THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

Established 1879

Annual Report 2012-13

At Bombay Dyeing, we are creating value for diverse customers for over 130 years, catering to their aspirations and vision for the future.

Our products enrich lives of millions of people through their relevance and quality. We strive to consistently align our offerings to the evolving aspirations of our customers, and in the process, create value for all stakeholders.

Our past achievements motivate us to scale greater heights and take on future challenges with confidence.

We are now moving ahead with greater determination, and focus on effective execution to make the future, even more eventful than the past.

CORPORATE INFORMATION

DIRECTORS

Nusli N. Wadia, *Chairman*

Keshub Mahindra

R. N. Tata *(upto 07.02.2013)*

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*

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.

Website : www.bombaydyeing.com

ADMINISTRATIVE OFFICE

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

BANKERS

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

ADVOCATES & SOLICITORS

Messrs. Crawford Bayley & Co.
Messrs. 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

e-mail: sharepro@shareproservices.com

912, Raheja Centre,
Free Press Journal Road,
Nariman Point,
Mumbai – 400 021.

Tel: 022 - 66134700
Fax: 022 - 22825484

CONTENTS	PAGES

NOTICE

Notice is hereby given that the 133rd 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 Tuesday, 6th August, 2013, 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, 2013 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 dividend.
3. To appoint a Director in place of Mr. Keshub Mahindra, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Ishaat Hussain, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. Ness N. Wadia, who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** M/s. Kalyaniwalla & Mistry, Chartered Accountants, Mumbai, Firm Reg. No. 104607W, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors of the Company."

Notes:

(a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS/AUTHORITY, AS APPLICABLE.

(b) As required in terms of paragraph IV(G)(i) of Clause 49 of the Listing Agreement, the details of the directors seeking re-appointment at the Meeting are given in detail in the **Annexure I**, annexed hereto.

(c) The Register of Members and the Share Transfer Books of the Company will be closed from Tuesday, 30th July, 2013 to Tuesday, 6th August, 2013 both days inclusive.

(d) The dividend as recommended by the Board of Directors, if approved by the members at the 133rd Annual General Meeting, shall be paid on or after Wednesday, 7th August, 2013 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, 2013 in respect of shares held in physical form. In respect of shares held in electronic form, the dividend for the year ended 31st March, 2013 will be paid on or after Wednesday, 7th August, 2013 to the beneficial owners of shares as at the closing hours of 29th July, 2013 as per details furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for this purpose.

(e) The certificate from the Auditors of the Company certifying that the amended Employee Stock Option Scheme approved by the Shareholders at its Annual General Meeting held on 7th August, 2012 are being implemented in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999 as amended upto Circular No. SEBI/CFD/DIL/ESOP/5/2009/03/09 dated 3rd September, 2009 ('the Guidelines') and in accordance with the resolutions of the members passed at the general meeting will be available for inspection by the members at the AGM.

(f) Members are requested to notify immediately any change of address, changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), Mandates, Nominations, Power of Attorney, change of name and e-mail address, etc.:

   (i) to their Depositary 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.

(h) Members holding shares in physical form are requested to consider converting their holding to dematerialsed form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or Sharepro Services, for assistance in this regard.

(i) Members holding physical shares in identical order of names in more than one folio are requested to send to the Company or Sharepro Services, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be issued to such Members after making the requisite changes thereon.

(j) Pursuant to the provisions of Section 205A of the Companies Act, 1956, dividends for the financial year ended 31st March, 2006 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
2005-2006	27.07.2006	26.07.2013	02.10.2013
2006-2007	25.07.2007	24.07.2014	28.09.2014
2007-2008	02.09.2008	01.09.2015	04.11.2015
2008-2009	28.08.2009	27.08.2016	03.11.2016
2009-2010	11.08.2010	10.08.2017	17.10.2017
2010-2011	04.08.2011	03.08.2018	10.10.2018
2011-2012	07.08.2012	06.08.2019	13.10.2019

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

(k) Members holding shares in physical form may avail themselves of the facility of nomination in terms of Section 109A of the Companies Act, 1956 by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's Office at C-1, Wadia International Center (Bombay Dyeing), Pandurang Budhkar Marg, Worli, Mumbai - 400025 or from its R&TA at either of the aforesaid addresses.

(l) 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.

(m) Members intending to require information about the Financial Accounts, to be explained at the Meeting are requested to inform the Company at least a week in advance of their intention to do so, so that the papers relating thereto may be made, available, if the Chairman permits such information to be furnished.

(n) Members/proxies should bring the attendance slip duly filled in for attending the Meeting.

(o) Members are requested to bring their copy of the Annual Report to the meeting.

By Order of the Board of Directors,
For THE BOMBAY DYEING & MFG. CO. LTD.
J. C. BHAM
Company Secretary

Mumbai, 28th May, 2013.

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

ANNEXURE I

As required in terms of paragraph IV(G)(i) of Clause 49 of the Listing Agreement, the details of the Directors seeking appointment/reappointment at the Meeting are as follows:

Name of the Director	**Mr. Keshub Mahindra**	**Mr. Ishaat Hussain**	**Mr. Ness N. Wadia**
Age (years)	89	65	41
Expertise in functional area	B. Sc. graduate from Wharton, University of Pennsylvania, USA. Mr. Mahindra joined Mahindra & Mahindra Ltd. in 1947 as a Director and became the Chairman in 1963. He is also the Chairman of the Board of Governors of Mahindra United World College of India. He has been associated with various organizations including educational institutions like University of Pennsylvania, Institute for the Advanced Study of India, New Delhi, International Advisory Board of University of Pennsylvania, Centre for the Advanced Study of India, Philadelphia. He has vast experience and expertise in running numerous industries. He has contributed actively in the deliberations of various organisations such as Bombay Chamber of Commerce & Industry (BCCI), Associated Chambers of Commerce & Industry of India (ASSOCHAM), Employers' Federation of India, Indo-American Society. He is the former President of BCCI, ASSOCHAM, and Employers' Federation of India and former Chairman of Indian Institute of Management, Ahmedabad. He has also been appointed by the Government of India to serve on a number of Committees including the Sachar Commission on Corporation Law & MRTP, Central Advisory Council of Industries. He is the recipient of several awards including International Awards.	Completed his schooling from The Doon School in 1963 to join St. Stephens College Delhi to do his graduation in Economics. A Chartered Accountant from England and Wales, Mr Hussain attended the Advanced Management Programme at the Harvard Business School. He joined the Board of The Indian Tube Company (a Tata Steel associate company) in 1981. Thereafter, he moved to Tata Steel in 1983 after Indian Tube was merged with Tata Steel. Besides being on Board of Tata Sons Limited, he is the Chairman of Voltas Limited and Tata Sky Limited. He is also on the Boards of several Tata Companies viz. Tata Steel, Tata Industries, Tata Teleservices, Titan Industries Limited. In April 2005, Mr. Hussain has been appointed a Member of the Board of Trade, and in November 2006, had been appointed a Public Interest Director of Bombay Stock Exchange Limited. In January 2008, he has been appointed a Trustee on the Board of India Foundation for the Arts (IFA).	Mr. Wadia is Master in Science from the Warwick University in Coventry, UK. He has a rich and varied experience of over 19 years in connection with the business of the Company in various capacities including about 5 years as Deputy Managing Director and about 5 years as the Joint Managing Director. With effect from 1st April, 2011 he is a Non-Executive Director of the Company. Mr. Wadia is deeply involved in philanthropic activities and is associated with leading educational institutions and charitable hospitals.
Outside Directorship *	Chairman of Mahindra Ugine Steel Co. Ltd., and Mahindra Holdings Ltd., Vice-Chairman of Housing Development Finance Corporation Ltd. and Director of The Bombay Burmah Trading Corporation Ltd.	Chairman of Voltas Ltd. and Tata Sky Ltd.; Director in Tata Sons Ltd., Tata Steel Ltd., Titan Industries Ltd., Tata Inc., 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., Go Airlines (India) Ltd. and Tata Capital Financial Services Ltd.	Chairman of National Peroxide Ltd.; Managing Director of The Bombay Burmah Trading Corporation Ltd.; and Director in Britannia Industries Ltd., Go Airlines (India) Ltd., Wadia Techno Engineering Services Ltd. and Wadia Investments Ltd.
Committee Membership *	–	Chairman of Audit Committee of Tata Industries Ltd., Tata Teleservices Ltd. and Go Airlines (India) Ltd.; Member of the Audit Committee of Tata Steel Ltd., Titan Industries Ltd. AIG General Insurance Co. Ltd., Tata AIG Life Insurance Co. Ltd., Tata Sky Ltd. and Tata Consultancy Services Ltd.; Chairman of the Investors' Grievance Committee of Tata Steel Ltd.	Member of the Audit Committee of Britannia Industries Ltd.
No. of shares held in the Company	8,150	Nil	12,19,418

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

TO THE MEMBERS OF THE COMPANY

Disclosure under Section 302 of the Companies Act, 1956

Abstract of variation in the terms of remuneration of Mr. Durgesh Mehta, Joint Managing Director of the Company.

The shareholders at the Annual General Meeting (AGM) held on 11th August, 2010 had approved the appointment of Mr. Durgesh Mehta as the Joint Managing Director of the Company for a period of five years with effect from 1st April, 2010 on such terms and conditions as the Board may consider appropriate.

The Board of Directors of the Company ("the Board") at its meeting held on 28th May, 2013 approved on the recommendation of the Remuneration/ Compensation Committee, modification in the terms of remuneration of Mr. Durgesh Mehta, Joint Managing Director of the Company with effect from 1st April, 2012, for the residual period of his terms of appointment, as follows:

Basic Salary upto a maximum of ₹ 16,00,000/- per month.

Benefits, perquisites and allowances as may be determined by the Remuneration / Compensation Committee or the Board of Directors from time to time, or as may be applicable in accordance with the rules and policies of the Company, upto a maximum of ₹ 16,00,000/- per month.

Other Terms and Conditions of appointment as approved at the AGM held on 11th August, 2010 and recorded in the agreement dated 12th August, 2010 entered into between the Company and Mr. Durgesh Mehta shall remain unchanged.

Mr. Durgesh Mehta is interested individually insofar as the same relates to variation in his remuneration.

By Order of the Board of Directors,
For THE BOMBAY DYEING & MFG. CO. LTD.
J. C. BHAM
Company Secretary

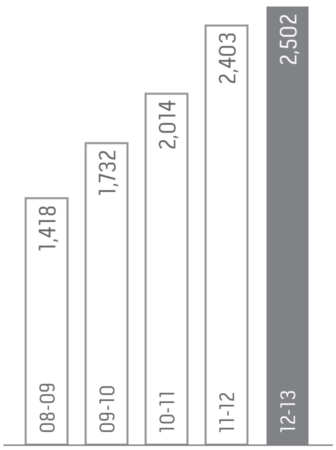
Mumbai, 2nd July, 2013.

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

FINANCIAL PERFORMANCE

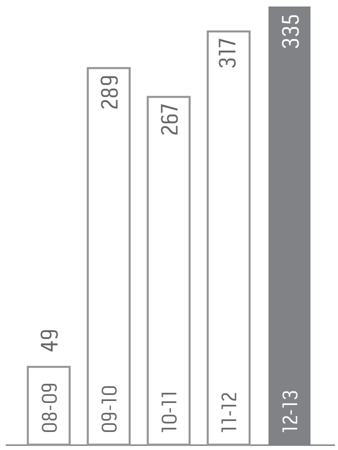
TOTAL REVENUE

(₹ in crores)



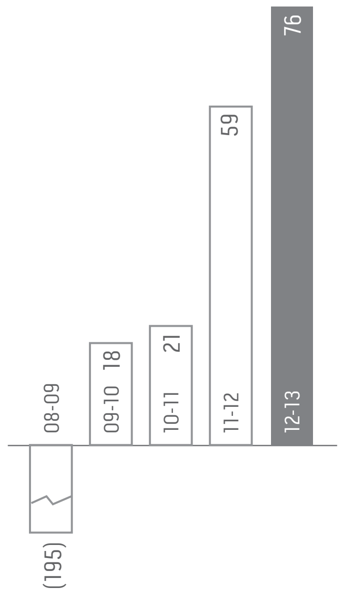
EBITDA

(₹ in crores)



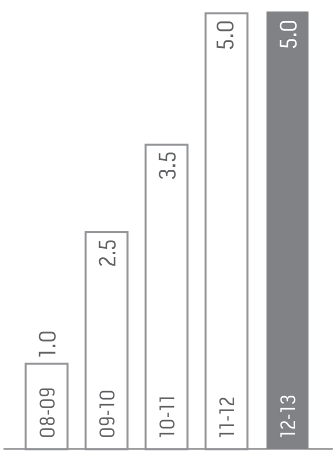
PAT

(₹ in crores)

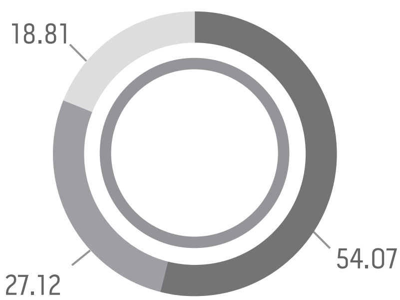


DIVIDEND PER SHARE

(₹)



SEGMENT BREAK-UP OF REVENUES, FY 2012-13 (%)



	(₹ in crores)
Textile	462
Real Estate	666
PSF	1,328

* Graph not to scale

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, 2013.

1. FINANCIAL RESULTS:

₹ in crores

	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
GROSS TURNOVER AND OTHER INCOME	2,502.12	2,402.63
Profit before Finance Costs and Depreciation and amortization expenses	334.58	316.81
Finance Costs	174.74	180.57
Profit before Depreciation and amortization expenses	159.84	136.24
Depreciation and amortization expenses	62.03	61.39
PROFIT BEFORE TAX	97.81	74.85
Less: Tax (net)	22.11	15.50
PROFIT AFTER TAX	75.70	59.35
Add: Balance in Statement of Profit and Loss of Previous Year	53.82	24.42
SURPLUS AVAILABLE FOR APPROPRIATIONS	129.52	83.77
Appropriations to:		
Proposed Dividend	20.66	20.66
Dividend Distribution Tax	3.50	3.36
Transferred to General Reserve	7.57	5.93
Balance carried to Balance Sheet	97.79	53.82

Previous year figures have been regrouped where necessary.

2. COMPANY RESULTS AND DIVIDEND

The Company's turnover for the year rose to ₹ 2,456 crores from ₹ 2,348 crores in the previous year, registering a growth of 5%. The revenue from Real Estate Division rose sharply from ₹ 566 crores in the previous year to ₹ 666 crores in the current year. The Textile Division registered a growth of 7% with a turnover of ₹ 462 crores as compared to ₹ 433 crores in the previous year. Polyester Staple Fibre (PSF) Division registered a turnover of ₹ 1,328 crores compared to ₹ 1,349 crores in the previous year.

The EBITDA for the year at ₹ 335 crores improved by 6% from ₹ 317 crores in the previous year. The Profit before Tax was ₹ 97.81 crores compared to ₹ 74.85 crores in the previous year. The Profit after Tax for the current year was ₹ 75.70 crores as against ₹ 59.35 crores in the previous year.

Your Directors recommend a dividend of ₹ 1/- per equity share of ₹ 2/- each for the year ended 31st March, 2013, to be paid, if declared by the members at the ensuing Annual General Meeting, as compared to dividend of ₹ 5/- per equity share of ₹ 10/- each paid in the previous year. The total dividend outgo for the year under review is ₹ 20.66 crores, the same as last year.

3. REAL ESTATE DIVISION:

The revenue from real estate activity was ₹ 666 crores as compared to ₹ 566 crores in the previous year. The operating profit for the year was ₹ 350 crores as against ₹ 269 crores in the previous year.

Bombay Realty (BR), the real estate division of the Company, has launched two high rise luxury residential towers viz. 'One ICC' and 'Two ICC' at Island City Center (ICC), which will have world class amenities and features.

A renowned Architect has been appointed as Lead Consultant for the project. Consultants for Structural Engineering, Mechanical, Electrical & Plumbing, Vertical transportation, Facade, LEED Gold certification etc. have also been appointed. The consultants would be supported by internal experts in these areas. The project will include energy efficient features and use of sustainable material which will ensure substantial operational cost savings in energy and water consumption leading to higher satisfaction levels of occupants as compared to conventional buildings.

During 2012, the Company was required to amend the building designs for ICC to meet the requirements of new Development Control Regulations. The modified building design has been prepared with a view to optimize the building efficiency.

MCGM has issued a Stop Work Order at Company's Worli Textiles Mill site (WIC) pursuant to withdrawal of approval granted in 2004 for modification to the Textile Mill Modernisation scheme by the Textiles Department of Government of Maharashtra. This has been challenged by the Company in its Writ Petition before Hon'ble Bombay High Court.

Pursuant to the Order of Hon'ble Supreme Court dated 9th August, 2012 for handing over the share of land to MHADA and MCGM at the two mills respectively, the Company has submitted plans for consolidated hand over as per Integrated Development Scheme. Subsequently, as directed by MCGM, the Company has filed an application before Hon'ble Supreme Court for modification of its Order of 9th August, 2012 to enable hand over at single location.

The Directors believe that irrespective of the outcome of the case, the Company's development plans are not likely to be affected.

The handover of land admeasuring over 66,000 square meters would be one of the largest handover of land in Mumbai. This will enable MHADA to provide housing to over 4,000 families. Besides, the Company would also be rehabilitating over 1,000 families currently residing on the site.

4. TEXTILE DIVISION:

The Textile turnover has increased from ₹ 433 crores in the previous year to ₹ 462 crores for the year ended on 31st March, 2013 i.e. a growth of 7% over previous year. Despite this the division suffered an operational loss of ₹ 12 crores in the current year compared to a profit of ₹ 5 crores in the previous year due to lower margin and adverse product mix.

Domestic business grew by 5% led by mix improvement. Exports turnover grew by 35% from ₹ 34 crores to ₹ 46 crores However, there was a severe pressure on the margins due to slowdown of growth both in domestic and international markets.

In order to provide thrust to domestic retail business, the Company has created a new Retail Division to drive growth in the domestic market.

5. POLYESTER DIVISION:

The Division achieved a turnover of ₹ 1,328 crores during the year as compared to ₹ 1,349 crores in the previous year. The demand and prices of PSF are to a significant extent linked to supply and prices of cotton. During the year, cotton prices continued to remain depressed, leading to lower realization for PSF. Further, it also led to a large number of spinners remaining away from PSF, thereby adversely impacting the volume. Increased capacity in the recycled PSF industry also adversely impacted the PSF business. The average capacity utilization of 81.5%, though lower than 84% achieved in the previous year was significantly better than industry capacity utilization of 71% during the year.

The margins of the PSF Division were adversely impacted due to a sharp increase in the raw material prices in the backdrop of escalating crude oil prices, continuing adverse impact of rupee depreciation and sharp increase in conversion cost due to increase in RLNG and power cost, during the year.

6. FIXED DEPOSITS:

During the year, all the matured fixed deposits were either renewed or repaid except those which were not claimed. The Company also accepted fresh deposits from public and shareholders. Total deposits outstanding as on 31st March, 2013 amounted to ₹ 131.80 crores out of which 122 deposits aggregating ₹ 0.70 crores had matured, but not been claimed.

7. SUB-DIVISION OF EQUITY SHARES:

In terms of the approval accorded by the shareholders through Postal Ballot, each equity share of the face value of ₹ 10/- each fully paid up was sub-divided into 5 equity shares of the face value of ₹ 2/- each fully paid up on and from 31st October, 2012.

8. 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.

9. 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.

10. INSURANCE:

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

11. DIRECTORS:

During 2012, Mr. R. N. Tata stepped down from the Board of various companies in pursuit of engaging in causes which were of personal interest to him. In line with this decision, he also tendered his resignation as Director of the Company vide his letter dated 22nd January, 2013.

The Directors place on record their appreciation of the invaluable contribution and guidance provided by Mr. R. N. Tata.

In accordance with the provisions of the Act and the Company's Articles of Association, Mr. Keshub Mahindra, Mr. Ishaat Hussain and Mr. Ness N. Wadia retire by rotation and are eligible for re-appointment.

12. DIRECTORS' RESPONSIBILITY STATEMENT:

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

(i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material 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.

13. 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'.**

14. 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.

15. AUDITORS:

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

The Central Government accorded its approval to the appointment of Messrs. N. I. Mehta & Company, as the Cost Auditors for auditing the cost accounts relating to Textiles and Polyester for the Financial Year 2012-13. The Cost Audit Reports for Textiles and PSF Divisions were submitted to the Central Government well before the due date of filing the same.

16. APPRECIATION:

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

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

Place: Mumbai
Date: 28th May, 2013.

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, 2013.

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

- Trial with LED lights in place of CFL Lamps.
- Redistribution of transformer load for optimal performance.
- Strictly monitoring and maintaining unity power factor (PF).
- Staggered working of electrical lights, fans, air conditioners.
- Optimal use of ambient conditions for HU plant.

PSF operations

- Direct charging of PTA from hopper to bin to reduce compressor operation.
- Part diversion of REG stream to increase slurry temperature.
- Higher catalyst concentration in catalyst batches.
- Reduction of circulating EG flow in UFPP Spray condenser.
- Keeping one HTF heater on Cold Standby mode during normal operation.
- Changing the Drive motor of BFW pump to enable operating only one pump in place of two.
- Installation and Operation of a low capacity screw compressor with Elliot Compressor to save energy.

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

Textile operations

- LED lamps trial.

PSF operations

- Project for Coal Fired Boiler to replace expensive RLNG based steam generation to coal based is under implementation. Project Cost is approximately ₹ 18 crores.

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

Saving of energy cost is ₹ 1,47,565/- per year at Textile Mill on account of electricity.

Improvement in overall specific energy consumption per MT of PSF.

(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

- Initiated and introduced new healthcare and functional finishes in bedlinen such as Infused Aloevera, Aroma, Vitamins, Antioxidants, Sanitised Antibacteria, Moisture management, Mosquito repellant, Special brightening, High bulk and bounce, Silky properties, etc., achieved through nano technologies.
- New product development – Reversible bedlinen, Diwan sets, Digitally printed cushions, Bedlinen in Organic cotton, Bed in a Bag collections for infants/ youth/ gifting, Coordinated comforters, bedcovers and topsheets, etc. has been carried out.

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

Textile

- Improvement in product marketability and business viability, leveraging brand equity and making it more relevant in today's context through quality improvement and focused product development to meet consumer needs and tastes.

3. Future plan of action

(PSF)

- Process development for reduction in Energy consumption.
- Establishing production process for Speciality products like Spun Lace, Super Micro Denier, and Super High Tenacity PSF including for Technical textiles.
- Develop fibre for Geo-Textiles and other high end use.

4. Expenditure on R & D

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

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(Polyester Division)

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

- Finer denier Black, Optical white and Trilobal Black products were established.
- Fibres suitable for Non-woven, including Engineering Product applications, Air Jet spinning, Compact yarn spinning and Industrial yarn applications developed.
- Spinnerets designed to produce fine and superfine (micro) deniers with optimal product quality and productivity were introduced in operation.
- Modified design of high strength spinnerets for commodity fibres were introduced in operations eliminating the distributor plates.

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

- Varied product mix with more speciality fibres, enabling high capacity utilization.
- Improved customer base and satisfaction.

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

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

4. Foreign Exchange Earnings And Outgo:

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

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

(ii) Total foreign exchange used and earned:

	₹ in crores
Total foreign exchange used	884.02
Total foreign exchange earnings	272.96

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

Place: Mumbai
Date: 28th May, 2013

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)		640.85	672.83
	Total Amount (₹ in crores)		44.11	42.28
	Rate/Unit (₹)		6.88	6.28
	(b) Own Generation			
	(Through Diesel Generator)			
	Unit (KWH in lakhs)		0.05	0.09
	Units per Ltr. of Diesel		1.88	2.66
	Cost/Unit (₹)		26.75	14.50
2	**Furnace Oil/L.S.H.S.**			
	Quantity (in M. Tons)		74.00	89.03
	Total Cost (₹ in crores)		0.31	0.33
	Average Rate (in ₹ per M.T.)		42313.90	36971.81
3	**RLN GAS**			
	Quantity in (MMBTU)		788926.00	823208.00
	Total Cost (₹ in crores)		71.67	49.20
	Average Rate (in ₹ per MMBTU)		908.47	597.70
4	**Coal**			
	Quantity (in M. Tons)		22051.00	23061.00
	Total Cost (₹ in crores)		10.88	10.77
	Average Rate (in ₹ per M.T.)		4933.04	4668.47
B.	**CONSUMPTION PER UNIT OF PRODUCTION**			
1	**Electricity (KWH)**			
	Cloth	1000 Mtrs	457.33	501.40
	Yarn	100 Kgs	-	-
	PSF	per M.T.	395.00	367.00
2	**Furnace Oil/L.S.H.S.(M.T.)**			
	Cloth	1000 Mtrs	3.62	4.01
3	**RLN GAS**			
	PSF	per MMBTU	5.830	5.634
4	**Coal (M.T.)**			
	Cloth	1000 Mtrs	1075.45	1037.80

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: 2002-03 70,000 Options Financial Year: 2003-04 55,000 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 14,000 Options 1,78,410 Options The numbers of options have been appropriately adjusted upon sub-division of the equity shares on 31st October, 2012 as under:

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
Total	1,78,410	8,92,050

(b) The pricing formula	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. 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. 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. 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. Consequent upon the sub-division of equity shares on and from 31st October, 2012, the exercise price was adjusted as under:

Date of Grant	Adjusted Exercise Price (₹/share)
07.08.2012	105.65

Particulars	No. Of Options
(c) Options vested (as at 31st March, 2013)	7,89,550 Options Options vest 1 year after date of grant of options 70,000 options which were granted on 7th August, 2012 (i.e. 14,000 options prior to sub-division) are due for vesting in the next financial year (i.e. 7th August, 2013)
(d) Options exercised (as at 31st March, 2013)	7,89,550 Options (i.e. 1,57,910 Options prior to sub-division of shares)
(e) The total number of shares arising as a result of exercise of option	7,89,550 Equity Shares (i.e. 1,57,910 Equity Shares prior to sub-division of shares)
(f) Options lapsed	32,500 Equity Shares (i.e. 6,500 Equity Shares prior to sub-division of shares)
(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 (i.e. 14,000 options issued prior to sub-division of shares)
(j) Employee wise details of options granted to:	
(i) Senior managerial personnel	70,000 Options (14,000 options prior to sub-division of shares) granted to the Joint Managing Director, Mr. Durgesh Mehta
(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	₹ 3.67
(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	₹ 0.25 crore
(iii) The impact of this difference on the profits and on EPS of the Company	The effect on the profits and earnings per share, had the fair value method been adopted, is presented below:

Profit After Tax		₹ in Crores
As reported		75.70
Add: Compensation cost as per Intrinsic Value		Nil
Less: Compensation cost as per Fair Value (Black-Scholes model)		0.25
Adjusted Profit		75.45
Earnings Per Share	**Basic (₹)**	**Diluted (₹)**
As reported	3.67	3.67
As adjusted	3.65	3.65

Particulars	No. Of Options
(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)]	Weighted average Exercise Price for the options granted during the year: ₹ 528.25 Weighted average Fair Value of Option: ₹ 179.98 per option In view of the sub-division, the exercise price and fair value of option as pro-rated are as under: - Exercise Price for options granted during the year: ₹ 105.65 - Fair Value of options: ₹ 36 per option
(n) Description of method and significant assumptions used during the year to estimate the fair values of options:	Black-Scholes Model
i) risk – free interest rate	8.09%
ii) expected life of options	3 years
iii) expected volatility	45.42%
iv) expected dividends	50% of face value of share
v) the price of the underlying share in market at the time of option grant	₹ 105.65 per share of ₹ 2/- equivalent to ₹ 528.25/- per share of ₹ 10/- each before sub-division i.e. the closing price at NSE prior to the date of the meeting of the Board for grant

On behalf of the Board of Directors

NUSLI N.WADIA

Chairman

Place: Mumbai

Date: 28th May, 2013

ANNEXURE 'C' to the directors' report
MANAGEMENT DISCUSSION AND ANALYSIS

The year under review was a challenging year. The global economy continued to witness slower economic growth despite modest recovery in US economy led by housing and consumer sectors. The economies of India and China were forced to tighten liquidity to control inflation, resulting in slow-down. These global events also had dampening impact on Indian economy. Deceleration in industrial output and lower export weakened India's economic growth. The economy grew by about 5% during the year 2012-13 which is one of the lowest in the current decade.

The good sign is that the Indian economy appears to have bottomed out and is on its way to recovery on the back of improved external demand, growing internal consumption, expected better monsoon, moderation of inflation and policy reforms. Significant improvement from current low levels of economic growth is certainly feasible. Overall economic growth is expected to rise to 6.4% in 2013-14 as per Government forecast.

REAL ESTATE BUSINESS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Real Estate market in the country has been hitherto dominated by players from the unorganized sector. Due to some unscrupulous players the developers were perceived as unreliable and undependable by the authorities as well as by the potential buyers. The entry of reputed industry houses in recent years has not only changed the basic rules of the game but also has provided the customers with greater choice for a reliable provider of home. Thus, the profile of the industry is undergoing a significant change with an increasing share of market moving to organized players and large corporates.

At present, the sector is highly regulated with complex administrative and legal frame work with multiple authorities laying down stringent conditions for development in an area which is a basic need of the people. Moreover, several of these regulations are localized thereby preventing a Pan India approach by large corporate developers. Recently, the cabinet has approved the draft Real Estate Regulations bill which will bring clarity and transparency to both, industry as well as the customers. This will streamline and bring uniformity in the approval process and ensure greater accountability, as well as a speedy governance process by the authorities.

The Real Estate market in Mumbai city has experienced a significant growth in the past 15 years and the prices have shot up multifold in past decade. The growing urbanization and increase in the younger population is expected to fuel the market growth. It may be noted that currently 64% of the country's population is in the working age group. This, coupled with income levels which are catching up with more affluent nations especially amongst the professional classes is expected to drive the demand for luxury apartments priced above ₹ 3 Crores.

Notwithstanding various challenges in the present macroeconomic environment, the market for real estate has witnessed several new project launches. While the prices have remained stable in Mumbai city in the last year, the demand has started picking up. The expected interest rate reduction and turning around of the economy will boost the demand. This is likely to be further supplemented by increasing demand from Non-Resident Indians for whom the weakening Rupee has made India an attractive investment destination.

OPPORTUNITIES AND THREATS

Your Company enjoys the benefit of two large contiguous land parcels with clear titles. This will enable successful development of mixed use destination comprising residencies, offices, retail and hotels with well-planned luxury amenities and large open spaces. The strategic locations of the two sites at the cross road between Trans Sea Link corridor is expected to add significant value for the two sites.

Another major advantage of your Company is the excellent reputation and credibility enjoyed amongst potential buyers which can be leveraged to build a long lasting Real Estate brand called Bombay Realty.

The major threat faced by the business includes possible delays in approval process at multiple agencies which could prolong the project time line and also impact the Company's Cash Flow. Further, delays in infrastructure development and improvement in the connectivity can also lead to lower than planned pace of value creations.

RISKS AND CONCERNS

The Company's projects could see delays due to bureaucratic regulatory environment. Excessive supply of 'luxury residence' in the Central Mumbai area by competing developers might impact the project profitability negatively. The continued growth concerns in the developed world having a negative effect on the world markets and particularly the Indian markets may affect the Company's projects.

TEXTILE BUSINESS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The textile industry plays a crucial role in the Indian Economy. Apart from providing one of the basic necessities of life, it also contributes significantly to the industrial output, employment generation and export earning of the country.

The country's economic growth has created significant opportunities for Textile Retail Growth.

The textile sector, contributes about 14% to the Industrial output, 4% to the GDP, and accounts for 17% of the country's exports. It provides direct employment to over 35 million people, next only to agriculture.

Within the overall Textile sector, Home Textile market size is estimated at over ₹ 10,000 crores. The share of organized sector, however, in this sector is less than 10% while the market size is expected to grow at 9% per annum; the share of organized sector is expected to increase significantly over next few years.

Traditionally, the consumers are being serviced through Wholesale and Multi Brand Outlets. However, in the recent years substantial growth has been witnessed in Large Format Stores which offer a variety of products under a single roof, and are therefore popular among young consumers, pressed for time. The 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. The policy initiatives like exempting Textile made up articles from excise duty are likely to help in growth of this sector.

OPPORTUNITIES AND THREATS

Rapid expansion of modern format retail, enabling improved display is expected to add growth. Allowing FDI in retail will also help in expansion of this channel. To avail of this opportunity, your Company has set up a new strategic business unit under the leadership of CEO Retail. The SBU has set aggressive targets to drive growth in this market as well as improve profitability and strengthen brand image of Bombay Dyeing. The unit is expected to add several new products.

One of the key initiatives in this division is expanding Company's retail network to bring the product nearer to the target customers. The product offerings are also being improved through improved packaging, launch of specialty product ranges and significant investment in design capabilities. The product range is being expanded through new products in Bed and Bath categories.

The key threat to business continues from low cost of imports from China as well as aggressive pricing by newer entrance in the market. With Large Format Stores becoming key shopping destinations and growth drivers, the balance is also tilting against manufacturers, which could erode the margins.

The Company's Export Business which had considerably shrunk in past 5 years, continues to suffer due to demand recession in Western Europe and U.S. Markets.

While the year under review saw significant growth on a low base, the profitability in the business is unviably low.

OUTLOOK

The raw material prices are expected to remain stable due to good cotton production. The demand growth is likely to pick up resulting from the overall economic recovery. The margins are likely to be under pressure due to aggressive competition. Your Company proposes to focus on improving design range, driving fast growth through expanding store network, introducing more value added products and aggressive marketing.

Export markets may continue to remain weak. Your Company will focus on building continuous relationship with large and medium sized buyers abroad.

RISKS AND CONCERNS

Key concern remains cheap imports especially from countries like China. Failure of monsoon in cotton growing area could lead to unreasonable inflationary pressure on cost which may be difficult to pass on to the customers. Imposition of added tax burden through LBT, etc. may also hamper growth. Under these circumstances the Company remains cautiously optimistic of the future prospect of the business.

POLYESTER BUSINESS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Polyester Staple Fibre (PSF) is produced from two major petrochemical intermediates, Purified Terephthalic Acid (PTA) and Mono Ethylene Glycol (MEG), and is used as substitute for cotton to manufacture spun yarns, either wholly with polyester or blended with cotton or with Viscose Staple Fibre (VSF). There are three major producers of PSF in the country. A fourth small producer has entered the PSF business during the year. While the market leader is fully vertically integrated, the other producers including your Company are stand-alone PSF manufacturers.

Over the past few years, the yarn industry has enhanced use of recycled polyester, derived from recycling of PET bottles and other waste material. However, the quality of such fibre is significantly inferior.

With 60% of global PSF capacity, China remains a dominant influence on polyester and downstream textile products.

The Indian PSF business saw a marginal reduction in volume and realization due to continuing weak cotton prices and other extraneous factors like weakness in euro zone economies and consequent increase in crude, RLNG and petrochemical prices in the world market. The sharp rise in Rupee to US Dollar exchange rate has resulted in further rise in key raw materials prices. The overall polyester industry's capacity utilization thus came down to barely 70-72%, even though your Company could manage to deliver 81.5% (as against 84% in the previous year).

The world PSF market remained subdued due to a static demand in the western countries, and slower growth in China.

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. It is also a fibre where significant technological improvement to import specialized characteristics is possible. The improving economic conditions both in western hemisphere and in Asia, combined with continuously rising demand for textile products in general, both in apparel and non-apparel or technical textile segments, demand for PSF is expected to grow steadily over a long term. This would help your Company to achieve higher capacity utilization and contain manufacturing costs.

However, if the cotton prices were to remain at an unattractively low level, close to PSF prices, coupled with high crude oil prices, the industry would face severe cost pressures thereby eroding the margin and jeopardizing viability of the industry.

OUTLOOK

While the year 2012-13 was not a rewarding period from business perspective, few positives could be derived out of the operation such as efforts toward energy conservation and maintaining reasonable healthy capacity utilization compared to the industry average. With our sustained efforts in these fronts coupled with anticipated improved demand and higher capacity utilization, we expect the business to improve and become profitable. This will further be aided by your Company's focus on speciality fibre, innovative product mix and long term measures for cost reduction by converting fuel from RLNG to coal.

RISKS AND CONCERNS

The demand and prices of PSF are to a significant extent linked to supply and prices of cotton and any significant change in the size of crop in India, as also global cotton production could have an impact on the demand of the product. Government's policy on export of raw cotton could also be a factor in the growth of demand for PSF. Wide fluctuation in crude oil prices and the resultant changes in the prices of PTA and MEG as well as exchange rate will affect prices of raw materials and consequently, the margins of business. Significant fluctuations in price of natural gas, coal and power could impact the conversion cost and margins. Addition of global or Indian capacity for PSF could put pressure on pricing and also margins.

SEGMENT-WISE PERFORMANCE

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

GENERAL

INTERNAL CONTROLS

The Company maintains adequate internal control 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 our internal controls as also, identify areas where it needs to be further strengthened. The scope and authority of the Internal Audit are well defined in the internal audit charter, approved by the Audit Committee. Internal audit plays a key role in providing an assurance to the Board of Directors of adequate internal control system. The audit committee at its meetings reviewed the reports of the internal auditors as well as the Risk Management process of the Company.

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

HUMAN RESOURCES

A structured benchmarking of Key HR processes and systems of your Company was undertaken in consultation with IBM consulting to leverage the 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 the business requirements. We continue to have harmonious industrial relations at both our manufacturing facilities at Patalganga and Ranjangaon.

Resources & Liquidity

The Company's liquidity remained comfortable during the year. The total borrowings were reduced by ₹ 50 crores primarily due to internal generations and reduction in working capital.

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

Cautionary Statement.

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

ANNEXURE 'D' to the directors' report

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

At Bombay Dyeing we have formulated and adhere to a set of strong corporate governance practices. Our processes, customs, policies are shaped and controlled by certain ethical rules and regulations, enshrined in Wadia Code of Conduct which is applicable to all employees and business partners.

From these rules and principles of Corporate Governance emerge the pillars of Bombay Dyeing's governance philosophy; namely trusteeship, transparency, empowerment and accountability, control and ethical corporate citizenship. We believe that the practice of each of these leads to the creation of the right corporate culture in which the company is managed in a manner that fulfills the purpose of Corporate Governance. The Company has constantly demonstrated ethical and transparent business practices.

2. BOARD OF DIRECTORS:

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

The details are given below :-

Name	Category	No. of Board Meetings attended during 2012-13	Whether attended AGM held on 7th August, 2012	No. of Directorships in other public companies as on 31.3.2013*		No. of Committee positions held in other public companies** as on 31.3.2013	
				Chairman	Member	Chairman	Member
Mr. Nusli N. Wadia (Chairman)	Non-Executive/ Promoter	6	Yes	3	4	-	-
Mr. Keshub Mahindra	Independent	4	No	2	2	-	-
Mr. R. N. Tata (upto 07.02.2013)	-do-	1	No	-	-	-	-
Mr. R. A. Shah	-do-	6	Yes	4	10	4	4
Mr. S. S. Kelkar	-do-	6	Yes	-	8	-	3
Mr. S. Ragothaman	-do-	1	No	-	7	2	4
Mr. A. K. Hirjee	-do-	4	Yes	2	2	3	4
Mr. S. M. Palia	-do-	5	Yes	-	6	2	4
Ms. Vinita Bali	Non-Executive- Not independent	5	Yes	-	5	-	2
Mr. Ishaat Hussain	Independent	4	No	2	12	4	6
Mr. Ness N. Wadia	Non-Executive/ Promoter	6	Yes	1	5	-	1
Mr. Jeh N. Wadia	Managing Director/ Promoter	6	Yes	-	4	-	1
Mr. Durgesh Mehta	Joint Managing Director	6	Yes	-	5	-	1

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

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

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

During the year under review, 6 Board Meetings were held, the dates being 28th May, 2012, 7th August, 2012, 25th September, 2012, 28th September, 2012, 7th November, 2012 and 7th February, 2013.

3. BOARD COMMITTEES:

The Board has constituted the following Committees of Directors:

(a) Audit Committee:

The Audit Committee consists of the following 4 Non-Executive Independent Directors:

Mr. S. Ragothaman (Chairman)

Mr. R. A. Shah

Mr. S. S. Kelkar

Mr. S. M. Palia

Mr. Jeh N. Wadia, Managing Director, Mr. Durgesh Mehta, Joint Managing Director 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.

Based on Clause 49 and some of the good practices adopted by other corporates, a revised Audit Committee Charter, which included "Risk Assessment", was adopted at the Audit Committee Meeting held on 7th August, 2012 and was ratified by the Board at its meeting held on the same day.

The Audit Committee also reviews statement of related party transactions in the ordinary course of business. It also reviews transactions with related parties which are not on arm's length basis or which are not in the ordinary course of business of the Company, together with Management's justification for the same.

During the year under review, 7 Meetings of the Audit Committee were held, the dates being 23rd May, 2012, 26th May, 2012, 7th August, 2012, 25th September, 2012, 7th November, 2012, 6th February, 2013 and 22nd March, 2013.

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

Name	No. of Audit Committee Meetings attended
Mr. S. Ragothaman	3
Mr. R. A. Shah	7
Mr. S. S. Kelkar	7
Mr. S. M. Palia	4

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) Remuneration/Compensation Committee:

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

Mr. Keshub Mahindra (Chairman)

Mr. Nusli N. Wadia

Mr. R. A. Shah

Mr. S. Ragothaman

Mr. A. K. Hirjee

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

During the year under review, the Remuneration/ Compensation Committee met twice on 28th May, 2012 and 7th August, 2012.

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

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

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

Remuneration Policy:

Payment of remuneration to the Managing/Joint Managing Directors is governed by the respective Agreements executed between them and the Company. Their Agreements are approved by the Board and by the shareholders. Their remuneration structure comprises salary, incentive, 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 2012-2013 are given below: -

(In ₹)

Name	Salary	Benefits*	Bonus	Total
Mr. Jeh. N. Wadia, Managing Director	2,32,04,004	2,05,79,340	75,00,000	5,12,83,344
Mr. Durgesh Mehta, Joint Managing Director	59,13,996	1,33,03,278	75,00,000	2,67,17,274

* 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 the Company has granted stock options to Mr. Durgesh Mehta, Joint Managing Director.

Under the ESOS the Remuneration/ Compensation Committee granted 14,000 options on 7th August, 2012 amended as 70,000 options consequent upon the sub-division of the equity shares on and from 31st October, 2012 to Mr. Durgesh Mehta, Joint Managing Director. Each option, upon exercise, will entitle Mr. Mehta to receive one equity share of ₹ 2/- each of the Company. The Exercise Price was determined at ₹ 528.25 per share of ₹ 10/- being the market price at the time of grant as defined under the ESOS. Consequent upon the sub-division of the equity shares as aforesaid on and from 31st October, 2012, the Exercise Price of the Options granted on 7th August, 2012 was appropriately adjusted to ₹ 105.65 per share. Details of stock options granted are given in Annexure 'B' to the Directors' Report.

The shareholders at the Annual General Meeting of the Company (AGM) held on 7th August, 2012 approved the amendments to the existing Employee Stock Option Scheme (ESOS) of the Company.

Consequent upon the sub-division of each equity share of the face value of ₹ 10/- into 5 equity shares of the face value of ₹ 2/- each on and from the Record Date, i.e. 31st October, 2012, as approved by the shareholders by way of Postal Ballot, the total/maximum number of equity shares and the face value of each such equity share to be allotted on exercise of the rights attached to the options granted under the ESOS were amended from 19,58,876 shares of ₹ 10/- each to 97,94,380 shares of ₹ 2/- each and appropriate adjustments as approved by the shareholders were made to the number of Stock Options granted and outstanding as at the Record Date and the Exercise Price, in accordance with the Company's ESOS and SEBI Stock Option Guidelines.

The total/maximum number of Options to be granted to any one employee under the ESOS was subsequently enhanced from 5,00,000 shares of ₹ 10/- each to 25,00,000 shares of ₹ 2/- each as approved by the shareholders through Postal Ballot.

(ii) Details of payments made to Non-Executive Directors during the year 2012-13 are given below: -

Name	Sitting Fees (in ₹)		Commission	Total No. of Shares held in the Company as on 31st March, 2013
	Board Meeting	Committee Meeting		
Mr. Nusli N. Wadia	1, 20,000	80,000	30,00,000	19,26,770
Mr. Keshub Mahindra	80,000	20,000	2,43,000	8,150
Mr. R. N. Tata (upto 07.02.2013)	20,000	-	48,000	3,500
*Mr. R. A. Shah	1,20,000	2,00,000	8,76,000	1,500
Mr. S. S. Kelkar	1, 20,000	2,60,000	9,73,000	36,700
Mr. S. Ragothaman	20,000	1,00,000	3,65,000	35,000
Mr. A. K. Hirjee	80,000	1,20,000	5,35,000	3,800
Mr. S. M. Palia	1,00,000	1,20,000	5,35,000	Nil
Ms. Vinita Bali	1,00,000	40,000	3,41,000	Nil
Mr. Ishaat Hussain	80,000	40,000	2,92,000	Nil
Mr. Ness N. Wadia	1,20,000	-	2,92,000	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 ₹ 2.71 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 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 Share Transfer, Shareholders'/ Investors' Grievance and Ethics & Compliance 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) Share Transfer, Shareholders'/Investors' Grievance and Ethics & Compliance Committee:

This Committee (i) approves and monitors transfers, transmission, splitting and consolidation of securities and issue of duplicate certificates by the Company, (ii) looks into various issues relating to shareholders including redressal of complaints from shareholders relating to transfer of shares, non-receipt of Annual Reports, Dividends, etc. and (iii) carries out the functions envisaged under the Code of Conduct for Prevention of Insider Trading adopted in terms of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992. The Committee consisted of 2 Non-Executive Independent Directors and the Joint Managing Director, namely: -

Mr. A. K. Hirjee

Mr. S. S. Kelkar

Mr. Durgesh Mehta

During the year under review, the Share Transfer, Shareholders'/Investors' Grievance and Ethics & Compliance Committee met twice on 16th August, 2012 and 14th January, 2013 and all the above members 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 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 delegatees.

Name and designation of Compliance Officer:

Mr. J. C. Bham, Company Secretary

No. of shareholders' complaints received during the year: 104

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

No. of pending share transfers: Nil

(d) Finance Committee:

The Finance Committee consists of the following Directors:

Mr. S. S. Kelkar

Mr. A. K. Hirjee

Mr. S. Ragothaman

Mr. Ness N. Wadia

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

During the year under review, the Committee met twice on 27th July, 2012 and 18th December, 2012.

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	2
Mr. A. K. Hirjee	2
Mr. S. Ragothaman	0
Mr. Ness N. Wadia	0

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 (w.e.f. 07.11.2012)

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

During the year under review, the Executive Committee met twice on 7th December, 2012 and 21st March, 2013.

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

Other Committee(s):

(f) Committee of Directors for sub-division of equity shares:

The Board at its meeting held on 7th August, 2012 constituted a Committee of Directors to take further action in respect of the sub-division of equity shares including determination of the Record Date, settlement of any question or doubt or difficulty that might arise in implementing and/or carrying out the sub-division of shares or otherwise as might be considered to be in the best interest of the Company and its Members, adjustment to be made appropriately to the number of Stock Options granted and outstanding as at the Record Date and the Exercise Price, in accordance with the Company's Employee Stock Option Scheme (ESOS) and SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 etc.

The Committee consisted of the following Directors:

1. Mr. R. A. Shah
2. Mr. A. K. Hirjee
3. Mr. S. S. Kelkar
4. Mr. Durgesh Mehta

During the year under review 1 meeting of the Committee was held on 18th October, 2012 and Mr. R. A. Shah, Mr. S. S. Kelkar and Mr. Durgesh Mehta were present at the Meeting.

4. General Body Meetings :

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

Date & Time	Location	Special Resolutions Passed
7th 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.
4th 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.
11th August, 2010, at 3.45 p.m.	Birla Matushri Sabhagar, 19, Marine Lines, Mumbai – 400 020	(i) Appointment of Mr. Durgesh Mehta as a Whole time Director designated as Joint Managing Director & Chief Financial Officer (JMD & CFO) of the Company for a period of 5 years with effect from 1st April, 2010 and terms of remuneration . (ii) Consent of the Company in terms of the Sections 309 and 198 to the Board of Directors for payment of commission to such Directors of the Company {excluding Managing Director(s) and Wholetime Director(s)} as may be determined by the Board, for each of the five financial years of the Company commencing from 1st April, 2011.

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

Postal Ballot: In October, 2012, the Company had obtained the approval of its Members under Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001, as amended from time to time, pertaining to:

Resolution No.(1) : Ordinary Resolution pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 1956, and Article 9 of the Articles of Association of the Company for sub-division of the Company's shares (1 share of ₹ 10/- to be subdivided into 5 shares of ₹ 2/- each).

Resolution No.(2) : Ordinary Resolution pursuant to Section 16 and other applicable provisions, if any, of the Companies Act, 1956, amendment to the existing Clause 5 of the Memorandum of Association of the Company.

Resolution No.(3) : Special Resolution pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, amendment to the existing Article 3 of the Articles of Association of the Company.

Resolution No.(4) : Consequent to the sub-division of shares, Special Resolution for amendment to the maximum number of equity shares to be allotted under the existing Employee Stock Option Scheme and maximum number of shares to be granted to an employee

Voting Pattern and Procedure for Postal Ballot:

1. The Board of Directors of the Company had, at its meeting held on 7th August, 2012 appointed Mr. Nilesh G. Shah, Practicing Company Secretary, as the Scrutinizer for conducting the postal ballot voting process.
2. The Postal Ballot process was carried out in a fair and transparent manner. The postal ballot forms had been kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
3. E-voting facility was offered for each of the above resolutions contained in the Postal Ballot Form for all individual members (i.e. other than Corporates/ FIs/FIIs, etc.) to enable them to cast their vote electronically.
4. All postal ballot forms including e-voting, received upto the close of working hours on 17th October, 2012, the last date and time fixed by the Company for receipt of the forms/e-votes, had been considered.
5. The results of the Postal Ballot were announced on 18th October, 2012 at the Registered Office of the Company as per the Scrutinizer's Report as under:

Sr. No.	Particulars	Res. No. 1 (Ordinary) Sub-division of Face Value of Equity shares		Res. No. 2 (Ordinary) Alteration of Clause 5 (Capital Clause) of Memorandum of Association		Res. No. 3 (Special) Alteration of Clause 3 (Capital Clause) of Articles of Association		Res. No. 4 (Ordinary) Sub-division of Face Value of Equity shares	
		No. of PBF / E-voting	No. of Shares	No. of PBF / E-voting	No. of Shares	No. of PBF / E-voting	No. of Shares	No. of PBF / E-voting	No. of Shares
a.	Postal Ballot Forms received	2828	29310846	2828	29310846	2828	29310846	2828	29310846
b.	E-voting Confirmations	105	22700	105	22700	105	22700	105	22700
	Total Voting	2933	29333546	2933	29333546	2933	29333546	2933	29333546
c.	Less: Invalid Postal Ballot Forms	81	23598	127	26132	130	26458	133	38013
d.	Net Valid Postal Ballot Forms / e-voting confirmations of which:	2852	29309948	2806	29307414	2803	29307088	2800	29295533
i)	Postal Ballot Forms / e-voting with assent for the Resolution	2802	29302095	2751	29299217	2746	29298832	2705	29284321
	% of Assent	**98.25**	**99.97**	**98.04**	**99.97**	**97.97**	**99.97**	**96.61**	**99.96**
ii)	Postal Ballot Forms / e-voting with dissent for the Resolution	50	7853	55	8197	57	8256	95	11212
	% of Dissent	**1.75**	**0.03**	**1.96**	**0.03**	**2.03**	**0.03**	**3.39**	**0.04**

Accordingly, the Resolutions indicated above have been passed by the requisite majority.

(c) 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.

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 45 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. Durgesh Mehta, Jt. 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, 2013.

(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:

6th August, 2013 - 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, 2013 : 1st week August, 2013

Financial results for the quarter ending 30th September, 2013: 2nd week November, 2013

Financial results for the quarter ending 31st December, 2013: 2nd week February, 2014

Financial results for the year ending 31st March, 2014 : End May, 2014

Annual General Meeting for the year ending 31st March, 2014: 1st or 2nd week of August, 2014.

(c) Book closure period: 30th July, 2013 to 6th August, 2013 both days inclusive.

(d) Dividend payment date: On or from 7th August, 2013.

(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 2013-14 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 2013.

(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 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	493	84,874
Transmissions	46	11,366
Total	539	96,240

(k) Dematerialisation of shares and liquidity:

97.17% of the outstanding Equity Shares have been dematerialised up to 31st March, 2013. All shares held by Promoters/Promoter Group Companies have been dematerialized. 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, 2013, each GDR representing five underlying equity shares of ₹ 2/- each.

(ii) 928 (2011-12: 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 lac on share capital and ₹ 0.46 lac on share premium.

(n) (i) Distribution of Shareholding as on 31st March, 2013:

DESCRIPTION	NO. OF SHAREHOLDERS	%	SHARE HOLDING	%
1 - 50	28308	33.81	751312	0.36
51 - 100	5091	6.08	363465	0.18
101 - 250	26170	31.26	4477814	2.17
251 - 500	12180	14.55	5094670	2.47
501 - 1000	5890	7.04	4622410	2.24
1001 - 5000	4990	5.96	10746430	5.20
5001 & above	1092	1.30	180478799	87.38
Total	83721	100.00	206534900	100.00

(ii) Shareholding Pattern as on 31st March, 2013:

	No. of Shares	%
Promoter Group *	10,79,94,093	52.29
Insurance Companies	22,01,994	1.07
Nationalised Banks	1,83,675	0.09
Mutual Funds	2,21,13,858	10.71
FIIs	2,11,34,750	10.23
GDR Holders	28,01,925	1.36
Others	5,01,04,605	24.25
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, 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, 2013 an aggregate amount of ₹ 10.33 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) Remuneration Committee:

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

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

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

(d) Unqualified Financial Statements:

There are no qualifications in the Auditor's Report on the accounts for the year 2012-13.

Mumbai, 28th May, 2013.

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, 2013.

For The Bombay Dyeing & Mfg. Co. Ltd

Durgesh Mehta
Joint Managing Director

Date: 28th May, 2013

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, 2013, 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, 2013, 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 and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants
Firm Reg. No. 104607W

Viraf R. Mehta
Partner
M. No: 32083

Mumbai, 28th May, 2013

ANNEXURE 1

STOCK MARKET DATA

April-2012 to October-2012 - Pre Sub-division of shares										
	Month's High Price (₹)		Month's Low Price (₹)		No. of Trades		No. of shares Trades		Value (₹ in lacs)	
	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE
Apr. 2012	593.00	594.00	504.00	504.00	64547	186660	1835856	8729640	10251.76	48473.79
May. 2012	529.65	529.45	393.45	384.40	99752	291247	2624605	11139225	11944.22	50613.54
Jun. 2012	539.50	539.75	439.00	438.50	99641	303628	2574676	10872705	12863.24	54201.68
Jul. 2012	562.05	562.80	478.55	478.00	76331	216125	1606903	7214080	8518.40	38252.29
Aug. 2012	537.00	536.90	426.90	406.70	64032	193129	1439520	6474187	7182.09	32261.24
Sep. 2012	513.25	513.65	416.00	416.40	57865	205982	1481662	7014057	6872.45	32618.26
Oct. 2012	578.45	579.00	480.00	409.90	97862	284943	2885136	9618840	12738.46	45085.75
November-2012 to March-2013 - Post Sub-division of shares										
Nov. 2012	131.00	130.90	108.10	107.00	64944	182004	4589953	13728353	5406.70	16160.27
Dec. 2012	138.65	138.70	121.15	121.05	76118	255268	5297181	18370938	6990.02	24263.15
Jan. 2013	139.85	139.90	115.00	115.05	57611	209648	3302599	11948557	4293.51	15552.14
Feb. 2013	121.50	121.60	90.75	90.75	63667	196063	3772236	11399617	3888.03	11759.03
Mar. 2013	103.30	103.55	80.55	80.25	35810	146828	2366899	8441105	2206.12	7864.25

ANNEXURE 2

Diagram -1

April-2012 to October-2012 - Pre Sub-division of shares

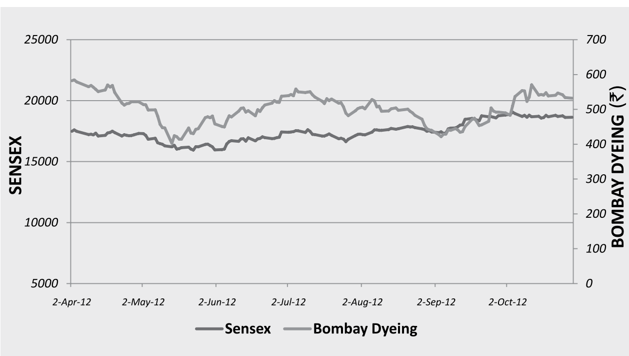
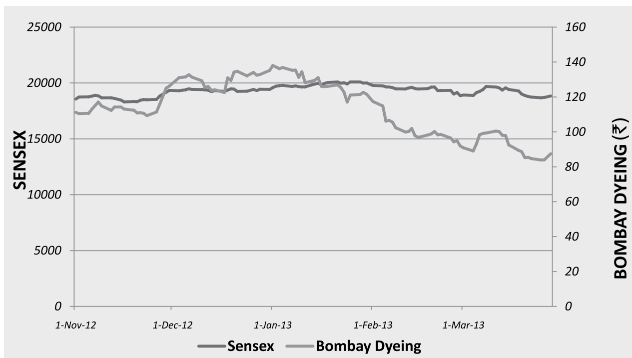


Diagram - 2

November-2012 to March-2013 - Post Sub-division of shares



Note: The equity shares of the Company were sub-divided effective 31st October, 2012.

Stock movement upto 30th October, 2012 i.e. prior to sub-division is depicted in 'Diagram 1' while stock movement thereafter i.e. post sub-division is depicted in 'Diagram 2'.

10 YEARS' FINANCIAL REVIEW

(₹ in Crores)

	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004
FINANCIAL POSITION										
Share capital	41.31	41.31	40.54	38.61	38.61	38.61	38.61	38.60	38.58	38.52
Share Warrants	-	-	26.75	-	-	11.89	-	-	-	-
Reserves & Surplus	1645.77	1751.09	1060.90	171.74	331.81	357.30	364.07	426.23	303.38	347.49
Net Worth :										
Total	**1687.08**	**1792.40**	**1128.19**	**210.35**	**370.42**	**407.80**	**402.68**	**464.83**	**341.96**	**386.01**
*Per Equity Share										
of ₹ 2	81.68	86.78	271.96	54.49	95.96	102.57	104.32	120.42	88.59	100.26
Borrowings	1247.88	1295.30	1240.87	1775.11	1710.88	1415.76	1052.40	558.37	354.46	362.60
Deferred Tax Liability	-	-	-	-	-	-	1.70	2.60	10.64	35.90
Debt Equity Ratio	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	1445.59	1380.62	1386.66	1391.83	1378.60	1364.25	1390.11	995.57	813.86	795.40
Depreciation	410.73	349.16	292.81	231.26	178.72	123.67	512.86	596.20	622.38	573.15
Net Block	1034.86	1031.46	1093.85	1160.57	1199.88	1240.58	877.25	399.37	191.48	222.25
Investments										
and Other Assets	2736.24	2556.64	1581.80	824.89	881.42	582.98	579.53	626.43	515.58	562.26
OPERATING RESULTS										
Sales and other										
Income	2502.12	2402.63	2014.11	1732.04	1417.77	1013.95	536.16	1143.64	1,172.41	1,072.51
Manufacturing and										
Other Expenses	2342.28	2266.39	1925.66	1650.31	1555.64	960.52	478.29	1067.52	1119.35	965.52
Depreciation	62.03	61.39	62.08	59.54	55.73	35.42	17.46	16.90	19.38	34.43
Profit before Tax	97.81	74.85	26.37	22.19	(193.60)	18.01	40.41	59.22	33.68	72.56
Current taxation	22.11	15.50	5.26	3.77	-	1.75	4.43	4.97	2.42	4.93
Excess Provision of Tax										
of earlier years	-	-	(0.28)	-	-	-	-	-	-	-
Deferred tax credit	-	-	-	-	-	(1.70)	(0.90)	(8.04)	4.70	14.13
Fringe benefit tax	-	-	-	-	1.02	1.28	0.95	0.95	-	-
Profit after Tax	75.70	59.35	21.39	18.42	(194.62)	16.68	35.93	61.34	26.56	53.50
*Earnings per Equity										
Share of ₹ 2	3.67	2.92	5.54	4.77	(50.39)	4.32	9.31	16	7	14
Dividends :										
Amount	24.17	24.02	16.49	11.26	4.52	15.82	22.59	22.01	17.59	17.38
Percentage	50	50	35	25	10	35	50	50	40	40

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

Notes :

1. Capital : Original ₹ 0.63 crore, Bonus Shares ₹ 21.02 crores, conversion of Debentures ₹ 0.83 crore, Global Depositary Receipts (GDRs) representing equity shares ₹ 5.82 crores, conversion of equity warrants relating to NCD/SPN Issue ₹ 9.81 crores, conversion of preferential warrants to promoters ₹ 3.20 crores, Equity shares issued under Employees' Stock Option Scheme ₹ 0.16 crore. 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 2012-2013 - ₹ 41.31 crores
2. Reserves & surplus include revaluation reserve.
3. Debt Equity ratio is on Long Term Debt.
4. Sales and other Income include excise duty, sale of Assets etc.
5. Dividend amount includes Corporate Dividend Tax on the proposed/interim dividend.
6. Depreciation includes lease equalisation.
7. 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, 2013, 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"). 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. 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, 2013;

(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

We draw attention to Note No. 34 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 ₹ 701.81 crores (31.03.2012 ₹ 743.83 crores). The Company has recognized revenue of ₹ 339.47 crores (31.03.2012 ₹ 341.32 crores) from the said transactions, including an amount of ₹ 89.38 crores (31.03.2012 ₹ 103.67 crores) released from Revaluation Reserve. Our opinion is not qualified in respect of this matter.

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, and

(e) on the basis of written representations received from the directors as at March 31, 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Viraf R. Mehta
Partner
Membership No: 32083

Place: Mumbai
Date: May 28, 2013

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 14 (a).

   (b) As stated above, the said shareholders' deposit has been given free of interest.

   (c) As stated in Note 14 (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 unsecured loans aggregating ₹ 210 crores from three companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum principal amount involved during the year is ₹ 210 crores and the balance outstanding as at the year end was ₹ 80 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 Polyster 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 2013 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	Commissioner of Income Tax- TDS (Appeals)
		Income tax	0.02	2008-09	Commissioner of Income Tax- TDS (Appeals)
2	The Customs Act, 1962	Interest on customs duty	0.95	1995 to 2012	Commisioners of Customs (Appeals), Mumbai
3	The Central Excise Act, 1944	Excise Duty	0.16	1989-90 to 1995-96	Commisioners of Central Excise (Appeals), Mumbai
		Excise Duty	0.56	1995-96 to 1996-97	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai
		Excise Duty	0.03	1997-1998	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai
		Excise Duty	0.09	2000-2001	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai
		Excise Duty	0.02	2001-2004	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai
		Excise Duty	0.08	2008-2010	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Raigad
		Service Tax	0.77	2003-04 to 2005-06	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai
		Interest on excise duty	0.20	2002-2006	Bombay High Court
4	Municipal Corporation of Greater Mumbai Octroi Rules, 1965	Octroi	0.56	2007-2008	Deputy Assessor & Collector (Octroi)

10. The Company does not have any 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 it's own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956.

15. In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given any guarantees for loans taken by others from banks or financial institutions are not prima facie prejudicial to the interest of the Company.

16. In our opinion and according to the information and explanations given to us, the term loans have/are being applied for the purpose for which they were obtained.

17. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, 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 and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants
Firm Reg No. 104607W

Viraf R. Mehta
Partner
Membership No: 32083

Place: Mumbai
Date: May 28, 2013

BALANCE SHEET as at 31st March, 2013

(₹ in crores)

	Note	As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	41.31	41.31
Reserves and surplus	3	1,645.77	1,751.09
		1,687.08	1,792.40
Non-current liabilities			
Long-term borrowings	4	559.64	508.06
Other Long-term liabilities	5	2.69	1.23
Long-term provisions	6	10.17	2.99
		572.50	512.28
Current liabilities			
Short-term borrowings	7	401.96	303.83
Trade payables	8	586.53	342.83
Other current liabilities	9	494.47	607.94
Short-term provisions	10	28.56	28.82
		1,511.52	1,283.42
TOTAL		**3,771.10**	**3,588.10**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	902.71	925.33
Intangible assets	12	5.24	4.09
Capital work-in-progress		69.04	44.38
Incidental expenditure relating to construction / development		57.87	57.66
Non-current investments	13	55.96	55.96
Long-term loans and advances	14	61.48	52.82
Other non-current assets	15	24.99	4.27
		1,177.29	1,144.51
Current assets			
Inventories	16	1,285.99	1,549.73
Trade receivables	17	216.80	137.59
Cash and bank balances	18	42.55	33.31
Short-term loans and advances	19	161.01	184.76
Other current assets	20	887.46	538.20
		2,593.81	2,443.59
TOTAL		**3,771.10**	**3,588.10**
Significant Accounting Policies	1		
The accompanying notes are an integral part of the financial statements			

As per our report attached

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

VIRAF R.Mehta
Partner

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

Signatures to the Balance Sheet & Notes
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

Mumbai, 28th May, 2013

Mumbai, 28th May, 2013

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2013

(₹ in crores)

	Note	2012-2013	2011-2012
INCOME			
Revenue from operations	21	2,456.15	2,348.06
Less : Excise Duty		126.89	117.25
Revenue from operations (net)		2,329.26	2,230.81
Other income	22	45.97	54.57
Total Revenue		2,375.23	2,285.38
EXPENSES			
Cost of materials consumed	23	1,194.25	1,264.50
Purchases of Stock-in-Trade		124.09	118.14
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	173.67	(683.38)
Employee benefits expense	25	98.46	84.21
Finance costs	26	174.74	180.57
Depreciation and amortization expense	27	62.03	61.39
Other expenses	28	450.18	1,185.10
		2,277.42	2,210.53
Profit before tax		97.81	74.85
Tax expenses:			
Current tax		22.11	15.50
Excess provision of tax of earlier years		*	-
		22.11	15.50
Profit for the year		**75.70**	**59.35**
Earnings per equity share (Refer Note No.42)			
Basic earnings per equity share (in ₹)		3.67	2.92
Diluted earnings per equity share (in ₹)		3.67	2.92
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 and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

VIRAF R.Mehta
Partner

Mumbai, 28th May, 2013

Signatures to the Statement of Profit and Loss and Notes
For and on behalf of the Board

NUSLI N. WADIA *Chairman*

JEH N. WADIA *Managing Director*

DURGESH MEHTA *Jt. Managing Director*

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, 28th May, 2013

CASH FLOW STATEMENT for the year ended 31st March, 2013

(₹ in crores)

			2012-2013	2011-2012
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**			
	NET PROFIT BEFORE TAX		97.81	74.85
	Adjusted for			
	Depreciation and amortisation		62.03	61.39
	Foreign exchange loss/(gain) (net)		0.12	1.31
	Profit on sale of investments		(0.04)	(2.84)
	Provision for doubtful debts/advances		9.66	-
	Sundry balances / excess provision written back (net)		(1.48)	2.49
	Interest income		(9.47)	(11.18)
	Loss/(Profit) on sale of fixed assets (net)		(0.11)	0.78
	Interest and other finance charges		174.74	180.57
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		333.26	307.37
	Adjustments for:			
	Inventories		106.83	87.61
	Trade receivables		(81.33)	(15.98)
	Other current and non-current assets		(349.18)	(436.16)
	Trade payables and acceptances		248.68	148.02
	Other current and non-current liabilities		76.86	27.16
	Provisions		6.77	(0.57)
	CASH GENERATED FROM OPERATIONS		341.89	117.45
	Direct taxes paid (net)		(19.35)	(15.66)
	NET CASH FROM OPERATING ACTIVITIES	(a)	322.54	101.79
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**			
	Purchase of fixed assets		(65.96)	(8.78)
	Proceeds from sale of fixed assets		0.64	2.43
	Purchase of investments		(64.65)	(196.00)
	Proceeds from sale of investments		64.69	196.47
	Inter-corporate deposits placed		(123.84)	(0.75)
	Inter-corporate deposits received back		119.17	3.20
	Fixed deposits placed with banks		(34.88)	(14.71)
	Fixed deposits with banks realised		30.02	3.96
	Proceeds from sale of shares in associate company / joint venture		-	6.60
	Interest received		9.75	11.13
	NET CASH (USED IN) / FROM INVESTING ACTIVITIES	(b)	(65.06)	3.55
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**			
	Proceeds from borrowings		575.64	1,154.12
	Repayment of borrowings		(704.16)	(1,083.53)
	Proceeds from fixed deposits / Inter-corporate borrowings		219.89	32.91
	Repayment of fixed deposits / Inter-corporate borrowings		(167.82)	(11.00)
	(Decrease) / Increase in demand loan, cash credit, etc.		25.34	(35.40)
	Proceeds from issue of equity shares on conversion of warrants		-	30.08

CASH FLOW STATEMENT for the year ended 31st March, 2013

CASH FLOW STATEMENT (Contd.)

(₹ in crores)

		2012-2013	2011-2012
Interest and other finance charges paid		(156.69)	(174.46)
Dividend paid (including corporate dividend tax)		(24.11)	(16.50)
NET CASH USED IN FINANCING ACTIVITIES	(c)	(231.91)	(103.78)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(a + b + c)	**25.57**	**1.56**
CASH AND CASH EQUIVALENTS AT THE COMMENCEMENT OF THE YEAR			
Balances with banks in current accounts		4.74	4.04
Cheques on hand		0.76	-
Cash on hand		0.18	0.08
Cash and cash equivalents		5.68	4.12
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
Balances with banks in current accounts		22.86	4.74
Cheques on hand		8.20	0.76
Cash on hand		0.19	0.18
Cash and cash equivalents		31.25	5.68
NET (DECREASE) / INCREASE AS DISCLOSED ABOVE		**25.57**	**1.56**

Notes: 1. Figures in brackets are outflows/deductions.

2. Previous year's figures have been regrouped where necessary.

As per our report attached

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

VIRAF R.Mehta
Partner

Mumbai, 28th May, 2013

For and on behalf of the Board

NUSLI N. WADIA *Chairman*

JEH N. WADIA *Managing Director*

DURGESH MEHTA *Jt. Managing Director*

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, 28th May, 2013

NOTES to financial statements for the year ended 31st March, 2013

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 section 211 (3C) of the Companies Act, 1956 and the relevant provisions thereof.

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 and 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.

Revenue from real estate development activity is recognised on the 'Percentage of Completion Method'. Revenue is recognised in relation to the sold areas, on the basis of percentage of 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 estimates of saleable area and cost of project 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 project as determined, is based on management's estimate of the cost expected to be incurred till the final completion and includes cost of materials, service and other related overheads. Unbilled costs are carried as real estate work in progress.

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

(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.

NOTES to financial statements for the year ended 31st March, 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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, related to borrowings and foreign exchange 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 terepthalic 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 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 and expenditure relating to construction. 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

NOTES to financial statements for the year ended 31st March, 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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.

(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.

NOTES to financial statements for the year ended 31st March, 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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.

(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 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, 2013

(₹ in crores)

2. SHARE CAPITAL		As at 31st March, 2013	As at 31st March,2012
AUTHORISED			
25,00,00,000	Equity shares of ₹ 2 each *(2011-2012: 5,00,00,000 equity shares of ₹ 10 each)*	50.00	50.00
ISSUED, SUBSCRIBED AND PAID-UP			
20,65,34,900	Equity shares of ₹ 2 each fully paid-up *(2011-2012 :4,13,06,980 equity shares of ₹ 10 each fully paid-up)*	41.31	41.31
20,65,34,900		**41.31**	**41.31**

(a) 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.

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

Equity shares

	31-03-2013		31-03-2012	
	Numbers	₹ in crores	Numbers	₹ in crores
At the beginning of the period	41,306,980	41.31	40,546,980	40.55
Add: Shares issued on exercise of warrants to promoters	-	-	760,000	0.76
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	**206,534,900**	**41.31**	**41,306,980**	**41.31**

(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

	31-03-2013		31-03-2012	
	Numbers Face Value of ₹ 2	% holding	Numbers Face Value of ₹ 10	% holding
The Bombay Burmah Trading Corporation Limited	29,644,375	14.35	5,928,875	14.35
N.W.Exports Limited	27,771,550	13.45	5,554,310	13.45
Jehreen Investments Limited	12,739,725	6.17	2,547,945	6.17
Reliance Capital Trustee Co.Limited	11,869,785	5.75	2,343,957	5.67
	82,025,435	**39.72**	**16,375,087**	**39.64**

NOTES to financial statements for the year ended 31st March, 2013

2. SHARE CAPITAL (contd.)

(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 excercisable for conversion into one equity share of the Company (Refer Note 40).

(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.

(ii) No shares have been bought back.

(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 of face value of ₹ 2/- each *(2011-12- 928 shares of face value of ₹ 10/- 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.

(h) Shares alloted on exercise of warrants

In January, 2012, 7,60,000 warrants were exercised for conversion into equity shares as per the terms of the allotment of the warrants and 7,60,000 equity shares were allotted on 30th January, 2012 to a promoter group company. 12,67,000 warrants lapsed due to non-exercise of the conversion into equity shares and the amount aggregating ₹ 16.71 crores was forfeited in terms of the SEBI(DIP) Guidelines and conditions attached to the warrants. The forfeited amount of ₹ 16.71 crores was credited to Capital Reserve.

NOTES to financial statements for the year ended 31st March, 2013

(₹ in crores)

3. RESERVES AND SURPLUS	As at 31st March, 2013	As at 31st March,2012
Capital Reserve		
As per last balance sheet	28.60	11.89
Add : Amount forfeited on warrants not exercised	-	16.71
	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	102.01
Add: Premium on issue of shares on conversion of warrants	-	39.36
	141.37	141.37
Revaluation Reserve [Refer Note 1 (d)]		
As per last balance sheet	1,377.86	778.83
Add: Created during the year on conversion of a part of the freehold land from fixed assets into stock-in-trade	-	764.30
Less: Released to statement of profit and loss in proportion of revenue recognised on entering into agreements for sale	(156.91)	(165.27)
	1,220.95	1,377.86
Investment Reserve		
As per last balance sheet	1.31	1.31
Hedging Reserve Account		
As per last balance sheet	(0.23)	0.01
Add / (Less):Fair value gain / (loss) on derivative contracts designated as cash flow hedges	0.05	(0.24)
	(0.18)	(0.23)
General Reserve		
As per last balance sheet	145.81	139.88
Add: Transferred from statement of profit and loss	7.57	5.93
	153.38	145.81
Surplus in statement of profit and loss		
Balance as per last balance sheet	53.82	24.42
Add: Profit for the year	75.70	59.35
	129.52	83.77
Less: Appropriations		
Proposed dividend	(20.66)	(20.66)
Dividend distribution tax	(3.50)	(3.36)
Transferred to General Reserve	(7.57)	(5.93)
Net surplus in the statement of profit and loss	97.79	53.82
	1,645.77	**1,751.09**

NOTES to financial statements for the year ended 31st March, 2013

(₹ in crores)

4. LONG-TERM BORROWINGS	As at 31st March, 2013	As at 31st March,2012
Secured		
Term Loans		
- from banks	388.54	395.14
- from others	40.00	80.00
	428.54	475.14
Unsecured		
Fixed Deposits	131.10	32.92
	559.64	**508.06**

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

i) Term Loans aggregating ₹ 66.50 crores *(2011-12 ₹ 111.92 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 4 to 5 years.

ii) Term loan amounting to ₹ NIL *(2011-12 ₹ 13.00 crores)* was secured by first pari-passu charge on the Company's existing as well as future assets of Polyester Division at Patalganga [excluding assets on lease basis, vehicles, furnitures and fixed assets charged exclusively to term lenders].

iii) Term loan amounting to ₹ 10.03 crores *(2011-12 ₹ 16.69 crores)* is secured by first pari-passu charge on the fixed assets of the Company at Polyester Division at Patalganga. Repayable in half yearly installments over 2 years.

iv) Term loans aggregating ₹ 208.30 crores *(2011-12 ₹ 375.00 crores)* are secured by first pari-passu charge over part of the land of the Company at Textile Mills at Mumbai admeasuring upto 89,941.07square metres and plant and machinery, buildings and structures thereon. Repayable in quarterly instalments over 2 years.

v) Term loan of ₹ NIL *(2011-12 ₹ 125.00 crores)* was secured by first pari passu charge over part of the land of the Company at Spring Mills at Mumbai admeasuring 46,442.13 square metres and buildings and structures thereon.

vi) Term loans aggregating ₹ 200.00 crores *(2011-12 ₹ 150.00 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 in installments over 2 years.

vii) Term loans aggregating ₹ 180.00 crores *(2011-12 ₹ 100.00 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 instalments over a period of 2 to 6 years.

viii) Term loan amounting to ₹ 50.00 crores *(2011-12 ₹ NIL)* is to be secured by first pari-passu charge over part of the land of the Company at Textile Mills at Mumbai and buildings and structures thereon. Repayable in quarterly instalments over 5 years.

b) Terms of repayment of unsecured borrowing:

Fixed Deposits from shareholders and public are repayable between January 2015 to March 2016.

NOTES to financial statements for the year ended 31st March, 2013

(₹ in crores)

5. OTHER LONG-TERM LIABILITIES	As at 31st March, 2013	As at 31st March, 2012
Trade payables	2.18	0.73
Deposits	0.51	0.50
	2.69	**1.23**

(₹ in crores)

6. LONG-TERM PROVISIONS	As at 31st March, 2013	As at 31st March, 2012
Provision for employee benefits		
Provision for compensated absences	3.96	2.99
Provision for termination benefits (Refer Note 33)	6.21	-
	10.17	**2.99**

(₹ in crores)

7. SHORT-TERM BORROWINGS	As at 31st March, 2013	As at 31st March, 2012
Secured		
- Working capital demand loans from banks	122.37	92.66
[includes ₹ 17.27 crores *(2011-12 ₹ 15.96 crores)* in foreign currencies]		
- Buyer's Credit in Foreign currency	242.73	192.94
Unsecured		
Bills discounted with banks	13.86	18.23
Intercorporate deposits	23.00	-
	401.96	**303.83**

a) Nature of Security for Short term borrowings

(i) Working Capital loans of ₹ 122.37 crores *(2011-12 ₹ 92.66 crores)* and Buyer's Credit amounting to ₹ 113.21 crores *(2011-12 ₹ 119.57 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 ₹ 91.35 crores *(2011-12 ₹ 49.82 crores)* is secured by first pari-passu charge on land of the Company at Spring Mills at Mumbai admeasuring 36,617.13 square metres *(2011-12 46,442.13 square metres)* and ₹ 38.17 crores *(2011-12 ₹ 23.55 crores)* is secured by first *pari passu* charge land of the Company at Textile Mills at Mumbai admeasuring 60,716.19 square metres and plant & machinery, buildings and erections thereon (2011-12 first *pari passu* charge on land of the Company at Spring Mills at Mumbai admeasuring 30,006.90 square metres and buildings and erections thereon).

NOTES to financial statements for the year ended 31st March, 2013

(₹ in crores)

8. TRADE PAYABLES	As at 31st March, 2013	As at 31st March, 2012
Acceptances	173.95	101.83
Dues to Micro and Small Enterprises	0.17	-
Other Creditors	412.41	241.00
	586.53	**342.83**

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 39)

(₹ in crores)

9. OTHER CURRENT LIABILITIES	As at 31st March, 2013	As at 31st March, 2012
Current maturities of long-term borrowings [Refer Note 4 (a)]	286.28	483.41
Interest accrued and due on borrowings	5.13	5.99
Interest accrued but not due on borrowings	3.13	1.76
Unclaimed matured deposits	0.70	2.87
Unpaid dividends	0.92	0.84
Advances from customers	84.34	44.12
Deposits	11.62	12.86
Liability in respect of forward exchange contracts	10.02	-
Statutory dues including service tax and tax deducted at source	24.25	19.61
Creditors for capital expenditure	1.57	1.17
Employees benefits payable	5.28	3.92
Other payables	61.23	31.39
	494.47	**607.94**

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, 2013	As at 31st March, 2012
Provision for employee benefits		
Provision for compensated absences	1.85	1.56
Provision for gratuity	1.33	1.89
Provision for termination benefits (Refer Note 33)	0.46	-
	3.64	3.45
Other provisions		
Provision for litigation and disputes	0.76	1.35
Proposed dividend	20.66	20.66
Provision for tax on proposed dividend	3.50	3.36
	24.92	25.37
	28.56	**28.82**
Provision for litigation and disputes		
Balance as at the beginning of the year	1.35	1.35
Additions	0.36	-
Amounts used	(0.95)	-
Balance as at the end of the year	**0.76**	**1.35**

NOTES to financial statements for the year ended 31st March, 2013

11. TANGIBLE ASSETS

(₹ in crores)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost or book value as at 01-04-2012	Additions during the Year	Deductions during the Year	Cost or book value as at 31-03-2013	Balance as at 01-04-2012	For the year	Deductions during the year	Balance as at 31-03-2013	As at 31-03-2013	As at 31.03.2012
Land										
Freehold	93.75	11.15	-	104.90	-	-	-	-	104.90	93.75
Leasehold	19.02	-	-	19.02	1.17	0.40	-	1.57	17.45	17.85
Building*	138.42	12.20	0.42	150.20	24.66	3.70	0.04	28.32	121.88	113.76
Office Equipments	16.76	2.99	0.03	19.72	10.45	2.05	0.02	12.48	7.24	6.31
Plant & Machinery	961.11	6.21	0.52	966.80	285.76	49.05	0.38	334.43	632.37	675.35
Furniture & Fixture	37.05	5.23	0.01	42.27	19.04	4.97	0.01	24.00	18.27	18.01
Motor Vehicles	1.61	0.45	0.01	2.05	1.31	0.15	0.01	1.45	0.60	0.30
Total	**1,267.72**	**38.23**	**0.99**	**1,304.96**	**342.39**	**60.32**	**0.46**	**402.25**	**902.71**	**925.33**
As at 31.03.2012	1,180.15	95.89	8.32	1,267.72	287.71	59.72	5.04	342.39	925.33	

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 01-04-2012	Additions during the Year	Deductions during the Year	Cost or book value as at 31-03-2013	Balance as at 01-04-2012	For the year	Deductions during the year	Balance as at 31-03-2013	As at 31-03-2013	As at 31.03.2012
Technical Know How	4.22	-	-	4.22	1.90	0.42	-	2.32	1.90	2.32
Software	6.64	2.86	-	9.50	4.87	1.29	-	6.16	3.34	1.77
Total	**10.86**	**2.86**	**-**	**13.72**	**6.77**	**1.71**	**-**	**8.48**	**5.24**	**4.09**
As at 31.03.2012	9.99	0.87	-	10.86	5.10	1.67	-	6.77	4.09	

NOTES to financial statements for the year ended 31st March, 2013

(₹ in crores)

13. NON-CURRENT INVESTMENTS		As at 31st March, 2013	As at 31st March, 2012
TRADE INVESTMENTS (Valued at Cost)			
(Unquoted, fully paid-up)			
Equity Shares			
Investment in associates			
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
Investment in joint ventures			
2,217	Series A shares of U.S. $ 1,000 each in PT. Five Star Textile, Indonesia	1.59	1.59
		1.62	1.62
OTHER INVESTMENTS (Valued at Cost)			
(Unquoted, fully paid-up)			
Equity Shares			
Investment in associates			
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 Pentafil Textile Dealers Ltd.	0.88	0.88
30,400	Equity shares of ₹ 100 each in Scal Services Ltd.	0.30	0.30
100	Shares of ₹ 25 each in Roha Industries Association's Co-operative Consumers Society Ltd. [₹ 2500/- *(2011-12 ₹ 2500/-)*]	-	-
Debentures			
Investment in associates			
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
		54.34	54.34
		55.96	55.96
Aggregate amount of Quoted Investment		-	-
Aggregate amount of Unquoted Investment		55.96	55.96
		55.96	**55.96**

NOTES to financial statements for the year ended 31st March, 2013

(₹ in crores)

14. LONG-TERM LOANS AND ADVANCES	As at 31st March, 2013	As at 31st March, 2012
Unsecured, Considered good (unless otherwise stated)		
Capital advances	8.59	5.28
Security deposits		
- Considered good	3.69	4.99
- Considered doubtful	0.07	-
- Less : Provision for doubtful advances	(0.07)	-
	3.69	4.99
Loans and advances to related parties		
- Considered good	30.26	33.87
- Considered doubtful	6.35	-
- Less : Provision for doubtful advances	(6.35)	-
	30.26	33.87
Advances recoverable in cash or kind		
- Considered good	17.01	6.21
- Considered doubtful	3.44	1.28
- Less : Provision for doubtful advances	(3.44)	(1.28)
	17.01	6.21
Prepaid expenses	0.04	0.21
Loans to employees	0.30	0.31
Balances with government authorities		
- Considered good	1.59	1.95
- Considered doubtful	0.53	0.36
- Less : Provision for doubtful advances	(0.53)	(0.36)
	1.59	1.95
	61.48	**52.82**

a) Loans and advances to related parties include a deposit of ₹ 15.22 crores *(2011-12 ₹ 15.22 crores)* and amounts recoverable of ₹ 12.04 crores (net of provisions) *(2011-12 ₹ 15.65 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)	27.26	30.87
The Bombay Burmah Trading Corporation Limited - Deposit	3.00	3.00
	30.26	33.87

(₹ in crores)

15. OTHER NON-CURRENT ASSETS	As at 31st March, 2013	As at 31st March, 2012
Long term deposits with banks (Refer Note (a) below)	21.28	0.01
Unamortised finance charges	3.71	4.26
	24.99	**4.27**

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

NOTES to financial statements for the year ended 31st March, 2013

(₹ in crores)

16. INVENTORIES (Valued at lower of cost and net realisable value)	**As at 31st March, 2013**	As at 31st March, 2012
Stores, spares and catalysts	17.43	15.93
Raw materials [includes in transit ₹ 77.37 crores *(2011-12 ₹ 32.99 crores)*]	144.13	78.80
Work-in-progress	20.26	13.80
Finished goods [includes in transit ₹ 0.78 crores *(2011-12 ₹ 7.15 crores)*]	128.94	143.32
Traded goods	14.55	12.36
Others		
Office premises	0.30	0.30
Real estate development work-in-progress	960.38	1,285.22
	1,285.99	**1,549.73**

(₹ in crores)

17. TRADE RECEIVABLES	**As at 31st March, 2013**	As at 31st March, 2012
Unsecured, considered good unless otherwise stated		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	36.45	1.92
Considered doubtful	9.39	8.32
	45.84	10.24
Less: Provision for doubtful receivables	(9.39)	(8.32)
	36.45	1.92
Other receivables		
Considered good	180.35	135.67
	216.80	**137.59**

(a) Trade receivables include ₹ 0.27 crore *(2011-12 ₹ Nil)* due as on the Balance Sheet date from the Managing Director towards purchase of flats. The said amount has since been recovered.

(b) Trade receivables includes ₹ 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.

(₹ in crores)

18. CASH AND BANK BALANCES	**As at 31st March, 2013**	As at 31st March, 2012
Cash and Cash Equivalents		
Balances with banks in current accounts	22.86	4.74
Cheques on hand	8.20	0.76
Cash on hand	0.19	0.18
	31.25	5.68
Other bank balances		
In unpaid dividend account	0.93	0.84
Bank deposits with maturity more than 3 months but less than 12 months (Refer Note (a) below)	10.37	26.79
	11.30	27.63
	42.55	**33.31**

(a) Banks deposits includes fixed deposits aggregating to ₹ 0.77 crores *(2011-12 ₹ 13.27 crores)* against which lien has been marked by the banks as security for guarantees issued on behalf of the Company. It also includes fixed deposits aggregating to ₹.7.20 crores *(2011-12 ₹ 9.06 crores)* placed out of the funds received as corpus fund and maintenance deposits from flat owners.

NOTES to financial statements for the year ended 31st March, 2013

(₹ in crores)

19. SHORT-TERM LOANS AND ADVANCES	As at 31st March, 2013	As at 31st March, 2012
Unsecured, considered good, unless otherwise stated :		
Security Deposit	0.46	0.35
Loans and advances to related parties	11.14	14.76
Advances recoverable in cash or kind or for value to be received	120.03	138.97
Advance income-tax (net of provision for taxation)	23.44	26.20
Prepaid expenses	2.76	3.78
Loans/ advances to employees	0.32	0.63
Balances with government authorities	2.86	0.07
	161.01	**184.76**

a) Advances recoverable in cash or in kind or for value to be received includes ₹ 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.

(₹ in crores)

b) Loans and advances to related parties pertain to :	As at 31st March, 2013	As at 31st March, 2012
Scal Services Limited	-	8.09
Archway Investment Company Limited	10.90	6.22
Go Airlines (India) Limited	0.16	0.45
Jeh Wadia, Managing Director (since recovered)	0.08	-
	11.14	**14.76**

(₹ in crores)

20. OTHER CURRENT ASSETS	As at 31st March, 2013	As at 31st March, 2012
Unsecured, considered good		
Interest accrued on deposits	0.20	0.48
Unamortised finance charges	4.39	3.06
Receivables in respect of forward exchange contracts/derivatives	-	12.14
Unbilled revenue - real estate	882.87	522.52
	887.46	**538.20**

NOTES to financial statements for the year ended 31st March, 2013

(₹ in crores)

21. REVENUE FROM OPERATIONS	2012-13	2011-12
Sale of products and services		
Finished goods	1,589.68	1,599.17
Traded goods	168.91	157.21
Processing income	10.22	7.21
Real estate development activity (Refer Note 34)	644.20	544.36
Other operating revenue		
Lease Rentals	21.58	21.98
Scrap sales	1.74	1.55
Others	19.82	16.58
	2,456.15	2,348.06
Less : Excise duty	126.89	117.25
Revenue from operations (net)	**2,329.26**	**2,230.81**
Details of Products Sold		
Finished and Traded goods sold		
Polyester staple fibre	1,311.27	1,333.10
Cotton processed long length	141.74	160.89
Cotton made ups	136.67	105.18
Traded goods - long length and made ups	168.91	157.21
	1,758.59	**1,756.38**

(₹ in crores)

22. OTHER INCOME	2012-13	2011-12
Interest Income		
on inter-corporate deposits	2.18	3.05
on income-tax refunds	1.49	-
on fixed deposits with banks	1.40	1.59
from dealers and others	4.40	6.54
Profit on sale of long term investments	-	2.37
Profit on sale of current investments	0.04	0.47
Profit on fixed assets scrapped / sold (net)	0.11	-
Subsidy under Package Incentive Scheme	23.38	30.60
Gain on foreign currency transactions (net)	1.35	-
Sundry balances / excess provisions written back	1.78	2.57
Other non-operating income	9.84	7.38
	45.97	**54.57**

(₹ in crores)

23. COST OF MATERIALS CONSUMED	2012-13	2011-12
Raw materials consumed		
Inventory at the beginning of the year	44.04	74.63
Add : Purchases	1,216.55	1,232.41
Less: Inventory at the end of the year	(66.34)	(42.54)
	1,194.25	**1,264.50**

NOTES to financial statements for the year ended 31st March, 2013

Details of raw material consumed (contd. Note 23) (₹ in crores)

1. Cotton	2.40	2.80
2. Fibre	0.15	0.21
3. Yarn	34.55	25.39
4. Grey cloth	109.18	117.54
5. Dyes and chemicals	16.12	13.63
6. Purified Terepthalic Acid	370.92	415.67
7. Mono Ethylene Glycol	127.68	136.05
8. Others	533.25	553.21
	1,194.25	**1,264.50**

(₹ in crores)

24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	2012-13	2011-12
Manufacturing		
Inventories at the end of the year		
Finished goods	123.86	143.32
Work-in-progress	20.26	13.80
Traded goods	14.55	12.36
	158.67	169.48
Inventories at the beginning of the year		
Finished goods	143.32	89.83
Work-in-progress	13.80	24.89
Traded goods	12.37	11.63
	169.49	126.35
Inventory change - manufacturing	10.82	(43.13)
Real Estate		
Inventories at the end 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
Inventories at the beginning of the year		
Office Premises	0.30	0.30
Development work-in-progress	1,285.22	810.24
	1,285.52	810.54
Inventory change - real estate	319.76	(474.98)
Release from revaluation reserve in proportion of revenue recognised on entering into an agreement for sale	(156.91)	(165.27)
	173.67	**(683.38)**

NOTES to financial statements for the year ended 31st March, 2013

(₹ in crores)

25. EMPLOYEE BENEFITS EXPENSE	2012-13	2011-12
Salaries, wages and bonus	86.23	72.94
Contribution to provident and other funds	7.81	6.97
Workmen and staff welfare expenses	4.42	4.30
	98.46	**84.21**

(₹ in crores)

26. FINANCE COSTS	2012-13	2011-12
Interest on long term borrowing	108.51	108.63
Interest on working capital loans	25.28	32.38
Ancillary borrowing costs	20.01	21.99
Exchange difference to the extent considered as an adjustment to borrowing costs	20.94	17.57
	174.74	**180.57**

(₹ in crores)

27. DEPRECIATION AND AMORTISATION EXPENSE	2012-13	2011-12
Depreciation on tangible assets	60.32	59.72
Depreciation on intangible assets	1.71	1.67
	62.03	**61.39**

(₹ in crores)

28. OTHER EXPENSES	2012-13	2011-12
Manufacturing Expenses		
Stores, spare parts and catalysts	49.54	40.61
Oil and coal consumed	83.96	59.93
Electric energy (net of refund receivable on account of regulatory liability charges)	47.38	40.86
Water charges	4.11	3.14
Repairs: Buildings	2.12	1.78
Machinery	5.97	3.82
Others	2.52	2.65
Excise duty other than relating to sales	1.07	1.28
Job work / processing charges	23.26	22.39
	219.93	176.46
Construction Expenses		
Architect fees and technical and project related consultancy	8.32	22.65
Civil, Electrical, contracting etc..	43.07	51.67
Payment to local agencies	0.86	5.06
Fees for cancellation of contracts,acquiring rights in real estate	5.87	-
Preliminaries and site expenses	-	1.13
Land cost on conversion of freehold land from fixed assets to stock in trade [(Refer Note 1 (d)]	-	768.18

NOTES to financial statements for the year ended 31st March, 2013

28. OTHER EXPENSES (Contd.)

(₹ in crores)

	2012-13	2011-12
Expenditure relating to construction/development transferred		
from capital work-in-progress in respect of commenced projects	2.74	40.27
Provision for estimated losses to completion	(1.84)	(0.72)
Transfer to Capital work-in-progress	(0.04)	(4.73)
	58.98	883.51
Selling and Distribution Expenses		
Brokerage, commission and indenting charges on sales	20.32	7.78
Discount on sales	5.77	5.55
Freight and forwarding	17.56	16.93
Advertisement expense	33.85	27.96
	77.50	58.22
Establishment Expenses		
Rent	7.67	7.64
Rates and taxes	6.42	2.97
Insurance	1.51	1.30
Sundry balances written off	0.30	2.66
Provision for doubtful advances/debts	9.66	-
Legal and Professional Fees	9.56	8.12
Retainership Fees	0.68	0.99
Other expenses	57.97	39.54
	93.77	63.22
Loss on foreign currency transactions (net)	-	2.91
Loss on fixed assets scrapped / sold (net)	-	0.78
	450.18	**1,185.10**
Payment to auditor		
As an auditor :		
Audit Fee	0.42	0.42
Limited Review	0.30	0.30
In other capacity:		
Certification fees	0.01	0.03
Reimbursement of expenses	0.01	0.01
	0.74	**0.76**

NOTES to financial statements for the year ended 31st March, 2013

(₹ in crores)

29. Contingent Liabilities	**2012-13**	2011-12
A. Claims against the company not acknowledged as debt.		
(a) Income-tax matters in respect of earlier years under dispute (including interest of ₹ 5.85 crores) *[31.03.2012. ₹ 5.85 crores]* as follows:	25.77	33.68
(i) Decided in Company's favour by appellate authorities and department in further appeal	0.74	5.11
(ii) Pending in appeal - matters decided against the Company	25.03	28.57
(b) Sales Tax, Service Tax and Excise Duties	1.86	1.86
(c) Customs duty	0.95	0.25
(d) Others (Claims against the Company not acknowledged as debts) (with interest thereon)	34.59	36.42
In respect of items (a) to (d) above, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments pending at various forums/authorities.		
B. Guarantees Counter indemnity for an amount of ₹ 134.12 crores *(31.3.2011 ₹ 113.47 crores)* issued in favour of banks which in turn have guaranteed loans granted by other banks abroad to PT Five Star Textile, Indonesia, (PTFS), a joint venture company as under:-		
(i) ₹ 116.67 crores *(31.3.2012 ₹ 84.08 crores)* in favour of IDBI Bank Limited against guarantees issued to Punjab National Bank International London for loans granted to PTFS secured by first Mortgage/charge over part of the land of the Company at Spring Mills at Mumbai admeasuring 46,442.13 square metres and buildings and structures thereon.		
(ii) ₹ Nil *(31.3.2012 ₹ 12.00 crores)* in favour of IDBI Bank Limited against guarantees issued to Punjab National Bank International London for loans granted to PTFS is secured by fixed deposit of ₹ 12.51 crores earmarked in favour of IDBI Bank Limited.		
(iii) ₹ 17.45 crores *(31.3.2012 ₹ 17.39 crores)* in favour of Bank of Bahrain & Kuwait, Bahrain for loans granted to PTFS secured by first Mortgage/charge over part of the land of the Company at Textile Mills at Mumbai admeasuring 89,819.85 square metres and plant & machinery, buildings and structures thereon.		
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	30.58	37.94

NOTES to financial statements for the year ended 31st March, 2013

(₹ in crores)

30. Capital & other commitments	**2012-13**	2011-12
(i) Estimated amount of contracts to be executed on capital account and not provided for:	32.83	33.24
(ii) Other Commitments not provided for related to construction under development	62.25	25.82
(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 fulfil, in future, a specified amount of export obligation within eight years. Amount of duty saved on import of the above goods aggregate ₹ 30.04 crores *(31.03.2012 ₹ 29.78 crores)* against which export obligation of ₹ 402.04 crores *(31.03.2012 ₹ 399.95 crores)* needs to be fulfilled. Of the same, export obligation amounting to ₹ 339.12 crores *(31.03.2012 ₹ 296.76 crores)* has been fulfilled and the balance export obligation amounting to ₹ 62.92 crores *(31.03.2012 ₹ 103.19 crores)* yet to be fulfilled by the year 2016.		
(iv) Export obligation pending under Advance License Scheme is ₹ 1.06 crores *(31.03.2012 ₹ 1.29 crores)* and duty saved thereon.	0.22	0.25

31. During the year 2000-2001, pursuant to the scheme of amalgamation between Scal Investments Limited (SIL) and the Company, sanctioned by the jurisdictional court on 20th April, 2001, the assets, liabilities and reserves of SIL had been transferred to and vested in the Company with effect from 1st October, 2000. The Company is taking necessary steps for securing transfer of some of the assets and liabilities in the name of the Company.

32. Based on the advice sought by the Company, the premium charged by the Company on sale of apartments under the 20:80 scheme, where 80% of the consideration is payable at the time of handing over of possession, 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.

33. 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 at ₹ 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 ₹ 10.07 crores has been added to the development cost of land as the said land is freed for real estate development.

34. 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 consideration of ₹ 701.81 crores *(31.03.2012: ₹ 743.83 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 recognized net revenue of ₹ 339.47 crores *(31.03.2012: ₹ 341.32 crores)* from the said transactions, including an amount of ₹ 89.38 crores *(31.03.2012: ₹ 103.67 crores)* released from Revaluation Reserve.

35. During the year 2010-11, the Company had agreed to sell certain area of in the proposed tower TWO ICC to 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 27th August, 2012 has restrained the Company from selling, transferring or alienating right, title or interest in respect of 1,00,000 sq.ft. carpet area in favour of any third party. The Company has filed an appeal against the order in the Bombay High Court. The arbitration proceedings have been posted for arguments and final hearing.

NOTES to financial statements for the year ended 31st March, 2013

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

(₹ in crores)

	2012-13	2011-12
Raw material/other expenses short accounted	-	4.16
Interest liability not accounted	1.15	2.49
Excess provision for freight charges	-	(1.97)
Export incentives short accounted	-	(1.71)
Gain on foreign currency transactions	(2.01)	
Brokerage on sale of flats	6.57	-
	5.71	2.97

37. 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)

	2012-13	2011-12
Employer's contribution to Provident Fund	3.44	2.99
Employer's contribution to Family Pension Fund	0.49	0.43
Employer's contribution to Superannuation Fund	0.68	0.72

B. Defined Benefit Plan

Gratuity - as per actuarial valuation as on 31st March, 2013

(₹ in crores)

	2012-13	2011-12
i. Reconciliation of opening and closing balances of Defined Benefit		
Present value of Defined Benefit Obligation as at 31st March, 2012	15.33	13.75
Interest cost	1.30	1.11
Current Service Cost	1.33	0.54
Benefits paid	(2.13)	(1.62)
Liability transferred out	(1.19)	-
Net Actuarial (gain) / loss	1.77	1.55
Present value of Defined Benefit Obligation as at 31st March, 2013	16.41	15.33
ii. Reconciliation of fair value of Plan Assets		
Fair value of Plan Assets as at 31st March, 2012	14.51	12.99
Expected return on Plan Assets	1.25	1.16
Net Actuarial gain / (loss)	(0.28)	(0.37)
Employer's Contribution	0.79	2.35
Transfer to other company	(1.19)	-
Benefits Paid	-	(1.62)
Fair value of Plan Assets as at 31st March, 2013	15.08	14.51
The Company expects to contribute in 2013-2014	2.71	2.14

NOTES to financial statements for the year ended 31st March, 2013

37. Employee Benefits (Contd.)

(₹ in crores)

	2012-13	2011-12
The major categories of Plan Assets as a percentage of the fair value of total Plan Assets are as follows:		
Corporate Bonds	-	24.42
Banks	-	2.57
Insurance Funds	100.00	73.01
	100.00	100.00
iii. Net assets / (liabilities) recognised in the Balance Sheet as at 31st March, 2013		
Present value of Defined Benefit Obligation	(16.41)	(15.33)
Fair value of Plan Assets	15.08	14.51
Net Assets / (liability) recognised in Balance Sheet	(1.33)	(0.82)
iv. Components of Employer's Expenses		
Current Service Cost	1.33	0.54
Interest Cost	1.29	1.11
Expected return on Plan Assets	(1.25)	(1.16)
Net Actuarial (gain) / loss	2.05	1.92
Total expenses recognised in the statement of profit and loss under contribution to Gratuity Fund	3.42	2.41
Actual return on Plan Assets	0.97	0.70
v. Actuarial Assumptions	LIC (1994-96)	LIC (1994-96)
Mortality Table		
Discount Rate (per annum)	8.00%	8.50%
Expected rate of return on Plan Assets	8.70%	8.60%
Salary escalation	7.50%	7.50%

vi. Amount recognized in current year and previous years (₹ in crores)

		2012-13	2011-12	2010-11	2009-10	2008-09
1	Present Value of Defined Benefit Obligation as at 31st March	16.41	15.33	13.75	12.29	11.97
2	Fair Value of Plan Assets as on 31st March	15.08	14.51	12.99	10.58	11.23
3	Funded Status [Surplus /(Deficit)]	(1.33)	(0.82)	(0.76)	(1.71)	(0.74)
4	Experience adjustment on Plan Liabilities [(Gain)/Loss]	1.35	0.74	(0.15)	1.61	0.37
5	Experience adjustment on Plan Assets [(Loss)/Gain]	(0.27)	(0.37)	(0.34)	(0.23)	(0.05)

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.

NOTES to financial statements for the year ended 31st March, 2013

37. Employee Benefits (Contd.)

C. Other long term benefits-

Amount recognised as a liability in respect of compensated leave absences is ₹ 5.71 crores *[2011-12- ₹ 4.61 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 ₹ 6.67 crores. The said amount together with other lump-sum payments aggregating to ₹ 10.07 crores is added to the development cost of land (Refer note 33)

38. Deferred taxes

(₹ in crores)

	Deferred Tax (Liability)/Asset as at 1st April, 2012	Credit/(Charge) for the year	**Deferred Tax (Liability)/Asset as at 31st March, 2013**
Nature of timing difference			
(a) Deferred Tax Liabilities			
- Depreciation	(128.33)	(6.51)	(134.84)
	(128.33)	(6.51)	(134.84)
Deferred Tax Assets			
- Item covered under section 43B	1.50	0.44	1.94
- 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	126.83	2.89	129.72
- Provision for bad and doubtful debts	-	3.18	3.18
	128.33	6.51	134.84
Net	-	-	-

39. Current Liabilities

The amount of dues owed to Micro, Small and Medium Enterprises as on 31st March, 2013 amounted to ₹ 0.17 crore *(31st March, 2012- ₹ Nil)*. 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:

NOTES to financial statements for the year ended 31st March, 2013

39. Current Liabilities (Contd.)

Particulars	2012-13	2011-12
Principal amount due to suppliers and remaining unpaid under MSMED Act, 2006	0.17	-
Interest accrued and due and unpaid to suppliers under MSMED Act, on the above amount (₹ 21,828)	-	-
Interest paid	-	-
Payment made to suppliers (Other than interest) beyond the appointed day, during the year	1.46	-
Interest due and payable to suppliers under MSMED Act, for payments already made for the period of delay	0.02	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	0.03	-
Amount of further interest remaining due and payable in succeeding year	0.03	-

40. 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. Exercise 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 14,000 options (i.e. 70,000 options post sub-division) on 7th August, 2012 at an exercise price of ₹ 528.25 (i.e. ₹ 105.65 post sub-division) per share to the Joint Managing Director of the Company. 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, 2013	31st March, 2012
Options outstanding at the beginning of the year	NIL	NIL
Options granted during the year	70,000	NIL
Options vested during the year	NIL	NIL
Options exercised during the year	NIL	NIL
Options lapsed during the year	NIL	NIL
Options outstanding as at the end of the year	70,000	NIL
Weighted average price per option (₹)	105.65	NIL

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.

NOTES to financial statements for the year ended 31st March, 2013

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	31st March, 2013	31st March, 2012
No. of option granted	70,000	NIL
Date of grant	07th August, 2012	NIL
Vesting period (years)	1	NIL
Expected life of option (years)	3	NIL
Expected volatility	45.42%	NIL
Risk free rate	8.09%	NIL
Expected dividends	50% of face value of share	NIL
Weighted -average fair values of options per share (₹)	36	NIL

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	31st March, 2013	31st March, 2012
Net profit (as reported)	75.70	N/A
Less: Stock-based compensation expense determined under fair value based-		
method, net of Intrinsic Value (without considering tax impact)	0.25	N/A
Net profit (pro-forma) considered for computing EPS (pro-forma)	75.45	N/A
Basic earnings per share (as reported)	3.67	N/A
Basic earnings per share (pro-forma)	3.65	N/A
Diluted earnings per share (as reported)	3.67	N/A
Diluted earnings per share (pro-forma)	3.65	N/A

41. 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, 2013 for hedging the currency risk:

Particulars	Purpose	Amount in foreign currency	
		As at 31st March, 2013	As at 31st March, 2012
Forward contracts to buy USD	Hedge of external commercial borrowings & raw material imports	98,459,437	79,218,117
Forward contracts to sell USD	Hedge of firm commitments, highly probable forecast transactions and export of finished goods	9,986,221	6,415,189
Forward contracts to sell EURO	Hedge of firm commitments, highly probable forecast transactions and export of finished goods	NIL	200,000
Forward contracts to sell AUD	Hedge of firm commitments, highly probable forecast transactions and export of finished goods	3,055,128	NIL

NOTES to financial statements for the year ended 31st March, 2013

41. Derivative Instruments & unhedged foreign currency exposure (Contd.)

(ii) Particulars of unhedged foreign currency exposures as on 31st March, 2013

		Amount in foreign currency	
		As at March 31, 2013	As at March 31, 2012
(a)	Trade Receivables		
	EURO	353,478	-
(b)	Trade and Other Payables		
	USD	1,192,056	62,067
	EURO	56,224	77,861
	GBP	NIL	1,624

(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 ₹ 0.18 crores *(2011-12 ₹ 0.23 crores)* as on 31st March, 2013 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 Statement of Profit and Loss when the forecasted transactions arise.

42. Earnings Per Equity Share

(₹ in crores)

		2012-13	2011-12
(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	75.70	59.35
(ii)	Number of Equity Shares	No. of equity shares	No. of equity shares
	Number of Equity Shares at the beginning of the year	206,534,900	202,734,900
	Add:- Shares allotted during the year	-	3,800,000
	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	203,378,615
	(b) For diluted earnings	206,539,258	203,378,615
	Face value of Equity Share (In Rupees)	2	2
(iii)	Earnings per equity share		
	Basic (in Rupees)	3.67	2.92
	Diluted (in Rupees)	3.67	2.92

Note:

The equity shares of the company having face value of ₹ 10/- each have been sub-divided into 5 equity shares of face value of ₹ 2/- effective 1st November, 2012 pursuant to the approval of the shareholders on 18th October, 2012. In accordance with AS-20 "Earnings per Share", the per share calculations for the year ended 31st March, 2013 and the previous year have been presented based on the revised number of shares to make them comparable.

NOTES to financial statements for the year ended 31st March, 2013

43. 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)

	2012-13	2011-12
(i) Total of minimum lease payments		
Total of minimum lease payments for a period:		
- not later than one year	2.79	2.38
- later than one year but not later than five years	2.23	2.76
- later than five years	-	-
(ii) Lease payments recognised in the statement of profit and loss for the year	2.57	3.03

(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)

	2012-13	2011-12
(i) Lease rental income:		
Total of minimum lease payments for a period:		
- not later than one year	15.77	22.16
- later than one year but not later than five years	47.18	53.74
- later than five years	8.85	15.68

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

44. 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	454.65	1,208.82	665.70	-	2,329.17
	[423.18]	*[1,241.28]*	*[566.27]*	*[-]*	*[2,230.73]*
2. Inter-segment revenue	-	3.87	-	(3.87)	-
	[-]	*[3.68]*	*[-]*	*[(3.68)]*	*[-]*
3. Total segment revenue	454.65	1,212.69	665.70	(3.87)	2,329.17
	[423.18]	*[1,244.96]*	*[566.27]*	*[(3.68)]*	*[2,230.73]*
4. Unallocated revenue					0.09
					[0.08]
TOTAL					2,329.26
					[2,230.81]

NOTES to financial statements for the year ended 31st March, 2013

44. Segment Reporting (Contd.)

(₹ in crores)

(i)	**Primary Segments - Business Segments**	Textile	Polyester	Real Estate	Elimination	Total
B	**RESULT**					
1.	Segment result/operating profit/(loss)	(12.34)	(27.04)	349.61		310.23
		[5.22]	*[2.82]*	*[268.58]*		*[276.62]*
2.	Unallocated (Expenses)/Income Net					(37.68)
						[(21.20)]
3.	Operating Profit					272.55
						[255.42]
4.	Interest expenses					(174.74)
						[(180.57)]
5.	Income Taxes					(22.11)
						[(15.50)]
6.	Net Profit					75.70
						[59.35]
C	**OTHER INFORMATION**					
1.	Segment assets	435.95	901.53	2,261.15		3,598.63
		[465.53]	*[820.81]*	*[2,125.84]*		*[3,412.18]*
2.	Unallocated assets					172.47
						[175.92]
3.	Total assets					3,771.10
						[3,588.10]
4.	Segment liabilities	45.18	562.78	172.11		780.07
		[45.00]	*[320.77]*	*[87.96]*		*[453.73]*
5.	Unallocated liabilities					56.06
						[41.92]
6.	Total liabilities					836.13
						[495.65]
7.	Cost incurred during the year to acquire segment fixed assets	6.78	2.52	31.79		41.09
		[2.94]	*[2.00]*	*[9.85]*		*[14.79]*
8.	Depreciation	19.90	36.19	5.94		62.03
		[19.90]	*[36.07]*	*[5.42]*		*[61.39]*
9.	Non-cash expenses other than depreciation					
	- doubtful advances written off	0.23	-	-		0.23
		[-]	*[2.66]*	*[-]*		*[2.66]*
	- provision for bad & doubtful debts	3.45	-	-		3.45
		[-]	*[-]*	*[-]*		*[-]*

NOTES to financial statements for the year ended 31st March, 2013

44. Segment Reporting (Contd.)

(ii) Secondary Segments - Geographical Segments

	India	Rest of the World	Total
A. Segment revenue from external customers, based on geographical location of customers	2,056.21	272.96	2,329.17
	[1,984.21]	*[246.52]*	*[2,230.73]*
B. Segment assets based on geographical location	3,521.25	77.38	3,598.63
	[3,361.50]	*[50.68]*	*[3,412.18]*
C. Cost incurred during the year to acquire fixed assets	41.09	-	41.09
	[14.79]	*[-]*	*[14.79]*

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.

45. 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 (upto 28.03.2012)
	Bombay Dyeing Real Estate Company Limited
Co-venturer:	Batra Group (Upto 27.03.2012)
Joint Venture Companies:	PT.Five Star Textile Indonesia
	Proline India Limited (upto 27.03.2012)
Key Management Personnel and	Mr.Jeh N Wadia - Managing Director
	Mr.Durgesh Mehta - Joint Managing Director
	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, 2013

45. Related party disclosures (Contd.)

(b) Transactions with related parties

(₹ in crores)

Nature of transactions	Associate Companies	Joint Venture Companies & Co-venturers	Key Management Personnel & their relatives	Entities over which Key Management Personnel & their relatives exercise significant influence
I) Transactions:				
(i) Inter-Corporate Deposits (ICD)/Advances given				
- Archway Investment Company Limited	123.84	-	-	-
	(0.75)	*(-)*	*(-)*	*(-)*
- Scal Services Ltd.	16.50	-	-	-
	(33.84)	*(-)*	*(-)*	*(-)*
(ii) Repayment received against ICD/Advances				
- Archway Investment Company Limited	119.16	-	-	-
	(3.20)	*(-)*	*(-)*	*(-)*
- Scal Services Ltd.	24.59	-	-	-
	(27.82)	*(-)*	*(-)*	*(-)*
(iii) Interest income on ICD/Advance				
- Archway Investment Company Limited	1.80	-	-	-
	(0.76)	*(-)*	*(-)*	*(-)*
- Scal Services Ltd.	0.46	-	-	-
	(1.71)	*(-)*	*(-)*	*(-)*
(iv) Interest expense on ICD/advance				
- Scal Services Ltd.	0.08	-	-	-
	(0.05)	*(-)*	*(-)*	*(-)*
- The Bombay Burmah Trading Corporation Ltd.	-	-	-	-
	(-)	*(-)*	*(-)*	*(1.46)*
(v) ICDs taken				
- Scal Services Ltd.	3.92	-	-	-
	(5.90)	*(-)*	*(-)*	*(-)*
- The Bombay Burmah Trading Corporation Ltd.	-	-	-	-
	(-)	*(-)*	*(-)*	*(77.40)*
(vi) Repayment of ICDs				
- Scal Services Ltd.	3.92	-	-	-
	(8.82)	*(-)*	*(-)*	*(-)*
- The Bombay Burmah Trading Corporation Ltd.	-	-	-	-
	(-)	*(-)*	*(-)*	*(77.40)*

NOTES to financial statements for the year ended 31st March, 2013

45. Related party disclosures (Contd.)

(₹ in crores)

Nature of transactions	Associate Companies	Joint Venture Companies & Co-venturers	Key Management Personnel & their relatives	Entities over which Key Management Personnel & their relatives exercise significant influence
(vii) Airlines Tickets purchased				
- Go Airlines (India) Limited	-	-	-	0.13
	(-)	*(-)*	*(-)*	*(0.05)*
(viii) Expenses incurred on behalf of related parties (reimbursable)				
- PT. Five Star Textile Indonesia	-	3.90	-	-
	(-)	*(-)*	*(-)*	*(-)*
- Go Airlines (India) Limited	-	-	-	0.08
	(-)	*(-)*	*(-)*	*(0.06)*
- The Bombay Burmah Trading Corporation Ltd.	-	-	-	0.72
	(-)	*(-)*	*(-)*	*(-)*
- Scal Services Ltd.	8.35	-	-	-
	(-)	*(-)*	*(-)*	*(-)*
(ix) Expenses incurred on behalf of Company (reimbursable)				
- The Bombay Burmah Trading Corporation Ltd.	-	-	-	0.09
	(-)	*(-)*	*(-)*	*(-)*
(x) Remuneration				
- Mr. Jeh Wadia	-	-	5.13	-
	(-)	*(-)*	*(3.88)*	*(-)*
- Mr. Durgesh Mehta	-	-	2.67	-
	(-)	*(-)*	*(2.21)*	*(-)*
(xi) Guarantee and collaterals				
- PT. Five Star Textile Indonesia	-	20.65	-	-
	(-)	*(17.25)*	*(-)*	*(-)*
(xii) Revenue from real estate activity [Refer footnote (b)]				
- Scal Services Limited	701.81	-	-	-
	(743.83)	*(-)*	*(-)*	*(-)*
- Mr. Ness Wadia	-	-	-	-
	(-)	*(-)*	*(2.07)*	*(-)*
- Mr. Jeh Wadia	-	-	-	-
	(-)	*(-)*	*(5.30)*	*(-)*

NOTES to financial statements for the year ended 31st March, 2013

45. Related party disclosures (Contd.)

(₹ in crores)

Nature of transactions	Associate Companies	Joint Venture Companies & Co-venturers	Key Management Personnel & their relatives	Entities over which Key Management Personnel & their relatives exercise significant influence
(xiii) Reversal of sale on cancellation of contracts				
- Scal Services Limited	4.51	-	-	-
	(7.92)	*(-)*	*(-)*	*(-)*
(xiv) Fees for cancellation of sale contracts/upside				
- Scal Services Limited	5.87	-	-	-
	(6.86)	*(-)*	*(-)*	*(-)*
(xv) Price differential on SCAL apartments sold				
- Scal Services Limited	9.63	-	-	-
	(-)	*(-)*	*(-)*	*(-)*
(xvi) Lease Rent income				
- Go Airlines (India) Ltd.	-	-	-	2.42
	(-)	*(-)*	*(-)*	*(1.82)*
(xvii) Sale of goods				
- Go Airlines (India) Ltd.	-	-	-	0.08
	(-)	*(-)*	*(-)*	*(-)*
(xviii) Sale of shares				
- Proline India Ltd.	-	-	-	-
	(-)	*(3.12)*	*(-)*	*(-)*
- Batra Group	-	-	-	-
	(-)	*(2.99)*	*(-)*	*(-)*
- Bombay Dyeing Real Estate Company Ltd.	-	-	-	-
	(0.48)	*(-)*	*(-)*	*(-)*
(xix) Advances given				
- Jeh Wadia	-	-	0.08	-
	(-)	*(-)*	*(-)*	*(-)*
(xx) Repayment of Advances given				
- BDS Urban Infrastructure Private Limited	-	-	-	-
	(0.10)	*(-)*	*(-)*	*(-)*

NOTES to financial statements for the year ended 31st March, 2013

45. Related party disclosures (Contd.)

(₹ in crores)

Nature of transactions	Associate Companies	Joint Venture Companies & Co-venturers	Key Management Personnel & their relatives	Entities over which Key Management Personnel & their relatives exercise significant influence
II) Receivable as at year end				
- Archway Investment Company Limited	10.90	-	-	-
	(6.22)	*(-)*	*(-)*	*(-)*
- PT. Five Star Textile Indonesia	-	18.39	-	-
	(-)	*(15.65)*	*(-)*	*(-)*
- Scal Services Limited	-	-	-	-
	(8.74)	*(-)*	*(-)*	*(-)*
- Go Airlines (India) Limited	-	-	-	0.16
	(-)	*(-)*	*(-)*	*(0.28)*
- The Bombay Burmah Trading Corporation Ltd.	-	-	-	0.13
	(-)	*(-)*	*(-)*	*(0.26)*
- Jeh Wadia	-	-	0.35	-
	(-)	*(-)*	*(-)*	*(-)*
III) Payables as at year end				
- Scal Services Limited	49.02	-	-	-
	(-)	*(-)*	*(-)*	*(-)*
IV) Advances received for purchase of flats				
- Mr. Ness Wadia	-	-	0.81	-
	(-)	*(-)*	*(0.57)*	*(-)*
- Mr. Jeh Wadia	-	-	0.28	-
	(-)	*(-)*	*(0.64)*	*(-)*
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)]	-	134.12	-	-
	(-)	*(113.47)*	*(-)*	*(-)*

Notes:

(a) Dividend paid has not been considered by the Company as a transaction falling under the purview of Accounting Standard 18 "Related Party Disclosures".

(b) Revenue from real estate activity is disclosed based on aggregate value of sales consideration as per agreements.

(c) 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, 2013

46. 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 31st March, 2013 ₹ in crores	Maximum amount outstanding during the year ₹ in crores	No. of shares of the Company held by the loanees as at 31st March, 2013
A	Investments and Loans and advances in subsidiary and associates				
1	Archway Investment Company Ltd.	Inter corporate deposit	10.90	39.24	-
			[6.22]	*[9.17]*	*[-]*
		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]*	*[-]*
4	Scal Services Ltd.	Investment in equity shares	0.30	0.30	-
			[0.30]	*[0.78]*	*[-]*
		Loans & advances	-	16.34	-
			[8.74]	*[29.84]*	*[-]*
			65.26	109.94	-
			[69.32]	*[93.85]*	*[-]*
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	18.44	18.44	-
			[15.65]	*[15.65]*	*[-]*
			33.66	33.66	-
			[30.87]	*[30.87]*	*[-]*
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		0.58	0.82	-
			[0.79]	*[1.00]*	*[200]*

NOTES to financial statements for the year ended 31st March, 2013

47. Joint Ventures

The Company has the following joint ventures as on 31st March, 2013 and its proportionate share in the assets, liabilities, income and expenditure of the respective joint venture companies 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 March, 2013				**For the year ended 31st March, 2013**	
a.	Proline India Ltd.* (incorporated in India)	49%	- *[-]*	- *[-]*	- *[-]*	- *[-]*	- *[-]*	- *[-]*
			As at 31st December, 2012$				**For the year ended 31st December, 2012§**	
b.	PT. Five Star Textile Indonesia, (PTFS) (Incorporated in Indonesia)	33.89%	56.62 @ *[56.09]*	58.42 ^ *[51.63]*	- *[-]*	- *(-)*	5.61 *[10.04]*	6.13 *[12.53]*

* ceased to be Joint venture w.e.f. 28th March 2012.

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.

48. CIF value of imports of

(₹ in crores)

		2012-13	2011-12
(i)	Raw material	850.91	831.33
(ii)	Stores, spare parts & catalysts	19.72	14.62
(iii)	Capital goods	0.36	0.68
(iv)	Consturction material	0.96	0.44

49. Expenditure in foreign currency (Disclosure on payment basis)

(₹ in crores)

		2012-13	2011-12
(i)	Travelling Expenses	1.04	1.01
(ii)	Interest	6.56	3.23
(iii)	Architect Fees, technical & project related Consultancy	0.54	0.48
(iv)	Other expenditure	3.92	3.99

NOTES to financial statements for the year ended 31st March, 2013

50. Consumption

(₹ in crores)

	2012-13	%	2011-12	%
Imported raw materials, spare parts and components	858.08	68.99	807.48	61.87
Indigenous raw materials, spare parts and components	385.71	31.01	497.63	38.13
	1,243.79	100.00	1,305.11	100.00

51. Remittances in foreign currencies

(₹ in crores)

	2012-13	2011-12
Remittance in foreign currencies on account of dividend to one non-resident shareholder, the depository for the GDR holders:		
(i) on 5,66,945 equity shares, dividend for 2011-2012	0.28	-
(ii) on 5,66,995 equity shares, dividend for 2010-2011	-	0.20
Apart from the above, the Company has not made any remittance in foreign currencies on account of dividends and does not have information as to the extent to which remittances in foreign currencies on account of dividends have been made by or on behalf of the other non-resident shareholders. The particulars of dividends paid to such non-resident shareholders are as under:		
(i) number of non-resident shareholders: 717 (2011-2012 :816)		
(ii) on 44,90,980 equity shares, dividend for 2011-2012	2.25	-
(iii) on 67,81,190 equity shares, dividend for 2010-2011	-	2.37

52. Earnings in foreign exchange

(₹ in crores)

	2012-13	2011-12
(i) Export of goods calculated on FOB basis	265.52	240.13
(ii) Reimbursement of insurance and freight on exports	7.37	6.39
(iii) Sale of Flats	0.07	-

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

54. Previous year figures have been regrouped where necessary.

As per our report attached

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

VIRAF R.Mehta
Partner

Mumbai, 28th May, 2013

For and on behalf of the Board

NUSLI N. WADIA *Chairman*

JEH N. WADIA *Managing Director*

DURGESH MEHTA *Jt. Managing Director*

J.C. BHAM *Company Secretary*

Mumbai, 28th May, 2013

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

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

ATTENDANCE SLIP

I hereby record my presence at the 133rd Annual General Meeting of the Members of The Bombay Dyeing and Manufacturing Company Limited which will be held at the Yashwantrao Chavan Center Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai - 400021, on Tuesday, 6th August, 2013, at 3.45 p.m.

Full Name of the Member :
(In block letters)

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

SIGNATURE OF THE SHAREHOLDER OR THE PROXY ATTENDING THE MEETING

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

NOTES :

N. B. : 1. Members attending the meeting in person or by Proxy are requested to complete attendance slips and hand it over at the entrance of the meeting hall.

2. The practice of distributing copies of the Annual Report at the Annual General Meeting having being discontinued, members attending the Meeting are requested to bring their copies of the Annual Report with them.

THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

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

FORM OF PROXY

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

I/We ....

of .... being a Member/Members of THE BOMBAY DYEING AND MFG. CO. LTD.

hereby appoint .... of ....

or failing him .... of ....

as my/our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday, 6th August, 2013, at 3.45 p.m. and at any adjournment thereof.

Signed this .... day of .... 2013.

* Applicable to investors holding shares in electronic form.

Affix Revenue Stamp

Signature ....

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

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

IN DEO FIDE ET PERSEVERANTIA

~ 1736 ~

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.

www.sapprints.com