
14	Special Resolution to renew and accept Fixed Deposits from members and public.		
15	Special Resolution Under Sections 197 of the Companies Act, 2013 for payment of remuneration to Non-Executive Directors of the Company (i.e. directors other than the Managing Director and/or the Whole-time Directors)		

Signed this _____ day of _____ 2014

Affix
₹ 1/- Revenue
Stamp

Signature of the Member

Signature of Proxy

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

VOTING THROUGH ELECTRONIC MEANS

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the Listing Agreement with Stock Exchanges, the Company is pleased to provide members facility to exercise their right to vote at the 134th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

In case of members receiving e-mail:

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" i.e. The Bombay Dyeing & Mfg. Co. Ltd. from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID:
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company. (6 Digit Alpha-Numeric)
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number R12345 then enter RA00R12345 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xi) Click on the EVSN for the relevant <Company Name> i.e. The Bombay Dyeing & Mfg. Co. Ltd., on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) **The voting period begins on 2nd August, 2014 at 9.00 a.m. and ends on 4th August, 2014 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of (record date) of 4th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

Mr. Nilesh G. Shah, Practicing Company Secretary, (Membership No. 2631) has been appointed as the Scrutinizer to scrutinize the evoting process in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.bombaydyeing.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the NSE and BSE Limited.



THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

(CIN: L17120MH1879PLC000037)

Registered Office: Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai – 400001.

Email: grievance_redressal_cell@bombaydyeing.com Phone: (91) (22) 66620000; Fax: (91) (22) 66193262

Website: www.bombaydyeing.com

ATTENDANCE SLIP

134TH ANNUAL GENERAL MEETING - 8th AUGUST, 2014

ENV No.:

Name and Address of the
Shareholder :

Registered Folio No./DP ID &
Client ID :

No. of shares held :

I certify that I am a registered Member/Proxy for the registered Member of the Company. I hereby record my presence at the 134th Annual General Meeting of the Company to be held at Yashwantrao Chavan Center Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai – 400021 on Friday, 8th August, 2014, at 3.45 p.m.

Name of the Member/Proxy

Signature of Member/Proxy

NOTE:

- 1) Members/Proxy holders are requested to bring this Attendance Slip to the Meeting and hand over the same at the entrance duly signed.
- 2) Shareholder / Proxy holder desiring to attend the meeting may bring his / her copy of the Annual Report for reference at the meeting.
- 3) **Kindly refer to the e-voting instructions on the reverse of this page.**



Bombay Dyeing

Corporate office: C-1, Wadia International Center (WIC), Pandurang Budhkar Marg, Worli, Mumbai - 400 025
Phone: +91 22 66620000 **Website:** www.bombaydyeing.com

Textile Processing Unit: B-28, MIDC Industrial Area, Ranjangaon, Tal. Shirur, Dist. Pune – 412 220

Phone: +91 21 38232700/38232800
Fax: +91 21 38232600

PSF Plant: A-1, Patalganga Industrial Area, Dist. Raigad, Tal. Khalapur, Maharashtra.

Phone: +91 2192 251096/103
Fax: +91 2192 250263

Bombay Realty

Sales office: The Island City Center (ICC), GD Ambekar Marg, Dadar (E), Mumbai - 400 014
Phone: +91 22 61912345 **Email:** sales@bombayrealty.in **Website:** www.bombayrealty.in



THE WADIA GROUP

The Group has scaled great heights in innovation and entrepreneurship, inspired by the centuries-old legacy of goodwill and trust. The British Coat of Arms, granted to Nowrosjee Wadia, symbolises this legacy and the Wadia Group's commitment to advancement and innovation.

The crest is a representation of the Group, its philosophy, beliefs and businesses.

The crest and base of the shield represent the family origins in the shipbuilding industry during the 1700s. The middle and upper parts of the shield depict the Group's interests in cotton growing and its links with England in the form of the Lancastrian rose. The hand holding the hammer atop the shield signifies industriousness, together with workmanship and skill. The sun that surrounds the hand stands for global recognition and merit.

The motto, IN DEO FIDE ET PRESERVERANTIA means 'Trust in God and Perseverance'.

<http://www.wadiagroup.com/>

The Bombay Dyeing and Manufacturing Company Limited
Registered Office: Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai 400 001.

AFTER 278 YEARS, OUR GROUP BRANDS

SINCE 1863

SINCE 1879

SINCE 1918

SINCE 1954

SINCE 2005

SINCE 2011