

16th September, 2016

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Listing Compliance Department,
National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Plot No. C/1, 'G' Block,
Bandra-Kurla Complex,
Bandra (E)
Mumbai – 400 051

BSE Scrip Code: 500020

NSE Scrip Code: BOMDYEING

Dear Sirs,

Re: Scheme of Amalgamation of Archway Investment Company Limited ("AICL") with The Bombay Dyeing & Manufacturing Company Limited ("BDMC") and their respective shareholders and creditors under Sections 391-394 and other applicable provisions if any of the Companies Act, 1956

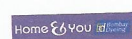
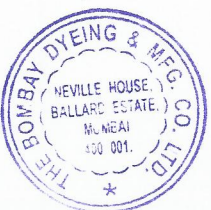
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Re: Application under Regulations 11, 28 and 37 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

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Re: SEBI Circular No. CIR /CFD/CMD/16/2015 dated 30 November, 2015

1. We refer to our letter dated 8th September, 2016, informing you of the meeting of the Board of Directors held on the same day at which the proposed scheme or amalgamation ("Scheme") of Archway Investment Company Limited ("Transferor Company" or "AICL") with The Bombay Dyeing & Manufacturing Company Limited ("Transferee Company" or "BDMC") and their respective shareholders and creditors under Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 ("Act") was approved.



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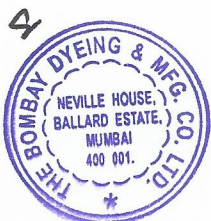
THE BOMBAY DYEING & MANUFACTURING CO. LTD.

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2. The Board of Directors of AICL, the wholly owned subsidiary of the Transferee Company, at its meeting held on 8th September, 2016 has also approved the Scheme.
3. A certified true copy of the resolutions passed by the Board of Directors of BDMC and AICL at their respective meetings are enclosed herewith and marked as **Annexure - 1 (Part A) and Annexure – 1 (Part B)**. The Scheme has also been approved by the Board of Directors at the said meeting. The Scheme proposed to be filed with the High Court of judicature at Bombay is enclosed herewith as **Annexure - 2**.

The Audit Committee of the Transferee Company at its meeting held on 8th September, 2016 has also recommended the Scheme. Report from the Audit Committee recommending the draft Scheme is enclosed herewith as **Annexure - 5**.

4. Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") requires a listed company to file a scheme / petition, proposed to be filed before any Court/Tribunal, with the stock exchange(s) for approval, before it is presented to the Court / Tribunal. Further, the Securities and Exchange Board of India Circular No. CIR/CFD/CMD/16/2015 dated 30th November, 2015 on "Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub-Rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957" ("SEBI Scheme Circular") inter alia requires certain documents to be filed along with the application under Regulation 37 of the Listing Regulations.
5. In terms of Regulations 11, 28 and 37 of the Listing Regulations, and the aforesaid SEBI Scheme Circular, we herewith submit the draft scheme (accompanied by the requisite supporting documents) for your approval and necessary action.
6. The designated stock exchange for the purposes of the Scheme is BSE Limited. A copy of the Board Resolution is enclosed herewith as **Annexure- 1**.



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7. Background

7.1 The Bombay Dyeing & Manufacturing Company Limited ("BDMC")

BDMC is a public limited company incorporated under the provisions of the Indian Companies Act, 1866 and having its registered office at Neville House, J.N. Heredia Marg, Ballard Estate, Mumbai – 400 001.

7.1.1. BDMC is primarily engaged in the business of selling textiles, manufacture of Polyester Staple Fibre (PSF) and real estate development.

7.1.2. The equity shares of the Transferee Company i.e. BDMC are listed on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

7.1.3. BDMC's share capital as on 31st August, 2016 is as under:-

Particulars	Amount (Rs.)
Authorised Share Capital	
25,00,00,000 Equity Shares of Rs. 2/- each	50,00,00,000
Issued, Subscribed and Paid-up Capital	
20,65,34,900 Equity Shares of Rs. 2/- each fully paid-up	41,30,69,800

7.2 Archway Investment Company Limited ("AICL")

AICL is a public limited company incorporated under the provisions of the Act and having its registered office at Neville House, J.N. Heredia Marg, Ballard Estate, Mumbai – 400 001.

7.2.1. AICL is primarily engaged in the business of an Investment Company.

7.2.2. AICL is a wholly owned subsidiary of BDMC.

7.2.3. AICL's share capital as on 31st August, 2016 is as under:-

Particulars	Amount (Rs.)
Authorised Share Capital	
56,00,000 Equity Shares of Rs. 100/- each	56,00,00,000
Issued, Subscribed and Paid-up Capital	
52,05,000 Equity Shares of Rs. 100/- each fully paid-up	52,05,00,000



7.2.4. Further details, in brief, of the Transferee Company and Transferor Company are enclosed herewith **Annexure - 3**.

8. The Scheme provides for amalgamation of AICL (wholly owned subsidiary of BDMC) with BDMC under Sections 391-394 and other applicable provisions, if any, of the Act, followed by the dissolution without winding up of AICL. In terms of the Scheme, the shares of AICL held by BDMC will stand cancelled without any further application, act or deed. The Transferor Company is a wholly owned by the Transferee Company and therefore there shall be no issue of shares by the Transferee Company in this regard.

9. The Scheme shall take effect from the Appointed Date, i.e. 1st April, 2016.

10. Rationale for the Scheme

10.1 The only business activity carried on by the Transferor Company is the activity of holding shares of companies that belong to the same group. This activity can even be carried on by the Transferee Company.

10.2 As the entire share capital of the Transferor Company is held by the Transferee Company, it would be in order to amalgamate the Transferor Company with the Transferee Company.

10.3 In the circumstances, as the Transferor Company is a wholly owned subsidiary of the Transferee Company, a consolidation of the Transferor Company and the Transferee Company by way of amalgamation would lead to a more efficient utilization of capital.

10.4 The proposed Scheme aims at unlocking a better value for the public shareholders of the Transferee Company. As the entire undertaking of the Transferor Company shall be transferred to the Transferee Company, the rights and interests of the shareholders or the creditors of the Transferee Company shall not be affected and the Scheme shall not be prejudicial to the interest of the shareholders of the Transferor Company.

10.5 The proposed amalgamation will result in administrative and operational rationalization, reduction in overheads and other expenses and prevent cost duplication. The synergies created by the amalgamation would increase operational efficiency and integrate business functions.



10.6 The creditors of the Transferor Company will not be affected by the Scheme since the assets of the Transferor and Transferee Companies (taken together) are more than the liabilities of the Transferor and Transferee Companies (taken together). Further even the creditors of the Transferee Company will not be affected by the Scheme since the assets of the Transferor Company are more than the liabilities of the Transferor Company. Further post the amalgamation, the assets of the Transferee Company shall be greater than its liabilities.

11 Submission of Documents in terms of SEBI Scheme Circular

As required under Regulation 37 of the Listing Regulations and the relevant provisions of the SEBI Scheme Circular, we submit the following documents:

- 11.1 Certified copy of draft Scheme proposed to be filed with the jurisdictional High Court is enclosed herewith as **Annexure 2**;
- 11.2 As the Scheme involves amalgamation of wholly -owned subsidiary with its parent company with no consequent issuance of any shares or payment of consideration by the Transferee Company, no valuation process is applicable in the instant Scheme. A certificate from Kalyaniwalla & Mistry, Statutory Auditors, dated 8th September, 2016, certifying such non-applicability of the valuation process is enclosed herewith as **Annexure 4**;
- 11.3 Report from the Audit Committee recommending the draft Scheme is enclosed herewith as **Annexure 5**;
- 11.4 As no shares are being issued pursuant to the Scheme, it is submitted that the requirement of obtaining a Fairness Opinion by Merchant Banker is not applicable. However, the Company has obtained a Fairness Opinion by JM Financial Institutional Securities Limited. A copy of such Fairness Opinion, dated 16th September, 2016 is enclosed herewith as **Annexure 6**;
- 11.5 Upon the Scheme becoming effective, the shareholding of the Transferor Company (unlisted) shall stand cancelled without any consequent issuance of further or fresh shares by the Transferee Company.





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Accordingly, except for cancellation of the shares held by the Transferee Company in the Transferor Company, the Scheme does not envisage any change in the shareholding pattern. However, the pre and post Scheme shareholding pattern of the Transferee Company and the Transferor Company are enclosed herewith as **Annexure 7 (Part A) and Annexure 7 (Part B)** respectively;

- 11.6 Audited financials of the Transferee Company for last 3 (three) years, along with the audited financial of the last quarter, and audited financials of the Transferor Company for last 3 (three) years are enclosed as **Annexure- 8 (Part A) and Annexure - 8 (Part 8)** respectively;
- 11.7 Annual reports of the Transferee Company and Transferor Company for the last financial year are enclosed as **Annexure - 9 (Part A) and Annexure- 9 (Part B)** respectively;
- 11.8 The auditor's certificate, dated 8th September, 2016, stating that the accounting treatment contained in the Scheme is in compliance with accounting standards specified by the Central Government under Section 133 of the Companies Act, 2013 is enclosed herewith as **Annexure - 10;**
- 11.9 Compliance with requirements of Regulations 17 to 27 of Listing Regulations is enclosed herewith as **Annexure - 11**. AICL being unlisted entity, this requirement is not applicable to AICL;
- 11.10 Compliance report with the requirements specified in Part-A of Annexure - I of SEBI Scheme Circular is enclosed herewith as **Annexure - 12;**
- 11.11 Confirmation by the Company Secretary that the Scheme to be presented does not in any way violate, override or limit the provisions of securities laws or requirement of the stock exchange(s) is enclosed herewith as **Annexure 13;** and
- 11.12 An undertaking certified by the auditor clearly stating the reasons for non-applicability of Para (I)(A)(9)(a) of Annexure I of SEBI Scheme Circular and certified true copy of the Board resolution approving the aforesaid auditor certificate are enclosed herewith as **Annexure 14 (Part A) and Annexure 14 (Part B)** respectively.

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12 Complaints Report

The Transferee Company undertakes to submit the Complaints Report within the prescribed time period in accordance with, and in the manner provided in, the SEBI Scheme Circular.

13 Net-worth Certificate

The Net-worth Certificate (excluding revaluation reserve) of the Company, certified by Statutory Auditor, together with related workings of pre and post Scheme: is enclosed herewith as **Annexure - 15**.

14 Capital Evolution details of BDMC and AICL

The capital evolution details of BDMC and AICL, in the prescribed format, are enclosed herewith as **Annexure - 16 (Part - A)** and **Annexure - 16 (Part - B)** respectively.

15 Website Link

The Scheme together with all documents mentioned in Para I (A)(7)(a) of SEBI Scheme Circular has been disseminated on BDMC's website as per website link given below:

www.bombaydyeing.com/investor_updates.aspx

16 Processing Fees

The Company has paid the amount of Rs. 1,15,000/- to BSE through RTGS on 16.09.2016 vide UTR No. SBIN616260309452.

17 Contact Details

The name and designation of the contact person is provided herein below:

Name : Mr. Sanjive Arora
Designation : Company Secretary
Telephone No. : 022 6619 3288
Email ID : sanjive.arora@bombaydyeing.com

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We request you to take the abovementioned information on record and to take necessary action in this regard. We look forward to a prompt and favorable review of this application and request you to issue the Observation Letter at the earliest so as to enable us to file the Scheme with the Hon'ble High Court of Mumbai at Mumbai in the state of Maharashtra.

We would be happy to provide any clarifications or further information.

Thanking you.

Yours faithfully,
For **The Bombay Dyeing and Manufacturing Company Limited**



SANJIVE ARORA
Company Secretary

Encl: as above

