ANNUAL REPORT & ACCOUNTS
2008 - 2009

THE BOMBAY DYEING
AND MANUFACTURING COMPANY LIMITED

ESTABLISHED 1879

DIRECTORS

Nusli N. Wadia, *Chairman*

Keshub Mahindra

R. N. Tata

R. A. Shah

Dr. H. N. Sethna

S. S. Kelkar

S. Ragothaman

A. K. Hirjee

S. M. Palia

Ms. Vinita Bali (w.e.f. 30.4.2009)

P. V. Kuppuswamy, *Jt. Managing Director*

Ness N. Wadia, *Jt. Managing Director*

CHIEF FINANCIAL OFFICER

Durgesh Mehta

COMPANY SECRETARY

Somnath Majumdar

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CEO/COOs/VICE-PRESIDENTS

P. Makhija, *Chief Executive Officer (Textile)*
Dr. S. C. Basu, *Chief Operating Officer (PSF)*
S. Rajappa, *Chief Operating Officer (Textile)*
Burjor Nariman, *Sr. Vice-President (Corporate Group)*
R. Chandrasekharan, *Vice-President (Corporate Group)*
S. Dasmahapatra, *Vice-President – HR (Corporate Group)*
K. Khona, *Vice-President - Finance (Corporate Group)*
A. Bhawsingka, *Vice-President – Domestic Retail Business (Textile)*
Bhagaban Kar, *Vice-President – Manufacturing (PSF)*
R. K. Gupta, *Vice-President – Marketing (PSF)*
J. P. Rathi, *Vice-President – Commercial (PSF)*

BANKERS

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

ADVOCATES & SOLICITORS

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

AUDITORS

Messrs. Kalyaniwalla & Mistry

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENT

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

13AB, Samhita Warehousing Complex,
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

NOTICE

The 129th Annual General Meeting of the Members of The Bombay Dyeing & Manufacturing Company Limited will be held at the Sir Sitaram and Lady Shantabai Patkar Convocation Hall of the S.N.D.T. Women's University, 1, Nathibai Thackersey Road, New Marine Lines, Mumbai 400 020, on Friday, 28th August, 2009, at 3.45 p.m. to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in the place of Mr. Nusli N. Wadia, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in the place of Mr. S. Ragothaman, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint a Director in the place of Mr. S. M. Palia, who retires by rotation, and being eligible, offers himself for reappointment.
6. To appoint Messrs. Kalyaniwalla & Mistry, Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

Special Business:

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

7. As an Ordinary Resolution:

   "RESOLVED THAT Ms. Vinita Bali be and is hereby appointed as a Director of the Company."

8. As a Special Resolution:

   "RESOLVED THAT pursuant to Sections 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") read with Schedule XIII thereto (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to Article 145 of the Articles of Association of the Company and subject to the approval of the Central Government, if and to the extent necessary, and such other approvals, permissions and sanctions as may be required, and subject to the conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions, the Company does hereby approve the reappointment of Mr. P.V. Kuppuswamy as Joint Managing Director of the Company for a period of 5 years with effect from 1st June, 2009 and payment of remuneration on the terms and conditions as approved by the Remuneration/ Compensation Committee and by the Board of Directors at their respective Meetings held on 30th April, 2009 and as set out in the Explanatory Statement under Section 173 of the Act annexed to the Notice convening the 129th Annual General Meeting and in the Agreement to be entered into between the Company and Mr. P. V. Kuppuswamy, a draft whereof duly initialed by the Chairman for purposes of identification is submitted to this Meeting, which Agreement is hereby specifically sanctioned with liberty and power to the Board of Directors (hereinafter referred to as "the Board", which expression shall also include the Remuneration/ Compensation Committee of the Board), in the exercise of its discretion, to fix and to revise from time to time the actual remuneration of Mr. P. V. Kuppuswamy within the ceilings stipulated in the Agreement and to alter/ vary/ modify/ amend from time to time the terms and conditions of the said appointment and remuneration and/or Agreement in such manner as may be agreed to between the Board and Mr. P. V. Kuppuswamy, provided that such alteration/ variation/ modification/ amendment is in conformity with the applicable provisions of the Act as amended from time to time.

   RESOLVED FURTHER THAT where in any financial year comprised in the period of 3 years with effect from 1st June, 2009, during the currency of tenure of Mr. P.V. Kuppuswamy as Joint Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay Mr. P. V. Kuppuswamy remuneration as determined from time to time by the Board pursuant to the authority vested in them in terms of this Resolution, subject to compliance with the applicable provisions of Schedule XIII to the Act, with the approval of the Central Government if and to the extent necessary AND THAT such remuneration shall be treated as the minimum remuneration payable to Mr. P. V. Kuppuswamy in the absence or inadequacy of profits, in accordance with the provisions of Sections 198(4), 309(3), 311 and other applicable provisions, if any, of the Act read with Schedule XIII thereto (including any statutory modification(s) or re-enactment thereof for the time being in force).

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

9. As a Special Resolution:

   "RESOLVED THAT pursuant to Sections 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") read with Schedule XIII thereto (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to Article 145 of the Articles of Association of the Company and subject to the approval of the Central Government, if and to the extent necessary, and such other approvals, permissions and sanctions as may be required, and subject to the conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions, the Company does hereby approve the reappointment of Mr. Ness N. Wadia as Joint Managing Director of the Company for a period of 5 years with effect from 1st June, 2009 and payment of remuneration on the terms and conditions as approved by the Remuneration/Compensation Committee and by the Board of Directors at their respective Meetings held on 30th April, 2009 and as set out in the Explanatory Statement under Section 173 of the Act annexed to the Notice convening the 129th Annual General Meeting and in the Agreement to be entered into between the Company and Mr. Ness N. Wadia, a draft whereof duly initialed by the Chairman for purposes of identification is submitted to this Meeting, which Agreement is hereby specifically sanctioned with liberty and power to the Board of Directors (hereinafter referred to as “the Board”, which expression shall also include the Remuneration/Compensation Committee of the Board), in the exercise of its discretion, to fix and to revise from time to time the actual remuneration of Mr. Ness N. Wadia within the ceilings stipulated in the Agreement and to alter/ vary/ modify/ amend from time to time the terms and conditions of the said appointment and remuneration and/or Agreement in such manner as may be agreed to between the Board and Mr. Ness N. Wadia, provided that such alteration/ variation/ modification/ amendment is in conformity with the applicable provisions of the Act as amended from time to time.

RESOLVED FURTHER THAT where in any financial year comprised in the period of 3 years with effect from 1st June 2009, during the currency of tenure of Mr. Ness N. Wadia as Joint Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay Mr. Ness N. Wadia remuneration as determined from time to time by the Board pursuant to the authority vested in them in terms of this Resolution, subject to compliance with the applicable provisions of Schedule XIII to the Act, with the approval of the Central Government if and to the extent necessary AND THAT such remuneration shall be treated as the minimum remuneration payable to Mr. Ness N. Wadia in the absence or inadequacy of profits, in accordance with the provisions of Sections 198(4), 309(3), 311 and other applicable provisions, if any, of the Act read with Schedule XIII thereto (including any statutory modification(s) or re-enactment thereof for the time being in force).

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

10. As an Ordinary Resolution:

“RESOLVED THAT in supersession of Resolution No. 8 passed at the 127th Annual General Meeting of the Company held on 25th July, 2007, consent of the Company be and is hereby accorded in terms of the Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) for borrowing from time to time any sum or sums of money (exclusive of interest) not exceeding at any time the sum of Rs. 2000 crores (Rupees Two Thousand Crores) on such terms and conditions as the Board may deem fit, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.”

11. As an Ordinary Resolution:

“RESOLVED THAT in supersession of Resolution No. 9 passed at the 127th Annual General Meeting of the Company held on 25th July, 2007, consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) for creating such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties of the Company wheresoever situate, both present and future, on such terms, at such time, in such form and in such manner as the Board may deem fit, together with power to take over the management of the business and concern of the Company in certain events in favour of all or any of the following, namely: Banks, Financial Institutions, Insurance Companies, Investment Institutions, other investing agencies, Bodies Corporate incorporated under any statute and trustees for the holders of debentures/ secured premium notes/ bonds/ other securities/ debt instruments, and other secured lenders (hereinafter referred to as “the Lenders”) to secure repayment of any loans (both rupee loans and foreign currency loans) and/or any other financial assistance and/or guarantee facilities already obtained or that may hereafter be obtained from any of the Lenders by the Company, and/or to secure redemption of debentures (whether partly/fully convertible or non-convertible)/ secured premium notes/ bonds/ other securities/ debt instruments and/or rupee/ foreign currency convertible bonds and/or bonds with share warrants attached, already issued or that may hereafter be issued by the Company, together with all interest, compound additional interest, commitment charge, liquidated damages, premium on prepayment or on redemption, trustees’ remuneration, costs, charges, expenses and all other moneys including revaluation/ devaluation/ fluctuation in the rates of foreign currencies involved, payable by the Company to the Lenders concerned, in terms of their respective Loan Agreements/ Heads of Agreements/ Hypothecation Agreements/ Trustees Agreements/ Letters of Sanction/ Memorandum of terms and conditions/ Debenture Certificates entered into/to be entered into/ issued/to be issued by the Company, provided that the total borrowings of the Company (exclusive of interest) whether by way of loans and/or any other financial assistance and/or guarantee facilities and/or issue of debentures/ secured premium notes/ other securities/ debt instruments to be secured as aforesaid (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) shall not any time exceed the limit of Rs. 2000 Crores (Rupees Two Thousand Crores).

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

12. As a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 163 of the Companies Act, 1956 (“the Act”), the Company hereby approves that the Register of Members, the Index of Members, the Register and Index of Debentureholders and copies of all Annual Returns prepared under Section 159 of the Act, together with the copies of Certificates and documents required to be annexed thereto under Section 161 of the Act, or any one or more of them be kept at the office of the Company’s Registrar and Share Transfer Agents, M/s Sharepro Services (India) Pvt. Ltd. at 13AB, Samhita Warehousing Complex, Saki Naka Telephone Exchange Lane, Off Andheri Kurla Road, Saki Naka, Andheri (E), Mumbai 400 072.”

Notes:

(a) The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, setting out material facts relating to the business at Items 7 to 12 of the Notice as set out above, is annexed hereto as **Annexure I**.

(b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

(c) The Register of Members and the Share Transfer Books of the Company will be closed from Tuesday, 18th August, 2009 to Friday, 28th August, 2009, both days inclusive.

(d) Dividend, if any, that may be declared at the Meeting, will, subject to the provisions of Section 206A of the Companies Act, 1956, be paid on or after 31st August 2009 to those Shareholders whose names stand on the Register of Members of the Company after giving effect to all valid share transfers lodged with the Registrar & Share Transfer Agents of the Company on or before 17th August, 2009 in respect of shares held in physical form. In respect of shares held in electronic form, the dividend for the year ended 31st March, 2009 will be payable to the beneficial owners of shares as at the closing hours of 17th August, 2009 as per details furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for this purpose.

(e) Members are requested to notify immediately any change of address:

(i) to their 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.

(f) Members holding shares in physical form are advised to submit their Electronic Clearing Service (ECS) mandates to the Company's R&TA at either of the aforesaid addresses to facilitate remittance by means of ECS.

(g) Pursuant to the provisions of Section 205A of the Companies Act, 1956, dividends for the financial year ended 31st March, 2002 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
2001-2002	13.08.2002	12.08.2009	19.10.2009
2002-2003	30.07.2003	29.07.2010	05.10.2010
2003-2004	23.07.2004	22.07.2011	26.09.2011
2004-2005	29.07.2005	28.07.2012	04.10.2012
2005-2006	27.07.2006	26.07.2013	02.10.2013
2006-2007	25.07.2007	24.07.2014	28.09.2014
2007-2008	02.09.2008	01.09.2015	04.11.2015

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

(h) Members holding shares in physical form may avail themselves of the facility of nomination in terms of Section 109A of the Companies Act, 1956 by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's Registered Office or from its R&TA at either of the aforesaid addresses.

(i) As required in terms of paragraph IV(G)(i) of Clause 49 of the Listing Agreement, the details of the directors seeking appointment / reappointment at the Meeting are annexed hereto as **Annexure II**.

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

SOMNATH MAJUMDAR
Company Secretary

Mumbai, 30th June, 2009

Registered Office:

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

ANNEXURE I TO NOTICE

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the business mentioned under items 7 to 12 of the accompanying Notice dated 30th June, 2009.

Item 7

Ms. Vinita Bali was appointed by the Board of Directors with effect from 30th April, 2009 as an Additional Director in terms of Section 260 of the Companies Act, 1956 ("the Act") and Article 117 of the Company's Articles of Association. She holds office as a Director only upto the date of this Annual General Meeting but is eligible for re-appointment. As required under Section 257 of the Act, a notice in writing along with the requisite deposit has been received from a member signifying his intention to propose Ms. Vinita Bali as Director of the Company at this Annual General Meeting.

The information in terms of paragraph IV(G)(i) of Clause 49 of the Listing Agreement is furnished in Annexure II to the Notice.

No Director other than Ms. Vinita Bali is concerned or interested in this Resolution.

The Directors recommend the Resolution at Item 7 for approval by the Members.

Items 8 & 9

The term of office of Mr. P. V. Kuppuswamy, Joint Managing Director, as well as of Mr. Ness N. Wadia, Joint Managing Director, was completed on 31st May 2009, in terms of the respective agreements (both dated 1st September, 2004) entered into between the Company and the Joint Managing Directors, pursuant to the approval granted by the shareholders at the 124th Annual General Meeting of the Company held on 23rd July, 2004.

The Board of Directors of the Company at its Meeting held on 30th April, 2009, decided to reappoint Mr. P. V. Kuppuswamy and Mr. Ness N. Wadia as Joint Managing Directors for a period of 5 years with effect from 1st June, 2009. The terms and conditions of the reappointment of Mr. P. V. Kuppuswamy and Mr. Ness N. Wadia as Joint Managing Directors (hereinafter referred to as "the Appointees') are embodied in the respective Agreements to be made between the Company and the Appointees. The aforesaid reappointments and remuneration payable to them are subject to the approval of the members and of the Central Government, if and to the extent necessary.

The material terms of their appointment contained in the draft Agreements proposed to be entered into by the Company with the Appointees are summarized below:

1. Mr. P. V. Kuppuswamy and Mr. Ness N. Wadia will serve the Company as Joint Managing Directors for a term of 5 years with effect from 1st June, 2009.
2. The Appointees shall carry out such functions, exercise such powers and perform such duties as the Board shall, from time to time, in their absolute discretion determine and entrust to them.
3. The Appointees shall devote their whole time and attention to the business of the Company, exert their best endeavours to promote its interests and welfare and attend their places of employment at all proper times.
4. (i) The Appointees shall undertake such traveling in and outside India as may be necessary in the interest of the Company's business or as may from time to time be required or directed by the Board in connection with or in relation to the business of the Company.

   (ii) The Appointees shall be entitled to reimbursement of all expenses including traveling, entertainment/ business promotion and other out-of-pocket expenses incurred by them in connection with or in relation to the business of the Company.
5. In consideration of the performance of their duties, the Appointees shall be paid the following remuneration:

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

   Benefits, perquisites and allowances as may be determined by the Remuneration/ Compensation Committee or the Board of Directors from time to time, or as may be applicable in accordance with the rules and policies of the Company, upto a maximum of Rs. 8,00,000/- per month.

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

   For the purpose of computing the ceilings, wherever applicable, perquisites would be valued as per the Income Tax Rules, 1962, wherever applicable, and provision for use of car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in such computation.

   The aggregate of the remuneration shall be within the maximum limits as laid down under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 ("the Act") read with Schedule XIII thereto, as amended from time to time and shall be subject to the approval of the Central Government, if and to the extent necessary.

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

   The Remuneration / Compensation Committee or the Board of Directors may, at its discretion, from time to time, fix the actual remuneration of the Joint Managing Directors and revise the same from time to time, within the maximum limits specified hereinabove.

Where in any financial year comprised in the period of 3 years with effect from 1st June, 2009, during the currency of tenure of the Joint Managing Directors the Company has no profits or its profits are inadequate, the Company shall pay the Joint Managing Directors remuneration as determined from time to time by the Remuneration/ Compensation Committee or the Board of Directors pursuant to the authority vested in them, subject to compliance with the applicable provisions of Schedule XIII to the Act, with the approval of the Central Government if and to the extent necessary AND THAT such remuneration shall be treated as the minimum remuneration payable to the Joint Managing Directors in the absence or inadequacy of profits, in accordance with the provisions of Sections 198(4), 309(3), 311 and other applicable provisions, if any, of the Act read with Schedule XIII thereto (including any statutory modification(s) or re-enactment thereof for the time being in force).

6. The rules and policies of the Company which are applicable to other senior executives of the Company shall also apply to the Appointees.

7. The Appointees shall not be paid any sitting fees for attending Meetings of the Board or of any Committee thereof.

8. The Appointees shall not, as long as they function as the Joint Managing Directors of the Company, become interested or otherwise concerned directly or indirectly in any contract with the Company as contemplated under sub-section (1) of Section 297 of the Act without the prior approval of the Central Government.

9. The Appointees shall not, except in the proper course of their duties during the continuance of their employment with the Company or any time thereafter divulge or disclose to any persons whomsoever or make use whatsoever for their own purpose or for any purpose of any information or knowledge obtained by them during their employment as to the business and/or affairs of the Company and/or trade secrets or secret processes of the Company.

10. The Appointees shall not in the event of their ceasing to be Joint Managing Director of the Company before the expiry of the term of 5 years, for the remainder of such period:

    (i) either alone or jointly with or as an employee of any person, firm or company, directly or indirectly, carry on or engage in any activities or business which shall be in competition with the business of the Company; and

    (ii) in connection with carrying on any business similar to or in competition with the business of the Company on their behalf or on behalf of any person, firm or company, directly or indirectly:

        (a) seek to procure orders or do business with any person, firm or company, who has at any time during the two years, immediately preceding such cessation of employment, done business with the Company; or

        (b) endeavour to entice away from the Company any person who has at any time during the two years immediately preceding such cessation of employment, done business with, or engaged by, the Company. Provided that nothing in this clause shall prohibit seeking or procuring of orders or doing of business not related or similar to the business/businesses of the Company.

11. The employment of the Appointees shall forthwith determine if they become insolvent or cease to be a Director of the Company. They shall cease to be a Director if the Agreement is terminated and they cease to be employed as the Joint Managing Director.

12. If the Appointees be guilty of any misconduct or any breach of the Agreement as in the opinion of the Board render their retirement from the office of Joint Managing Director desirable, the Company may by not less than 30 days notice in writing to them determine the Agreement and they shall cease to be Joint Managing Director of the Company upon the expiration of such notice.

13. Either party shall be entitled to terminate the Agreement by giving not less than six calendar months' prior notice in writing in that behalf to the other party; provided that the Company shall be entitled to terminate the Appointees' employment at any time by payment to him of six months' basic salary in lieu of such notice.

14. If the Appointees cease to be the Joint Managing Director of the Company, they shall be deemed to have resigned from the office of Director as and from the date of such cessation.

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

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

Approval of the members is being sought by way of special resolution for payment of minimum remuneration in excess of the ceiling specified in sub-paragraph (C) of paragraph (1) of Section II of Part II of Schedule XIII to the Act for a period of 3 years with effect from 1st June, 2009, and necessary application will be made to the Central Government for approval of such payment.

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

Mr. P. V. Kuppuswamy and Mr. Ness N. Wadia are concerned or interested in the Resolutions at Items 8 and 9 respectively as they relate to their appointment and remuneration. Mr. Nusli N. Wadia, Chairman, being the relative (as defined under Section 6 of the Act) of Mr. Ness N. Wadia is deemed to be concerned or interested in the Resolution at Item No. 9.

This may also be treated as an abstract of the terms of the Agreements between the Company and Mr. P. V. Kuppuswamy and Mr. Ness N. Wadia respectively, when executed, and memorandum of interest pursuant to Section 302 of the Act.

The Directors recommend the Resolutions at Items 8 and 9 for approval by the Members.

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

I. General information:

1. (i) Nature of Industry: While the Company's Textile business relates to Textile industry, its PSF business relates to Chemicals (other than fertilizers) and Real Estate business relates to Real Estate Development.

   (ii) Date or expected date of commencement of commercial production: The Company was incorporated on 23rd August, 1879 and it started commercial production of textile products soon thereafter. The Company has recently set up manufacturing facilities in respect of PSF at Patalganga and for Textiles at Ranjangaon, which commenced commercial production on 1st October 2007 and 1st January, 2008 respectively.

   (iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.

2. Financial performance based on given indicators as per published audited financial results for the year ended March 31, 2009.

Particulars	(Rupees in crores)
Turnover & Other Income	1417.77
Net Profit / (Loss) as per Profit & Loss A/c	(194.62)
Profit / (Loss) as computed under Section 309(5) read with Section198	(221.11)
Effective Capital	582.15

3. Export performance and foreign exchange earned for the financial year ended March 31, 2009: The Company's exports were Rs.164.53 crores while the Company's earnings in foreign exchange were Rs. 181.82 crores for the financial year ended March 31, 2009.

4. Foreign investments or collaborations, if any: Not applicable.

II. Information about the Incumbents:

(i) **Background details:**

Mr. P. V. Kuppuswamy, 65, is a B.Sc.(Chem.) and B.Sc.(Chem.Engg.) with Post Graduate Diploma of Indian Institute of Petroleum (Petroleum Refining & Petrochemicals). He has been with the Company for over 29 years, including over 9 years as Joint Managing Director.

Mr. Ness N. Wadia, 38, is an M.Sc. in Engineering Business Management (Warwick University, UK). He has been with the Company for over 15 years including about 5 years as Deputy Managing Director and 3 years as Joint Managing Director.

(ii) **Past remuneration drawn during the financial year 2008-09:**

Director	Rs. in lacs
Mr. P. V. Kuppuswamy	106.97*
Mr. Ness N. Wadia	108.77*

Notes: *1. For the period 1st April 2008 to 31st May 2009, in respect of which application has been made to the Central Government.

2. Remuneration includes retirals.

(iii) **Recognition & Awards/Achievements:**

Mr. P. V. Kuppuswamy received the distinguished Alumnus Award from the Society of Chemical Engineers of the Institute of Technology, Banaras University in 1996. Mr. Ness Wadia was awarded Rotary Medal of Honour for Bravery (1980-81).

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

Mr. P. V. Kuppuswamy has been the Joint Managing Director (JMD) of the Company since 1st March, 2000. Prior to his appointment as the JMD, he was the Executive Director of the Company from 29th August, 1994.

Mr. Ness N. Wadia had been the Deputy Managing Director of the Company with effect from 1st August, 2001. He was re-designated as Joint Managing Director with effect from 30th May, 2006.

The Joint Managing Directors are part of the Senior Management responsible for the operations and affairs of the Company pertaining to their respective areas. Taking into consideration their qualification and expertise in relevant fields the Joint Managing Directors are best suited for the responsibilities assigned to them by the Board of Directors.

(v) **Remuneration Proposed:**

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

(vi) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin): Taking into consideration the size of the Company, the profile of the incumbents, the responsibilities shouldered by them and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level incumbents, in other companies.

(vii) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Besides the remuneration proposed, Mr. P. V. Kuppuswamy and Mr. Ness N. Wadia, Joint Managing Directors, have booked flats in the residential building being constructed by the Company on its Spring Mills land in respect of which sums aggregating to Rs. 2.38 crores and Rs. 13.23 crores respectively towards purchase consideration have been received from them by the Company as at 31st March, 2009. Except for the above, the Joint Managing Directors do not have any other pecuniary relationship with the Company.

III. Other Information:

A. Reasons for loss or inadequacy of profits:

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

The Company operates in three businesses:

Textile business:

The demand for Textile products in the domestic market has considerably slowed down with consumers postponing purchase decision. The sale of industrial fabrics has also been impacted by slowdown in the consuming sectors.

The Company's exports have been hit by unprecedented recession in USA and West European countries, which was further aggravated by intense competition from other exporting countries in the region.

The drop in volumes had a significant adverse impact on the Company's profitability. The high interest burden on the new Textile Processing plant at Ranjangaon in Maharashtra has significantly increased the fixed costs and depressed margins.

Polyester business:

Polyester business has been adversely impacted due to a significant slow down in demand, coupled with very high input costs. Further, the capacity utilization was poor due to lack of demand from domestic consumers and unremunerative prices in international markets. Consequently, the business suffered losses in its operations during the first half of the year. While the situation improved in second half to some extent, it was still inadequate to fully cover the fixed costs including interest and depreciation for the new plant.

Real Estate business:

Real Estate business, where a significant underlying value resides for the Company, has seen a total absence of demand during past six months for commercial and residential space.

B. Steps to improve profitability

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

(i) The new state of the art Textile Processing Unit at Ranjangaon in Maharashtra is now fully operational. Arrangements have been made for dedicated spinning and weaving facilities to ensure uninterrupted supply of grey fabric to the process house at competitive prices.

(ii) The Company has expanded its bed-n-bath range by introducing new products straddling a wide price band. During the year, "Blooms" range targeted at "Value Conscious" consumers was relaunched.

(iii) The Polyester business has stabilized with several standard and speciality products being offered locally and in export market.

(iv) Organizational restructuring has been undertaken at all levels in all divisions with the objective of reducing costs.

(v) The Company is focusing on improving systems and controls in order to undertake better business decisions. SAP system has been introduced in Textile Division to strengthen the information and control systems.

(vi) The Company is attempting to reduce overheads and improve the productivity of machines and manpower by improving the systems and process controls at all the plants. Steps have also been taken to reduce energy consumption.

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

The aforesaid measures instituted are expected to improve the Company's performance in future years.

Textile sales are expected to improve during 2009-10, which will help reduce operational losses to a significant extent.

In the Polyester operations, the market is expected to gradually improve with increased demands for the product during the course of 2008-09 and the division expects to be in a position to generate profits from 2009-10 once the interest burden is eased by cash generation from its Real Estate business.

In the Real Estate business with almost 1 million sq.ft. being readied for occupation in the year 2009-10 and with proposed sale of commercial building of 4,38,000 sq.ft. and also the remaining flats in the residential tower under construction during the next six months, the Real Estate business is expected to contribute profits from 2009-10.

With corrective steps undertaken by the management and expected revival of demand in the economy in the coming year, it is expected that the Company will be able to deliver a modest profit next year and a healthy result in the subsequent years.

Items 10 & 11

Under Section 293(1)(d) of the Companies Act, 1956 ("the Act"), the Board of Directors of a company cannot, except with the consent of the company in general meeting, borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital and free reserves of the company, that is to say, reserves not set apart for any specific purpose. The Members at the 127th Annual General Meeting of the Company held on 25th July, 2007 had accorded their consent to the Board of Directors for borrowing from time to time any sum or sums of money (exclusive of interest) not exceeding at any time the sum of Rs. 1,500 crores (Rupees one thousand and five hundred crores) on such terms and conditions as the Board may deem fit, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

Taking into consideration the requirements of additional funds to meet the Company's business requirements, it is expected that the limit of Rs. 1,500 crores sanctioned by the Members is likely to be exceeded. The consent of the Members is therefore, sought in accordance with the provisions of Section 293(1)(d) of the Act, to enable the Board of Directors to borrow moneys (exclusive of interest) to the extent of Rs. 2000 crores, in supersession of the Resolution passed on 25th July, 2007. The Resolution at Item 10 is to obtain the consent of the Members for this purpose.

The proposed borrowings of the Company may, if necessary, be secured by way of charge/ mortgage/ hypothecation on the Company's assets in favour of the secured lenders/ trustees for the holders of the securities/debt instruments. As the documents to be executed between the secured lenders/ trustees for the holders of the securities/ debt instruments and the Company may contain the power to take over the management of business and concern of the Company in certain events, it is necessary to pass a resolution under Section 293(1)(a) of the Act, for creation of charges/ mortgages/ hypothecations for an amount not exceeding the borrowing limit of Rs. 2000 Crores in supersession of the Resolution passed on 25th July, 2007. The Resolution at Item 11 is to obtain the consent of the Members for this purpose.

The above proposals are in the interest of the Company and the Directors recommend the Resolutions at Items 10 and 11 of the Notice for approval by the Members.

None of the Directors is concerned or interested in the Resolutions at Items 10 and 11 of the Notice.

Item 12

Under Section 163 of the Companies Act, 1956 ("the Act"), the statutory records of the Company as listed in the Resolution at Item 12 of the Notice, are required to be kept at the Registered Office of the Company. The said records may, however, be kept at any other place within the city, town or village where the registered office is situated, if such other place has been approved by a Special Resolution passed by the Company in General Meeting.

At the 123rd Annual General Meeting of the Company held on 30th July, 2003, the Members had granted approval for keeping the said records of the Company at the office of the Company's Registrar and Transfer Agent, M/s Sharepro Services (India) Pvt. Ltd. ("RTA") at Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai 400 099.

The RTA has since shifted its office to 13AB, Samhita Warehousing Complex, Saki Naka Telephone Exchange Lane, Off Andheri Kurla Road, Saki Naka, Andheri (E), Mumbai 400 072.

The Special Resolution at Item 12 seeks the approval of the Members in terms of Section 163 of the Act for keeping the said records of the Company at the office of the RTA at 13AB, Samhita Warehousing Complex, Saki Naka Telephone Exchange Lane, Off Andheri Kurla Road, Saki Naka, Andheri (E), Mumbai 400 072, instead of at Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai 400 099.

The Directors recommend the Resolution at Item 12 for approval by the Members. The Directors may be deemed to be concerned or interested in the Resolution at Item 12 of the Notice to the extent of shares, if any, held by them.

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

SOMNATH MAJUMDAR
Company Secretary

Mumbai, 30th June, 2009.

Registered Office:

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

ANNEXURE II TO NOTICE

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. Nusli N. Wadia**	**Mr. S. Ragothaman**	**Mr. S. M. Palia**	**Ms. Vinita Bali**
Age (years)	65	63	71	53
Expertise in functional area	Chairman of the Company since 1977. Member of the Board of Directors since 1968. Has served as the Company's Joint Managing Director. Has contributed actively in the deliberations of various organizations like TEXPROCIL, Millowners' Association (MOA), ASSOCHAM. Has served as Chairman of TEXPROCIL and MOA. Has served on the Prime Minister's Council on Trade & Industry. Was the Convenor of the the Special Group Task Force on Food and Agro Industries Management Policy. Was a member of the Special Subject Group to review regulations and procedures to unshackle Indian Industry and on the Special Subject Group on Disinvestment.	Vast and rich experience in banking with specialization in the areas of project advice, risk assessment and financial management. A Graduate in Commerce and a Fellow Member of the Institute of Chartered Accountants of India, Mr. Ragothaman, also offers consultancy services.	Vast and rich experience in development banking. Retired as Executive Director of IDBI. Was advisor to Industrial Bank of Yemen and Industrial Bank of Sudan under World Bank assistance programmes. Erstwhile M.D. of Kerala Industrial and Technical Consultancy Organization Ltd. Founder and Chairman Emeritus of Rashtriya Gramin Vikas Nidhi. A Graduate in Commerce and Law, Mr. Palia also holds the Degrees of CAIIB and CIIB (London).	Vast and rich experience in marketing and general management positions in India and overseas, in pre-eminent MNCs, Ms. Bali is a B.A. in Economics and an MBA.
Outside Directorship *	Gherzi Eastern Ltd., The Bombay Burmah Trading Corporation Ltd. (Chairman), Britannia Industries Ltd., (Chairman), Tata Steel Ltd., Tata Chemicals Ltd., Tata Motors Ltd.	Hinduja Foundries Ltd., Shreyas Shipping & Logistics Ltd., Xpro India Ltd., Xpro Global Ltd., Biax Speciality Films Ltd.	Tata Steel Ltd., ACC Ltd., Tata Motors Ltd., GRUH Finance Ltd., Al Champdany Industries Ltd., Saline Area Vitalisation Industries Ltd.	Britannia Industries Ltd. (Managing Director), Titan Industries Ltd., Mphasis Ltd., Piramal Glass Ltd.
Committee Membership *	Nil	Chairman of Audit Committee of Bombay Dyeing & Mfg. Co. Ltd. and Xpro India Ltd., Member of Audit Committee of Hinduja Foundries Ltd. and Shreyas Shipping & Logistics Ltd., Shareholders' / Investors' Grievance Committee of Hinduja Foundries Ltd.	Chairman of Audit Committee of GRUH Finance Ltd., Member of Audit Committee of The Bombay Dyeing & Mfg. Co. Ltd., Tata Steel Ltd., ACC Ltd. and Tata Motors Ltd., Chairman of Shareholders' / Investors' Grievance Committee of Tata Motors Ltd. and GRUH Finance Ltd.	Audit Committee of Titan Industries Ltd. and Mphasis Ltd
No. of shares held in the Company	123350	5000	Nil	Nil

* 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.

SUMMARISED BALANCE SHEET

(Rupees in crores)

		Year ended 31.03.2009		Year ended 31.03.2008
WHAT THE COMPANY OWNED				
FIXED ASSETS				
Gross block	1,378.60		1,364.25	
Less : Depreciation	178.72		123.67	
Net block		1,199.88		1,240.58
INVESTMENTS				
In shares and securities		60.22		126.72
OTHER ASSETS				
Excess of "current assets, loans and advances" over "current liabilities and provisions" and deferred revenue expenditure		821.20		453.88
TOTAL ASSETS		2,081.30		1,821.18
WHAT THE COMPANY OWED				
Secured and unsecured loans		1710.88		1413.38
Deferred tax liability (Net)		-		-
SHAREHOLDERS' FUNDS				
Share capital - paid up	38.61		38.61	
Share Warrants	-		11.89	
Reserves	331.81		357.30	
		370.42		407.80
TOTAL (CAPITAL EMPLOYED)		2,081.30		1,821.18

SUMMARISED PROFIT AND LOSS ACCOUNT

(Rupees in crores)

	Year ended 31.03.2009	Year ended 31.03.2008
WE EARNED FROM		
Sales of our products	1,359.90	990.45
Interest, dividends & other income	57.87	54.51
	1,417.77	1,044.96
WE PAID OR PROVIDED FOR		
Raw materials etc.	835.02	517.11
Payments to employees	53.44	26.05
Operating expenses	437.00	349.64
Finance charges	186.54	73.40
Depreciation	55.73	35.42
Excise duty and taxation	44.66	26.66
Dividend & corporate dividend tax	4.52	15.82
Retained earnings/ (excess of expenditure over income)	(199.14)	0.86
	1,417.77	1,044.96

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

10 YEARS' FINANCIAL REVIEW

(Rs. in Crores)

	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000
FINANCIAL POSITION										
Share capital	38.61	38.61	38.61	38.60	38.58	38.52	39.00	39.17	41.00	41.00
Share Warrants	-	11.89	-	-	-	-	-	-	-	-
Reserves & Surplus	331.81	357.30	364.07	426.23	303.38	347.49	314.37	294.82	615.77	628.94
Total	**370.42**	**407.80**	**402.68**	**464.83**	**341.96**	**386.01**	**353.37**	**333.99**	**656.77**	**669.94**
Per Equity Share of Rs. 10	95.96	102.57	104.32	120.42	88.59	100.26	90.61	85.00	160.00	163.00
Borrowings	1710.88	1415.76	1052.40	558.37	354.46	362.60	380.90	292.45	597.87	602.35
Deferred Tax Liability	-	-	1.70	2.60	10.64	35.90	21.77	23.03	-	-
Debt Equity Ratio	1.28:1	1.39:1	1.35:1	0.78 : 1	0.25 : 1	-	0.01:1	0.20:1	0.10:1	0.03:1
Fixed Assets :										
Gross Block	1378.60	1364.25	1390.11	995.57	813.86	795.40	827.27	875.78	897.03	865.10
Depreciation	178.72	123.67	512.86	596.20	622.38	573.15	573.23	578.99	550.55	507.42
Net Block	1199.88	1,240.58	877.25	399.37	191.48	222.25	254.04	296.79	346.48	357.68
Investments and Other Assets	881.42	582.98	579.53	626.43	515.58	562.26	502.00	352.68	908.16	914.61
OPERATING RESULTS										
Sales and other Income	1417.77	1013.95	536.16	1143.64	1,172.41	1,072.51	1,005.37	932.04	1,042.41	1,048.71
Manufacturing and Other Expenses	1555.64	960.52	478.29	1,067.52	1,119.35	965.52	934.61	939.07	976.45	955.66
Depreciation	55.73	35.42	17.46	16.90	19.38	34.43	37.23	43.65	47.83	48.46
Profit before Tax	(193.60)	18.01	40.41	59.22	33.68	72.56	33.53	(50.68)	18.13	44.59
Current taxation	-	1.75	4.43	4.97	2.42	4.93	2.48	-	-	1.43
Deferred tax credit	-	(1.70)	(0.90)	(8.04)	4.70	14.13	(1.26)	21.62	-	-
Fringe benefit tax	1.02	1.28	0.95	0.95						
Profit after Tax	(194.62)	16.68	35.93	61.34	26.56	53.50	32.31	(29.06)	18.13	43.16
Earnings per Equity Share of Rs. 10	(50.39)	4.32	9.31	16	7	14	8	(7)	4	11
Dividends :										
Amount	4.52	15.82	22.59	22.01	17.59	17.38	13.02	7.83	9.04	13.65
Percentage	10	35	50	50	40	40	30	20	20	30

Notes :

1. Capital : Original Rs. 0.63 crore, Bonus Shares Rs. 21.02 crores, conversion of Debentures Rs. 0.83 crore, Global Depositary Receipts (GDRs) representing equity shares Rs. 5.51 crores, conversion of equity warrants relating to NCD/SPN Issue Rs. 9.81 crores and conversion of Preferential Warrants to promoters Rs. 3.20 crores, Equity shares bought back and extinguished upto 31st March, 2004, Rs. 2.55 crores, Equity shares issued under Employees' Stock Option Scheme Rs.0.16 crores. Average Share Capital for 2008-2009 - Rs. 38.61 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.

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, 2009.

1. FINANCIAL RESULTS:

	For the year ended 31st March, 2009 Rupees in Crores	*For the Year ended 31st March, 2008 Rupees in Crores*
GROSS TURNOVER AND OTHER INCOME	1417.77	*1044.96*
Profit before Gratuity provision, Finance Costs, Depreciation and Voluntary Retirement Compensation	53.11	*118.51*
Contribution to Gratuity Fund	2.38	*0.75*
Finance Costs	186.54	*73.40*
Profit/(Loss) before Depreciation & Voluntary Retirement Compensation	(135.81)	*44.36*
Depreciation	55.73	*35.42*
Voluntary Retirement Compensation W/O	2.06	*1.39*
Capitalisation of Voluntary Retirement Compensation W/O in Previous Year	–	*(10.46)*
PROFIT /(LOSS) BEFORE TAX	(193.60)	*18.01*
Less: Tax (net)	1.02	*1.33*
PROFIT/(LOSS) AFTER TAX	(194.62)	*16.68*
Add: Balance in Profit and Loss Account of Previous Year	188.59	*194.40*
Debenture Redemption Reserve	7.50	*2.50*
Transferred from General Reserve	19.39	–
SURPLUS AVAILABLE FOR APPROPRIATIONS	20.86	*213.58*
Appropriations to:		
Proposed Dividend	3.86	–
Final Dividend	–	*13.52*
Corporate Dividend Tax	0.66	*2.30*
Debenture Redemption Reserve	–	*7.50*
General Reserve	–	*1.67*
Balance carried to Balance Sheet	16.34	*188.59*

(Note: The commercial production of Polyester Staple Fibre at Patalganga commenced from 1st October, 2007. Hence, the results for the current year are not comparable with the previous year).

2. COMPANY RESULTS AND DIVIDEND:

The Company's turnover increased to Rs. 1418 crores during the current year. The Textile Division has shown a marginal decline from Rs. 363 crores last year to Rs. 334 crores in the current year. The PSF Division recorded a turnover of Rs. 811 crores for the full year compared with Rs. 411 crores for October-March last year. The revenue of the Real Estate Division during the current year was Rs. 273 crores as compared to Rs. 240 crores in the previous year.

The financial performance of the Company was adversely impacted by the general economic slow down. The demand in respect of textile products was adversely impacted due to recessionary conditions especially during the second half of the year, both in domestic and international markets. The Textile Division also suffered a significant exchange loss in hedging its exports. The PSF Division's results were adversely impacted due to high raw material prices during the first half of the year, as well as due to over supply situation in the market, resulting in significant under cutting of prices by major competitors. The Real Estate Division witnessed down fall in the prices, absence of buyer's interest due to non availability of funds as well as weak sentiments.

The Company's results were further impacted by the sharp increase in finance costs arising from higher interest rates during most part of the year coupled with increase in borrowings for completion of the manufacturing facilities for the Textile as well as PSF businesses, as also for funding construction costs in the Real Estate Division.

Even though your Company incurred a net loss during the year, in order to maintain continuity, your Directors recommend a dividend of Re.1/- per share of Rs.10/- each for the year ended 31st March, 2009 out of accumulated profits of the past years, to be paid if declared by the members at the ensuing Annual General Meeting.

3. TEXTILE DIVISION:

The overall turnover declined by 8.7% from Rs. 363 crores to Rs. 334 crores. Export volumes were largely impacted by the slow down in the USA and pricing pressure arising from over supply in the market. In this scenario, your Company focused on retaining key customers at modest margin levels and explored other potential markets and customers.

Domestic sales reflected modest growth during the first half, but the momentum could not be maintained in the second half due to deferment of purchasing decisions by consumers in the wake of the general economic slow down.

Business profitability was impacted due to lower throughput, higher energy costs in the first half of the year as also lower realization.

The Company has taken steps to reduce its cost base, introduced a larger range of value for money products under the 'Blooms' range and pursued newer customers in the export market.

4. POLYESTER DIVISION:

The PSF industry was faced with significant excess capacity, resulting in severe price erosion due to competition. Consequently it was not possible for the Company to profitably utilize its full capacity.

Business profitability was further impacted due to lower throughput, higher raw material as well as energy costs during the first half of the year and lower realization. Export markets remained extremely competitive and were also affected by economic down turn, especially in Europe.

The Company is pursuing a strategy to develop niche products with dedicated customers in order to have a stable and profitable portfolio. In addition there is a strong focus on reducing cost.

5. REAL ESTATE DIVISION:

The revenue from the Real Estate Division was Rs. 273 crores during the current year as compared to Rs.240 crores in the previous year. During the current year the Company sold a part of the commercial building under construction at the Worli site for a total consideration of Rs. 235.02 crores to its wholly owned subsidiary - a special purpose vehicle set up for this limited purpose with a view to its subsequent disposal in the near future.

The construction of a residential tower at Spring Mills was affected in the early part of the year due to delay in receiving municipal permits and is now slated for completion during the second half of this year. The Company has sold most of the apartments in this tower. However, in accordance with the accounting standards issued by the Institute of Chartered Accountants of India, the revenue from such sale is being recognized as per the progress of construction under percentage completion method of accounting. Construction of the commercial tower at Textile Mills, Worli is 30% complete. Both these buildings are expected to be ready for occupation during the current year.

The Company will progress with further development plans on both sites in line with market conditions which are already looking up in some of the segments of the realty sector.

6. TAXATION:

The Company's income-tax assessment for the assessment year 2005-06 has been completed. The department has raised a demand of Rs.0.13 crore. The Company is contesting the demand in appeal and expects to succeed. Consequently no further provision in the books of accounts is considered necessary. However, the same has been disclosed as a contingent liability.

7. FIXED DEPOSITS:

The Company resumed acceptance of fixed deposits from 16th February, 2009. Upto 31st March, 2009, the Company collected deposits aggregating Rs.13.63 crores. There are no deposits matured or claimed and remaining unpaid as on 31st March, 2009.

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, ISSUE OF CAPITAL AND PREFERENTIAL ISSUE OF WARRANTS:

No stock options which were granted in previous years under the Company's Employee Stock Option Scheme (ESOS) were outstanding for vesting or for exercise, at the beginning of the year under review. Further, no stock options were granted under the ESOS during the year under review.

The Share Capital of the Company has gone up marginally by Rs.18,400 as at 31st March, 2009 consequent upon allotment of 1,840 equity shares based on the orders lifting the attachment on the corresponding 'tainted shares' passed by the Special Court constituted under the Special Court (Trial of offences relating to transactions in Securities) Act, 1992, on exercise of the rights attached to first and second detachable warrants forming part of the Rights Issue made in 1993 but kept in abeyance pursuant to Section 206A of the Act.

During the previous year, the Company had allotted on a preferential basis to The Bombay Burmah Trading Corporation Ltd. ("BBTCL"), a company in the promoter group, 19,30,000 warrants carrying an option to apply for and be allotted in one or more tranches, one equity share of Rs.10/- each per warrant within 18 months from the date of the issue ("validity period") at an issue price of Rs.616 each as determined in accordance with the SEBI prescribed pricing formula as per the provisions of Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 (SEBI (DIP) Guidelines). The monies received from BBTCL in terms of SEBI guidelines equivalent to 10% of the price i.e. Rs.61.60 per warrant aggregating Rs. 11.89 crores on allotment of the warrants, were utilized for the object of the issue i.e. to augment the long term resources of the Company for meeting the fund requirements of existing and new businesses and for general corporate purposes. BBTCL did not exercise the option to subscribe to the equity shares of the Company, as attached to the warrants, within the validity period, whereupon the option expired and the amount aggregating Rs. 11.89 crores referred to hereinabove was forfeited in terms of the SEBI (DIP) Guidelines and conditions attached to the warrants.

10. INSURANCE:

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

11. DIRECTORS:

Mr. S. K. Gupta ceased to be a Director effective 5th December, 2008.

The Board of Directors appointed Ms. Vinita Bali as an Additional Director with effect from 30th April, 2009 in accordance with the provisions of Section 260 of the Act and Article 117 of the Company's Articles of Association. Ms. Bali holds office up to the date of the ensuing Annual General Meeting. Notice has been received by the Company from a member under Section 257 of the Act, proposing her appointment as a Director.

The Board of Directors re-appointed Mr. P.V. Kuppuswamy and Mr. Ness N. Wadia as Joint Managing Directors for a period of 5 years with effect from 1st June, 2009, subject to the approval of the members.

In accordance with the provisions of the Act and the Company's Articles of Association, Mr. Nusli N. Wadia, Mr. S. Ragothaman and Mr. S. M. Palia 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 departure;

(ii) they have, in selection of the accounting policies consulted the statutory auditors and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss 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 'B' to this Report. A separate report on Corporate Governance and a certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance are annexed to this Report as Annexure 'C'.

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.

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.

As per the requirement of Central Government and pursuant to Section 233B of the Act, the Company carries out an audit of cost records relating to the textile division every year. Subject to the approval of the Central Government, the Company has appointed Messrs N. I. Mehta & Co., Cost Accountants, as auditors to audit the cost accounts of the textile division for the financial year 2009-10.

16. APPRECIATION:

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

On behalf of the Board of Directors

NUSLI N. WADIA
CHAIRMAN

Mumbai, 30th June, 2009.

Registered office

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

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, 2009.

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

- Regulating the machine working to control maximum demand.
- Providing galvanised-aluminium sheets having transparent interjection at Ranjangaon facility for natural lighting during day.
- Fitting machines with energy efficient-I motors.
- Recycling good usable water.
- Maintaining power factor near unity.
- Monitoring instruments have been installed in major energy consuming machines.
- Auditing plant for energy conservation at Ranjangaon from outside recognized parties.

PSF Operations

- During the year under report PSF manufacture got fully established with PTA feedstock. Further, following energy conservation measures were implemented:
- Rationalisation of Air Compressor run time based on plant load changes.
- Optimisation of refrigeration chillers operation.
- Replacement of combustion burners in steam boilers for 5% improvement in efficiency.
- Stoppage of one large HTF Condensate Pump in CP operation up to 80% of plant capacity.
- Redistribution of load on transformers consequent to disposal of DMT Plant.
- Use of VFD for spinning area AHU.
- Redistribution of HTF Condensate Pumping System.
- Recycling EG pump's impeller change to reduce motor HP.

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

Textile Operations

- Commissioning of coal fired steam boiler and thermic oil heaters.
- Revamping of steam system hardware.

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

- Continuously monitoring the energy consumed at processing plant at Ranjangaon enabled the Company to set bench marks for different machines which resulted in significant benefits in terms of lower cost of energy and other utilities.
- Saving of energy cost at Textile Mills is Rs.1.18 lac per year on account of electricity.
- State of the art technology and measures taken at PSF Plant had an impact on overall specific energy consumption to the tune of 2%.

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

As per ' Form A' attached.

B. TECHNOLOGY ABSORPTION :

Research and Development (R&D)

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

- New Product Development resulting in successfully launching various original designs in the market like theme based designs, engineered designs.
- New Design Development by setting up a state of art computerized Design Development Centre at Textile Mills.
- Process optimisation/Recipe modification/introduction of new dyes and chemicals for 'cost economy.'
- Process standardization for consistent quality, meeting customer requirements.
- New process development to overcome working problems in production department and meeting marketing needs.
- New product development for improved marketability of products.

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

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

3. Future plan of action

- Expansion of design range to cater to wider market.
- Development of value added special finishes on sheeting qualities for improvement in business vialibility.

- Reduction of process cost by optimization of processes, reduction of chemical/auxiliaries and utilities cost without adversely affecting the quality of the fabric.
- Optimisation of process parameters on newly installed machines.
- Standardization of processes so as to meet ‘GOTS’ and ‘OKOTEX’ Standards.
- Development of two more class of products like Anti Microbial and Hygiene fibers.
- Process improvements and use of alternate additives for increasing productivity of Speciality.
- Cost reduction at all levels through process and utilities optimization.
- Waste conversion to value added products.
- Reduction of energy consumption and use of cost effective alternate environment friendly fuel.

4. **Expenditure on R & D**
   - Expenditure on R&D during the year under report: Capital : Nil; Recurring : Rs. 0.62 crore; Total : Rs. 0.62 crore; Total R&D expenditure as a % of total turnover : 0.05%.

TECHNOLGY ABSORPTION, ADAPTATION AND INNOVATION

1. **Efforts in brief, made towards technology absorption, adaptation and Innovation**
   - Process standardization on continuous bleaching ranges, mercerisers and dyeing machines to get first time right fabric parameters.
   - Replacement of kerosene in printing paste with a synthetic substitute for lungis providing cost benefits with improvement in eco-friendliness.
   - Complete removal of use of sodium silicate in the process without affecting the quality thus reducing silica load on ETP.
   - Development of new flame retardent finish and soil release finish for export market and new finishes on fine cotton qualities for industrial market.
   - Effecting cost reduction in various processes by replacement of existing products by economical products like thickener in pigment printing paste and blue RN in dyeing.
   - Optimisation of process of Grindwell Norton to meet the customers’ requirement and in turn getting cost benefits.
   - Process Standardisation for consistent quality.
   - Improved and export friendly packing materials.
   - Retrofitting of marginal machinery for improved productivity.
   - Change of major finish oil for better performance.
   - Commissioning of machinery for special products.
   - Development and commercial establishment of a few new products both in domestic and export markets and constantly exploring more new products.
   - Standardisation for ‘OEKO TEX’ Certificate.
   - Pre-registration for REACH completed and actions for registration of substances taken up.
2. **Benefits derived as a result of the above efforts:**
   - Cost reduction arising from process/recipe modification in various operations.
   - Quality consistency due to process standardization/optimization.
   - Newer finishes/products.
   - Productivity improvement.
   - Improvement in marketability and business viability through lower cost and newer products.
   - Improved customer base and satisfaction.
   - Access to the EU market with certified eco-friendly products.
3. **Information regarding technology imported during the last 5 years:**

   (a) Technology imported – Invista Performance Technologies, U.S.A. for PSF manufacture with PTA feedstock.
   (b) Year of import – 2006.
   (c) Has technology been fully absorbed – Yes.
   (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action – Not Applicable.
4. **Foreign Exchange Earnings And Outgo:**
   1. **Activities relating to exports, initiatives taken to increase exports, development of export markets for products and services and export plans.**

      Recession continues to affect the Company’s business adversely but the depreciation of the rupee has helped marginally. Efforts are on to expand the customer base and to revive old customers. The Company has become a dominant player in the supply of organic sheet set to the US market and continues to do substantial volumes in that market.
   2. **Total foreign exchange used and earned.**

	Rs. in crores
Total foreign exchange used	218.64
Total foreign exchange earnings	181.82

On behalf of the Board of Directors

NUSLI N. WADIA
Chairman

Mumbai, 30th June, 2009.

FORM 'A'

Form for disclosure of particulars with respect to conservation of energy

				Production Unit		Current Year	Previous Year
A.	**POWER AND FUEL CONSUMPTION**						
	1	**Electricity**					
		(a)	Purchased				
			Unit (KWH in lacs)			629.08	725.52
			Total Amount (Rupees in crores)			30.88	31.16
			Rate/Unit (Rupees)			4.91	4.29
		(b)	Own Generation				
			(Through Diesel Generator)				
			Unit (KWH in lacs)			0.48	0.02
			Units per Ltr. of Diesel			1.86	3.47
			Cost/Unit (Rupees)			12.17	12.93
	2	**Furnace Oil/L.S.H.S.**					
		Quantity (in M. Tons)				22016.06	29259.08
		Total Cost (Rupees in crores)				56.79	59.64
		Average Rate (in Rupees per M.T.)				25794.76	20383.42
	3	**Coal**					
		Quantity (in M. Tons)				4770	-
		Total Cost (Rupees in crores)				2.37	-
		Average Rate (in Rupees per M.T.)				4978.00	-
B.	**CONSUMPTION PER UNIT OF PRODUCTION**						
	1	**Electricity (KWH)**					
		Cloth		1000	Mtrs	494.98	340.59
		Yarn		100	Kgs	-	-
		PSF			M.T.	481.00	553.00
	2	**Furnace Oil/L.S.H.S.(M.T.)**					
		Cloth		1000	Mtrs	0.158	0.190
		PSF			M.T.	0.168	-
	3	**Coal (M.T.)**					
		Cloth		1000	Mtrs	-	-
		PSF			M.T.	-	-

ANNEXURE 'B' TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

TEXTILE BUSINESS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Textile Industry which is one of the largest in the world was severely impacted by the global slow down. This resulted in fierce price competition. All major exporters, including your Company, suffered through lower realization and loss of volume.

In the domestic market, within the overall Textile Industry, the Home Textile market of Rs. 10,000 crores is dominated by the unorganized sector, which accounts for over 90% of the domestic requirements due to significant cost advantages. The Home Textile market in general and organized sector players in particular, faced pressure on volumes due to consumers deferring purchase decisions or opting for low priced products in an uncertain and slowing economy.

Your Company as the market leader in this segment continues to focus on driving growth through a portfolio approach with differentiated offerings at multiple price points to cater to all segments of the market.

OPPORTUNITIES AND THREATS

The domestic market for branded products has strong potential in the long term. The Company has focused on introducing consumer relevant products at various prices to stimulate sales. The key opportunity lies in attracting consumers by leveraging the 'Bombay Dyeing' brand. The major threat will be in the form of enhanced competition from several small units in the unorganized sector. This could adversely impact Company volumes and margins. Heavy interest burden to service the capital investment in the setting up of the green field processing facility at Ranjangaon, may further reduce the Company's margins.

In exports, the key opportunity lies in the US market despite recessionary conditions. Closure of unviable units in the western hemisphere will provide opportunities to enhance Indian exports. However, aggressive competition from China, Pakistan and now Bangladesh, would pose challenges to the Indian exporters.

OUTLOOK

The domestic retail market is expected to deliver a modest level of growth. Your Company has taken several initiatives to positively impact consumer offtake by running aggressive consumer promotions with attractive prizes, running Plaza sales in leading markets, exploiting new channels and expanding the range of its offering.

The export business could be hit by aggressive price competition and volatile exchange rates resulting in pressure on volume as well as margins. Your Company will focus on profitable opportunities in core markets.

RISKS AND CONCERNS

The key risk for your Company in the domestic market continues to be possibility of dumping by manufacturing units in countries like China, Pakistan and Bangladesh. Selective duty concessions to countries like Bangladesh and possibility of further anti dumping duties on Indian products by European countries pose additional risks for the export business.

POLYESTER BUSINESS

INDUSTRY STRUCTURE AND DEVELOPMENTS

There are three PSF producers in the country and your Company's market share is around 13.5%. There has been reasonable growth in PSF demand and hence the potential to sell your Company's entire PSF production in the domestic and international markets has significantly improved.

OPPORTUNITIES AND THREATS

Growth in PSF demand, restricted availability of Cotton as well as the flexibility of your Company's plant to produce various types of PSF provides an opportunity for full utilization of capacities. However, the business faces severe price cycling caused by factors such as Crude Oil price, Exchange Rate and Cotton availability. This affects the performance adversely.

OUTLOOK

After a significant drop in Crude Oil price which helped in greater usage of Polyester Fibre and better margins, there is a marginal reversal. The availability of raw material PTA has been tight but is expected to improve with the commissioning of a large domestic plant in the 2nd quarter of 2009-10.

RISKS AND CONCERNS

Severe price cycling due to high oil price and Exchange Rate fluctuation will continue to adversely affect this business, unless there is stability.

REAL ESTATE BUSINESS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Real Estate Industry across the country witnessed one of the worst crisis during the last year with complete absence of buying interest, especially in the second half of the year. Several players resorted to undercutting of prices in order to offload the inventory against mounting interest burden and severe liquidity crunch.

Mumbai, which had remained somewhat immune to the declining property prices till the previous year, witnessed a sharp correction in the prices during second half of the year, consequent to absence of buying interest.

The Information Technology, BPO, Banking and Finance sectors, which are major users of office space witnessed severe impact of slow down and many of them either postponed or cancelled their expansion plans, thereby impacting demand for space. In some cases, the corporates even resorted to down-sizing and releasing space in the market. The impact of this has been even more severe in the Central Mumbai area where your Company has large land parcels available, due to several projects coming up at various stages of completion.

In the residential segment many builders have announced aggressive price cuts with a view to spur the demand. The lowering of interest rates in recent months coupled with substantial discounts offered by the builders has revived demand to some extent, especially in the suburban areas. However this is yet to be translated into demand for premium housing units.

The Government has introduced buyer friendly changes in the laws relating to redevelopment projects, slum clearance scheme, and re-habilitation of occupants of dilapidated buildings. This is expected to revive construction activity especially in the affordable housing segment.

The Real Estate mutual funds and other financial instruments, which provide risk capital to the sector, are yet to take off mainly due to unorganized and unstructured nature of Industry and poor quality of security offered.

OPPORTUNITIES AND THREATS

Improvement in infrastructure, including Bandra Worli sea link, which is expected to have been commissioned by the time this reaches you, will enhance the marketability of the Central Mumbai location due to significant reduction in commuting time. Ease of funding and expected buoyancy in the market due to a stable government at the centre will drive economic activity and is expected to spur the demand for real estate in both commercial and residential sectors.

OUTLOOK

Residential prices are expected to remain stable and could witness an upward movement but at a steady pace. The demand from users and investors is likely to pick up once price stability is visible.

The commercial and office space rates also appear to have bottomed out. However price recovery there could be some time away. The demand is expected to revive in the coming months.

RISKS AND CONCERNS

Funds availability is a key risk for the sector, and may impact delivery schedules of several projects. Escalation in prices of key construction inputs could impact the industry margins, especially in a scenario where the customers are unwilling to pay a higher price. Finally, uncertain regulatory environment and frequent changes in the policy relating to the sector could have serious implications for both timely delivery and viability of the projects.

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 appointed Messrs Deloitte Haskins and Sells as Internal Auditors in place of Ernst & Young (E&Y) last year.

The new Internal Auditors were mandated to review control systems and processes in all key operations, recommend changes wherever appropriate by comparing these with industry best practice, and reassure the Audit Committee about compliance with these processes. The auditors have carried out the review of all the planned operations.

The Audit Committee of the Board has periodically reviewed the reports and findings of the Internal Auditors. The management also apprised the Audit Committee of actions initiated on the basis of recommendations of the Internal Auditors.

In addition, the Audit Committee also meets regularly to review, inter alia, risk management policies and adequacy of internal control systems.

HUMAN RESOURCES

Realignment of talent and skill was a key priority of the Company during this year. A special focus was provided to recruitment of persons who meet the business needs in the new business environment and meet the challenges of the market. Several departments were restructured with a view to meet the business requirements in the changing economy.

The organization structure has been realigned and clear objectives have been set up in respect of each function in consultation with the concerned team leaders. These functional objectives are aligned to the overall business objectives.

Occupational health, Safety and Environmental Management was also paid due attention at all levels.

RESOURCES AND LIQUIDITY

The Company's borrowings increased by Rs. 298 crores during the year. These have been used to meet the funding requirements of the PSF manufacturing unit at Patalganga and also Textile processing facility at Ranjangaon.

Working capital for the Company's business is funded by facilities obtained from a consortium of banks which includes pre and post shipment credit. The Company has also commenced acceptance of Fixed Deposits in February, 2009.

Cautionary Statement

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

Mumbai, 30th June, 2009.

ANNEXURE 'C' TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

1. **Company's Philosophy on Code of Governance**:

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

2. **Board of Directors**:

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

Director	Whether Promoter, Executive, Or Non-Executive/Independent	No. of outside Directorships held *	No. of Board Committees of other Companies in which a Member #
Mr. Nusli N. Wadia	Non-Executive Chairman/ Promoter	6	Nil
Mr. Keshub Mahindra	Non-Executive & Independent	5	1 (Chairman)
Mr. R. N. Tata	Non-Executive & Independent	10	Nil
Mr. R. A. Shah	Non-Executive & Independent	14	9 (Chairman of 4)
Dr. H. N. Sethna	Non-Executive & Independent	5	4 (Chairman of 2)
Mr. S. S. Kelkar	Non-Executive	10	3
Mr. S. Ragothaman	Non-Executive & Independent	5	4 (Chairman of 1)
Mr. A. K. Hirjee	Non-Executive	5	7 (Chairman of 3)
Mr. S. M. Palia	Non-Executive & Independent	6	6 (Chairman of 3)
Mr. P. V. Kuppuswamy	Jt. Managing Director	2	2 (Chairman of 1)
Mr. Ness N. Wadia	Jt. Managing Director	4	Nil
Mr. M. K.Singh (upto 06.07.2008)	Executive Director	1@	Nil@
Mr. Surya Kant Gupta (upto 04.12.2008)	Executive Director	1@	Nil@
Ms. Vinita Bali (w.e.f. 30.4.2009)	Non-Executive	4	2

Note : Other than Mr. Nusli N. Wadia and Mr. Ness N. Wadia, who, being father and son respectively, 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.

@ As per information furnished by the respective erstwhile Directors upto the date of their separation.

Board Meetings & AGM:

During the year under review, 5 Board Meetings were held, the dates being 27th May, 2008, 30th June, 2008, 29th July, 2008, 27th October, 2008 and 30th January, 2009.

The AGM was held on 2nd September, 2008.

Details of attendance of each Director at the Board Meetings and AGM are given below:-

Directors	No. of Board Meetings attended	Whether attended Last AGM
Mr. Nusli N. Wadia	5	Yes
Mr. Keshub Mahindra	5	Yes
Mr. R. N. Tata	1	Yes
Mr. R. A. Shah	2	Yes
Dr. H. N. Sethna	5	Yes
Mr. S. S. Kelkar	5	Yes
Mr. S. Ragothaman	1	Yes
Mr. A. K. Hirjee	4	Yes
Mr. S. M. Palia	4	Yes
Mr. P. V. Kuppuswamy	5	Yes
Mr. Ness N. Wadia	5	Yes
Mr. M. K. Singh (upto 06.07.2008)	Nil	N/A
Mr. Surya Kant Gupta (upto 04.12.2008)	3	Yes

3. **Board Committees** :

The Board has constituted the following Committees of Directors :

(a) Audit Committee:

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

Mr. S. Ragothaman – Chairman (Independent)

Mr. R. A. Shah (Independent)

Mr. S. S. Kelkar

Dr. H. N. Sethna (Independent)

Mr. S. M. Palia (Independent)

The Chairman of the Committee, Mr. S. Ragothaman, is an independent Director. During the year Mr. R. A. Shah stepped down as Chairman of the Audit Committee due to heavy and pressing commitments as also increased frequency of overseas travel, but continues to be a Member of the Audit Committee.

The Joint Managing Directors, Chief Financial Officer, Internal Auditors, Cost Auditors and the Statutory Auditors attend Audit Committee Meetings as invitees. The Company Secretary acts as the Secretary to the Audit Committee.

The role and terms of reference of the Audit Committee include review of Internal Audit Reports and the Statutory Auditors' Report on the financial statements, general interaction with the internal Auditors and statutory Auditors, review of financial statements both quarterly and annual before submission to the Board, review of management discussion and analysis of financial condition and results of operations and review of performance of statutory and internal auditors and adequacy of internal control systems and other matters specified under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

During the year under review, 10 Meetings of the Audit Committee were held, the dates being 30th April, 2008, 27th June, 2008, 29th July, 2008, 29th August, 2008, 25th September, 2008, 24th October, 2008, 16th January, 2009, 30th January, 2009, 4th February, 2009 and 6th March, 2009.

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

Name	No. of Audit Committee Meetings attended
Mr. S. Ragothaman	8
Mr. R. A. Shah	8
Mr. S. S. Kelkar	10
Dr. H. N. Sethna	8
Mr. S. M. Palia	8

(b) Remuneration/Compensation Committee:

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

Mr. Keshub Mahindra – Chairman (Independent)

Mr. Nusli N. Wadia

Mr. R. A. Shah (Independent)

Mr. S. Ragothaman (Independent)

Mr. A. K. Hirjee

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

During the year under review, the Remuneration/Compensation Committee met once on 27th October, 2008. Mr. Keshub Mahindra, Mr. Nusli N. Wadia and Mr. A. K. Hirjee were present at the Meeting.

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

Remuneration Policy:

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

A. Details of remuneration paid to the Joint Managing/Executive Directors during the year 2008-2009 are given below: -

(In Rupees)

Name	Salary	Benefits*	Commission	Total
Mr. P. V. Kuppuswamy, Joint Managing Director	43,37,520	63,59,751	Nil	@1,06,97,271
Mr. Ness N. Wadia, Joint Managing Director	29,97,000	78,80,396	Nil	@1,08,77,396
Mr. M. K. Singh, Executive Director (upto 06.07.2008)	4,99,500	10,99,048	Nil	**15,98,548
Mr. Surya Kant Gupta Executive Director (upto 04.12.2008)	17,48,250	20,54,354	Nil	**38,02,604

* Also includes the Company's contribution to Provident and Superannuation Funds.

** Includes excess remuneration recoverable.

@ In view of inadequacy of profits the Company has applied to the Central Government to approve the amount paid as remuneration to Mr. P. V. Kuppuswamy and Mr. Ness N. Wadia in terms of the approval granted by the shareholders, as minimum remuneration.

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

b) The Company has not granted any stock options to whole-time Directors during the year. No stock options which were granted in previous years to whole-time Directors were outstanding for vesting or for exercise at the beginning of the year.

B. Details of payments made to Non-Executive Directors during the year 2008-09 are given below: -

	Sitting Fees (in Rupees)		Commission	Total No. of Shares held in the Company as on 31st March, 2009
	Board Meeting	Committee Meeting		
Mr. Nusli N. Wadia	50,000	60,000	Nil	1,23,350
Mr. Keshub Mahindra	50,000	10,000	Nil	1,630
Mr. R. N. Tata	10,000	-	Nil	700
*Mr. R. A. Shah	20,000	90,000	Nil	300
Dr. H. N. Sethna	50,000	1,05,000	Nil	5,152
Mr. S. S. Kelkar	50,000	2,16,000	Nil	7,340
Mr. S. Ragothaman	10,000	1,10,000	Nil	5,000
Mr. A. K. Hirjee	40,000	1,16,000	Nil	760
Mr. S. M. Palia	40,000	1,30,000	Nil	Nil

* Mr. R. A. Shah, Non-Executive Independent Director, is a senior partner of Crawford Bayley & Co., Solicitors & Advocates, who have professional relationship with the Company. The quantum of professional fees received by Crawford Bayley & Co. from the Company constitutes less than 2% of the total revenues of the legal firm. As per the view of the Board of Directors and also as per the legal opinion received on the subject of independence of Mr. R. A. Shah, the association of the legal firm, Crawford Bayley & Co., with the Company is not material. The professional fees of Rs. 31.55 lakhs paid/accrued to the legal firm during the year are not considered material enough to impinge on the independence of Mr. R. A. Shah.

Mr. S. S. Kelkar, Non-Executive Director and Mr. R. A. Shah, Non-Executive Independent Director have booked flats in the residential building being constructed by the Company on its Spring Mills land in respect of which sums aggregating to Rs. 1,85,90,987 and Rs. 2,80,10,712, respectively, towards purchase consideration have been received from them by the Company as at 31st March, 2009. As per the view of the Board of Directors, this transaction of booking of flat by Mr. R. A. Shah is not considered material enough to impinge on his independence.

Remuneration of Non-Executive Directors by way of commission (if any) is determined by the Board within the limits stipulated by the Special Resolution passed at the 124th Annual General Meeting held on 23rd July, 2004. Non-Executive Directors are paid sitting fees at the rate of Rs. 10,000/- per meeting for attending the meetings of the Board of Directors/Committees thereof except those of the Share Transfer, Shareholders'/Investors' Grievance and Ethics & Compliance Committee in respect of which they are paid sitting fees at the rate of Rs.1,000/- per meeting attended. No stock options have been granted to Non-Executive Directors.

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

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

Dr. H. N. Sethna - Non-Executive Director (Chairman) (Independent)
Mr. A. K. Hirjee - Non-Executive Director
Mr. S. S. Kelkar - Non-Executive Director
Mr. P. V. Kuppuswamy - Joint Managing Director

The Committee met 26 times during the year.

(d) Finance Committee:

The Finance Committee consists of the following Directors:

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

The terms of reference of the Finance Committee cover (i) Liability Management related to raising of Rupee/Foreign Currency resources both short-term and long-term to meet the funding requirements of the various operating divisions and approval of terms and conditions covering the borrowing programme; (ii) Foreign Exchange Management involving review of the Company's forex policy and providing direction to the Treasury Department with regard to maintenance and covering of open positions; and (iii) Investment

Management related to the employment of temporary and/or long-term surpluses of the Company in various securities whether or not traded on the stock exchanges like units of Mutual Funds and providing direction to the Treasury Department on the composition and the turnover of the investment portfolio from time to time.

During the year under review, the Committee met 4 times on 27th May, 2008, 29th July, 2008, 27th October, 2008 and 30th January, 2009.

However, between two meetings 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. S. Kelkar

Mr. S. Ragothaman (Independent)

Mr. A. K. Hirjee

Mr. S. M. Palia (Independent)

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

During the year under review, the Executive Committee met 5 times on 13th August, 2008, 12th September, 2008, 17th December, 2008, 16th January, 2009 and 28th January, 2009. Mr. R. A. Shah, Director, attended one meeting as a special invitee.

Name and designation of Compliance Officer:

Mr. P. Govindan, Company Secretary (upto 30th April, 2009)

Mr. Somnath Majumdar, Company Secretary (w.e.f. 1st May, 2009)

No. of shareholders' complaints received during the year: 169

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

No. of pending share transfers: Nil

4. General Body Meetings :

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

Date & Time	Location	Special Resolutions Passed
2nd September, 2008, at 3.45 p.m.	Birla Matushri Sabhagar, 19, Marine Lines, Mumbai-400 020	i) Approval of modification of the remuneration payable to Mr. P. V. Kuppuswamy, Jt. Managing Director. ii) Approval of modification of the remuneration payable to Mr. Ness N. Wadia, Jt. Managing Director. iii) Approval of modification of the remuneration payable to Mr. S. K. Gupta, Executive Director
25th July, 2007, at 3.45 p.m.	Birla Matushri Sabhagar, 19, Marine Lines, Mumbai-400 020	Nil
27th July, 2006, at 3.45 p.m.	Birla Matushri Sabhagar, 19, Marine Lines, Mumbai-400 020	Nil

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

No.

(c) Person who conducted the postal ballot exercise :

N.A.

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

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

(e) Procedure for postal ballot:

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

5. **Other disclosures** :

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:

Transactions with the related parties are disclosed in Note 24 of Schedule 19 to the financial statements in the Annual Report. However, these transactions are not likely to have any conflict with the Company's interest. The Audit Committee has reviewed these transactions as mandatorily required under Clause 49 of the Listing Agreement.

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

None.

(c) Risk Management

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

(d) Code of Conduct

The Board of Directors has adopted the Code of Ethics and Business Principles for Non-Executive Directors as also for the employees including Whole-Time Directors and other members of Senior Management. The said Code has been communicated to all the Directors and members of the Senior Management. The Code has also been posted on the Company's website: www.bombaydyeing.com.

(e) Prevention of Insider Trading Code

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

6. **Means of communication :**

(i) Quarterly results :

The unaudited quarterly results are announced within one month from the end of the quarter and the audited annual results within three months from the end of the last quarter as stipulated under the Listing Agreement with the Stock Exchanges.

(ii) Newspapers wherein results normally published:

The Financial Express – All editions & Lakshadeep, Mumbai.

(iii) Any Website where displayed :

www.bombaydyeing.com

(iv) Whether Website also displays official news releases:

Yes. Financial Results, distribution of shareholding and press releases if any, are displayed on the Website.

(v) Whether presentations made to institutional investors or to analysts:

No presentations were made to institutional investors or to analysts.

(vi) Management Discussion & Analysis Report :

The Management Discussion & Analysis Report is annexed to the Directors' Report and forms a part of the Annual Report.

7. **General Shareholder information:**

a. AGM: Date, time and venue:

28th August, 2009 at 3.45 p.m. at Sir Sitaram and Lady Shantabai Patkar Convocation Hall, S. N. D. T. Women's University, 1, Nathibai Thackersey Road, New Marine Lines, Mumbai 400 020.

b. Financial calendar (tentative):

Financial results for the quarter ending 30th June, 2009 : End July, 2009

Financial results for the quarter ending 30th September, 2009 : End October, 2009

Financial results for the quarter ending 31st December, 2009 : End January, 2010

Financial results for the year ending 31st March, 2010 : End June, 2010

Annual General Meeting for the year ending 31st March, 2010 : Last week of August/1st week of September, 2010

(c) Book closure period: 18th August, 2009 to 28th August, 2009 both days inclusive.

(d) Dividend payment date : On and from 31st August, 2009.

(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 2009-2010 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 2009.

(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 and returned within a period of 7 to 15 days from the date of receipt in case documents are complete in all respects. The Share Transfer Committee meets every fortnight. The number of shares transferred/transmitted during the year are as under:

	No. of Applications	No. of Shares
Transfers	637	33,104
Transmissions	56	13,159
Total :	693	46,263

(k) Dematerialisation of shares and liquidity:

93.80% of the outstanding Equity Shares have been dematerialised up to 31st March, 2009.

Trading in Equity Shares of the Company is permitted only in dematerialised form effective from 29th November, 1999 as per Notification issued by the Securities & Exchange Board of India (SEBI).

(l) Secretarial Audit

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

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

(i) 5,83,095 GDRs were outstanding as at 31st March, 2009, each GDR representing one underlying Equity Share.

(ii) 928 (2007-2008 : 2,768) warrants as part of the rights entitlement kept in abeyance out of the rights issue of non-convertible debentures (NCDs)/secured premium notes (SPNs) with two detachable warrants attached to each NCD/SPN entitling the warrant-holder to apply for and be allotted one equity share of the Company for each warrant at a price of Rs. 60 per share. Likely impact on full conversion will be Rs.0.09 lac on share capital and Rs. 0.46 lacs on share premium.

(n) (i) Distribution of Shareholding as on 31st March, 2009.

Group of Shares	No. of Shareholders	No. of Shares held	%age to Total Shares
1 to 50	60,013	12,25,669	3.17
51 to 100	14,114	12,05,555	3.12
101 to 250	8,275	14,07,706	3.65
251 to 500	3,417	12,74,285	3.30
501 to 1000	1,593	12,07,370	3.13
1001 to 5000	1,154	23,86,894	6.18
5001 and above	291	2,99,09,501	77.45
	88,857	3,86,16,980	100.00

(ii) Shareholding Pattern as on 31st March, 2009.

	No. of shares	%
Promoter Group *	1,81,86,621	47.10
Financial Institutions	39,32,612	10.18
Nationalised Banks	41,634	0.11
Mutual Funds	31,64,081	8.19
FIIs	5,78,970	1.50
GDR Holders	5,83,095	1.51
Others	1,21,29,967	31.41
	3,86,16,980	100.00

*Promoter Group comprises:

Mr. Nusli N. Wadia and his relatives in terms of Section 6 of the Companies Act, 1956, Ms. Diana Claire Wadia, Ms. Elizabeth Anne Guhl, Ms. Bachoobai W. Daschkow, Jer Mavis Settlement No. II, Diana Claire Wadia Trust, Nusli Neville Wadia Trust, Nowrosjee Wadia & Sons Limited,The Bombay Burmah Trading Corporation Limited, National Peroxide Limited, Gherzi Eastern Ltd., Ben Nevis Investments Limited, Macrofil Investments Limited, Jehreen Investments Private Limited, Lochness Investments Private Limited, Nessville Trading Private Limited, Vernilam Investment and Trading Company Limited and its holding Company, and Lotus Viniyog Private Limited, 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, 2009 an aggregate amount of Rs. 6.24 lacs to the Investor Education and Protection Fund (IEPF).

(p) Plant Locations :

Textile Processing Unit,
B-28, MIDC Industrial Area,
Ranjangaon, Tal. Shirur,
Dist. Pune - 412 220.
Tel: 021-38232700 / 38232800
Fax: 021-38232600.

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

Address for correspondence:

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

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

For any queries on Annual Report or investors' assistance:

The Company Secretary OR

The Dy. General Manager (Secretarial & Legal),
at Neville House, J. N. Heredia Marg,
Ballard Estate, Mumbai-400 001.
Tel: 22618071 Fax: 22614520.

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

Non-Mandatory Requirements:

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

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

(b) **Remuneration Committee:**

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

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

The Company's half yearly results are published in the newspapers and also posted on its web site 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.

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

Mumbai, 30th June, 2009.

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, 2009.

For The Bombay Dyeing & Mfg. Co. Ltd.

P. V. Kuppuswamy
Joint Managing Director

Mumbai, 22nd June, 2009.

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, 2009, under clause 49 of the listing agreements with relevant stock exchanges.

We have examined the compliance of conditions of corporate governance by The Bombay Dyeing and Manufacturing Company Limited for the year ended 31st March, 2009, as stipulated in clause 49 of the listing agreements of the company with relevant stock exchanges.

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

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

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

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

Viraf R. Mehta
Partner
M. No: 32083

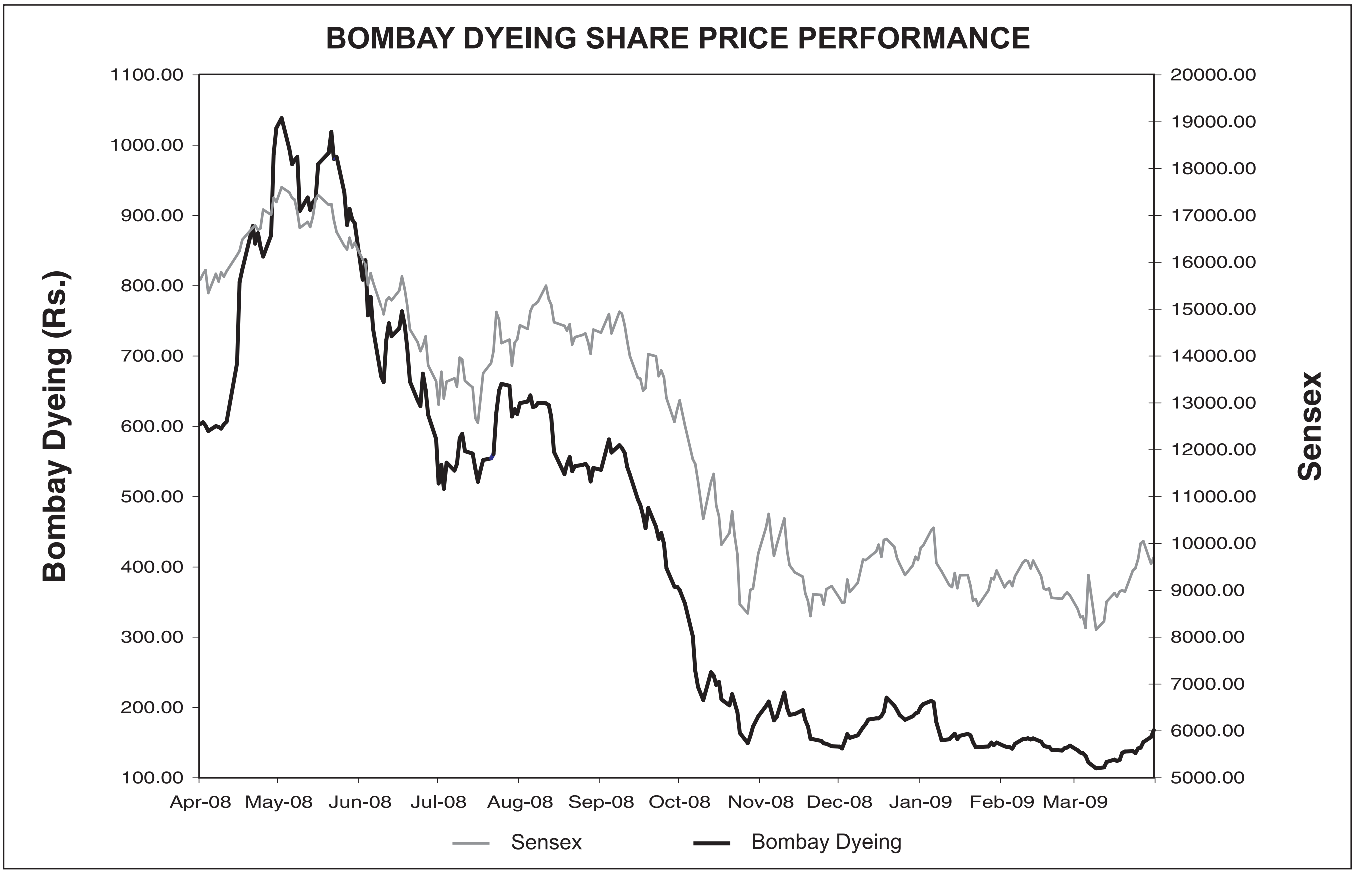
Mumbai, 30th June, 2009

ANNEXURE 1

STOCK MARKET DATA

	Month's High Price (Rs.)		Month's Low Price (Rs.)		No. of Trades		No. of Shares Traded		Value (Rs. in lacs)	
	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE
Apr. 2008	1065.00	1064.90	585.00	585.00	220756	715284	8887941	16806624	78908.92	147397.01
May. 2008	1064.50	1063.00	861.00	855.55	327976	825792	11578605	23275182	111775.48	224155.63
Jun. 2008	902.00	903.00	575.50	573.60	282499	831887	9984975	24078317	71771.81	171659.71
Jul. 2008	679.90	679.90	480.00	480.00	273244	771544	9713651	24280215	55904.56	138897.49
Aug. 2008	668.00	668.25	517.05	515.05	145020	471374	5007922	13130655	29892.70	77431.96
Sep. 2008	592.90	592.90	342.50	334.00	122934	448656	4012074	11481993	19870.88	56973.16
Oct. 2008	386.00	386.70	132.75	139.00	131286	436425	5414660	13188396	12811.56	31139.88
Nov. 2008	229.00	228.50	140.00	141.25	95925	348503	3957309	9809517	7397.32	18257.23
Dec. 2008	223.30	223.65	135.00	136.00	121003	442708	5534875	12592536	10348.64	23511.79
Jan. 2009	219.90	219.70	136.25	137.00	90540	345466	3519464	8245918	6174.30	14343.03
Feb. 2009	163.70	163.50	135.30	133.00	67879	253879	2741534	6625618	4117.40	9916.05
Mar. 2009	171.90	171.50	110.00	110.60	152549	562232	10200879	24923675	14411.41	35038.58

ANNEXURE 2



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

1) We have audited the attached Balance Sheet of The Bombay Dyeing and Manufacturing Company Limited as at March 31, 2009 and also the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2) We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3) As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4) Without qualifying our report, we draw attention to the following:

   i) Note 9 of Schedule 19 Notes to Accounts, regarding the sale of a portion of the commercial building under construction to its wholly owned subsidiary and recognition of revenue there against of Rs. 235.02 crore (including revenue from the undivided interest in the underlying freehold land therein amounting to Rs. 193.34 crore) in the Profit and Loss Account. Attention is also drawn to the exclusion of the said subsidiary from consolidation, based on management's representation that control over it is temporary, i.e. being held exclusively with a view to its subsequent divestment in the near future.

   ii) Note 19 (iii) of Schedule 19 Notes to Accounts, regarding the adoption of the principles of hedge accounting enunciated in Accounting Standard (AS) 30 – 'Financial Instruments Recognition and Measurement' with effect from April 1, 2008, in respect of derivative transactions entered into to hedge currency risk. Accordingly, the unrealized losses amounting to Rs. 37.69 crore on such derivative transactions which qualify as effective hedges have been recorded in the Hedging Reserve account. The loss for the year is lower to that extent.

5) Further to our comments in the Annexure referred to in paragraph (3) above, we report that:

   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

   e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;

      ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and

      iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

6) On the basis of written representations received from the Directors of the Company as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on March 31, 2009, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

Viraf R. Mehta
Partner
Membership No: 32083

Place : Mumbai

Date: June 30, 2009

ANNEXURE TO THE AUDITOR'S REPORT

Annexure to the report of the Auditors to the members of The Bombay Dyeing and Manufacturing Company Limited on the accounts for the year ended March 31, 2009 (referred to in paragraph 3 of our report of even date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets up to the previous year. The particulars of additions during the year are in the process of being updated.

   (b) A major portion of the assets has been physically verified by the management during the year, which is in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. The reconciliation between the book records and physical inventory of assets verified is still in progress, in view of which, we are unable to report on the discrepancies, if any.

   (c) The fixed assets disposed off during the year are not substantial and therefore do not affect the going concern assumption.

2. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

   (b) The procedures of physical verification of inventories followed by the management are generally reasonable and adequate in relation to the size of the Company and nature of its business.

   (c) The Company is generally maintaining proper records of inventory. The discrepancies noticed on verification between physical stock and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.

3. (a) The Company had given unsecured loans to two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum principal amount involved during the year is Rs. 7.5 crore. Of the said loans, one loan amounting to Rs.3.5 crore which was provided for in earlier years, has been written off and the year-end balance of the other loan is Rs. 0.5 crore. The company has also placed an interest free shareholders' deposit of Rs.15.22 crore with a joint venture company, as stated in Note 12 of Schedule 19.

   (b) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions on which the loans have been granted to companies listed in the register maintained under section 301 of the Companies Act, 1956 were not prima facie prejudicial to the interest of the company, at the time when loans were granted.

   (c) As explained to us, in respect of one of the companies, the amount of Rs 3.5 crore has not been recovered and has been written off during the year and the other company has been regular in payment of interest, where the principle amount of Rs 0.5 crore is repayable on call.

   (d) According to the information and explanation given to us, except for the loan of Rs. 3.5 crores referred in paragraph 3 (c) above, which has been written off during the year, there is no overdue amount for more than rupees one lakh.

   (e) According to the information and explanation given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. In view of the foregoing, the question of reporting on clauses 4 (iii) (f) and 4 (iii) (g) of the said Order does arise.

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, however the Company is implementing steps for further strengthening of the same. Further, on the basis of our examination of the books and records and the information and explanations given to us, we have not come across any continuing failure to correct major weakness in the internal control system.

5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have generally been so entered.

   (b) According to the information and explanation given to us, transactions in pursuance of such contracts or arrangements entered into the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party have been made at prices which are reasonable having regard to the prevailing market prices or at prices for which similar transactions have been made with other parties, except for the transactions where a comparison of prices could not be made since there was no similar transactions with other parties or transactions of a special nature where comparable alternative quotation were not available.

6. In our opinion and according to the information and explanations given to us, the Company has complied with the provision of sections 58A, 58AA or any other applicable provisions of the Companies Act,1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

7. In our opinion, the Company has an internal audit system, commensurate with the size and nature of its business.

8. We have broadly reviewed, without carrying out a detailed examination, the books of accounts maintained by the company pursuant to the Notification issued /order made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of Textile division of the Company and are of the opinion that prima facie the prescribed records have been maintained and the prescribed accounts are in the process of being made up.

9. (a) According to the records of the Company, undisputed statutory dues including Provident fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Excise duty, Customs duty, Cess, and other material statutory dues applicable to it have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts were in arrears, as on 31st March 2009 for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us, there are no dues of Sales tax, Income tax, Custom duty, Wealth tax, Service tax, Excise duty or cess which have not been deposited on account of any dispute, except as stated below :

No.	Name of the statute	Nature of Dues	Amount (Rs. in crores)	Period to which the amount relates	Forum where dispute is pending
1	The Income Tax Act, 1961	Tax deducted at source	2.64	A.Y. 1995-96	Income Tax Appellate Tribunal, Mumbai
2	The Wealth Tax Act, 1957	Wealth Tax	0.23	A.Y. 1993-94 to A.Y. 1998-99	Income Tax Appellate Tribunal, Mumbai
3	The Customs Act, 1962	Customs Duty	0.64	1989	Deputy Commissioner of Customs, Nhava Sheva
		Customs Duty	0.25	1997	Commissioner of Customs(Appeals), Mumbai
		Customs Duty	0.13	1992-93	Commissioner of Customs Bond Department, Mumbai
4	The Central Excise Act, 1944	Excise Duty	0.31	1985-86 to 2003-04	Customs, Excise and Service Tax Appellate Tribunal(CESTAT), Mumbai
		Excise Duty	0.16	1989-90 to 1995-96	Commissioners of Central Excise, Mumbai
		Excise Duty	0.25	1998-99	High Court, Mumbai
		Excise Duty	0.68	1997-98 to 2000-01	Customs, Excise and Service Tax Appellate Tribunal(CESTAT), Mumbai
		Excise Duty	0.08	1999-00 to 2000-01	Customs, Excise and Service Tax Appellate Tribunal(CESTAT), Mumbai
		Excise duty	0.01	2005-06	Assistant Commissioner of Customs, Mumbai

10. The Company does not have any accumulated losses at the end of the financial year. The company has incurred a cash loss of Rs. 138.89 crore during the financial year covered by our audit but not 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, no funds raised on short term basis have been used for long term investment.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.

19. According to the information and explanation given to us, the Company had issued debentures aggregating Rs. 30 crore during the previous year, which have been repaid during the year; however no securities or charge was created in respect of the same.

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 the Company has based on certain acts of omission and commission detected, filed suits against an Executive Director of the Company in the High Court of Judicature at Mumbai and the matter is subjudice. Other than this no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

Viraf R. Mehta
Partner
Membership No: 32083

Place : Mumbai

Date: June 30, 2009

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule No.	Rupees in crores	Rupees in crores	*AS AT 31ST MARCH, 2008* Rupees in crores	*AS AT 31ST MARCH, 2008* Rupees in crores
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share capital	(1)	38.61		*38.61*	
Share warrants [Refer Note 4 on Schedule 19]		-		*11.89*	
Reserves and surplus	(2)	331.81		*357.30*	
			370.42		*407.80*
LOAN FUNDS					
Secured loans	(3)	1,499.00		*997.36*	
Unsecured loans	(4)	211.88		*416.02*	
			1,710.88		*1413.38*
TOTAL....			2,081.30		*1821.18*
APPLICATION OF FUNDS					
FIXED ASSETS	(5)				
Gross block		1,159.75		*1060.35*	
Less: Depreciation / amortisation		178.72		*123.67*	
Net block		981.03		*936.68*	
Capital work-in-progress		19.31		*71.09*	
Incidental expenditure relating to construction / development		199.54		*232.81*	
			1,199.88		*1240.58*
INVESTMENTS	(6)		60.22		*126.72*
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	(7)	380.31		*141.68*	
Sundry debtors	(8)	405.93		*284.85*	
Cash and bank balances	(9)	123.58		*53.73*	
Other current assets	(10)	4.36		*3.06*	
Loans and advances	(11)	253.02		*267.38*	
		1,167.20		*750.70*	
Less: CURRENT LIABILITIES AND PROVISIONS					
Liabilities	(12)	335.94		*280.16*	
Provisions	(13)	11.46		*19.45*	
		347.40	819.80	*299.61*	*451.09*
NET CURRENT ASSETS					
MISCELLANEOUS EXPENDITURE					
(to the extent not written off or adjusted)					
Voluntary retirement compensation					
[Refer Note 13(iii) on Schedule 18]	(14)		1.40		*2.79*
TOTAL....			2,081.30		*1,821.18*
SIGNIFICANT ACCOUNTING POLICIES	(18)				
NOTES TO THE ACCOUNTS	(19)				

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

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

VIRAF R. MEHTA
Partner

Mumbai, 30th June, 2009.

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

NUSLI N. WADIA — *Chairman*
NESS N. WADIA — *Jt. Managing Director*
P. V. KUPPUSWAMY — *Jt. Managing Director*

DURGESH MEHTA — *Chief Financial Officer*

SOMNATH MAJUMDAR — *Company Secretary*

K. MAHINDRA
S. RAGOTHAMAN
Dr. H. N. SETHNA
S. S. KELKAR
S.M. PALIA
Ms. VINITA BALI
Directors

Mumbai, 30th June, 2009.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule No.	Rupees in crores	Rupees in crores	2007-2008 Rupees in crores
INCOME				
Gross Sales - Products [Refer Note 26(a) on Schedule 19]...		1095.97		757.68
Less : Excise Duty		43.64		25.33
Net Sales		1052.33		732.35
Revenue from real estate activity [Refer Note 4 on Schedule 18]		263.93		232.77
			1,316.26	965.12
Other Income	(15)		57.87	54.51
			1374.13	1019.63
EXPENDITURE				
Manufacturing and other expenses	(16)		1323.40	901.87
Interest and finance charges	(17)		186.54	73.40
Depreciation			55.73	35.42
			1,565.67	1010.69
PROFIT/(LOSS) BEFORE TAX AND VOLUNTARY RETIREMENT COMPENSATION ...			(191.54)	8.94
Less: Voluntary Retirement Compensation Written off			2.06	1.39
Add: Capitalisation of voluntary retirement compensation, written off in the earlier year, as a part of expenditure incidental to development of land .... [Refer Note 13(iii) on Schedule 18]			-	10.46
PROFIT/(LOSS) BEFORE TAX			(193.60)	18.01
Less:				
Provision for taxation				
a. current tax			-	1.75
b. deferred tax			-	(1.70)
c. fringe benefit tax			1.02	1.28
			1.02	1.33
PROFIT / (LOSS) AFTER TAX			(194.62)	16.68
Balance in profit and loss account brought forward			188.59	194.40
Transferred from debenture redemption reserve			7.50	2.50
Transferred from general reserve			19.39	-
AMOUNT AVAILABLE FOR APPROPRIATION			20.86	213.58
***Less:* APPROPRIATIONS**				
Proposed dividend			3.86	13.52
Additional income-tax on distributed profits			0.66	2.30
Debenture redemption reserve			-	7.50
General reserve			-	1.67
			4.52	24.99
Balance carried to balance sheet			16.34	188.59
SIGNIFICANT ACCOUNTING POLICIES	(18)			
NOTES TO THE ACCOUNTS	(19)			
Earnings per equity share (Refer Note 22 on Schedule 19)				
Basic earnings per equity share (in rupees)			(50.39)	4.32
Diluted earnings per equity share (in rupees)			(50.39)	4.30
Nominal value per equity share (in rupees)			10.00	10.00

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

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

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

VIRAF R. MEHTA
Partner

Mumbai, 30th June, 2009.

NUSLI N. WADIA *Chairman*
NESS N. WADIA *Jt. Managing Director*
P. V. KUPPUSWAMY *Jt. Managing Director*

DURGESH MEHTA *Chief Financial Officer*

SOMNATH MAJUMDAR *Company Secretary*

K. MAHINDRA
S. RAGOTHAMAN
Dr. H. N. SETHNA
S. S. KELKAR
S.M. PALIA
Ms. VINITA BALI
Directors

Mumbai, 30th June, 2009.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

		2008-2009		*2007-2008*	
		Rs. in crores	Rs. in crores	*Rs. in crores*	*Rs. in crores*
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	NET PROFIT BEFORE TAX		(193.60)		*18.01*
	Adjusted for				
	Depreciation	55.73		*35.42*	
	Foreign exchange loss/(gain) (net)	19.63		*1.27*	
	Profit on sale of investments	(3.57)		*(4.66)*	
	Provision for doubtful debts/advances	0.34		-	
	Debtors written off (net of provision written back)	0.27		-	
	Dividend/interest income	(10.23)		*(7.19)*	
	Loss/(Profit) on sale of fixed assets (net)	1.48		*(22.39)*	
	Interest and other finance charges	186.54		*74.17*	
	Write down in the value of current investment	-		*0.26*	
	Provision for retirement benefits	3.31		*0.66*	
	Employees stock option compensation written off	-		*0.02*	
			253.50		*77.56*
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS		59.90		*95.57*
	Changes in				
	Trade and other receivables	(102.35)		*(54.79)*	
	Inventories	38.62		*22.20*	
	Trade payables	16.52		*12.10*	
	Other adjustments				
	Voluntary retirement compensation (to the extent not written off or adjusted)	1.39		*(9.07)*	
			(45.82)		*(29.56)*
	CASH GENERATED FROM OPERATIONS		14.08		*66.01*
	Direct taxes paid (net)		(4.72)		*(10.66)*
	NET CASH FROM OPERATING ACTIVITIES (a)		9.36		*55.35*
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Purchase of fixed assets		(80.15)		*(284.77)*
	Sale of fixed assets		0.10		*6.15*
	Purchase of investments		(93.28)		*(601.57)*
	Acquisition of Wholly owned subsidiary		(0.05)		-
	Sale of investments		163.40		*632.95*
	Advance share application money to L&T Bombay Developers Private Limited		-		*(5.00)*
	Inter-corporate deposits (net)		(1.28)		*(6.32)*
	Dividend received		-		*0.36*
	Interest received		8.93		*6.27*
	NET CASH USED IN INVESTING ACTIVITIES (b)		(2.33)		*(251.93)*

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

		2008-2009		*2007-2008*	
		Rs. in crores	Rs. in crores	*Rs. in crores*	*Rs. in crores*
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Proceeds from borrowings		469.15		*1977.53*
	Proceeds from Fixed Deposits		13.63		-
	Repayment of borrowings		(277.82)		*(1723.51)*
	Increase in demand loan, cash credit and packing credit		65.14		*104.80*
	Issue of equity shares under Employees' stock option scheme and on conversion of warrants		-		*0.01*
	Share warrant allotment money received		-		*11.89*
	Interest and other finance charges paid		(191.46)		*(133.92)*
	Dividend paid (including corporate dividend tax)		(15.82)		*(22.52)*
	NET CASH FROM FINANCING ACTIVITIES ....(c)		62.82		*214.28*
	NET INCREASE IN CASH AND CASH EQUIVALENTS ....(a + b + c)		69.85		*17.70*
	CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR, COMPRISING:				
	Cash on hand	0.15		*0.15*	
	Cheques on hand	3.88		*2.24*	
	Balances with scheduled banks				
	In current accounts and margin accounts	0.79		*1.39*	
	In fixed deposit accounts [lien has been created on fixed deposits of Rs.26.10 crores (*2006-2007 Rs.21.37 crore*)]	48.91		*32.26*	
			53.73		*36.04*
	CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR, COMPRISING:				
	Cash on hand	0.03		*0.15*	
	Cheques on hand	2.89		*3.88*	
	Balances with scheduled banks				
	In current accounts and margin accounts	7.03		*0.79*	
	In fixed deposit accounts [lien has been created on fixed deposits of Rs. 113.63 crores *(2007-2008 Rs. 26.10 crores)*]	113.63		*48.91*	
			123.58		*53.73*
	NET INCREASE AS DISCLOSED ABOVE		69.85		*17.70*

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, 30th June, 2009.

For and on behalf of the Board of Directors

NUSLI N. WADIA — *Chairman*
NESS N. WADIA — *Jt. Managing Director*
P. V. KUPPUSWAMY — *Jt. Managing Director*

DURGESH MEHTA — *Chief Financial Officer*

SOMNATH MAJUMDAR — *Company Secretary*

K. MAHINDRA
S. RAGOTHAMAN
Dr. H. N. SETHNA
S. S. KELKAR
S.M. PALIA
Ms. VINITA BALI
Directors

Mumbai, 30th June, 2009.

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

		Rupees in crores	*As at 31st March, 2008 Rupees in crores*
SCHEDULE 1			
SHARE CAPITAL			
AUTHORISED			
5,00,00,000	shares of Rs. 10 each	50.00	*50.00*
ISSUED AND SUBSCRIBED			
4,10,04,329	(2007-2008 4,10,02,489) Equity shares of Rs. 10 each fully paid-up (of these, 2,10,23,175 equity shares are allotted as fully paid-up by way of bonus shares by capitalisation of reserves of Rs. 20.86 crores and share premium of Rs. 0.17 crore)	41.00	*41.00*
Less:			
25,45,259	(2007-08 25,45,259)Equity shares bought back and extinguished in accordance with section 77A of the Companies Act, 1956	(2.55)	*(2.55)*
Add:			
1,57,910	(2007-2008 1,57,910) Equity shares issued under Employees' Stock Option Scheme	0.16	*0.16*
3,86,16,980	(2007-2008 3,86,15,140) Equity shares of Rs. 10 each fully paid-up	38.61	*38.61*

Note: During the year, the Company has issued 1840 equity shares (2007-08, 660) on exercising of rights of conversion of warrants , based on the Special Court order, which were earlier held in abeyance.

	Rupees in crores	*As at 31st March, 2008 Rupees in crores*
SCHEDULE 2		
RESERVES AND SURPLUS		
CAPITAL REDEMPTION RESERVE		
As per last balance sheet	2.55	*2.55*
SECURITIES PREMIUM ACCOUNT		
As per last balance sheet	2.06	*1.96*
Add: Premium on issue of shares under Employees' Stock Option Scheme and on conversion of warrants	0.01	*0.10*
	2.07	*2.06*
CAPITAL RESERVE		
Amount forfeited on warrants not exercised	11.89	-
DEBENTURE REDEMPTION RESERVE		
As per last balance sheet	7.50	*2.50*
Add: Transferred from profit and loss account	-	*7.50*
Less: Transferred to profit and loss account	(7.50)	*(2.50)*
	-	*7.50*
INVESTMENT RESERVE		
As per last balance sheet	1.31	*1.31*
REVALUATION RESERVE [Refer Note 4 on Schedule 18]		
As per last balance sheet	-	*7.66*
Add: Created during the year on conversion of a part of the freehold land from fixed assets into stock-in-trade	390.11	*59.01*
Less: Released to profit and loss account on entering into agreements for sale	(188.55)	*(66.67)*
	201.56	-
FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE		
Exchange loss on long term foreign currency monetary items	(2.12)	-
HEDGING RESERVE ACCOUNT		
Loss on derivative contract qualifying as cash flow hedges	(37.69)	-
GENERAL RESERVE		
As per last balance sheet	155.29	*153.62*
Add: Transferred from profit and loss account	-	*1.67*
Less: Transferred to profit and loss account	(19.39)	-
	135.90	*155.29*
BALANCE IN PROFIT AND LOSS ACCOUNT	16.34	*188.59*
	331.81	*357.30*

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

SCHEDULE 3

SECURED LOANS

	Rupees in crores	*As at 31st March, 2008 Rupees in crores*
- From Banks		
1. State Bank of India corporate loan	55.00	*100.00*
2. SBI Commercial and International Bank Ltd. corporate loan	5.50	*10.00*
3. State Bank of Indore corporate loan	5.50	*10.00*
4. State Bank of Mysore corporate loan	12.00	*12.00*
5. State Bank of Saurashtra corporate loan	18.00	*18.00*
6. Axis Bank Limited term loan	4.14	*6.65*
7. Axis Bank Limited term loan	130.00	*140.00*
8. State Bank of Bikaner and Jaipur term loan	42.00	*50.00*
9. Export Import Bank of India term loan	65.11	*74.09*
10. Bank of Maharashtra term loan	50.00	*50.00*
11. State Bank of Patiala term loan	42.00	*50.00*
12. State Bank of Patiala term loan	45.33	*50.00*
13. State Bank of Patiala term loan	32.00	*32.00*
14. IDBI Bank Ltd. corporate loan	125.00	-
15. State Bank of Patiala	50.00	-
16. State Bank of India foreign currency corporate loan	39.39	*48.11*
17 State Bank of Mysore term loan	36.67	*40.00*
18. Export Import Bank of India term loan	11.25	-
19. Export Import Bank of India term loan	20.00	-
20. State Bank of Mysore	50.00	-
21. Bank of India	50.00	-
22. The Bank of Rajasthan Ltd.	97.00	-
23. Standard Chartered Bank, Overdraft facility	-	*1.75*
24. Buyer's Credit in Foreign currency	163.23	*20.02*
25. Cash credit,demand loans and packing credit from banks [includes Rs.1.25 crores (2007-08 Rs.40.05 crores) in foreign currencies]	349.88	*284.74*
	1499.00	*997.36*

NOTES:

A. Security for item Nos. 1 to 5

First Mortgage/charge on a pari-passu basis on the immovable properties of the Company at Textile Mills at Mumbai, Textile Processing Unit at Ranjangaon and the Polyester Division at Patalganga, other than fixed assets charged exclusively to term lenders.

B. Security for item No. 6

Exclusive hypothecation/charge on the specific fixed assets of the Company at Textile Processing Unit at Ranjangaon.

C. Security for item Nos. 7 to 9

First Mortgage/charge on a pari-passu basis on the Company's existing as well as future fixed assets at Textile Mills at Mumbai, Textile Processing Unit at Ranjangaon and the Polyester Division at Patalganga, other than fixed assets charged exclusively to term lenders.

D. Security for item No. 10

First Mortgage/charge on a pari-passu basis 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.

E. Security for item No. 11

First Mortgage/charge on a pari-passu basis on the Company's existing as well as future fixed assets of Polyester Division at Patalganga [excluding assets on lease basis, vehicles, furnitures and fixed assets charged exclusively to term lenders].

F. Security for item Nos. 12 and 13

First Mortgage/charge on a pari-passu basis on the Company's existing as well as future fixed assets at Textile Mills at Mumbai, Textile Processing Unit at Ranjangaon and the Polyester Division at Patalganga [excluding assets at Roha, real estate of the Company at Spring Mills at Mumbai, and assets on lease basis, vehicles, furnitures and fixed assets charged exclusively to term lenders].

G. Security for item Nos. 14 to 16

First Mortgage/charge on a pari-passu basis over part of the land of the Company at Spring Mills at Mumbai admeasuring 46,442 square meters.

H. Security for item No. 17

First Mortgage/charge on a pari-passu basis on the fixed assets of the Company at Polyester Division at Patalganga.

I. Security for item Nos. 18 and 19

First Mortgage/charge on a pari-passu basis 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.

J. Security for item Nos. 20 to 22

First Mortgage/charge on a pari-passu basis over part of the land of the Company at Spring Mills at Mumbai admeasuring 30,006.90 square meters. For item No. 21 and 22 Security creation is pending.

K. Security for item No. 24

Secured by hypothecation of stocks, book debts and other current assets (excluding the assets at Roha and Spring Mills at Mumbai) and a second charge by way of mortgage on the immovable properties of the Company at Textile Mills at Mumbai, Textile Processing Unit at Ranjangaon and the Polyester Division at Patalganga. Except Rs. 20.73 crores is lien against Fixed deposit.

L. Security for item No. 25

Secured by hypothecation of stocks, book debts and other current assets (excluding the assets at Roha and Spring Mills at Mumbai) and a second charge by way of mortgage on the immovable properties of the Company at Textile Mills at Mumbai, Textile Processing Unit at Ranjangaon and the Polyester Division at Patalganga.

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	Rupees in crores	*As at 31st March, 2008 Rupees in crores*
SCHEDULE 4		
UNSECURED LOANS		
Fixed Deposits	13.63	-
Overdrawn bank balances in the ordinary course of business	-	*11.67*
Short term loans		
- From banks [includes Rs. Nil (2007-2008 Rs. 64.10 crores) in foreign currencies]	170.00	*374.35*
- From others	28.25	-
11.10% Unrated Redeemable Non-Convertible Debentures of Rs. 100 each (alloted on 28/03/2008, redeemed on 25/06/2008)	-	*30.00*
	211.88	*416.02*

SCHEDULE 5
FIXED ASSETS

(Rupees in crores)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost or book value as at 01-04-2008	Additions during the year	Deductions / adjustments during the year	Cost or book value as at 31-03-2009	Balance as at 01-04-2008	For the Year	On deductions/ adjustments during the year	Balance as at 31-03-2009	As at 31-03-2009	As at 31-03-2008
Land - Leasehold	19.02	-	-	19.02	0.39	0.19	-	0.58	18.44	18.63
- Freehold	11.85	-	0.01	11.84	-	-	-	-	11.84	11.85
Buildings........	105.44	25.21	0.03	130.62$	12.91	2.96	-	15.87	114.75	92.53
Plant and machinery	902.10	63.84	0.61	965.33	103.49	49.11	0.03	152.57	812.76	798.61
Furniture	10.94	11.05	0.13	21.86	4.06	2.04	0.14	5.96	15.90	6.88
Motor vehicles	2.62	0.06	0.77	1.91	2.03	0.09	0.50	1.62	0.29	0.59
Intangible assets - software.......	8.38	0.79	-	9.17	0.79	1.33	-	2.12	7.05	7.59
	1,060.35	**100.95**	**1.55**	**1,159.75**	**123.67**	**55.73**	**0.67**	**178.72**	**981.03**	**936.68**
Previous year........	654.58	860.56	454.79	1,060.35	438.58	35.96*	350.87	123.67		
Capital work-in-progress									12.68	57.59
Advances for capital expenditure									6.63	13.50
Incidental expenditure relating to construction/development pending capitalisation/allocation @									199.54	232.81
TOTAL........									1199.88	1240.58

* Rs.Nil (2007-2008, Rs. 0.54 crore) included in incidental expenditure relating to construction/development pending capitalisation/allocation. Also refer Note 6 on Schedule 19.
$ Refer Note 5(a) on Schedule 19

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

		As at 31st March, 2009	*As at 31st March, 2008*
Real estate		199.54	232.81
		199.54	232.81
Comprising:			
Opening Balance	(A)	232.81	*219.83*
Add:			
Raw material consumed		-	*94.62*
Stores, spare parts and catalysts		-	*28.73*
Architect fees, technical and project related consultancy		4.13	*16.83*
Civil, electrical, contracting, etc.		44.85	*23.34*
Payments to local agencies		0.36	*1.26*
Payments to and provisions for employees		1.11	*21.27*
Job work/processing charges		-	*6.45*
Contractors/Retainers fees		0.47	-

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

SCHEDULE 5 *(Contd.)*		As at 31st March, 2009	*As at 31st March, 2008*
Insurance		-	*0.71*
Rent		-	*1.03*
Brokerage and indenting charges on sales		-	*0.23*
Repairs		0.17	*2.63*
Travelling and conveyance		0.07	*2.30*
Interest on fixed loans		4.89	*59.53*
Cost of goods captively consumed for trial run		-	*148.60*
Freight and forwarding		-	*2.78*
Excise duty on finished goods		-	*14.49*
Depreciation		-	*0.54*
Other expenses		0.74	*55.61*
	(B)	56.79	*484.61*
Add: Capitalisation of voluntary retirement compensation as a part of expenditure incidental to development of land [Refer Note 13(iii) on Schedule 18]	(C)	0.58	*74.43*
Less:			
Sales during trial run			
Cloth — NIL Lacs Mtrs (2007-2008: 24.33 Lacs Mtrs)		-	*16.32*
PSF — NIL M tons (2007-2008: 28000 M tons)		-	*159.99*
PET-Chips — NIL M tons (2007-2008: 9868 M tons)		-	*58.85*
Other Income during trial run		-	*2.09*
Transferred to stock-in-trade		82.53	*45.99*
	(D)	82.53	*283.24*
	(A)+(B)+(C)-(D)	207.65	*495.63*
Less: Capitalised/allocated during the year		8.11	*262.82*
Incidental expenditure relating to construction/development pending capitalisation/ allocation		199.54	232.81

		Rupees in crores	*As at 31st March, 2008 Rupees in crores*
SCHEDULE 6			
INVESTMENTS			
LONG TERM INVESTMENTS (Unquoted fully paid-up)			
A. TRADE INVESTMENTS:			
(a) Subsidiary Company:			
50,000	Equity shares of Rs. 10 each in White Horse Real Estate Private Limited (subscribed during the year)	0.05	-
(b) Others			
12,49,010	Equity shares of Rs. 10 each in Proline India Ltd.	3.75	*3.75*
5,000	Equity shares of Rs. 10 each in L & T Bombay Developers Private Limited	0.01	*0.01*
2,217	Series A shares of U.S. $ 1,000 each in PT. Five Star Textile Indonesia	1.59	*1.59*
		5.40	*5.35*
B. OTHER THAN TRADE:			
	Shares and Debentures		
	Shares:		
2,15,600	Equity shares of Rs. 100 each in Archway Investment Co. Ltd.	2.16	*2.16*
88,200	Equity shares of Rs. 100 each in Pentafil Textile Dealers Ltd.	0.88	*0.88*
78,400	Equity shares of Rs. 100 each in Scal Services Ltd.	0.78	*0.78*

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

		Rupees in crores	*As at 31st March, 2008 Rupees in crores*
SCHEDULE 6 ***(Contd.)***			
INVESTMENTS ***(Contd.)***			
100	Shares of Rs.25 each in Roha Industries Association's Co-operative Consumers Society Ltd. Rs.2500 (2007-08 Rs.2500)	-	*-*
	Debentures:		
47,65,000	Zero-Interest Unsecured Fully Convertible Debentures - A Series of Rs.100 each in Archway Investment Co. Ltd.	47.65	*47.65*
3,35,000	Fully Convertible Debentures of Rs.100 each in Archway Investment Co. Ltd. (carrying no interest)	3.35	*3.35*
		54.82	*54.82*
	Sub-total	60.22	*60.17*
CURRENT INVESTMENTS (Unquoted fully paid-up)			
OTHER THAN TRADE:			
	Units and Certificate of Deposits		
	Units:		
-	[2007-2008 : 19,71,233 Units] of Rs. 10 each in B332G Birla Sun Life Liquid Plus Institutional - Growth [52,75,788 Units purchased during the yerar and 72,47,021 Units sold during the year]	-	*2.99*
-	[2007-2008 : 37,30,312 Units] of Rs. 10 each in B46 Birla Sun Life Cash Manager - Institutional Plan - Growth [22,24,227 Units purchased during the year and 59,54,540 Units sold during the year]	-	*5.04*
-	[2007-2008 : 15,87,156 Units] of Rs. 10 each in NLFIG Canara Robeco Liquid Fund - Institutional - Growth [6750905 Units purchased during the year and 83,38,061 Units sold during the year]	-	*2.34*
-	[2007-2008 : 45,00,878 Units] of Rs. 10 each in 31 ISG ICICI Prudential Institutional Liquid Plan - Super Institutional Growth (sold during the year)	-	*5.37*
7	[Units of Rs 10 each in FRDG ICICI Prudential Floating Rate Plan D - Growth of ICICI Prudential AMC Ltd. Rs.86 [44,91,934 Units purchased during the year and 44,91,934 Units (sold during the year)	-	*-*
-	[2007-2008 : 94,17,301 Units] of Rs. 10 each in LICMF Liquid Plus Fund - Growth (sold during the year)	-	*10.08*
-	[2007-2008 : 50,00,000 Units] of Rs. 10 each in Lotus India FMP 1 Month Series VIII - Growth (sold during the year)	-	*5.00*
-	[2007-2008 : 49,994 Units] of Rs. 1000 each in Mirae Assets Liquid Fund Institutional - Growth (sold during the year)	-	*5.03*
-	[2007-2008 : 50,00,000 Units] of Rs. 10 each in Optimix Dynamic Multi-Manager FOF Scheme - Series4 - Growth (sold during the year)	-	*4.74*
-	[2007-2008 : 39,89,096 Units] of Rs. 10 each in Principal Floating Rate Fund SMP Institutional Plan-Growth [22,40,077 Units purchased during the year and 62,29,174 Units sold during the year]	-	*5.05*
-	[2007-2008 : 27,41,323 Units] of Rs. 10 each in Principal Liquid Plus Fund - Growth [76,23,230 Units purchased during the year and 10,364,553 Units sold during the year] .	-	*2.82*
-	[2007-2008 :50,00,000 Units] of Rs. 10 each in L166G SBI Debt Fund Series -30 days - 2 - (27-Mar-08) - Growth (sold during the year)	-	*5.00*
-	[2007-2008 :77,77,120,Units] of Rs. 10 each in L072G SBI Premier Liquid Fund - Institutional - Growth (sold during the year)	-	*10.09*
-	[2007-2008 :23,696 Units] of Rs.1000 each in Templeton India Treasury Management Account Institutional Plan - Growth (sold during the year)	-	*3.00*
	Sub-total	-	*66.55*
	Aggregate amount of unquoted investments	60.22	*126.72*

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

SCHEDULE 6 *(Contd.)*

Investment purchased and sold/redeemed during the year other than shown above:

		Cost of acquisition (Rupees in crores)
23,27,079	Units of Rs.10 each in Birla SunLife Cash Plus – Institutional Premium Plan – Growth ...	3.22
25,17,559	Units of Rs.10 each in Canara Robeco Interval Quarterly Institutional Growth Fund	3.41
37,65,369	Units of Rs.10 each in Canara Robeco liquid Plus IP Growth Fund	5.39
39,76,681	Units of Rs.10 each in Canara Robeco Floating Rate Fund Short Term– Growth	5.00
97,72,783	Units of Rs.10 each in Canara Robeco Interval Quarterly Institutional Growth Fund	10.25
40,89,837	Units of Rs.10 each in Canara Robeco Fixed Maturity Plan	4.09
68,62,092	Units of Rs.10 each in LIC MF Liquid Fund - Growth	10.29
47,61,587	Units of Rs.10 each in Lotus India Quaterly Interval Fund- Plan F -Growth	5.00
50,00,000	Units of Rs.10 each in Principal PNB Fixed Maturity Plan (FM45) 91 Days -SeriesXIV-June 2008	5.00
50,00,000	Units of Rs.10 each in Principal PNB Fixed Maturity Plan (FM46) 91 Days -SeriesXV-June 2008	5.00
46,44,337	Units of Rs.10 Prudential ICICI Interval Fund Quarterly Interval Plan - III Retail Growth ..	5.00
51,32,596	Units of Rs.10 Prudential ICICI Interval Fund Quarterly Interval Plan - III IP Growth.........	5.13
49,953	Units of Rs.1000 Mirae Asset Liquid Plus Super Institutional Growth	5.05
95,72,803	Units of Rs. 10 SBI Short Horizon Fund Liquid Plus IP Growth	10.29
39,09,090	Units of Rs.10 Tata Floating Rate Short Term Institutional Plan Growth	5.00
27,99,957	Units of Rs.10 Templeton India Ultra Short Bond Fund Institutional Plan Growth	3.10
24,97,357	Units of Rs.10 Templeton Floating Rate Income Fund Long Term Plan Institutional Option Growth	3.06

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	Rupees in crores	*As at 31st March, 2008 Rupees in crores*
SCHEDULE 7		
INVENTORIES		
Stores, spare parts and catalysts	11.38	*15.13*
Stock-in-trade		
Raw materials	36.68	*49.09*
Work-in-progress	20.99	*21.83*
Finished goods	60.39	*55.33*
Office premises	0.30	*0.30*
Real estate under development [Refer Note 10(ii)(d) on schedule 18]	250.57	*-*
	380.31	*141.68*

SCHEDULE 8		
SUNDRY DEBTORS		
Unsecured, unless otherwise stated		
Over six months:		
Considered good	82.17	*72.88*
Considered doubtful	0.41	*23.33*
	82.58	*96.21*
Other Debts:		
Considered good* [includes unbilled revenue of Rs.228.17 crores *(2007-08 Rs.63.03 crores)]*	323.76	*211.97*
	406.34	*308.18*
Less: Provision [includes Rs. Nil *(2007-2008 Rs. 19.50 crores)* adjusted from securities premium account]	0.41	*23.33*
	405.93	*284.85*

* Includes :

(i) Secured Rs.0.46 crore *(2007-08 Rs.0.09 crore*)

(ii) Due from a director Rs.0.16 crore (2007-08 Rs.0.33 crore) and maximum outstanding Rs. 0.16 crore *(2007-08 Rs.4.79 crores)*

(iii) Due from subsidary company Rs.228.17 crores *(2007-08 Rs. 63.03 crores)*

SCHEDULE 9		
CASH AND BANK BALANCES		
Cash on hand	0.03	*0.15*
Cheques on hand	2.89	*3.88*
Balances with scheduled banks		
In current accounts	7.03	*0.79*
In fixed deposit accounts	113.63	*48.91*
[lien has been created on fixed deposits of Rs. 113.63 crores *(2007-2008 Rs.26.10 crores)]*		
	123.58	*53.73*

SCHEDULE 10		
OTHER CURRENT ASSETS		
Interest accrued on deposits	4.36	*3.06*
	4.36	*3.06*

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	Rupees in crores	*As at 31st March, 2008 Rupees in crores*
SCHEDULE 11		
LOANS AND ADVANCES		
Unsecured, considered good unless otherwise stated		
Advances recoverable in cash or in kind or for value to be received *		
- Considered good	201.59	*219.54*
- Considered doubtful	1.01	*8.59*
	202.60	*228.13*
Advance share application money to L&T Bombay Developers Private Limited	5.00	*5.00*
Deposit with a joint venture company (Refer Note 12 on Schedule 19)	15.22	*15.22*
Income-tax paid less provisions thereagainst	30.88	*27.18*
Balances with customs, port trust, etc. on current accounts	0.33	*0.44*
	254.03	*275.97*
Less: Provision [includes Rs. Nil *(2007-2008 Rs. 7.02 crores)* adjusted from securities premium account]	1.01	*8.59*
	253.02	*267.38*

* of which secured is Rs. 0.94 crore *(2007-2008 Rs. 0.67 crore)* and also includes:
(i) Inter-corporate deposits Rs.20.15 crores *(2007-2008 Rs. 18.87 crores)*
(ii) Security deposits Rs. 5.80 crores *(2007-2008 Rs. 13.95 crores)*
(iii) Due from a director of the Company Rs. 0.88 crore *(2007-2008 Rs.0.69 crore)* maximum amount outstanding during the year Rs. 0.88 crore *(2007-2008 Rs. 0.69 crore)*

	Rupees in crores	*As at 31st March, 2008 Rupees in crores*
SCHEDULE 12		
CURRENT LIABILITIES		
Acceptances	-	*0.07*
Sundry creditors (Refer Note 13 on Schedule 19)	200.00	*231.75*
Advance payments from customers and others	73.99	*17.26*
Derivative contracts payable	37.69	-
Unpaid dividends*	0.86	*0.81*
Unpaid interest on deposits*	0.01	-
Deposits from selling agents, dealers, customers and others	8.08	*6.56*
Other liabilities	13.33	*22.58*
Interest accrued but not due on loans	1.98	*1.13*
	335.94	*280.16*

* Represents warrants, refund orders, etc. issued but not encashed.
Note: There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

	Rupees in crores	*As at 31st March, 2008 Rupees in crores*
SCHEDULE 13		
PROVISIONS		
Proposed dividend	3.86	*13.52*
Tax on distributed profits	0.66	*2.30*
Provision for retirement benefits	6.94	*3.63*
	11.46	*19.45*

	Rupees in crores	*As at 31st March, 2008 Rupees in crores*
SCHEDULE 14		
MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Voluntary retirement compensation:		
[Refer Note 13(iii) on Schedule 18]		
Balance brought forward	2.79	*67.12*
Less: Capitalised as a part of expenditure incidental to development of land	-	*62.94*
	2.79	*4.18*
Less: Written off during the year	1.39	*1.39*
	1.40	*2.79*

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

	Rupees in crores	*2007-2008 Rupees in crores*
SCHEDULE 15		
OTHER INCOME		
1. Interest (gross)		
(a) From non-trade investments:		
- Long term	-	-
- Current	0.26	*0.91*
(b) Interest on inter-corporate deposits	2.09	*0.87*
(c) Interest on income-tax refunds	0.45	-
(d) Interest on fixed deposits with banks	6.27	*4.18*
(e) Interest from dealers and others	1.16	*0.86*
[tax deducted at source Rs. 1.51 crores *(2007-2008 Rs. 1.14 crores)*]		
	10.23	*6.82*
2. Dividend Income		
- Long term	-	*0.27*
- Current	-	*0.09*
3. Profit on sale of current investments	3.57	*4.66*
4. Profit on sale of fixed assets *(2007-08 includes impact of reversal of impairment loss of Rs.74.28 crores)*	-	*22.39*
5. Technical know-how fees	1.02	*0.88*
6. Lease rental	7.93	*7.94*
7. Subsidy under Package Scheme of Incentive from Government of Maharasthra	27.44	-
8. Miscellaneous	7.68	*11.46*
	57.87	*54.51*

	Rupees in crores	Rupees in crores	*2007-2008 Rupees in crores*
SCHEDULE 16			
MANUFACTURING AND OTHER EXPENSES			
1. Raw materials consumed		777.14	*599.16*
2. Contracted production		57.88	*66.55*
		835.02	*665.71*
3. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES			
Salaries, wages and bonus		39.81	*27.30*
Workmen and staff welfare expenses		4.17	*3.50*
Contribution to gratuity fund		2.38	*0.75*
Contribution to provident and other funds		5.02	*3.57*
		51.38	*35.12*
4. OPERATING AND OTHER EXPENSES			
Stores, spare parts and catalysts		38.27	*30.79*
Oil and coal		63.42	*43.36*
Electric energy [net of refund receivable on account of Regulatory Liability Charges Rs. Nil *(2007-08 Rs.8.12 crores)*]		27.96	*14.98*
Water charges		2.72	*3.93*
Excise duty other than relating to sales		0.72	*0.02*
Job work / processing charges		29.28	*60.76*
Rates and taxes		3.20	*2.45*

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

	Rupees in crores	Rupees in crores	*2007-2008 Rupees in crores*
SCHEDULE 16 *(Contd.)*			
MANUFACTURING AND OTHER EXPENSES *(Contd.)*			
Brokerage,commision and indenting charges on sales		12.49	*11.40*
Discount on sales		47.18	*31.43*
Freight and forwarding		14.74	*7.50*
Advertising		12.96	*11.85*
Insurance		1.43	*1.54*
Rent		10.27	*4.42*
Repairs: Buildings		0.29	*2.25*
Machinery		2.88	*3.01*
Others		2.38	*0.40*
Doubtful advances/bad debts written off	31.25		-
Less: Reversal of provision for doubtful advances/debts [includes Rs. 26.52 crores *(2007-2008 Rs. Nil)* adjusted from securities premium account in an earlier year]	(30.98)		-
		0.27	-
Provision for doubtful Advances		0.34	-
Other expenses		41.66	*42.08*
		312.46	*272.17*
5. Loss on foreign currency transactions (net)		39.12	*1.49*
6. Write down in value of current investments		-	*0.26*
7. Loss on fixed assets scrapped / sold (net)		1.48	-
Sub-total		1,239.46	*974.75*
8. *Less:* Cost of goods captively consumed for trial run		-	(148.60)
Sub-total		1,239.46	*826.15*
9. Cost in respect of real estate:			
Opening Stock		-	*35.58*
Conversion of a part of the freehold land from fixed assets into stock-in-trade on the basis of a market valuation [Refer Note 4 on Schedule 18]		400.04	*59.01*
Add: Expenditure relating to construction incurred during the year:			
Architect fees, technical and project related consultancy	7.07		*3.66*
Civil, electrical, contracting, etc.	84.38		*34.70*
Payments to local agencies	12.69		*0.31*
Fees for cancellation of sale contracts	0.42		*6.82*
Payments to and provisions for employees	4.94		*0.59*
Contract/retainership fees	2.13		*0.28*
Repairs	0.72		*0.03*
Travelling and conveyance	0.44		*0.12*
Interest on fixed loans	10.78		-
Other expenses	3.65		0.43
		127.23	*46.94*

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

	Rupees in crores	Rupees in crores	2007-2008 Rupees in crores
SCHEDULE 16 *(Contd.)*			
MANUFACTURING AND OTHER EXPENSES *(Contd.)*			
Less: Release from revaluation reserve on entering into agreements for sale of flats (Refer Note 4 on Schedule 18)		(188.55)	*(66.67)*
Less: Closing stock (Real estate under development)		(250.57)	*-*
Sub-total		88.15	*74.87*
10. (INCREASE)/DECREASE IN WORK-IN-PROGRESS AND FINISHED GOODS			
(A) Closing stock			
(i) Work-in-progress		20.99	*21.83*
(ii) Finished goods		60.39	*55.33*
(iii) Office Premises		0.30	*0.30*
		81.68	*77.46*
(B) Opening stock			
(i) Work-in-progress		21.83	*16.01*
(ii) Finished goods		55.33	*16.08*
(iii) Office Premises		0.30	*0.30*
Add: Stock transferred from trial run production			
(i) Work-in-progress		-	*14.23*
(ii) Finished goods		-	*31.69*
		77.46	*78.31*
Sub-total		(4.22)	*0.85*
		1,323.40	*901.87*

	Rupees in crores	2007-2008 Rupees in crores
SCHEDULE 17		
INTEREST AND FINANCE CHARGES (Refer Note 5(b) on Schedule 19)		
(a) Interest:		
- Debentures and other fixed loans	123.45	*48.80*
- Others	47.33	*20.09*
	170.78	*68.89*
(b) Finance charges	14.17	*4.51*
Exchange differences on foreign currency loans - (gain) / loss	1.59	*-*
	15.76	*4.51*
	186.54	*73.40*

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 18

SIGNIFICANT ACCOUNTING POLICIES

(1) Basis of accounting

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

(2) Use of Estimates

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

(3) Revenue recognition

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

(4) Revenue from real estate activity

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

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

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

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

(5) Fixed assets

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

(6) Depreciation

Depreciation is provided on fixed assets in a manner that amortises the cost of the assets after commissioning, over their estimated useful lives or, where specified, lives based on the rates specified in Schedule XIV to the Companies Act, 1956, whichever is lower, on a straight line method on machinery and buildings and on a written down value method on other assets; except in respect of following assets:

(i) Assets of retail shops including leasehold improvement are being depreciated over the period of six years.

(ii) Computer software is being amortised over a period of 5 years being the estimated useful life.

(iii) Technical know-how is being amortised over a period of 10 years

(iv) Lease hold land is being amortised over the period of the lease namely 95 years.

(7) Impairment

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

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

(8) Borrowing costs

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

(9) Investments

(i) Long term investments are stated at cost. Provision for diminution is made to recognise a decline, other than temporary, in value of long term investments, where applicable.

(ii) Current investments are stated at lower of cost and fair value and the resultant decline if any is charged to revenue.

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 18 *(Contd.)*

(10) Inventories

(i) Inventories are valued at lower of cost and net realisable value.

(ii) Cost is determined as follows:

(a) Stores, spare parts and catalysts on a weighted average method.

(b) Raw Materials

- cotton, fibre, purified terepthalic acid,mono ethylene glycolon, dyes & chemicals and other materials on a weighted average method.
- cloth and yarn on a first-in first-out method.

(c) Work-in-process and finished goods

Textile division-

Material costs included in the valuation are determined on the basis of the average consumption rates closer to the year end so as to reflect the fairest possible approximation to the costs incurred. Costs of conversion and other costs are determined on the basis of standard costs, adjusted for variances between standard and actual costs, if material. Cost of inventory at retail outlets is determined on a 'retail method', by reducing from the sales value of the inventory, an appropriate percentage of gross margin. Cost of ready finished cloth is determined by a combination of specific identification plus weighted average method.

PSF division-

Material cost included in the valuation are determined on the basis of the weighted average rate and cost of conversion and other costs are determined on the basis of average cost of conversion of the last month.

(d) Real estate under development

Real estate under development comprises undivided interest in the freehold land at market value, determined at the rate at which it was converted from fixed assets into stock-in-trade and expenditure relating to construction. Cost of land and construction/ development is charged to profit and loss account proportionate to area sold and at the time when corresponding revenue is recognised.

(11) Foreign currency transactions

(i) Transactions in foreign currency are recorded at exchange rates on the date of transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of long-term monetary assets and liabilities other then those relating to acquisition of depreciable capital assets are accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortised over the balance period of such long term asset / liability, but not beyond 31st March, 2011 by recognition as income or expense. The difference in translation of all other monetary assets and liabilities and realised gains and losses on other foreign currency transactions are recognised in the Profit & Loss Account.

(ii) Forward exchange contracts other than those entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions are translated at period end exchange rates and the resultant gains and losses as well as the gains and losses on cancellation of such contracts are recognised in the Profit and Loss Account. Premium or discount on such forward exchange contracts is amortised as income or expense over the life of the contract.

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

(12) Accounting for Derivatives

The Company enters into derivative financial instruments to hedge foreign currency risk of firm commitments and highly probable forecast transactions. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The carrying amount of a derivative designated as a hedge is presented as a current asset or liability. The company does not enter into any derivatives for trading purposes.

Cash Flow Hedge

Forward exchange contracts entered into to hedge foreign currency risks of firm commitments or highly probable forecast transactions, that qualify as cash flow hedges are recorded in accordance with the principles of hedge accounting enunciated in Accounting Standard (AS) 30 – Financial Instruments Recognition and Measurement. The gains or losses on designated hedging instruments that qualify as effective hedges is recorded in the Hedging Reserve account and is recognized in the statement of Profit and Loss in the same period or periods during which the hedged transaction affects profit or loss.

Gains or losses on the ineffective hedge transactions are immediately recognized in the Profit and Loss account. When a forecasted transaction is no longer expected to occur the gains and losses that were previously recognized in the Hedging Reserve are transferred to the statement of Profit and Loss immediately.

(13) Employees benefits

(i) Short term employee benefits:

Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 18 *(Contd.)*

(ii) Post-employment benefits:

(a) Defined Contribution Plan:

I) 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.

II) Superannuation

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

(b) Defined Benefit Plan:

I) Gratuity

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

II) Other long-term employee benefits - compensated absences

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

(iii) Termination benefits

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

(14) Taxation

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

(15) Provisions and Contingent Liabilities

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

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

(16) Leases

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

(17) Government Grants

Government grants related to fixed assets are recorded as a deduction from the gross value of the assets and grants in the nature of subsidies related to revenue are recognised in the profit & loss account over the period in which the corresponding costs are incurred. The grants are recognized on accrual basis when the claims for incentives are lodged.

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19

	Rupees in crores	*2007-2008 Rupees in crores*
(1) Contingent liabilities not provided for		
(a) Income-tax matters in respect of earlier years under dispute (including interest of Rs. 3.46 crores) *[31.03.2008. Rs.3.44 crores]* as follows:	31.93	*28.94*
(i) Decided in Company's favour by appellate authorities and department in further appeal	5.66	*5.66*
(ii) Pending in appeal - matters decided against the Company	26.27	*23.28*
(b) Sales Tax and Excise Duties	1.47	*1.54*
(c) Customs duty	0.37	*0.45*
(d) Other claims against the Company not acknowledged as debts (with interest thereon).	4.09	*4.09*

In respect of items (a) to (d) above, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments pending at various forums/authorities.

(e) Counter indemnity for an amount of Rs. 85.46 crores *(31.3.2008 Rs.60.48 crores)* issued in favour of banks which in turn have guaranteed loans granted by other banks abroad to PT Five Star Textile, Indonesia, (PTFS), a joint venture company as under:-

(i) Rs. 41.07 crores *(31.3.2008 Rs.28.90 crores)* in favour of Standard Chartered Bank, Mumbai, against guarantees issued to Punjab National Bank International London for loans granted to PTFS.

(ii) Rs. 33.77 crores *(31.3.2008 Rs. 24.98 crores)* in favour of IDBI Bank Limited against guarantees issued to State Bank of India, Singapore for loans granted to PTFS.

(iii) Rs. 2.34 crores *(31.3.2008 Rs. Nil)* in favour of IDBI Bank Limited against guarantees issued to Punjab National Bank International London for loans granted to PTFS.

(iv) Rs. 8.28 crores *(31.3.2008 Rs. 6.60 crores)* in favour of State Bank of India, against guarantees issued to State Bank of India, Hongkong for loans granted to PTFS.

As confirmed by PTFS, the Company has a pari passu charge on PTFS's machinery, which would cover the aforesaid indemnity amount.

(f) Bills discounting	5.48	*16.39*

(g) In accordance with the EPCG Scheme, imports of capital goods are allowed to be made duty free and under Advance License scheme, import of raw material are allowed to be made duty free, subject to condition that the Company will fulfill, in future, a specified amount of export obligation within a specified time. Based on the current operating plan, the Company would fulfill its export obligation within the specified time period. Amount of duty saved on import of the above goods aggregate Rs .35.62 crores (*31.03.2008 Rs. 36.47 crores*) against which export obligation of Rs 241.01 crores (*31.03.2008 Rs. 239.54 crores*) need to be fulfilled.

(2) Capital Commitments

Estimated amount of contracts to be executed on capital account and not provided for as at 31st March, 2009 – Rs 6.30 crores *(31.3.2008 Rs. 42.52 crores).*

(3) Share Capital

Under orders from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992, - the allotment against 928 *[2007-2008- 2,768]* warrants carrying rights of conversion into equity shares of the Company have been kept in abeyance in accordance with section 206A of the Companies Act, 1956, till such time as the title of the bonafide owner is certified by the concerned Stock Exchanges. During the year 1,840 *(2007-2008- 660)* equity shares have been allotted out of the shares kept in abeyance.

(4) Share Warrants

The Company had on 7th September, 2007 alloted 19,30,000 warrants on a preferential basis to The Bombay Burmah Trading Corporation Ltd. (BBTCL), a company in the promoter group.The warrants carry an option to apply for and be allotted in one or more tranches, one equity share of Rs. 10/- each per warrant within 18 months from the date of the issue (validity period) at an issue price of Rs. 616 each as determined in accordance with the SEBI prescribed pricing formula as per the provisions of Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2000. The Company had received an advance equivalent to 10% of the issue price i.e. Rs. 61.60 per warrant aggeragating Rs. 11.89 crores on allotment of the warrants in terms of the SEBI guidelines. BBTCL did not exercise the option to subscribe to the equity shares of the Company, as attached to the warrants, within the validity period, whereupon the option expired and the amount aggregating Rs. 11.89 crores referred to hereinabove was forfeited in terms of the SEBI (DIP) Guidelines and conditions attached to the warrants. The forfeited amount of Rs. 11.89 crores has been credited to Capital Reserve.

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19 *(Contd.)*

(5) (a) Buildings (see Schedule 5 – Fixed assets) include residential flats at Roha at a cost of Rs. 0.13 crore which is held for disposal, the net book value in respect of which is Rs. 0.03 crore.

(b) Borrowing costs capitalised during the year is Rs.10.98 crores *(2007-2008 Rs.59.53 crores)* of which an amount of Rs.4.22 crores *(2007-2008 Rs. Nil)* is included in closing stock of real estate under development.

(6) The Company's Textile Processing Plant at Ranjangaon is required and designed to operate 24 hours a day, as certified by the Chartered Engineers and is thus treated as a Continuous Process Plant (CPP), Consequently, depreciation has been charged 5.28% as applicable to CPP instead of the general rates, applicable to plant and machinery, of 10.34%. The auditors have relied on the Certificate from Chartered Engineers, without any verification being a technical matter.

(7) 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.

(8) Inventory

Pursuant to the implementation of SAP during the year, the method of determination of cost of certain raw materials and work-in-progress has undergone a change. Cost of cotton and fibre which was determined on specific identification basis and that of ready finished cloth on a 'first-in-first-out method' upto the previous year, has been determined as on March 31, 2009 on the weighted average method. It has not been possible to ascertain the impact of this change, however in the opinion of the management the same is not expected to materially impact the profit and loss statement.

(9) The Company has during the year ended 31st March, 2009 converted a part of the freehold land under real estate development from fixed assets to stock in trade at market value and the difference between the market value and cost amounting to Rs. 390.11 crores has been credited to Revaluation Reserve. The Company has pursuant to the Memorandum of Agreement sold a part of the commercial building being constructed on such land to White Horse Real Estate Private Ltd. (WHREPL), a wholly owned subsidiary acquired on 31st December, 2008 and recognized a revenue there against of Rs. 235.02 crores (including revenue from the undivided interest in the underlying free hold land therein amounting to Rs. 193.34 crores in line with the Company's stated accounting policy) in the Profit and Loss Account. In line with the provisions of Accounting Standard 21 – Consolidation of Financial Statements, the said subsidiary has been excluded from consolidation in view of the intended investment being of temporary nature.

(10) Debtors and creditors balances are subject to confirmation and consequent reconciliation, if any.

(11) Advances recoverable in cash or in kind or for value to be received

Advances recoverable in cash or in kind or for value to be received include Rs. 0.88 crore due from directors of the Company of which Rs. 0.71 crore is on account of remuneration recoverable from Mr. M.K.Singh, Executive Director, whose services were terminated on 6th July, 2008 based on certain acts of omission and commission detected. A suit has been filed by the company in the High Court of Judicature of Mumbai. The matter is sub-judice.

(12) Deposit with a joint venture company

Deposit of Rs.15.22 crores *(2007-2008 Rs.15.22 crores)* with a joint venture company is a "shareholders' deposit'' with PT. Five Star Textile Indonesia (PTFS). This deposit, originally denominated in U.S. $, was w.e.f. 1st April 2003 converted to Indian rupees, as approved by the Board of Directors of the Company and by the Board of Commissioner's of PTFS. This deposit was earlier repayable by PTFS after it clears, in full, the term loan availed by it from a consortium of Indian nationalised banks, which was to be effected in installments spread out between 1996 and 2010. During the year 2000-2001, PTFS has prepaid the aforesaid term loan by raising funds through other borrowings subject to annual review and the aforesaid deposit is now repayable by PTFS after these borrowings are eventually repaid or during the year 2010, whichever is earlier.

(13) Current Liabilities

There are no amounts due to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006; this information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose.

(14) Deferred taxes

Nature of timing difference	Deferred tax (liability)/asset as at 1st April, 2008 Rupees in crores	Credit/(charge) for the year Rupees in crores	Deferred tax (liability)/asset as at 31st March, 2009 Rupees in crores
(a) Deferred tax liabilities			
- Depreciation	(99.23)	(18.72)	(117.95)
Sub-total	(99.23)	(18.72)	(117.95)
(b) Deferred tax assets			
- Item covered under section 43B	0.66	0.64	1.30
- Provision for doubtful debts and advances	0.59	(0.59)	-
- 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	97.98	18.67	116.65
Sub-total	99.23	18.72	117.95
Net amount	(-)	(-)	(-)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19 *(Contd.)*

(15) Employee Benefits

A. Defined Contribution Plan

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

	Rs. in crores	2007-08 Rs. in crores
Employer's contribution to Provident Fund	2.04	*1.82*
Employer's contribution to Family Pension Fund	0.46	*0.25*
Employer's contribution to Superannuation Fund	2.53	*1.52*

B. Defined Benefit Plan

Gratuity - as per actuarial valuation as on 31st March, 2009

		Rs. in crores	*2007-2008 Rs. in crores*
i.	Reconciliation of opening and closing balances of Defined Benefit Obligation		
	Present value of Defined Benefit Obligation as at 31st March, 2008 10.38	*9.64*	
	Interest cost	0.77	*0.71*
	Current Service Cost	-	*0.66*
	Benefits paid	(1.61)	*(1.70)*
	Net Actuarial gain / (loss)	2.43	*1.07*
	Present value of Defined Benefit Obligation as at 31st March, 2009	11.97	*10.38*
ii.	Reconciliation of fair value of Plan Assets		
	Fair value of Plan Assets as at 31st March, 2008	9.63	*5.82*
	Expected return on Plan Assets	0.89	*0.70*
	Net Actuarial gain / (loss)	(0.05)	*0.99*
	Employer's Contribution	2.35	*3.82*
	Benefits Paid	(1.61)	*(1.70)*
	Fair value of Plan Assets as at 31st March, 2009	11.23	*9.63*
	The Company expects to contribute in 2009-2010	1.75	*0.91*
	The major categories of Plan Assets as a percentage of the fair value of total Plan Assets are as follows:		
	Government of India Bonds	8.04	-
	Corporate Bonds	(*0.37)*	-
	State Govt. Securities	4.45	*14.04*
	Banks	87.51	*85.59*
		100.00	*100.00*
iii.	Net assets / (liabilities) recognised in the Balance Sheet as at 31st March, 2009		
	Present value of Defined Benefit Obligation	(11.97)	*(10.38)*
	Fair value of Plan Assets	11.23	*9.63*
	Net Assets / (liability) recognised in Balance Sheet	(0.74)	*(0.75)*
iv.	Components of Employer's Expenses		
	Current Service Cost	-	*0.66*
	Interest Cost	0.77	*0.71*
	Expected return on Plan Assets	(0.89)	*(0.70)*
	Net Actuarial (gain) / loss	2.50	*0.08*
	Total expenses recognised in the Profit and Loss account in Schedule 16 under Contribution to Gratuity Fund	2.38	*0.75*
	Actual return on Plan Assets	0.85	*1.07*

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19 *(Contd.)*

(15) Employee Benefits *(Contd.)*

v. Actuarial Assumptions

Mortality Table	LIC (1994-96) (Ultimate)	*LIC (1994-96) (Ultimate)*
Discount Rate (per annum)	7.00%	*8.00%*
Expected rate of return on Plan Assets	8.00%	*8.00%*
Salary escalation	5.00%	*3.50%*

vi. a. The estimates of rate of escalation in salary considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

b. The discounting rate is considered based on market yield on government bonds having currency and terms consistent with the currency and terms of the post-employment benefit obligations.

c. The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risk, historical results of return on plan assets and the Company's policy for plan assets management.

vii. The above information is certified by the actuary

(16) Directors' Remuneration

	Rupees in crores	*2007-2008 Rupees in crores*
(i) Directors' Fees	0.12	*0.14*
(ii) Remuneration to the Joint Managing Directors and the Executive Directors (collectively referred to as whole-time directors) [inclusive of contribution to provident and other funds Rs.0.39 crore (2007-2008 Rs. 0.54 crore), estimated monetary value of benefits of Rs.0.14 crore (2007-2008 Rs. 0.15 crore) but excluding contribution to gratuity fund and provision for compensated absences as separate figures are not available]	2.69	*3.40*
Note:- Remuneration to the whole time directors excludes:		
(a) Options granted under Employees' Stock Option Scheme (ESOS), vested during the year, the fair value of which as at the date of grant of option was Rs. Nil (2007-2008 Rs. 0.09 crore). The Company has been legally advised that options granted under ESOS would not constitute managerial remuneration.		
(b) Rs. 0.20 crore excess remuneration paid to the executive directors which has been shown as recoverable and included under Advances recoverable in cash or in kind or for value to be received (see schedule -11).		
(iii) Computation of net profits in accordance with section 309(5) read with section 349 of the Companies Act, 1956:		
Profit/ (Loss) before tax as per profit and loss account	(193.60)	*18.01*
Add: Whole-time directors' remuneration	2.69	*3.40*
Write down in value of current investments	-	*0.26*
	(190.91)	*21.87*
Less: Capital profit on sale of fixed assets	-	*(0.04)*
Profit on sale of investments	(3.57)	*(4.66)*
Reversal of provision for doubtful debts/advances (net)	(26.63)	*-*
	(221.11)	*16.97*
(iv) Maximum remuneration payable to whole-time directors at the rate of 10 percent of net profits or as per Schedule XIII to the Companies Act, 1956 in case of no profits or profits are inadequate	1.75	*2.12*
(v) Maximum commission payable to other directors at the rate of 1 percent of net profits	-	*0.17*
Commission to other directors	-	*-*
Total Remuneration	2.81	*3.54*

Note:-

The remuneration paid to whole-time directors is in excess of the limits laid down in section 198 of the Companies Act, 1956 read with Schedule XIII of the said Act. The excess remuneration of Rs. 0.95 crore is subject to the approval of the Central Government, in respect of which the Company has made an application. The approval of the Central Government is also pending in respect of the excess remuneration paid to the whole time directors during 2007-2008 amounting to Rs. 1.28 crores.

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19 *(Contd.)*

	Rupees In crores	*2007-2008 Rupees in crores*
(17) Auditors' remuneration (excluding service tax)#		
(i) Audit fees	0.39	*0.42*
(ii) Company law matters	0.01	*0.01*
(iii) Other services #	0.29	*0.36*
(iv) Reimbursement of out-of-pocket expenses#	0.03	*0.03*

excludes Rs. Nil *(2007-2008 Rs. 0.52 crore)* paid for other services and Rs. Nil *(2007-2008 Rs. 3,887)* paid as reimbursement of out-of-pocket expenses to a firm of Chartered Accountants where some of the partners are also partners in that firm.

(18) Foreign Currency Transactions

(i) The amount of exchange differences charged to the profit and loss account is Rs. 39.12 crores (net) (2007-2008 Rs. 1.99 crores) [taking into account loss on cancellation of forward foreign exchange contracts Rs.22.66 crores (net) {2007-2008 Rs. 0.42 crore (gain)}].

(ii) Pursuant to notification of the Companies (Accounting Standards) Amendment Rules, 2009 on March 31, 2009, the company has exercised the option of deferring the charge to the profit and loss account arising on exchange differences, in respect of accounting periods commencing on or after Dec 07, 2006, on long-term foreign currency monetary items (i.e. monetary assets or liabilities expressed in foreign currency and having a term of 12 months or more at the date of origination). As a result, such exchange differences have been accumulated in 'Foreign Currency Monetary Item Translation Difference Account' and would be amortized over the balance period of such long term monetary asset/liability but not beyond, accounting period ending on or before March 31, 2011. Accordingly, as on March 31, 2009 an amount of Rs.2.12 crores remains unamortized in the Foreign Currency Monetary Item Translation Difference Account and the loss for the year is lower to that extent.

(19) Derivative Instruments

(i) The following are the outstanding Forward Foreign Exchange Contracts entered into by the Company as on 31st March, 2009:

Currency	Amount in foreign currency	Buy/Sell
USD / INR	Nil	Sell
(2007-2008)	*(29,62,839)*	
USD / INR	4,11,04,773	Buy
(2007-2008)	*(87,79,491)*	
EURO / USD	Nil	Sell
(2007-2008)	*(5,00,000)*	
CHF / USD	27,68,629	Buy
(2007-2008)	*(Nil)*	
JPY / USD	Nil	Buy
(2007-2008)	*(45,92,75,053)*	
EURO / INR	53,74,575	Buy
(2007-2008)	(Nil)	
EURO / USD	41,12,500	Buy
(2007-2008)	(Nil)	
EURO / INR	7,19,201	Sell
(2007-2008)	(Nil)	

Apart from above Forward Foreign Exchange Contracts, the Company has outstanding foreign exchange contract as on 31st March, 2009, to sell 10,00,000 USD or 20,00,000 USD each month, as applicable, as per the terms of the contract from April, 2008 to October, 2010. This contract is hedged against future transactions.

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

(ii) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

(a) Amounts receivable in foreign currency – USD 665,652, EURO 107,355, GBP 762 (2007-2008 GBP 69,887, EURO 1,23,245)

(b) Amounts payable in foreign currency – USD 594,053, EURO 379,118, CHF 36,850, GBP 825, SGD 148,702 (2007-2008 USD 2,76,42,470, GBP 18,424, EURO 17,28,943, CHF 40,33,510 and SGD 31,764.)

(iii) With effect from 1st April, 2008, the Company has adopted the principles of hedge accounting as set out in Accounting Standard 30, 'Financial Instruments: Recognition and Measurement', issued by The Institute of Chartered Accountants of India. Accordingly, the foreign exchange (gain)/loss of Rs. 37.69 crores for the year ended 31st March, 2009 on forward foreign exchange contracts entered into to hedge firm commitments and highly probable forecast transactions, which qualify for hedge accounting, has been accounted

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19 *(Contd.)*

(19) Derivative Instruments (Contd.)

under Hedging Reserve to be ultimately recognised in the profit and loss account when the forecasted transactions arise, as against the earlier practice of recognising the same in the profit and loss account, by marking them to market at the end of each period. The loss for the year ended March 31,2009 is lower to that extent.

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

(20) Revenue expenditure on research and development charged to the profit and loss account is Rs. 0.62 crore (2007-2008 Rs. 0.38 crore).

(21) Operating Lease

The Company has taken certain motor vehicles and retail shops on operating lease. The particulars in respect of such leases are as follows:

		As at 31st March, 2009 (Rupees in crores)	*As at 31st March, 2008 (Rupees in crores)*
(i)	Total of minimum lease payments		
	Total of minimum lease payments for a period:		
	- not later than one year	6.65	*5.62*
	- later than one year but not later than five years	23.08	*20.54*
	- later than five years	3.67	*14.21*
(ii)	Lease payments recognised in the profit and loss for the year	7.73	*2.29*

(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.

(22) Earnings Per equity Share

		Rupees in crores	*2007-2008 Rupees in crores*
(i)	Profit computation for both basic and diluted earnings per equity share of Rs. 10 each		
	Net profit as per profit and loss account available for equity shareholders	(194.62)	*16.68*
		No. of equity shares	*No. of equity shares*
(ii)	Weighted average number of equity shares for earnings per equity share		
	(a) For basic earnings per equity share	3,86,16,449	*3,86,14,313*
	(b) For diluted earnings per equity share		
	No. of equity shares for basic earnings per equity share as per (ii) (a)	3,86,16,449	*3,86,14,313*
	Add: Weighted average outstanding employee stock options deemed to be issued for no consideration	-	374
	: Weighted average outstanding warrants deemed to be issued for no consideration	-	*1,53,510*
	No. of equity shares for diluted earnings per equity share	3,86,16,449	3,87,68,197
(iii)	Earnings per equity share		
	Basic (in Rupees)	(50.39)	*4.32*
	Diluted (in Rupees)	(50.39)	*4.30*

(23) **Segment Reporting**

(i) Primary Segments - Business Segments

	Textile	Polyester [see foot note (b)]	Real Estate	Elimination	Total
A. REVENUE					
1 Segment revenue - External sales/ Income from operations	321.49 *[350.61]*	765.96 *[417.09]*	272.88 *[239.66]*	- *[-]*	1360.33 *[1007.36]*
2 Inter-segment revenue	- *[-]*	- *[1.15]*	- *[-]*	- *[(1.15)]*	- *[-]*
3 Total segment revenue	321.49 *[350.61]*	765.96 *[418.24]*	272.88 [239.66]	- [(1.15)]	1360.33 *[1007.36]*
4 Other Income					13.80 *[12.27]*
TOTAL					1374.13 *[1019.63]*

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19 *(Contd.)*

(23) Segment Reporting (Contd.)

(i) Primary Segments - Business Segments

	Textile	Polyester	Real Estate	Total
B. RESULT				
1 Segment result/operating profit/(loss)	(65.98) *[(16.94)]*	(72.65) *[(53.10)]*	159.47 *[141.42]*	20.86 *[71.38]*
2 (a) Voluntary Retirement Compensation Written off				(2.06) *[(1.39)]*
(b) Capitalisation of Voluntary Retirement Compensation written off in the previous year [see Note 13 (iii) on Schedule 18 and Note 7 on Schedule 19]				- *[10.46]*
(c) Interest expenses				(186.54) *[(73.40)]*
3 Unallocated Income				13.80 *[12.27]*
4 Unallocated Expenses				(39.64) *[(1.31)]*
5 Profit before tax				(193.60) *[18.01]*
6 Provision for taxation				
- current tax				- *[1.75]*
- deferred tax				- *[(1.70)]*
- fringe benefit tax				1.02 *[1.28]*
7 Profit after tax				(194.62) *[16.68]*

(i) Primary Segments - Business Segments

	Textile	Polyester	Real Estate	Total
C. OTHER INFORMATION				
1 Segment assets	534.27 *[519.37]*	793.13 *[869.94]*	851.12 *[462.87]*	2178.52 *[1852.18]*
2 Other assets				250.20 *[268.63]*
3 Total assets				*2428.72* [2120.81]
4 Segment liabilities	122.64 *[84.36]*	115.42 *[173.23]*	101.98 *[40.60]*	340.04 *[298.19]*
5 Other liabilities (including share capital and reserves)				2088.68 *[1822.62]*
6 Total liabilities				*2428.72* *[2141.28]*
7 Cost incurred during the year to acquire segment fixed assets	73.75 *[215.31]*	3.08 *[641.98]*	24.12 *[3.27]*	100.95 *[860.56]*
8 Depreciation	16.80 *[7.94]*	35.88 *[25.16]*	3.05 *[2.32]*	55.73 *[35.42]*
9 Non-cash expenses other than depreciation				
- employee stock option compensation written off	- *[-]*	- *[0.02]*	- *[-]*	- *[0.02]*
- doubtful advances written off	- *[-]*	0.22 *[-]*	- *[-]*	0.22 *[-]*
- provision for bad & doubtful debts	- *[-]*	0.15 *[-]*	- *[-]*	0.15 *[-]*

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19 *(Contd.)*

(23) 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	1179.53	180.80	1360.33
		[777.96]	*[229.40]*	*[1007.36]*
B.	Segment assets based on geographical location	2158.53	19.99	2178.52
		[1852.46]	*[6.78]*	*[1859.24]*
C.	Cost incurred during the year to acquire fixed assets	100.95	-	100.95
		[860.56]	*[-]*	*[860.56]*

Notes:

(a) The Company's operating facilities are located in India. Most of the assets are not identifiable separately to any reportable segment as these are used interchangeably between segments.

(b) Commercial production of PSF, based on PTA as feed stock, commenced from 1st October, 2007 and hence the figures for the current year are not comparable with the corresponding figure of the previous figure.

(c) Corporate expenses have been apportioned between the segments on a reasonable basis.

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

(24) Related party disclosures

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

Subsidiary Company:	White Horse Real Estate Private Limited
Associate Companies:	Archway Investment Company Limited Pentafil Textile Dealers Limited Scal Services Limited Nowrosjee Wadia & Sons Limited (Upto 30.06.2007) N.W. Exports Limited (Upto 30.06.2007)
Joint Venture Companies:	PT. Five Star Textile Indonesia Proline India Limited L&T Bombay Developers Private Limited
Key Management Personnel:	Mr. P.V. Kuppuswamy - Joint Managing Director Mr. Ness Wadia - Joint Managing Director Mr. M. K. Singh – Executive Director (up to 06.07.2008) Mr. S. K. Gupta – Executive Director (up to 04.12.2008)
Entities over which Key Management Personnel exercise significant influence:	KPH Dream Cricket Private Limited

(b) Transactions with related parties

(Rs. in crores)

Nature of transactions	Subsidiary Company	Associate Companies	Joint Venture Companies	Key Management Personnel	Entities over which Key Management Personnel exercise significant influence
I) Transactions:					
(i) Inter-Corporate Deposits (ICDs) given					
- Archway Investment Company Limited	-	15.00	-	-	-
	(-)	*(22.73)*	*(-)*	*(-)*	*(-)*
(ii) Repayment of ICDs					
- Archway Investment Company Limited	-	17.28	-	-	-
	(-)	*(16.41)*	*(-)*	*(-)*	*(-)*
- Proline India Limited	-	-	3.50	-	-
	(-)	*(-)*	*(-)*	*(-)*	*(-)*
(iii) Interest income on ICDs					
- Archway Investment Company Limited	-	1.55	-	-	-
	(-)	*(0.53)*	*(-)*	*(-)*	*(-)*
- Proline India Limited	-	-	0.32	-	-
	(-)	*(-)*	*(0.34)*	*(-)*	*(-)*
(iv) Expenses incurred on behalf of related parties (reimbursable)					
- PT. Five Star Textile Indonesia	-	-	0.90	-	-
	(-)	*(-)*	*(0.77)*	*(-)*	*(-)*
- N.W. Exports Limited..	-	-	-	-	-
	(-)	*(0.19)*	*(-)*	*(-)*	*(-)*

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19 *(Contd.)*

(24) Related party disclosures (Contd.)

Nature of transactions	Subsidiary Company	Associate Companies	Joint Venture Companies	Key Management Personnel	Entities over which Key Management Personnel exercise significant influence
- Nowrosjee Wadia & Sons Limited	-	-	-	-	-
	(-)	*(2.79)*	*(-)*	*(-)*	*(-)*
- Scal Services Limited	-	*0.41*	-	-	-
	(-)	*(-)*	*(-)*	*(-)*	*(-)*
- L&T Bombay Developers Private Limited	-	-	0.65	-	-
	(-)	*(-)*	*(8.53)*	*(-)*	*(-)*
- White Horse Real Estate Private Limited	0.07	-	-	-	-
	(-)	*(-)*	*(-)*	*(-)*	*(-)*
(v) Expenses incurred on behalf of the Company (reimbursable)					
- N.W. Exports Limited	-	-	-	-	-
	(-)	*(0.72)*	*(-)*	*(-)*	*(-)*
- Nowrosjee Wadia & Sons Limited	-	-	-	-	-
	(-)	*(0.37)*	*(-)*	*(-)*	*(-)*
- Scal Services Limited	-	0.48	-	-	-
	(-)	*(0.37)*	*(-)*	*(-)*	*(-)*
(vi) Technical know-how fees (income)					
- PT. Five Star Textile Indonesia	-	-	1.02	-	-
	(-)	*(-)*	*(0.88)*	*(-)*	*(-)*
(vii) Advertisement (Expense)	-	-	-	-	1.46
- KPH Dream Cricket Private Limited	*(-)*	*(-)*	*(-)*	*(-)*	*(-)*
(viii) Remuneration					
- Mr. P.V. Kuppuswamy - Joint	-	-	-	1.07	
Managing Director	*(-)*	*(-)*	*(-)*	*(1.07)*	-
- Mr. Ness Wadia – Joint Managing	-	-	-	1.09	*(-)*
Director	*(-)*	*(-)*	*(-)*	*(1.08)*	-
- Mr. M. K. Singh - Executive Director	-	-	-	0.16*	*(-)*
	(-)	*(-)*	*(-)*	*(0.30)*	-
- Mr. S. K. Gupta - Executive Director	-	-	-	0.38*	-
	(-)	*(-)*	*(-)*	*(0.95)*	*(-)*
(ix) Employee stock option compensation written off					
- Mr. P.V. Kuppuswamy - Joint	-	-	-	-	-
Managing Director	*(-)*	*(-)*	*(-)*	*(0.02)*	*(-)*
(x) Guarantee and collaterals					
- PT. Five Star Textile Indonesia	-	-	8.37	-	-
	(-)	*(-)*	*(5.86)*	*(-)*	*(-)*
(xi) Purchase of goods					
- Proline India Limited	-	0.01	-	-	-
	(-)	*(0.19)*	*(-)*	*(-)*	*(-)*
(xii) Sale of goods					
- N.W. Exports Limited	-	-	-	-	-
	(-)	*(26.18)*	*(-)*	*(-)*	*(-)*
- Nowrosjee Wadia & Sons Limited	-	-	-	-	-
	(-)	*(0.50)*	*(-)*	*(-)*	*(-)*

* excluding Rs. 0.20 crore excess remuneration paid which has been shown as recoverable under Advances recoverable in cash or in kind or for value to be received (see schedule 11).

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19 *(Contd.)*

(24) Related party disclosures (Contd.)

Nature of transactions	Subsidiary Company	Associate Companies	Joint Venture Companies	Key Management Personnel	Entities over which Key Management Personnel exercise significant influence
(xiii) Revenue from real estate activity [Refer footnote (c)]					
- Scal Services Limited	-	1.73	-	-	-
	(-)	(45.33)	*(-)*	*(-)*	*(-)*
- Mr. P.V. Kuppuswamy –Joint Managing Director	-	-	-	0.03	-
	(-)	*(-)*	*(-)*	*(2.64)*	(-)
- Mr. Ness Wadia – Joint Managing Director	-	-	-	0.54	-
	(-)	*(-)*	*(-)*	*(13.57)*	(-)
- White Horse Real Estate Private Limited [Refer footnote (c)]	235.02	-	-	-	-
	(-)	*(-)*	*(-)*	*(-)*	(-)
(xiv) Reversal of sale on cancellation of contracts]					
- Scal Services Limited [Refer foot note (c)]	-	27.16	-	-	-
	(-)	(270.90)	(-)	(-)	(-)
(xv) Fees for cancellation of sale contracts					
- Scal Services Limited	-	0.42	-	-	-
	(-)	*(6.82)*	*(-)*	*(-)*	(-)
II) Receivable as at year end					
- Archway Investment Company Limited	-	12.44	-	-	-
	(-)	*(14.73)*	*(-)*	*(-)*	(-)
- N.W. Exports Limited	-	-	-	-	-
	(-)	*(1.42)*	*(-)*	*(-)*	(-)
- PT. Five Star Textile Indonesia	-	-	13.77	-	-
	(-)	*(-)*	*(9.83)*	*(-)*	(-)
- Nowrosjee Wadia & Sons Limited	-	-	-	-	-
	(-)	*(2.14)*	*(-)*	*(-)*	(-)
- Scal Services Limited	-	68.27	-	-	-
	(-)	*(65.10)*	*(-)*	*(-)*	(-)
- Proline India Limited	-	-	0.50	-	-
	(-)	*(-)*	*(4.08)*	*(-)*	(-)
- L & T Bombay Developers Private Limited	-	-	7.20	-	-
	(-)	*(-)*	*(8.60)*	*(-)*	(-)
- Mr. M. K. Singh	-	-	-	0.71	-
	(-)	*(-)*	*(-)*	(0.69)	(-)
- Mr. S. K. Gupta	-	-	-	0.17	-
	(-)	*(-)*	*(-)*	*(-)*	(-)
- White Horse Real Estate Private Limited	227.59	-	-	-	-
	(-)	*(-)*	*(-)*	*(-)*	(-)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19 *(Contd.)*

(24) Related party disclosures (Contd.)

Nature of transactions	Subsidiary Company	Associate Companies	Joint Venture Companies	Key Management Personnel	Entities over which Key Management Personnel exercise significant influence
III) Advances received for allotment of flats					
- Mr. Ness Wadia - Joint Managing Director..................	-	-	-	1.02	-
	(-)	*(-)*	*(-)*	*(-)*	*(-)*
IV) Shareholders' deposit (as at year end)					
- PT. Five Star Textile Indonesia	-	-	15.22	-	-
	(-)	*(-)*	*(15.22)*	*(-)*	*(-)*
V) Contribution to equity share capital of L&T Bombay Developers Private Limited............................	-	-	-	-	-
	(-)	*(-)*	*(0.01)*	*(-)*	*(-)*
- Advance share application money to L&T Bombay Developers Private Limited............................	-	-	-	-	-
	(-)	*(-)*	*(5.00)*	*(-)*	*(-)*
- Investment made in White Horse Real Estate Private Limited..	0.05	-	-	-	-
	(-)	*(-)*	*(-)*	*(-)*	*(-)*
VI) Guarantee and collaterals (as at year end)					
- PT. Five Star Textile Indonesia [Refer footnote (d)].....	-	-	85.46	-	-
	(-)	*(-)*	*(60.48)*	*(-)*	*(-)*
VII) Payable as at year end					
- Mr. Ness Wadia - Joint Managing Director..................	-	-	-	-	-
	(-)	*(-)*	*(-)*	*(1.32)*	*(-)*
VIII) Advances given					
Scal Services Limited	-	7.37	-	-	-
	(-)	*(0.98)*	(-)	(-)	*(-)*

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 vale of sales consideration as per agreements.

(c) Secured by a pari-passu charge on the machinery of the joint venture.

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

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19 *(Contd.)*

(24) Related party disclosures (Contd.)

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

Sr. No.	Name	Nature of transaction	Balance as at 31st March, 2009 Rupees in crores	Maximum amount outstanding during the year Rupees in crores	No. of shares of the Company held by the loanees as at 31st March, 2009
A.	Investments and Loans and advances in subsidiary and associates				
1	Scal Services Ltd.	Investment in equity shares	0.78	0.78	-
			(0.78)	*(0.78)*	*(-)*
2	Archway Investment Company Ltd.	Inter corporate deposit	12.44	21.44	-
			(14.72)	*(14.72)*	*(-)*
		Investment in equity shares	2.16	2.16	-
			(2.16)	*(2.16)*	*(-)*
		Investment in fully convertible debentures (carrying no interest)	51.00	51.00	-
			(51.00)	*(51.00)*	*(-)*
3	Pentafil Textile Dealers Ltd.	Investment in equity shares	0.88	0.88	-
			(0.88)	(0.88)	*(-)*
4	White Horse Real Estate Pvt. Ltd.	Investment in equity shares	0.05	0.05	-
			(-)	*(-)*	*(-)*
			69.59	69.59	-
			(69.54)	(69.54)	*(-)*
B.	Loans and advances in the nature of loans to companies in which directors are interested.				
1	Citurgia Biochemicals Ltd.	Inter Corporate Deposit *	3.50	3.50	-
			(3.50)	(3.50)	*(-)*
2	PT. Five Star Textile Indonesia	Shareholders' Deposit	15.22	15.22	-
			(15.22)	(15.22)	*(-)*
3	Proline India Limited	Inter Corporate Deposit	0.50	4.00	-
			(4.00)	(4.00)	*(-)*
			22.72	22.72	-
			(22.72)	*(22.72)*	*(-)*

* Written off during the year 2008-09.

C. Loans and advances in the nature of loans where there is: (i) repayment beyond seven years or (ii) no interest or interest below section 372A of the Companies Act, 1956, other than referred in A2 and B2 above.

Employee Loans	0.49	0.57	1,086
	(0.82)	*(0.94)*	*(5,118)*

(25) Joint Ventures

The Company has the following joint ventures as on 31st March, 2009 and its proportionate share in the assets, liabilities, income and expenditure of the respective joint venture companies is given below:

(Rupees in crores)

	Name of the joint venture company	Percentage of holding	Assets	Liabilities	Contingent liabilities	Capital commitment	Income	Expenditure
			As at 31st March, 2009				For the year ended 31st March, 2009	
(a)	Proline India Ltd. (incorporated in India)	49%	9.14	# 2.90	0.01	-	13.41	12.71
			(10.55)	*(5.11)*	*(0.01)*	-	(15.17)	*(14.14)*
(b)	L&T Bombay Developers* Private Limited (incorporated in India)	50%	9.79	5.99	-	-	-	0.07
			(9.30)	#(4.31)	(-)	(-)	(-)	(-)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19 *(Contd.)*

(25) Joint Ventures (Contd.)

			As at 31st December, 2008$				For the year ended 31st December, 2008§	
(c)	PT. Five Star Textile Indonesia, (PTFS) (Incorporated in Indonesia)	33.89%	69.96 @ *(64.01)*	31.24 ^ *(25.16)*	- *(-)*	- *(-)*	7.62 *(6.45)*	8.83 *(8.88)*

\# net after deducting shareholders' funds.
@ excludes stockholders' equity (capital deficiency)
* These figures represents unaudited figures of financial year 2008-09.
^ excludes shareholders' deposit considered by PTFS as promoters' funds and included in stockholders' equity.
$ translated using the closing rate.
§ translated using the average monthly closing rate.
Also see notes 2(e) and 4 above.

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

	2008-09			*2007-2008*		
	Quantity		Rupees in crores	*Quantity*		*Rupees in crores*
(a) TURNOVER						
Cloth	373.80	Lac mts.	307.17	*378.62*	*Lac mts.*	*301.34*
Yarn	1.24	Lac kgs.	1.70	*15.35*	*Lac kgs.*	*18.20*
DMT	-		-	*3,616.00*	*M. tons*	*15.83*
PSF	90,572.00	M. tons	538.67	*48,935.00*	*M. tons*	*268.89*
PET - Chips	31,999.00	M. tons	187.72	*18,397.00*	*M. tons*	*105.71*
Wastes	1.72	Lac kgs.	0.20	*13.13*	*Lac kgs.*	*3.83*
Wastes -PSF	2,382.00	M. tons	6.21	-		-
Others	41.00	M. tons	0.06	*1,042.00*	*M. tons*	*1.51*
Export Incentive	-		10.60	-		*10.93*
Real Estate	-		263.93	-		*232.77*
			1316.26			*959.01*
(b) RAW MATERIALS CONSUMED						
Cotton	8.36	Lac kgs.	4.40	*55.70*	*Lac kgs.*	*32.29*
Fibre	3.58	Lac kgs.	5.08	-		-
Yarn purchased and consumed	59.28.	Lac kgs.	38.54	*31.20*	*Lac kgs.*	*41.09*
Grey Cloth	297.21	Lac Mts.	110.15	*130.48*	*Lac Mts.*	*70.75*
Dyes and chemicals	16.14	Lac kgs.	19.82	*10.13*	*Lac kgs.*	*11.17*
Paraxylene	-		-	*15,691.58*	*M. tons*	*80.75*
Purified Terepthalic Acid	105467	*M. tons*	440.60	*53,751.87*	*M. tons*	*192.96*
Mono Ethylene Glycol	41134	*M. tons*	152.82	*30,071.62*	*M. tons*	*160.32*
Others	478	*M. tons*	5.73	*2,620.81*	*M. tons*	*9.83*
			777.14			*599.16*
(c) OPENING STOCK OF FINISHED GOODS						
Cloth	24.07	Lac mts.	21.97	*27.27*	*Lac mts.*	*15.46*
DMT	-		-	*52.70*	*M. tons*	*0.26*
Wastes	0.17	Lac kgs.	0.08	*1.15.*	*Lac kgs*	*0.36*
Wastes -PSF	31.39	M. tons	0.08	-		-
PSF	4678.20	M. tons	28.43	-		-
PET-Chips	802.436	M. tons	4.77	-		-
			55.33			*16.08*
(d) STOCK TRANSFERRED FROM TRIAL RUN PRODUCTION						
Cloth	-		-	*9.38*	*Lac mts.*	*4.46*
PSF	-		-	*4,143.29*	*M. tons*	*24.60*
PET - Chips	-		-	*511.61*	*M. tons*	*2.63*
			-			*31.69*
(e) CLOSING STOCK OF FINISHED GOODS						
Cloth	40.68	Lac mts.	41.49	*24.07*	*Lac mts.*	*21.97*
Yarn	-		-	-		-
DMT	-		-	-		-

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19 *(Contd.)*

Wastes	0.03	Lac kgs.	-	*0.17*	*Lac kgs.*	*0.08*
PSF	3051.49	M. tons	16.49	*4709.59*	*M. tons*	*28.51*
PET - Chips	872.40	M. tons	2.41	*802.44*	*M. tons*	*4.77*
			60.39			*55.33*

(f) LICENSED CAPACITY

	Quantity		*Quantity*	
Production capacity @ :				
Spindles	2,35,132	Spindles	*2,35,132*	*Spindles*
Looms	3,826	Looms	*3,826*	*Looms*
M.tons on non woven fabrics per annum	246	M. tons non woven fabrics per annum	*246*	*M. tons non woven fabrics per annum*

Production of PSF are exempt from the licensing requirements by virtue of Notification No.477(E) of 25-07-91

As per the application under Industrial Entrepreneurs Memorandum No.IEM-1869/SIA/MO/- 2005 dated 19.04.2005 the capacity of PSF plant is 1,65,000 M.Tons per annum.

	Quantity		*Quantity*	
Processing capacity @ :	1,532.88	Lac mts. cloth per annum	*1,369.88*	*Lac mts. cloth per annum*
	2,000	M. tons yarn per annum	*2,000*	*M. tons yarn per annum*

@ As per registration certificates.

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

Production capacity :				
Spindles	-		*-*	*Spindles*
Looms	64		*64*	*Looms*
			-	*M. tons DMT per annum*
	1,65,000	M. tons PSF per annum	*1,65,000*	*M. tons PSF per annum*
Processing capacity :	600	Lacs mts. Cloth per annum	*437*	*Lac mts. cloth per annum*

(h) PACKED PRODUCTION

Cloth	311.08	Lac mts.	*366.04*	*Lac mts.*
Yarn	1.24	Lac kgs.	*15.35*	*Lac kgs.*
DMT(includes captively consumed *2007-2008 33,195 M.Tons*)	-	M. tons	*36,758.07*	*M. tons*
PSF (includes captively consumed 193 M.Tons)	88,945.84	M. tons	*49,694.30*	*M. tons*
PET - Chips	32,068.70	M. tons	*18,687.83*	*M. tons*
Wastes	1.58	Lac kgs.	*12.15*	*Lac kgs.*

(i) PACKED PRODUCTION DURING TRIAL RUN

Cloth	-	-	*33.71*	*Lac mts.*
PSF	-	-	*25,417.02*	*M. tons*
PET - Chips	-	-	*10,069.25*	*M. tons*

		2007-08
	Rupees in crores	*Rupees in crores*
(j) CIF VALUE OF IMPORTS OF		
(i) Raw materials	176.76	*21.62*
(ii) Stores, spare parts and catalysts	9.14	*16.27*
(iii) Capital goods	13.96	*19.61*

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 19 *(Contd.)*

	Rupees in crores	%	*2007-08 Rupees in crores*	%
(k) EXPENDITURE IN FOREIGN CURRENCY (Disclosure on payment basis)				
(i) Travelling expenses	1.40		*1.62*	
(ii) Interest	5.25		*5.44*	
(iii) Architect Fees, technical & project related Consultancy	1.29		*10.37*	
(iv) Other expenditure	10.84		*3.90*	
(l) CONSUMPTION		%		%
Imported raw materials, spare parts and components	183.95	29.50	*33.19*	*5.25*
Indigenous raw materials, spare parts and components	631.46	70.50	*599.38*	*94.75*
	815.41	100.00	632.57	100.00

	Rupees in crores	*2007-08 Rupees in crores*
(m) REMITTANCES IN FOREIGN CURRENCIES		
Remittance in foreign currencies on account of dividend to one non-resident shareholder, the depository for the GDR holders:		
(i) on 5,83,145 equity shares, dividend for 2007-2008	0.20	
(ii) on 5,88,245 equity shares, dividend for 2006-2007	-	*0.29*
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: 645 *(2007-2008 :569)*		
(ii) on 26,58,996 equity shares, dividend for 2007-2008	0.93	-
(iii) on 58,15,892 equity shares, dividend for 2006-2007	-	*2.91*
(n) EARNINGS IN FOREIGN EXCHANGE		
(i) Export of goods calculated on FOB basis (Including trial run export Rs.Nil, 2007-2008 Rs. 8.18 crores)	164.53	*208.41*
(ii) Reimbursement of insurance and freight on exports	3.20	*3.42*
(iii) Local sales for exports (including trial run Rs.Nil 2007-2008 Rs.1.33 crores)	13.07	*28.29*
(iv) Technical know-how fees	1.02	*0.88*

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

(27) The financial statements of the Company for the year ended March 31, 2008 were audited by another firm of Chartered Accountants vide their unqualified opinion dated June 30, 2008 and have been relied upon in respect of the figures for the previous year reported herewith. Previous year's figures have been regrouped / reclassified where necessary to make them comparable with the current year's figures.

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

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

VIRAF R. MEHTA
Partner

Mumbai, 30th June, 2009.

For and on behalf of the Board of Directors

NUSLI N. WADIA *Chairman*
NESS N. WADIA *Jt. Managing Director*
P. V. KUPPUSWAMY *Jt. Managing Director*

DURGESH MEHTA *Chief Financial Officer*

SOMNATH MAJUMDAR *Company Secretary*

Mumbai, 30th June, 2009.

K. MAHINDRA
S. RAGOTHAMAN
Dr. H. N. SETHNA
S. S. KELKAR
S.M. PALIA
Ms. VINITA BALI
Directors

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

I. Registration Details

Registration No.	L17120MH1879PLC000037	State Code	11
Balance Sheet Date	31 (Date) 03 (Month) 2009 (Year)		

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	15
Bonus Issue	NIL	Private Placements	NIL
Employee Stock Option Scheme	NIL	Share Warrants	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	20812730	Total Assets	20812730
Sources of Funds			
Paid-up Capital	386169	Reserves and Surplus	3317943
Secured Loans	14989874	Unsecured Loans	2118750
Deferred Tax Liability (net)	NIL	Share Warrants	NIL
Application of Funds			
Net Fixed Assets	11998619	Investments	602188
Net Current Assets	8198028	Miscellaneous Expenditure	13893
Accumulated Losses	NIL		

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	13741340	Total Expenditure	15677352
Profit/Loss before tax	- 1936012	Profit/Loss after tax	- 1946213
(+ for profit, - for loss)			
Basic earnings per equity share in Rs.	- 50.39	Dividend Rate %	10

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	550320.00
Product Description	POLYESTER STAPLE FIBRE (PSF)
Item Code No. (ITC Code)	52.08
Product Description	COTTON PROCESSED LONGLENGTH
Item Code No. (ITC Code)	630231.00
Product Description	COTTON MADE UPS

For and on behalf of the Board of Directors

NUSLI N. WADIA	*Chairman*	K. MAHINDRA	*Directors*
NESS N. WADIA	*Jt. Managing Director*	S. RAGOTHAMAN	
P. V. KUPPUSWAMY	*Jt. Managing Director*	Dr. H. N. SETHNA	
		S. S. KELKAR	
		S.M. PALIA	
DURGESH MEHTA	*Chief Financial Officer*	Ms. VINITA BALI	
SOMNATH MAJUMDAR	*Company Secretary*		

Mumbai, 30th June, 2009.

STATEMENT REGARDING SUBSIDIARY COMPANY PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956.

1	Name of Subsidiary	**White Horse Real Estate Pvt. Ltd.**
2	Financial year ended	**31st March, 2009**
3	Holding Company's Interest :	
	Equity Capital :	
	Number of Shares of Rs. 10 each	50,000
	Extent of Holding	100%
	Redeemable Preference Share Capital :	
	Number of Shares	-
	Extent of Holding	-
4	The net aggregate of Profit /(Loss) of the Subsidiary Companies in so far as it concerns the members of the Holding Company :	
	(a) Not dealt with in the accounts of the Company for the year ended 31 st March, 2009 :	
	(1) For the Subsidiary's financial year ended as in 2 above	(158,761)
	(2) For the previous financial years of the Subsidiary	Not Applicable
	(b) Dealt with in the accounts of the Company for the year ended 31 st March, 2009 :	
	(1) For the Subsidiary's financial year ended as in 2 above	-
	(2) For the previous financial years of the Subsidiary	Not Applicable

For and on behalf of the Board of Directors

NUSLI N. WADIA *Chairman*
NESS N. WADIA *Jt. Managing Director*
P. V. KUPPUSWAMY *Jt. Managing Director*

DURGESH MEHTA *Chief Financial Officer*

SOMNATH MAJUMDAR *Company Secretary*

K. MAHINDRA
S. RAGOTHAMAN
Dr. H. N. SETHNA
S. S. KELKAR
S.M. PALIA
Ms. VINITA BALI
Directors

Mumbai, 30th June, 2009.

DIRECTORS' REPORT TO THE MEMBERS

The Directors hereby present their first report on the business and operations of the Company and the financial accounts for the year ended 31st March, 2009.

1. **FINANCIAL RESULTS:**

	For the year ended 31st March, 2009 (Rupees)
Profit/(Loss) before Tax	(158,761.00)
Less : Tax	NIL
Profit/(Loss) after Tax	(158,761.00)
Balance carried to Balance Sheet	(158,761.00)

2. **COMPANY'S OPERATIONS AND ISSUE OF CAPITAL:**

Your Company became a wholly owned subsidiary of The Bombay Dyeing and Manufacturing Company Limited ("BDMC") with effect from 27th October 2008 and is a special purpose vehicle of BDMC. The authorised capital was increased to Rs. 50 lakhs and the paid-up capital was increased to Rs. 5 lakhs during the year by the issuance and allotment of 40000 equity shares under rights issue of Rs. 10/- each, fully paid-up, to BDMC.

During the current year your Company purchased from BDMC a part of the commercial building under construction at the Worli site for Rs. 235.02 crores.

3. **DEPOSITS:**

Your Company has not accepted any fixed deposits.

4. **DIRECTORS:**

The Board of Directors appointed Mr. Rustom Samee Lawyer and Mr. Nasli Samee Lawyer as Additional Directors with effect from 16th August, 2008 and Mr. Durgesh Mehta as an Additional Director with effect from 31st December, 2008 in accordance with the provisions of Section 260 of the Companies Act, 1956 ("the Act") and Article 19 of the Company's Articles of Association.

Mr. Dilip K. Pagare and Mr. Hemant B. Mali ceased to be the Directors of the Company effective 16th August, 2008.

Mr. Rustom Samee Lawyer, Mr. Nasli Samee Lawyer and Mr. Durgesh Mehta hold office up to the date of the ensuing Annual General Meeting. Notice has been received by the Company from a member under Section 257 of the Act, proposing their appointment as Directors.

5. **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 217(2AA) of the Act, the Directors confirm that:

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

(ii) they have, in selection of the accounting policies consulted the statutory auditors and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss 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.

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

Information pursuant to Section 217(1)(e) of the Act read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to Conservation of Energy and Technology Absorption are not applicable to your Company. Your Company did not have any foreign exchange earnings and outgo.

7. **PARTICULARS OF EMPLOYEES:**

Your Company does not have any employee and the information pursuant to Section 217(2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975 is not applicable.

8. **AUDITORS:**

Messrs Harish Chopra & Co., 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. Harish Chopra & Co. that their appointment, if made, would be in conformity with the limits specified in Section 224(1B) of the Act.

On behalf of the Board of Directors

DURGESH MEHTA
RUSTOM SAMEE LAWYER
DIRECTORS

Mumbai, 24th June, 2009

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

Report of the Auditor to the members of White Horse Real Estate Pvt. Ltd. on the accounts for the year ended 31st March 2009.

1) We have audited the attached balance sheet of White Horse Real Estate Pvt. Ltd. as at 31st March, 2009 and also the profit and loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2) We conducted audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4) Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;

c) The balance sheet and profit and loss account dealt by this report are in agreement with the books of account;

d) In our opinion, the balance sheet and profit and loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

e) On the basis of written representations received from the Directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

i) in the case of the balance sheet, of the state of affairs of the company as at 31st March 2009; and,

ii) In the case of the profit and loss account, of the Loss for the year ended on that date.

For M/s HARISH CHOPRA & COMPANY
Chartered Accountants

Satish Prabhu
[Partner]
Membership No.: 048532

Place: Mumbai
Date : 24.06.2009

ANNEXURE TO THE REPORT OF THE AUDITORS TO THE MEMBERS OF THE WHITE HORSE REAL ESTATE PVT LTD ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

(referred to in Paragraph 3 of our report of even date)

i) (a) The Company does not have fixed assets hence question of full particulars including quantitative details and situation of fixed assets does not exists.

(b) The Company does not have fixed assets hence question of physically verification does not exists.

(c) The company does not have fixed asset hence question of disposal does not arise.

ii) The Company's inventory consists of commercial units under construction hence the question reporting on Paragraph (ii) of the said Order does not arise.

iii) (a) According to the information and explanations given to us, the company has not given any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. In view of the foregoing, the question of reporting on Clauses 4(iii) (b) and 4(iii)(d) of the said order does not arise.

(b) The company has taken loans from one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum principal amount involved during the year was Rs. 12 crores and the year end balance of such loans is Rs. 5.50 crores.

(c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been granted to companies listed in register maintained under section 301 of the Companies Act 1956, were not prima facie, prejudicial to the interest of the company, at the time when the loans were granted.

(d) As explained to us, the company has been regular in payment of interest, where the principal amount of Rs 5.50 crores is repayable on call.

iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and sale of services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.

v) According to information and explanations given to us there are transactions that are entered into a register in pursuance of section 301 of the Companies Act 1956. The details are attached in notes to accounts

vi) The Company has not accepted deposits from the public hence the question of reporting on Paragraph 4(vi) of the said Order does not arise.

vii) As per information and explanations given to us the company is in process to setup internal audit system commensurate with the size and the nature of its business.

viii) The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act 1956; hence the question of reporting on Paragraph 4(viii) of the said Order does not arise.

ix) 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, customs duty, excise duty, cess and other material statutory dues applicable to it have been regularly deposited with the appropriate authorities.

b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2009, for a period of more than six months from the date they became payable.

c) According to the information and explanations given to us, there are no dues of income tax, wealth tax, service tax, sales tax, customs duty and cess which have not been deposited on account of any dispute.

x) The company has accumulated losses at the end of the financial year. Also, the company has incurred cash losses during the financial year covered by our audit.

xi) 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 institutions or debenture holders.

xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and securities. Hence, the question of reporting on Paragraph 4(xii) of the said Order does not arise.

xiii) 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 company.

xiv) The company has not dealt in or traded in shares, securities, debentures and other investments during the financial year. Therefore the question of reporting on Paragraph 4(xiv) of the said Order does not arise.

xv) According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from bank or financial institutions, hence the question of reporting on Paragraph 4(xv) of the said Order does not arise.

xvi) In our opinion and according to the information and explanations given to us, no term loan has been raised during the year.

xvii) The Company has not raised funds on short term basis, therefore the question of reporting on Paragraph 4(xvii) of the said Order does not arise.

xviii) The Company has not made any preferential allotment of shares to the companies and the parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the question of reporting on whether the price at which such shares have been issued is prejudicial to the interest of the company does not arise.

xix) The Company has not issued debentures, accordingly the question of reporting on Paragraph 4(xix) of the said Order does not arise.

xx) The company has not raised any money by public issue during the year. Accordingly, the question of disclosure of end use of such money does not arise.

xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For M/s HARISH CHOPRA & COMPANY
Chartered Accountants

Place: Mumbai
Date : 24.06.2009

Satish Prabhu
[Partner]
Membership No.: 048532

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule No.	As at 31st March, 2009	
		Rupees	Rupees
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1		500,000.00
Unsecured Loans	2		76,717,427.00
TOTAL			**77,217,427.00**
APPLICATION OF FUNDS			
Current Assets, Loans & Advances	3		
Stock-In-Trade		1,933,443,900.00	
Capital Work In Progress		419,551,850.00	
Cash and Bank Balances		311,671.00	
		2,353,307,421.00	
Less: Current Liabilities & Provisions	4		
Current Liabilities		2,276,328,755.00	
		2,276,328,755.00	
Net Current Assets			**76,978,666.00**
Profit & Loss A/c			**158,761.00**
Miscellaneous Expenditure			
Preliminary Expenses (to the extent not w/off)			**80,000.00**
TOTAL			**77,217,427.00**

As per our report attached
For M/s Harish Chopra & Company
Chartered Accountants

Satish Prabhu
Partner
Place : Mumbai
Date : 24.06.2009

For and on behalf of the Board of Directors
Mr Durgesh Mehta
Mr Rustom Samee Lawyer — **Directors**
Mr Nasli Samee Lawyer

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	Schedule No.	Rupees
EXPENDITURE		
ROC Filing Fees		122,116.00
Bank Charges		5,615.00
Audit Fees		11,030.00
Preliminary Expenses W/off		20,000.00
		158,761.00
Profit / (Loss) Before Tax		(158,761.00)
Less Tax		–
Profit / (Loss) After Tax		(158,761.00)
Balance carried to Balance Sheet		**(158,761.00)**
Significant Accounting Policies	5	
Notes to Accounts	6	

As per our report attached
For M/s Harish Chopra & Company
Chartered Accountants

Satish Prabhu
Partner
Place : Mumbai
Date : 24.06.2009

For and on behalf of the Board of Directors
Mr Durgesh Mehta
Mr Rustom Samee Lawyer — **Directors**
Mr Nasli Samee Lawyer

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2009

	As at 31st March, 2009 Rupees
SCHEDULE - 1	
SHARE CAPITAL :	
Authorised :	
5,00,000 Equity Shares of Rs.10 each	5,000,000
Issued, Subscribed & Paidup :	
50,000 Equity Shares of Rs10 each fully paid up issued during the period	500,000
TOTAL	**500,000**

	As at 31st March, 2009 Rupees
SCHEDULE - 2	
LOANS & ADVANCES	
Unsecured Loans :	
Archway Investments Company Ltd.	55,010,000.00
Followel Engineering Ltd.	20,000,000.00
Interest accrued but not due	1,707,427.00
TOTAL	**76,717,427.00**

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2009

	Rupees	As at 31st March, 2009 Rupees
SCHEDULE - 3		
CURRENT ASSETS, LOANS & ADVANCES:		
Current Assets :		
Stock - In - Trade		
Land		1,933,443,900.00
Capital Work In Progress		
Construction Expenses	416,772,104.00	
Interest	2,779,746.00	419,551,850.00
Cash & Bank Balance :		
Cash on Hand	7,884.00	
Cash in Bank	303,787.00	311,671.00
TOTAL		**2,353,307,421.00**

	As at 31st March, 2009 Rupees
SCHEDULE - 4	
CURRENT LIABILITIES	
Sundry Creditors	
The Bombay Dyeing & Mfg Co. Ltd	2,275,817,461.00
Others	11,030.00
Tax Deducted At Source	**500,264.00**
TOTAL	**2,276,328,755.00**

SCHEDULE - 5

SIGNIFICANT ACCOUNTING POLICIES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

1 **Basis of Accounting**

The financial statements are prepared under the historical cost convention on an acrrual basis and are in accordance with the requirements of the Companies Act, 1956 and comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the said Act.

2. **Borrowing Cost**

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

3. **Inventories**

Inventories are valued at cost.

SCHEDULE - 6

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

1. Expenses incurred prior to commencement have been treated as preliminary expenses to be written off in five equal installments.
2. The company was incorporated and had commenced its operation during the year and hence previous years figures are not available.
3. We have verified the compliance and the provision of chapter XVII-B regarding the deduction of tax at source and regarding the payments thereof to the credit of Central Government in accordance with the auditing standards generally accepted in India, which include test check and concept of materiality. Such audit procedures did not reveal any significant non-compliance with the provision of chapter XVII-B.
4. The Company has entered into transaction according to section 301 of the Companies Act 1956. the details are as under :

Sr no	Name of the party	Amount	Balance as on 31.3.09	Nature of transaction
1	Archway Investments Company Ltd	55,010,000.00	55,010,000.00	Unsecured Loan
2	The Bombay Dyeing Mfg. Co. Ltd	-	2,275,817,461.00	Purchase of goods
	Total	**55,010,000.00**	**2,330,827,461.00**	

5. Other additional information persuant to schedule VI part II of Companies Act 1956 has not been furnished as the same is not applicable.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

I. Registration Details

Registration No. U70102MH2008PTC183489 State Code 11

Balance Sheet Date 31 - 03 - 2009
Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	400
Bonus Issue	NIL	Private Placements	NIL
Employee Stock Option Scheme	NIL	Share Warrants	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	77217	Total Assets	77217
Sources of Funds			
Paid-up Capital	500	Reserves and Surplus	NIL
Secured Loans	NIL	Unsecured Loans	76717
Deferred Tax Liability (net)	NIL	Share Warrants	NIL
Application of Funds			
Net Fixed Assets	NIL	Investments	NIL
Net Current Assets	76978	Miscellaneous Expenditure	80
Accumulated Losses	(159)		

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	NIL	Total Expenditure	(159)
Profit/Loss before tax	(159)	Profit/Loss after tax	(159)
Earnings per share in Rs.	(3.17)	Dividend Rate %	NIL

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

N O T A P P L I C A B L E

Signatures to schedule 1 to 6 and part IV of the Balance sheet

For and on behalf of the Board of Directors

For M/s Harish Chopra & Company
Chartered Accountants

Satish Prabhu
Partner
Place : Mumbai
Date : 24.06.2009

Mr Durgesh Mehta
Mr Rustom Samee Lawyer
Mr Nasli Samee Lawyer
Directors

Notes

THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

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

ATTENDANCE SLIP

I hereby record my presence at the 129th ANNUAL GENERAL MEETING of the above mentioned Company at the Sir Sitaram and Lady Shantabai Patkar Convocation Hall of the S.N.D.T. Women's University, 1, Nathibai Thackersey Road, New Marine Lines, Mumbai 400 020, on Friday, 28th August, 2009, 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

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

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

THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

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

FORM OF PROXY

Members' Folio No. : ____________	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 Friday, 28th August, 2009, and at any adjournment thereof.

Signed this ____________________ day of August, 2009.

Affix Revenue Stamp

Signature..

* Applicable to investors holding shares in electronic form.

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

BOOK-POST

BOMBAY DYEING
Bring style home

If undelivered please return to :

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

13AB, Samhita Warehousing Complex,
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Sakinaka, Andheri (East),
Mumbai 400 072.
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