



## THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

Established 1879

Annual Report 2014-15





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Bombay Dyeing has always been at the forefront of launching innovative products and setting new trends.

This year the Company will launch a new retail brand 'Home & You' and many new product categories. This will further accelerate the business growth and consolidate our market leadership position.

'Home and You', will offer a unique and differentiated selling proposition to customers with concept theme solutions with products like bed linen, carpets, rugs, cushions, lamps, photo frames, etc.

Customers can choose a particular coordinated look for their bedroom and bathroom, comprising of all elements for home decor. New retail stores with delightful customer service will provide a whole new shopping experience to customers. Going ahead, all 350 Bombay Dyeing stores will be converted to Home & You, while the Company will open many more new stores.

Bombay Realty too will witness completion of key milestones of its luxurious development in the heart of Mumbai.

We continue our efforts with zeal and enthusiasm to create a better future and offer greater value to all our stakeholders.

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# CORPORATE INFORMATION

## DIRECTORS

**Nusli N. Wadia**, *Chairman*

**R. A. Shah**

**S. S. Kelkar**

**S. Ragothaman**

**A. K. Hirjee**

**S. M. Palia**

**Ms. Vinita Bali** (*upto October 1, 2014*)

**Ishaat Hussain**

**Ness N. Wadia**

**Dr. (Mrs.) Sheela Bhide** (*w.e.f. March 23, 2015*)

**Jehangir N. Wadia**, *Managing Director*

## CHIEF EXECUTIVE OFFICERS

**Debashis Poddar** (*Textiles*)

**Ashok Kaul** (*Retail*)

**Suresh Khurana** (*PSF*)

## CHIEF FINANCIAL OFFICER

**Vinod Hiran**

## COMPANY SECRETARY

**J. C. Bham** (*upto May 31, 2015*)

**K. Subharaman** (*w.e.f. June 1, 2015*)

## AUDITORS

Messrs. Kalyaniwalla & Mistry

## REGISTERED OFFICE

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

## CORPORATE OFFICE:

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

## BANKERS

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

## ADVOCATES & SOLICITORS

Messrs. Crawford Bayley & Co.  
Messrs. Karanjawala & Co.  
Messrs. Solomon & Co.  
Messrs. Negandhi Shah & Himayatullah

## REGISTRAR & TRANSFER AGENT

**Sharepro Services (India) Pvt. Ltd.,**

**Unit: Bombay Dyeing**

13AB, Samhita Warehousing Complex,  
Sakinaka Telephone Exchange Lane,  
Off Andheri Kurla Road, Sakinaka,  
Andheri (East),  
Mumbai 400 072.

Tel: 022 - 67720300/67720400

Fax: 022 - 28591568

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

e-mail: sharepro@shareproservices.com

Website: www.shareproservices.com

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## NOTICE

### THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED (CIN : L17120MH1879PLC000037)

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

Corporate Office: C-1, Wadia International Center,  
Pandurang Budhkar Marg, Worli,  
Mumbai – 400025.

Email: grievance\_redressal\_cell@bombaydyeing.com

Website: www.bombaydyeing.com

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

Notice is hereby given that the 135<sup>th</sup> Annual General Meeting of the Members of The Bombay Dyeing and Manufacturing Company Limited will be held at the Birla Matushri Sabhagar, 19, Marine Lines, Mumbai – 400 020, on Thursday, 6<sup>th</sup> August, 2015, at 3.45 p.m. to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - a. the Audited Financial Statements of the Company for the financial year ended March 31, 2015, together with the Reports of the Board of Directors and the Auditors thereon.
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2015, together with the Report of the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Ness N. Wadia (DIN: 00036049), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

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

#### SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. N I Mehta & Co., Cost Accountants, Mumbai, (ICWA Registration No. 000023), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the

cost records of the Textiles, Polyester and Real Estate Divisions of the Company for the financial year ending 31<sup>st</sup> March, 2016, be paid the remuneration of ₹ 5,00,000/- (Rupees Five Lakh only) plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses.

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

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

“RESOLVED THAT pursuant to the provisions of Section 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force) Dr. (Mrs.) Sheela Bhide (DIN:01843547), appointed as an Additional Director of the Company, pursuant to the provisions of Section 161 of the Act and Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as Independent Director of the Company for five consecutive years with effect from 6th August, 2015 upto 5th August, 2020 with an option to retire from the office at any time during the term of appointment.”

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

“RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Section II of Part II of Schedule V to the Companies Act, 2013 and subject to the approval of the Central Government and such other necessary approval(s), consent(s) or permission(s), as may be required, and in furtherance of the relevant resolution passed at the Annual General Meeting of the Company held on 4th August, 2011 (‘relevant resolution’), consent of the Company be and is hereby accorded to pay remuneration to Mr. Jehangir N Wadia (DIN: 00088831), Managing Director of the Company w.e.f. 1.4.2014 on such terms and conditions as recommended by the Nomination and Remuneration Committee and as set out in the explanatory statement annexed to the notice, for the remaining period of his tenure i.e. upto 31.3.2016; provided the said remuneration is within the overall limits set out in the relevant resolution.

RESOLVED FURTHER that consent of the Company is also accorded to pay Mr. Jehangir N Wadia remuneration as approved by the Board on the recommendation of the Nomination and Remuneration Committee within the overall limits of the revised remuneration as aforesaid as minimum remuneration for any financial year where there is inadequacy of profits or no profits during the period commencing from 1.4.2014 till the expiry of his term as Managing Director i.e. 31.3.2016.



RESOLVED FURTHER that except for the aforesaid, all other terms and conditions of Mr. Jehangir N Wadia's appointment as the Managing Director of the Company, as approved by the resolution passed at the Annual General Meeting of the Company held on 4.8.2011 shall remain unchanged.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Jehangir N Wadia, including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and as set out in the Explanatory Statement annexed to the notice, the Companies Act, 2013 and subject to approval of the Central Government.

RESOLVED FURTHER that any one of the Directors or Company Secretary of the Company be and are hereby severally authorized to do all necessary acts, deeds, matters and things, which may be required, expedient or proper to give effect to the above resolution."

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

**K. SUBHARAMAN**  
Company Secretary  
Mem. No. : FCS 4361

Mumbai, 3<sup>rd</sup> July, 2015

**Notes:**

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution / authority, as applicable.
- b. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to the Special Business at the meeting, is annexed hereto.
- c. Brief resume of Directors proposed to be appointed / re-appointed, nature of their expertise in functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees and shareholding, are hereto annexed as 'Annexure I'.
- d. The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, 1<sup>st</sup> August, 2015 to Thursday, 6<sup>th</sup> August, 2015 both days inclusive.
- e. The dividend as recommended by the Board of Directors, if approved by the members at the 135<sup>th</sup> Annual General Meeting, shall be paid

on or after Friday, 7<sup>th</sup> August, 2015 to those members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers lodged with the Registrar & Share Transfer Agents of the Company on or before 31<sup>st</sup> July, 2015 in respect of shares held in physical form. In respect of shares held in electronic form, the dividend for the year ended 31<sup>st</sup> March, 2015 will be paid on or after Friday, 7<sup>th</sup> August, 2015 to the beneficial owners of shares as at the closing hours of 31<sup>st</sup> July, 2015 as per details furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for this purpose.

- f. Members are requested to notify immediately any change of address:
  - (i) to their Depository Participants (DPs) in respect of their electronic share accounts, and
  - (ii) to the Company's Registrar & Share Transfer Agents, M/s Sharepro Services (India) Pvt. Ltd. (R&TA), at 13AB, Samhita Warehousing Complex, Saki Naka Telephone Exchange Lane, Off Andheri Kurla Road, Saki Naka, Andheri (E), Mumbai 400 072 or at 912 Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021, in respect of their physical share folios, if any, quoting their folio numbers.
- g. In view of the circular issued by SEBI, the Electronic Clearing Services (ECS / NECS) facility should mandatorily be used by the companies for the distribution of dividend to its members. In order to avail the facility of ECS / NECS, members holding shares in physical form are requested to provide bank account details to the Company or its Registrar and Share Transfer Agents.

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

- h. Pursuant to the provisions of Section 205A and 205C and other applicable provisions of the Companies Act, 1956 (which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified), dividends for the financial year ended March 31, 2008 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
2007-08	02.09.2008	01.09.2015	04.11.2015
2008-09	28.08.2009	27.08.2016	03.11.2016
2009-10	11.08.2010	10.08.2017	17.10.2017
2010-11	04.08.2011	03.08.2018	10.10.2018
2011-12	07.08.2012	06.08.2019	13.10.2019
2012-13	06.08.2013	05.08.2020	09.10.2020
2013-14	08.08.2014	07.08.2021	11.10.2021

Members who have so far not encashed the Dividend Warrants for the above years are advised to submit their claim to the Company's R&TA at either of the aforesaid addresses immediately quoting their folio number / DP ID & Client ID.

- i. Members holding shares in physical form may avail themselves of the facility of nomination in terms of Section 72 of the Companies Act, 2013, by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's Office at C-1, Wadia International Center (Bombay Dyeing), Pandurang Budhkar Marg, Worli, Mumbai - 400025 or from its R&TA at either of the aforesaid addresses.
- j. As part of the Company's Green Initiative, the Company may propose to send documents like Notice convening the general meetings, Financial Statements, Directors' Report, etc. to the e-mail address provided by the members.

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

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

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the Listing Agreement with Stock Exchanges, the Company is pleased to provide members facility to exercise their right to vote at the 135th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL):

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on August 3, 2015 at 9.00 a. m. and ends on August 5, 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 31, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN*	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> <li>▪ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field.</li> <li>▪ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	<ul style="list-style-type: none"> <li>▪ Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in

demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for The Bombay Dyeing & Mfg. Co. Ltd., on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT".  
  
A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- o. M/s. Parikh & Associates, Practicing Company Secretary, (Membership No. 327) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - p. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  - q. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.bombaydyeing.com](http://www.bombaydyeing.com) and on the website of CDSL within three (3) days of passing of the resolutions at the AGM of the Company and communicated to the NSE and BSE Limited.
  - r. MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.

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

**K. SUBHARAMAN**  
Company Secretary  
Mem. No. : FCS 4361

Mumbai, 3<sup>rd</sup> July, 2015

## ANNEXURE TO THE NOTICE

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

#### Item 5

The Board of Directors on the recommendation of the Audit Committee have approved the appointment M/s. N I Mehta & Co., Cost Accountants, Mumbai, (ICWA Registration No. 000023) as Cost Auditors at a remuneration of Rs. 5,00,000/- (Rupees Five Lakh only) plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit for the financial year 2015-16. A Certificate issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the registered office of the Company during 11.00 A.M to 1.00 P.M and shall also be available at the meeting.

Accordingly, consent of the shareholders is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2016.

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

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

#### Item 6

Dr. (Mrs.) Sheela Bhide is an Independent Director of the Company.

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

The Nomination and Remuneration Committee of the Board has recommended the appointment of Dr. (Mrs.) Sheela Bhide as Independent Director under the Act and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof) to hold office for 5 (five) consecutive years for a term from 6th August, 2015 upto 5th August, 2020.

Dr. Bhide is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature Dr. (Mrs.) Sheela Bhide for the office of Independent Director of the Company. The Company has also received declaration from Dr. Bhide that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Dr. (Mrs.) Sheela Bhide fulfills the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement. Dr. Bhide is independent of the management.

Brief resume of Dr. (Mrs.) Sheela Bhide, nature of her expertise in functional areas and names of companies in which she holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in Annexure I of the Notice.

A copy of the draft letter for appointment of Dr. (Mrs.) Sheela Bhide as Independent Director setting out the terms and conditions, is available for inspection by members at the Registered Office of the Company.

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

Dr. (Mrs.) Sheela Bhide is interested in the resolution set out respectively at Item No. 6 of the Notice with regard to her appointment as Independent Director.

The relatives of Dr. Bhide may be deemed to be interested in the resolutions set out respectively at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except Dr. Bhide, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Ordinary Resolutions set out at Item No. 6 of the Notice for approval by the shareholders.

#### Item 7

The shareholders of the Company at their 131st Annual General Meeting held on August 4, 2011 had approved the appointment of Mr. Jehangir N Wadia as the Managing Director of the Company for a period of 5 years w.e.f. April 1, 2011 with the term valid up to March 31, 2016. They had also approved payment of remuneration to Mr. Wadia for a period of 5 years w.e.f. April 1, 2011. Considering that there has been a change in law and the relevant provisions of the Companies Act, 2013 have been notified to be in effect from 1st April, 2014, the Company is now desirous of seeking approval of the shareholders to pay remuneration to Mr. Wadia on the same terms and conditions as earlier approved for the remaining term of his appointment i.e. from 1st April 2014 to 31st March 2016 as follows:

Basic Salary upto a maximum of Rs. 35,00,000/- per month.

Benefits, perquisites and allowances including housing as may be determined by the Nomination and Remuneration 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. 17,50,000/- per month.

Reimbursement of actual medical expenses incurred on self and family (wife and children).

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

Contribution to Provident Fund, Superannuation Fund and Gratuity Fund as per the Rules of the Company. Entitled to leave in accordance with the rules of the Company. Privilege leave earned but not availed by Mr. Wadia would be encashable in accordance with the Rules of the Company. 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 Companies Act, 2013 specifies the revised limits for remuneration, which can be paid to the managerial personnel of the Company in case of inadequacy of profits or no profits. It is proposed to obtain a fresh shareholders' approval for payment of minimum remuneration as mentioned hereunder, to Mr. Jehangir N. Wadia, from April 1, 2014 till the expiry of his term as Managing Director i.e. March 31, 2016.

The remuneration as set out below was approved for the year 2014-15, by the Nomination and Remuneration Committee and the Board at their respective meetings held on May 27, 2014 and for the year 2015-16, by the Nomination and Remuneration Committee and the Board at their respective meetings held on May 25, 2015.

Save and except Mr. Jehangir N. Wadia, Mr. Nusli N. Wadia and Mr. Ness N. Wadia who are related to each other and their relatives, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.



The other Information as required under Section II of Part II of Schedule V of the Companies Act, 2013 is given below:

### I. GENERAL INFORMATION

1	Nature of Industry	Manufacturing		
2	Date or expected date of commencement of commercial Production	Not Applicable (The Company is an existing company)		
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable		
4	Financial performance based on given indicators	Particulars	(In ₹ crore) Financial years	
			2013-14	2012-13
		Total Revenue	2822.68	2501.37
		Profit After Tax	24.34	75.70
5	Foreign investments or Collaborators, if any	Nil		

### II. INFORMATION ABOUT THE MANAGING DIRECTOR

#### 1. Background details

Mr. Jehangir N. Wadia, 42, is a Master in Science from the Warwick University in Coventry, UK. He is the co-author of the restructuring of the Wadia Group. The restructuring involved looking at new financial and strategic investments for the group. The investments concluded ranged from a Venture Fund for technology companies to Ports, Clinical research, Education, Real Estate and Aviation. At present he is Managing Director of the Company and Go Airlines (India) Ltd. (a low cost Airline in India). He is also a Director on the Boards of Britannia Industries Limited, The Bombay Burmah Trading Corp. Ltd., Wadia Techno – Engineering Services Limited & others. He is also a member of Stakeholder Relationship Committee of the Company and Britannia Industries Limited.

#### 2. Past remuneration

FINANCIAL YEAR	AMOUNT EXCLUDING RETIRAL BENEFITS (in ₹)
2011-12	3,32,06,417
2012-13	4,50,18,263
2013-14	4,72,33,607
2014-15 (Proposed)	5,15,45,000

#### 3. Recognition or awards

The World Economic Forum elected him as a Young Global Leader in the year 2008.

#### 4. Job profile and his suitability

Over and above what is mentioned in background details in item II (1) above, Mr. Wadia is a part of the Senior Management and Key Managerial Personnel, responsible for the operations and affairs of the Company. Taking into consideration his qualification and expertise in relevant fields, he is suited for the responsibilities assigned to him by the Board of Directors.

#### 5. Remuneration proposed

In case of inadequacy of profits or no profits, the Company intends to pay remuneration as stated hereinabove as

minimum remuneration, and hence it is proposed to pass the special resolution and subsequently obtain Central Government approval in this regard.

- 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 w.r.t. the country of his origin): The remuneration payable to Mr. Jehangir N. Wadia has been benchmarked with the remuneration being drawn by persons in similar positions in Manufacturing Industry and has been considered by the Nomination and Remuneration Committee of the Company at their meeting held on May 27, 2014 and May 25, 2015 for financial years 2014-15 and 2015-16, respectively.
- Mr. Jehangir N. Wadia has no pecuniary relationship directly or indirectly with the Company except to the extent of his remuneration and shareholdings in the Company.
- Mr. Jehangir N. Wadia holds 2,87,525 number of shares in the Company.

### III. OTHER INFORMATION

Mr. Jehangir N. Wadia does not receive any remuneration from Go Airlines (India) Ltd.

The Board recommends the resolution for your approval.

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

**K. SUBHARAMAN**  
Company Secretary  
Mem. No. : FCS 4361

Mumbai, 3<sup>rd</sup> July, 2015

#### Registered Office:

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

## ANNEXURE I TO THE NOTICE

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

#### 1. Mr. Ness N. Wadia

Mr. Ness Wadia, 44, is currently a Director of the Company and was inducted as a Non-Executive Director on 1<sup>st</sup> April, 2011. He currently serves as the Managing Director of The Bombay Burmah Trading Corporation Limited and is Chairman of National Peroxide Limited, and is also actively involved in the running of the award-winning Wadia Hospitals and the Group's educational establishments, where he is instrumental in improving their effectiveness and visibility.

Mr. Wadia has been actively associated for over 20 years with the Wadia Group, an Indian conglomerate with interests in a plethora of sectors like Food and Dairy, Textiles, Real Estate Development, Chemicals, Plantations and Aviation. His time at Bombay Dyeing began in 1993 as a management trainee. During the early stages of his career, he was closely involved in marketing and retail distribution of the textile division of the Company, and was the driving force behind the creation of Bombay Dyeing's real estate division.

In 1998, he began a Master's degree in Science (M.Sc.) of Engineering Management from the University of Warwick with a thesis titled "Leading to Success in India". After receiving his degree in 2001, he returned as Deputy Managing Director of Bombay Dyeing and was later promoted to Joint Managing Director. Mr. Wadia was appointed to this position on August 1, 2001 and stayed till March 2011.

Mr. Wadia was active in major industry organisations such as the Cotton Textiles Export Promotion Council, a council he once chaired, Mill Owners' Association (MOA). Mr. Wadia was once the Chairman of the FICCI- Maharashtra State Council and has been associated with FICCI as an executive committee member, Chairman of the FICCI Lifestyle Forum, Young Leaders Forum and Co-Chairman of the Real Estate Forum.

Mr. Wadia also leads the Wadia Group's philanthropic activities. As a trustee on boards of the Sir Ness Wadia Foundation and other trusts, he drives efforts in reaching out to the less fortunate.

Mr. Wadia is a co-owner of Kings XI Punjab, a prominent cricket team in the Indian Premier League. Since the team's inception, he has been the driving force behind the cricketing aspects of the team, and his personal objective is to harness young unknown talent and mentor budding cricketers to help achieve their dreams.

**Outside Directorship:** Chairman of National Peroxide Ltd.; Managing Director of The Bombay Burmah Trading Corporation Ltd.; and Director in Britannia Industries Ltd., Go Airlines (India) Ltd., Wadia Techno Engineering Services Ltd., Wadia Investments Ltd., Virtual Education Network Pvt. Ltd., K.P.H. Dreams Cricket Pvt. Ltd.,

Go Investment & Trading Pvt. Ltd., Naira Holdings Ltd. and Leila Lands SB, Malaysia.

**Committee Membership :** Mr. Wadia is a member of Finance Committee and Chairman of Corporate Social Responsibility (CSR) Committee of the Company; Member of Audit Committee, CSR Committee, Finance Committee, Strategy and Innovation Steering Committee and Executive Committee of Britannia Industries Ltd.; Member of Stakeholder Relationship Committee of The Bombay Burmah Trading Corporation Ltd.; and Member of Remuneration Committee of National Peroxide Ltd.

Mr. Wadia is a Promoter of the Company and holds 12,19,418 shares of the Company in his name as on 31<sup>st</sup> March, 2015.

Mr. Wadia has attended five Board Meetings during the financial year 2014 - 15.

#### 2. Dr. (Mrs.) Sheela Bhide

Dr. (Mrs.) Sheela Bhide, 66, has been in the cadre of Indian Administrative Service, Andhra Pradesh - 1973 batch. She retired from services in June 2009. Prior to her retirement, she held last substantive position as the Chairman & Managing Director of India Trade Promotion Organization, Ministry of Commerce and Industry, Government of India. Earlier, she had held several key positions with the Govt. of India and the State Govt. of Andhra Pradesh.

Dr. Bhide is a highly qualified, MBA with specialization in Financial Management, PhD in International Trade, M. A. in Economics, Masters in Public Administration, etc. She has written several articles in various business magazines and newspapers.

Dr. Bhide has been the recipient of Honours and awards, viz. Prime Minister's Award for Excellence in Public Administration, Govt. of India (2007-08), National Award for e-Governance for 'Excellence in Process Re-engineering', Govt. of India (2007-08) and others.

**Outside Directorship:** The Bombay Burmah Trading Corporation Limited, L & T Metro Rail (Hyderabad) Ltd., Gati Ltd., Rane Holdings Ltd. Suryoday Micro Finance Pvt. Ltd., Gati-Kintetsu World Express and others.

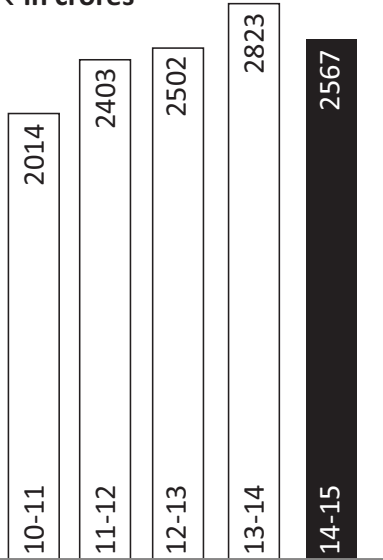
**Committee Membership :** Audit Committee & Nomination & Remuneration Committee of the Boards of L & T Metro Rail (Hyderabad) Ltd., Suryoday Micro Finance Pvt. Ltd. and Gati-Kintetsu World Express.

#### 3. Mr. Jehangir N. Wadia's profile is already furnished in the explanatory statement attached to the Notice of the Annual General Meeting.

# FINANCIAL PERFORMANCE

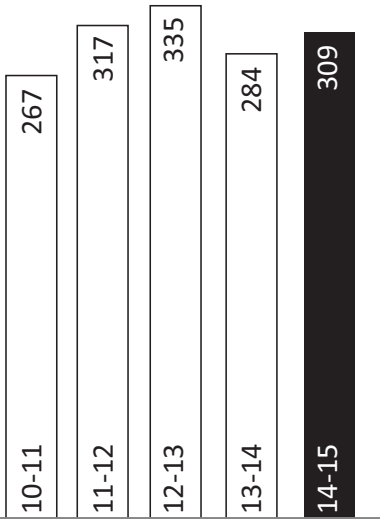
## TOTAL REVENUE

₹ in crores



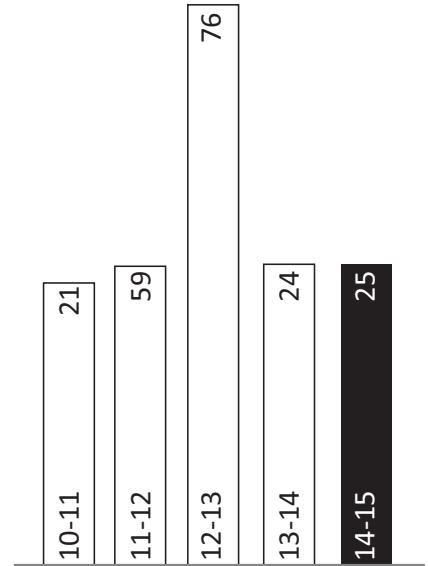
## EBITDA

₹ in crores



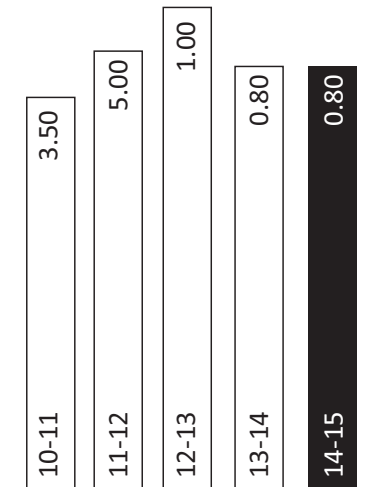
## PAT

₹ in crores

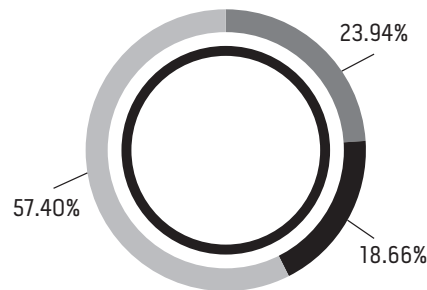


## DIVIDEND PER SHARE

₹



## SEGMENT WISE BREAK UP OF REVENUES, FY 2014-15 (%)



(₹ in crores)

TEXTILE	570
BOMBAY REALITY	444
PSF	1367

\* Graph not to scale

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

# 10 YEARS' FINANCIAL REVIEW

(₹ in crore)

	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
<b>FINANCIAL POSITION</b>										
Share capital	41.31	41.31	41.31	41.31	40.54	38.61	38.61	38.61	38.61	38.60
Share Warrants	-	-	-	-	26.75	-	-	11.89	-	-
Reserves & Surplus	1530.97	1422.24	1645.77	1751.09	1060.90	171.74	331.81	357.30	364.07	426.23
Net Worth :										
<b>Total</b>	<b>1572.28</b>	<b>1463.55</b>	<b>1687.08</b>	<b>1792.40</b>	<b>1128.19</b>	<b>210.35</b>	<b>370.42</b>	<b>407.80</b>	<b>402.68</b>	<b>464.83</b>
Per Equity Share* of Rs. 2	76.12	70.86	81.68	86.78	271.96	54.49	95.96	102.57	104.32	120.42
Borrowings	1725.82	1435.25	1247.88	1295.30	1240.87	1775.11	1710.88	1415.76	1052.40	558.37
Deferred Tax Liability	-	-	-	-	-	-	-	-	1.70	2.60
Debt Equity Ratio	0.58:1	0.38:1	0.33:1	0.28:1	0.44:1	4.64:1	1.28:1	1.39:1	1.35:1	0.78 : 1
Fixed Assets :										
Gross Block	1431.26	1469.36	1445.59	1380.62	1386.66	1391.83	1378.60	1364.25	1390.11	995.57
Depreciation	518.71	458.22	410.73	349.16	292.81	231.26	178.72	123.67	512.86	596.20
Net Block	912.55	1011.14	1034.86	1031.46	1093.85	1160.57	1199.88	1240.58	877.25	399.37
Investments & other Assets	3080.14	2752.45	2749.77	2556.64	1581.80	824.89	881.42	582.98	579.53	626.43
<b>OPERATING RESULTS</b>										
Sales and other Income	2566.75	2822.68	2501.37	2402.63	2014.11	1732.04	1417.77	1013.95	536.16	1143.64
Manufacturing and other expenses	2484.99	2729.52	2341.53	2266.39	1925.66	1650.31	1555.64	960.52	478.29	1067.52
Depreciation	46.82	60.02	62.03	61.39	62.08	59.54	55.73	35.42	17.46	16.90
Profit before Tax	34.94	33.14	97.81	74.85	26.37	22.19	(193.60)	18.01	40.41	59.22
Current Taxation	10.38	8.80	22.11	15.50	5.26	3.77	-	1.75	4.43	4.97
Excess Provision of Tax - of earlier years	-	-	-	-	(0.28)	-	-	-	-	-
Deferred Tax Credit	-	-	-	-	-	-	-	(1.70)	(0.90)	(8.04)
Fringe Benefit Tax	-	-	-	-	-	-	1.02	1.28	0.95	0.95
Profit after Tax	24.56	24.34	75.70	59.35	21.39	18.42	(194.62)	16.68	35.93	61.34
*Earnings per Equity Share of ₹ 2/-	1.19	1.18	3.67	2.92	5.54	4.77	(50.39)	4.32	9.31	16
Dividends :										
Amount	19.89	19.33	24.16	24.02	16.49	11.26	4.52	15.82	22.59	22.01
Percentage	40	40	50	50	35	25	10	35	50	50

\* Valued for current and immediately preceding 3 years only after sub-division of shares @ ₹ 2/- per share.

## Notes :

- Capital : Original ₹ 0.63 crore, Bonus Shares ₹ 21.02 crore, Conversion of Debentures ₹ 0.83 crore, Global Depository Receipts (GDRs) representing Equity Shares ₹ 5.82 crore, Conversion of Equity Warrants relating to NCD/SPN Issue ₹ 9.81 crore and conversion of Preferential Warrants to Promoters ₹ 3.20 crore, Equity Shares issued under Employee's Stock Option Scheme ₹ 0.16 crore. Equity Shares allotted on exercise of Warrants issued on Preferential Basis to Promoter/Promoter Group Company ₹ 2.70 crore. (Less) Equity Shares bought back and extinguished upto 31st March, 2004 ₹ 2.55 crore. Average Share Capital for 2014-2015 - ₹ 41.31 crore.
- Reserves & Surplus include revaluation reserve.
- Debt Equity Ratio is on Long Term Debt.
- Sales and other Income include excise duty, Sale of Assets etc.
- Dividend amount includes Corporate Dividend Tax on the proposed/interim dividend.
- Depreciation includes lease equalisation.
- Previous year's figures have been regrouped where necessary.

## DIRECTORS' REPORT to the members

Your Directors have pleasure in presenting their Report on the business and operations of the Company alongwith the audited financial statements for the year ended March 31, 2015.

### 1. FINANCIAL RESULTS:

(₹ in crore)

Particulars	Financial Year ended		
	Standalone		Consolidated
	31/03/2015	31/03/2014	31/03/2015
<b>GROSS TURNOVER AND OTHER INCOME</b>	2,566.75	2,822.68	2,577.79
Profit before Finance Costs and Depreciation and amortization expenses	308.98	284.18	310.58
Finance Costs	227.22	191.02	232.12
Profit before Depreciation and amortization expenses	81.76	93.16	78.46
Depreciation and amortization expenses	46.82	60.02	47.27
<b>PROFIT BEFORE TAX</b>	34.94	33.14	31.19
Less: Tax (net)	10.38	8.80	10.68
Less: Minority interest and share of profit/loss in associates	-	-	(0.16)
<b>PROFIT AFTER TAX</b>	24.56	24.34	20.35
Add: Balance in Statement of Profit and Loss of Previous Year	100.37	97.79	100.37
Add / (Deduct): Depreciation on assets where remaining life is Nil, recognized in retained earnings	(1.54)	-	(1.54)
Add / (Deduct): Share in jointly controlled entity and accumulated surplus in associates on consolidation	-	-	(68.11)
<b>SURPLUS AVAILABLE FOR APPROPRIATIONS</b>			
<b>Appropriations to:</b>			
Proposed Dividend	16.52	16.52	16.52
Dividend Distribution Tax	3.37	2.81	3.37
Transferred to General Reserve	-	2.43	-
Balance carried to Balance Sheet	103.50	100.37	31.18

Previous year figures have been regrouped where necessary.

### 2. COMPANY RESULTS AND DIVIDEND

The Company's turnover for the year was ₹ 2,512 crore as against ₹ 2,783 crore in the previous year. The profit for the year was ₹ 24.56 crore, which is similar to the previous year's figure of ₹ 24.34 crore.

Bombay Realty has commenced the construction of two towers at Island City Center ("ICC"), Dadar, i.e. One ICC and Two ICC which is expected to be completed as per schedule. It has also resumed construction work at The Plaza, its Luxury High-Street for International brands at the Wadia International Center, Worli and the same is likely to be completed in the financial year 2015-16.

Home & You, which is the Company's new and rebranded retail business, will see all its 300+ stores refurbished with a 'new' store, service and product experience. The Company will continue to invest and strengthen its product categories and their availability.

Polyester Staple Fibre (PSF) demand both in India and across overseas has grown by 4 to 5 % p.a. and this growth is expected to continue in the foreseeable future. The PSF Division is focusing

on innovative product mix and cost reduction initiatives in order to reduce its cost.

The Directors have recommended a dividend of ₹ 0.80 per equity share of ₹ 2/- which is the same as per the previous year, subject to shareholders' approval.

### 3. BOMBAY REALTY

The general economic slowdown witnessed in the last two years, coupled with high interest rates and delay in regulatory approvals seriously affected home-buying decisions, leading to a slowdown in sales and build up of unsold inventory across the market. Consequently, the revenues from real estate activity of your Company were ₹ 444 crore as compared to ₹ 803 crore in the previous year.

The issues of land handover and 'Stop Work Notice' that were holding up the development projects of the Company have been resolved with the Order passed by the Hon'ble High Court, Mumbai. The Company has given advance possession of 32,829.02 sq. mt. of land to MCGM and 33,822.89 sq. mt. of land to MHADA. The Company is now concentrating on construction and timely delivery of the two towers at Dadar. The Company has appointed



Hill International Project Management Pvt. Ltd. as the Project Management Consultant, Gardiner and Theobald Construction and Property Consultancy Pvt. Ltd. as the Professional Quantity Surveyor and many other international sub consultants. Larsen & Toubro Limited has been appointed as General Contractor to undertake the construction. Further, construction on the Slum Project at ICC has also commenced and handover is expected by August 2017.

Construction of 'The Plaza', a Luxury High-Street for International Brands at Worli, which was held up due to legal issues has resumed and is now expected to be completed in the financial year 2015-16.

#### 4. HOME & YOU

This Division's turnover has increased from ₹ 535 crore to ₹ 570 crore for the year ended March 31, 2015 recording a growth of 6% over the previous year. Export turnover for the financial year 2014-15 was ₹ 54.85 crore as against previous year turnover of ₹ 67.72 crore.

Despite sluggish consumer demand and sentiment, domestic business grew by a sizeable 16%. Growth was driven by expansion in the retail channel and launch of new & differentiated products and designs in the Company's core categories of bed and bath. The Company's investment in brand building, as part of the growth & market strategy, resulted in a market share gain of 3% and helped it further consolidate its leadership position.

The Company had won the CNBC Textile Conclave 2013 Award "Best Domestic Retail Brand - Made Ups & Home Textile", "Brand Revitalization Award" by the World Brand Congress 2013 and the "Brand Leadership Award" in the retail sector, also by the World Brand Congress.

The Company has also won the Asia's Best Marketing Brands 2014, conferred by World Consulting & Research Corporation – 2014.

#### Sale of Textile unit at Ranjangaon

The Board of Directors of your Company at its meeting held on May 25, 2015 have approved to sell / dispose of its textiles processing unit at B-28, MIDC Industrial Area, Ranjangaon, Maharashtra, ("Undertaking") to Oasis Procon Pvt. Ltd., New Delhi ("Oasis") together with all specified tangible and intangible assets in relation to the Undertaking (excluding its brand name and the specific liabilities), on a slump sale basis as a going concern and on an "as is where is" basis for a consideration of ₹ 230 crore. The net proceeds from the sale of the Undertaking will be utilized to repay loans and reduce the interest burden of the Company.

The sale is conditional upon Shareholders' approval of the Company and other customary closing conditions including legal due diligence. As a term of the sale, the Company has agreed not to directly and/or indirectly engage in the business of export of bed linen/bed linen fabric with any person in the territory of the United States of America for a period of 5 (five) years from the closing date.

The sale of Undertaking is not likely to have any impact on the Company's existing retail business; Home & You.

#### 5. POLYESTER DIVISION

The Division achieved a turnover of ₹ 1,498 crore during the year as compared to ₹ 1,444 crore in the previous year. The average capacity utilization at 93%, was higher than 85% achieved in the previous year and significantly better than the industry average

capacity utilization of 80% during the year.

The domestic polyester industry witnessed mixed market sentiments during financial year 2014-15, reflecting an overall moderate growth of 4% compared to the previous year. However, the Polyester Division has recorded a sales volume growth of 15% during the year.

#### 6. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's Subsidiaries, Associates and Joint Ventures (in Form AOC-1) is forming part of the Consolidated Financial Statements.

Pursuant to Section 136 of the Companies Act, 2013 ("the Act"), the Company is exempted from attaching to its Annual Report, the Annual Report of the Subsidiary Company viz. Archway Investment Company Limited.

The financial statement of the subsidiary company is kept open for inspection by the shareholders at the Registered Office of the Company. The Company shall provide the copy of the financial statement of its subsidiary company to the shareholders upon their request free of cost. It is also available on the website of the Company.

#### 7. FIXED DEPOSITS

During the year, the Company repaid the deposits aggregating to ₹ 32.93 crore. No new deposits were accepted.

Total deposits outstanding as on March 31, 2015 amounted to ₹ 96.95 crore out of which 466 deposits aggregating ₹ 2.28 crore had matured, but remained unclaimed.

#### 8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure A".

#### 9. EMPLOYEE STOCK OPTION SCHEME (ESOS)

The Information pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, erstwhile SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and as per Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 has been provided in "Annexure B" to this Report.

#### 10. RELATED PARTY TRANSACTIONS

The Company has formulated a policy on dealing with Related Party Transactions. The policy is disclosed on the website of the Company: (weblink <http://teknowits.com/bombaydyeing/Corporategov.aspx>). All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

During the year, the Company had not entered into any contract/arrangement/transactions with related parties which can be considered as material in nature. The related party transactions

are disclosed under Note No. 50 of the Notes to Financial Statements for the financial year 2014-15.

#### 11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note No. 51 of the Notes to the Financial Statements.

#### 12. INSURANCE

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

#### 13. ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in form MGT – 9 in "Annexure C" of this Report.

#### 14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

At the Annual General Meeting of the Company held on August 8, 2014, the members of the Company had appointed the existing Independent Directors i.e. Mr. A. K. Hirjee, Mr. S. S. Kelkar, Mr. R. A. Shah, Mr. S. Ragothaman, Mr. S. M. Palia and Mr. Ishaat Hussain, as Independent Directors for a term of five years with effect from August 8, 2014 upto August 7, 2019.

The Board of Directors has appointed Dr. (Mrs.) Sheela Bhide as an Additional Director, designated as Independent Director of the Company. Her appointment as an Independent Director is for a term of five years with effect from August 6, 2015 upto August 5, 2020.

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

Necessary resolutions for the appointment / reappointment of Dr. (Mrs.) Sheela Bhide and Mr. Ness Wadia, have been included in the notice convening the ensuing AGM and requisite details have been provided in the explanatory statement of the notice. Your Directors recommend their appointments / reappointment.

The resignation of Ms. Vinita Bali as a Director of the Company was taken on record by the Board..

All the Independent Directors have given a declaration under sub-section (7) of section 149 of the Companies Act, 2013 ("Act") that they meet the criteria of independence as laid down under Section 149 (6) of the Act and Clause 49 of the listing agreement.

Excess Remuneration payable to Mr. Jehangir N. Wadia, Managing Director, is subject to the approval of the Central Government, in respect of which the Company has made an application and the approval is awaited.

During the year, six Board Meetings were duly convened and held, the details of which are given in the Corporate Governance Report. The gap between meetings was within the period prescribed under the Companies Act, 2013.

##### Key Managerial Personnel

Mr. Raghuraj Balakrishna resigned as Chief Financial Officer of the Company with effect from close of the office hours on August 8, 2014.

Mr. Vinod Hiran has been appointed as Chief Financial Officer of the Company with effect from April 24, 2015.

#### Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance and that of its statutory committees viz. Audit Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee and that of the individual directors. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

#### Nomination and Remuneration Policy

The Board has adopted, on recommendation of the Nomination & Remuneration Committee, a policy for selection and appointment of Directors, Senior Management and their remuneration. A brief detail of the policy is given in the Corporate Governance Report and also posted on the website of the Company: (weblink <http://teknowits.com/bombaydyeing/Corporategov.aspx>).

#### 15. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- they have taken proper and sufficient care 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;
- they have prepared the Annual Accounts on a going concern basis.
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external consultant(s) and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2014-15.

#### 16. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, a Management Discussion and Analysis Report is given in "Annexure D" to this Report. A separate report on Corporate Governance and a certificate from the Statutory Auditors of the Company regarding compliance of the conditions of Corporate Governance are annexed to this Report as "Annexure E".

**17. PARTICULARS OF EMPLOYEES**

The Information as per Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report as "Annexure F". However, as per the provisions of Section 136 of the Act, the report and accounts are being sent to the Members and others entitled thereto, excluding the information on employees' remuneration particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

**18. AUDITORS****Statutory Auditors**

The Company's Auditors, M/s. Kalyaniwalla & Mistry, Chartered Accountants, Mumbai who pursuant to Section 139 of the Companies Act, 2013, retire at the ensuing Annual General Meeting (AGM) of the Company and are eligible for re-appointment from the conclusion of current AGM up to the conclusion of the following AGM. They have confirmed their eligibility under Section 141 of the Act and the Rules framed thereunder for re-appointment as Auditors of the Company. As required under Clause 49 of the Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

**Cost Auditors**

Pursuant to Section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its Textiles, Polyester and Real Estate Divisions are required to be audited. The Directors, on the recommendation of the Audit Committee, appointed M/s. N. I. Mehta & Co. to audit the cost accounts of the Company for the financial year ending 31<sup>st</sup> March, 2016 on a remuneration of ₹ 5,00,000/- (Rupees Five Lakh) plus applicable taxes. The remuneration payable to the Cost Auditor is required to be ratified by the shareholders at the AGM.

**Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Parikh & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed herewith as "Annexure G".

**19. SIGNIFICANT OR MATERIAL ORDERS**

There were no significant and material orders passed by the regulators or courts or tribunals, which would impact the going concern status and the Company's operations in future.

**20. MATERIAL CHANGES**

The Board of Directors of your Company had approved to sell / dispose of its textiles processing unit at B-28, MIDC Industrial Area, Ranjangaon, Maharashtra. The brief description of transaction is given in point no. 4 i.e. Home & You in this report.

**21. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Internal Audit plays a key role in providing an assurance to the Board of Directors with respect to the Company having

adequate Internal Control Systems. The Internal Control Systems provide, among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company's assets. The details about the adequacy of Internal Financial Controls are provided in the Management Discussion and Analysis Report.

**22. CORPORATE SOCIAL RESPONSIBILITY**

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. The CSR Committee was constituted by the Board of Directors of the Company comprising of three directors including Independent Directors. The CSR Policy of the Company and the details about the development of CSR Policy and initiatives taken by the Company on Corporate Social Responsibility during the year are in terms of the Companies (Corporate Social Responsibility Policy) Rules, 2014; details of which are appended to this Report as "Annexure H".

**23. AUDITORS QUALIFICATIONS**

The remarks, if any, either by the Auditors or by the Practising Company Secretary in their respective reports have been dealt with, appropriately in this report.

**24. RISK MANAGEMENT POLICY**

The Company has formulated a Risk Assessment & Management Policy. The details of the Risk Management are covered in the Corporate Governance Report.

**25. AUDIT COMMITTEE**

The Audit Committee of the Company comprises of 5 Independent Directors. The composition of directors and other details are provided in the Corporate Governance Report of the Company. The Company has established a vigil mechanism through the Committee, wherein the genuine concerns can be expressed by the employees and Directors. The Company has also provided adequate safeguards against victimization of employees who express their concerns. The Company has provided the details of the vigil mechanism in the Whistle Blower Policy as stated in Corporate Governance Report and also posted on the website of the Company: (<http://teknowits.com/bombaydyeing/Corporategov.aspx>).

**26. APPRECIATION**

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

On behalf of the Board of Directors

Place: Mumbai

Date: 25<sup>th</sup> May, 2015.

**NUSLI N.WADIA**

Chairman

## ANNEXURE A to Directors' Report:

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

#### A. CONSERVATION OF ENERGY

##### (a) Energy Conservation measures taken

Some of the measures your Company had undertaken/ continued to implement during the year under report in the high priority area of energy conservation are given below:

##### Textile operations

- Installed variable frequency drive for soft water pump and it is working according to set pressure.
- Condensate water recovered from all VDR stacks machines.
- Water recycles from all cooling cylinders of machines.
- Modification of compressed air piping by arranging air flow meter separately to reduce pressure drop.
- Stopped idle transformer to avoid fix energy losses of the transformer.
- VFD provision to operate cooling tower fan as per load.

##### PSF operations

- Rain water harvesting from multiple locations.
- Spinning quench temperature increased by 5°C to reduce TR load.
- Modification of Utility & Process cooling water supply header, eliminating need for running 300 KW cooling water pump.
- TiO<sub>2</sub> dilution tank agitator operation control with soft ON-OFF timer logic to reduce power consumption.
- Electro Static Precipitator power load reduced by 40% through process optimisation.
- Optimisation of Slurry Feed temperature to reduce reaction heat load.
- Optimisation of Catalyst dosing in Slurry to reduce esterification temperature.
- Nitrogen blanketing in Vapour Separator to facilitate reaction at lower temperature.
- New Coal fired boiler was commissioned, for steam generation.

##### (b) Additional Investments & proposals, if any, being implemented for reduction of consumption of energy

##### Textile operations

- Installation of Booster's in compressed air piping.
- Installation of LED lights and fittings against replacement of CFL and light fittings.
- Installation of Effimax system on Boiler & TFH.

- Installation of variable frequency drives on stenters.

##### PSF operations

- Installation of Catalytic Converter in HTF Heater to reduce Fuel consumption.
- Installation of HYPOX for polymer candle & spinnerets cleaning, to reduce power & fuel consumption.
- Retrofitting of blower for increasing Baling capacity.
- Manual Baling press installation for reduction in Energy Consumption.
- Energy Conservation by various process improvement projects.

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

##### Textile operations

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

##### PSF operations

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

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

- As per 'Form A' attached.

#### B. TECHNOLOGY ABSORPTION

Research and Development (R & D)

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

##### Textile operations

##### - New product line developed:

- High performance easy care with bacterial shield - Cotton satin 400 TC bed sheet with durable press rating 4 before laundry and 3.5 after 25 home laundry.
- Bleach Safe with high performance easy care & bacterial shield - CVC fabric.

##### PSF operations

- Commercialization of super micro denier products, for finer counts.
- Stabilisation of coarser denier & longer staple in OPW, Black & Semi dull products.
- Development of short staple low shrinkage fibre.
- Optimisation of oil pick up, in fibre for better performance at user's end.
- Development of customised products, for Air Jet, Vortex & ROTO spinning.

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

### Textile operations

- To save process cost
  - Medium double dyed shade of two baths CVC fabric is converted in single bath process hence cost of thermosoling through stenter and one step dyeing cost is saved.
  - Most of the cotton satin has been processed with one stenter where width reduction after CBR is within permissible limit, hence cost of one to two stenter passages is saved.

### PSF operations

- Improvement in product mix & availability of value added products.
- Improved customer base & market share.

## 3. Future plan of action

### PSF operations

- Execution of various process improvement projects for reduction in energy consumption.
- To establish speciality products for Non-woven & Technical Textiles, Low Shrinkage PSF, Low cut length PSF, OPW & Black Super High Tenacity, Anti Microbial and Hygiene & Flame Retardant Products.
- Development of short cut fibre, for construction industry.
- Increasing in volume of OPW & Black fibre by widening the denier mix.
- Optimization of production process for dope dyed micro fibres.

## 4. Expenditure on R & D

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

## TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

#### Textile operations

- Shortening of process route keeping product quality intact.
- Optimization of fabric dyeing and finishing processes for improved products.

#### PSF operations

- Process optimisation carried out to increase Black PSF productivity.
- Trilobal product quality improvement, by Crimper modification.

- Productivity of high staple length technical textile fibres was improved by Cutter rotor modification.
- Super micro denier developed for fine count yarns.

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

### Textile operations

- Improved product quality meeting customer stringent requirements.
- Reduction in production cost, specially thermal and electrical energy.
- Improved customer base.

### PSF operations

- Increased Volume of value added speciality products.
- Improved Customer satisfaction.

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

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

## 4. Foreign Exchange Earnings & Outgo:

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

#### Textile operations

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

#### PSF

PSF export volume increased by 12% over previous year. Export market was expanded both in terms of volume & new markets.

### (ii) Total foreign exchange used and earned:

	₹ in crore
Total foreign exchange used	905.03
Total foreign exchange earnings	329.63

On behalf of the Board of Directors

Place: Mumbai  
Date: 25<sup>th</sup> May, 2015.

NUSLI N.WADIA  
Chairman



## FORM 'A'

Form for disclosure of particulars with respect to conservation of energy

	Production Unit	Current Year	Previous Year
<b>A. POWER AND FUEL CONSUMPTION</b>			
<b>1 Electricity</b>			
(a) Purchased			
Unit (KWH in lacs)		674.74	652.20
Total Amount (₹ in crore)		46.86	42.99
Rate/Unit (₹)		6.94	6.59
(b) Own Generation			
(Through Diesel Generator)			
Unit (KWH in lacs)		0.06	0
Units per Ltr. of Diesel		2.50	0
Cost/Unit (₹)		26.02	0
<b>2 Furnace Oil/L.S.H.S.</b>			
Quantity (in M. Tons)		1539.00	632.96
Total Cost (₹ in crore)		5.14	2.54
Average Rate (in ₹ per M.T.)		33374.43	40187.80
<b>3 RLN GAS</b>			
Quantity in (MMBTU)		364833.12	730701.00
Total Cost (₹ in crore)		34.33	84.56
Average Rate (in ₹ per MMBTU)		940.98	1157.26
<b>4 Coal</b>			
Quantity (in M. Tons)		46325.81	21690.00
Total Cost (₹ in crore)		25.34	13.40
Average Rate (in ₹ per M.T.)		5469.39	6176.56
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>			
<b>1 Electricity (KWH)</b>			
Cloth	1000 Mtrs	479.47	460.56
PSF	per M.T.	367.30	377.00
<b>2 Furnace Oil/L.S.H.S.(M.T.)</b>			
PSF	M.T.	0.01	0.005
<b>3 RLN GAS</b>			
PSF	per MMBTU	2.28	5.08
<b>4 Coal (M.T.)</b>			
Cloth	1000 Mtrs	0.88	0.95
PSF	M.T.	0.2	-

## ANNEXURE B to Directors' Report:

Disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, erstwhile SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and as per Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014

Particulars	No. of Options																											
(a) Options granted	<p>Prior to Sub-division of shares from face value of ₹ 10/- per share to ₹ 2/- per share.</p> <p>Financial Year: 2002-03 ..... 70,000 Options</p> <p>Financial Year: 2003-04 ..... 55,000 Options</p> <p>Financial Year: 2004-05..... 23,700 Options</p> <p>Financial Year: 2005-06 ..... 14,500 Options</p> <p>Financial Year: 2006-07..... 1,210 Options</p> <p>Financial Year: 2012-13 ..... 14,000 Options</p> <p>Total ..... <u>1,78,410</u> Options</p> <p>Post Sub-division of shares from face value of ₹ 10/- per share to ₹ 2/- per share</p> <p>Financial Year: 2013-14 ..... 50,000 Options</p> <p>The numbers of options have been appropriately adjusted upon sub-division of the equity shares on 31<sup>st</sup> October, 2012 as under:</p> <table border="1"> <thead> <tr> <th>Financial Year</th> <th>No. of Options granted prior to Sub-division of shares</th> <th>Adjusted No. of Options post Sub-division of shares</th> </tr> </thead> <tbody> <tr> <td>2002-03</td> <td>70,000</td> <td>3,50,000</td> </tr> <tr> <td>2003-04</td> <td>55,000</td> <td>2,75,000</td> </tr> <tr> <td>2004-05</td> <td>23,700</td> <td>1,18,500</td> </tr> <tr> <td>2005-06</td> <td>14,500</td> <td>72,500</td> </tr> <tr> <td>2006-07</td> <td>1,210</td> <td>6,050</td> </tr> <tr> <td>2012-13</td> <td>14,000</td> <td>70,000</td> </tr> <tr> <td>2013-14*</td> <td>-</td> <td>50,000</td> </tr> <tr> <td>Total</td> <td>1,78,410</td> <td>9,42,050</td> </tr> </tbody> </table> <p>*Options issued subsequent to the sub-division</p>	Financial Year	No. of Options granted prior to Sub-division of shares	Adjusted No. of Options post Sub-division of shares	2002-03	70,000	3,50,000	2003-04	55,000	2,75,000	2004-05	23,700	1,18,500	2005-06	14,500	72,500	2006-07	1,210	6,050	2012-13	14,000	70,000	2013-14*	-	50,000	Total	1,78,410	9,42,050
Financial Year	No. of Options granted prior to Sub-division of shares	Adjusted No. of Options post Sub-division of shares																										
2002-03	70,000	3,50,000																										
2003-04	55,000	2,75,000																										
2004-05	23,700	1,18,500																										
2005-06	14,500	72,500																										
2006-07	1,210	6,050																										
2012-13	14,000	70,000																										
2013-14*	-	50,000																										
Total	1,78,410	9,42,050																										
(b) The pricing formula	<p>Prior to the amendment to the Employee Stock Option Scheme (ESOS) of the Company at the Annual General Meeting held on 7<sup>th</sup> August, 2012, the exercise price was ₹ 10/- per share.</p> <p>After the said amendment, the exercise price was determined in accordance with the pricing formula approved by the shareholders on 7<sup>th</sup> August, 2012, i.e. at the latest available closing market price on the stock exchange having highest trading volume, prior to the date of the meeting of the Board of Directors or Remuneration/Compensation Committee in which options were granted.</p> <p>Accordingly, the options were granted at an exercise price of ₹ 10/- per share for the grants made during the Financial Years 2002-03 to 2006-07, i.e. prior to the amendment to the scheme on 7<sup>th</sup> August, 2012.</p> <p>Subsequent to the amendment, 14,000 options were granted at an exercise price of ₹ 528.25 being the closing market price on the previous date of grant, i.e. 6<sup>th</sup> August, 2012 for the grants made on 7<sup>th</sup> August, 2012, which was prior to the sub-division of shares.</p> <p>Consequent upon the sub-division of equity shares on and from 31<sup>st</sup> October, 2012, the exercise price was adjusted as under:</p> <table border="1"> <thead> <tr> <th>Date of Grant</th> <th>Adjusted Exercise Price (₹/share)</th> </tr> </thead> <tbody> <tr> <td>07.08.2012</td> <td>105.65</td> </tr> </tbody> </table> <p>Further, 50,000 Options were granted at an exercise price of ₹ 79.50, being the closing market price on the previous date of grant, i.e. 27<sup>th</sup> May, 2013 for the grants made on 28<sup>th</sup> May, 2013.</p>	Date of Grant	Adjusted Exercise Price (₹/share)	07.08.2012	105.65																							
Date of Grant	Adjusted Exercise Price (₹/share)																											
07.08.2012	105.65																											
(c) Options vested (as at 31 <sup>st</sup> March, 2015)	8,59,550 Options.																											
(d) Options exercised (as at 31 <sup>st</sup> March, 2015)	Options vest 1 year after the date of grant of options. 7,89,550 Options																											

(e) The total number of shares arising as a result of exercise of option	7,89,550 Equity Shares																			
(f) Options lapsed	82,500 Equity Shares																			
(g) Variation of terms of options	N/A																			
(h) Money realized by exercise of options	₹ 15,79,100/-																			
(i) Total number of options in force	70,000 Options																			
(j) Employee wise details of options granted to: (i) Senior managerial personnel (ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year (iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	70,000 Options granted to the ex-Joint Managing Director, Mr. Durgesh Mehta N/A  N/A																			
(k) Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 Earnings Per Share	₹ 1.19																			
(l) Employee compensation cost:  (i) Method of calculating employee Compensation cost (ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options (iii) The impact of this difference on the profits and on EPS of the Company	<p>The Company has calculated the employee compensation cost using the intrinsic value method of accounting for the Options granted under the Scheme</p> <p>₹ Nil</p> <p>The effect on the profits and earnings per share, had the fair value method been adopted, is presented below:</p> <table border="1"> <thead> <tr> <th>Profit After Tax</th> <th>₹ in crore</th> </tr> </thead> <tbody> <tr> <td>As reported</td> <td>24.56</td> </tr> <tr> <td>Add: Compensation cost as per Intrinsic Value</td> <td>Nil</td> </tr> <tr> <td>Less: Compensation cost as Per Fair Value (Black-Scholes model)</td> <td>Nil</td> </tr> <tr> <td><b>Adjusted Profit</b></td> <td><b>24.56</b></td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Earnings Per Share</th> <th>Basic (₹)</th> <th>Diluted (₹)</th> </tr> </thead> <tbody> <tr> <td>As reported</td> <td>1.19</td> <td>1.19</td> </tr> <tr> <td>As adjusted</td> <td>1.19</td> <td>1.19</td> </tr> </tbody> </table>	Profit After Tax	₹ in crore	As reported	24.56	Add: Compensation cost as per Intrinsic Value	Nil	Less: Compensation cost as Per Fair Value (Black-Scholes model)	Nil	<b>Adjusted Profit</b>	<b>24.56</b>	Earnings Per Share	Basic (₹)	Diluted (₹)	As reported	1.19	1.19	As adjusted	1.19	1.19
Profit After Tax	₹ in crore																			
As reported	24.56																			
Add: Compensation cost as per Intrinsic Value	Nil																			
Less: Compensation cost as Per Fair Value (Black-Scholes model)	Nil																			
<b>Adjusted Profit</b>	<b>24.56</b>																			
Earnings Per Share	Basic (₹)	Diluted (₹)																		
As reported	1.19	1.19																		
As adjusted	1.19	1.19																		

(m) Weighted-average exercise price and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock. [Also refer point (b)]	Weighted average Exercise Price for the options in forcer: ₹ 79.50  Weighted average Fair Value of Option: ₹ 22.65 per option
(n) Description of method and significant assumptions used during the year to estimate the fair values of options: i) risk – free interest rate ii) expected life of options iii) expected volatility iv) expected dividends v) the price of the underlying share in market at the time of option grant	Black-Scholes Model  7.32% 3 years 37.03% 60% of face value of share ₹ 79.50 per share of ₹ 2/- i.e. the closing price at NSE prior to the date of the meeting of the Board for grant.

On behalf of the Board of Directors

Mumbai, 25<sup>th</sup> May, 2015

**NUSLI N. WADIA**  
CHAIRMAN

## ANNEXURE C to Directors' Report:

## FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN  
as on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

## I REGISTRATION &amp; OTHER DETAILS:

i	CIN	L17120MH1879PLC000037
ii	Registration Date	August 23, 1879
iii	Name of the Company	The Bombay Dyeing and Manufacturing Company Limited
iv	Category/Sub-category of the Company	Company limited by shares / Indian Non – Government Company
v	Address of the Registered office & contact details	Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai – 400 001 Tel: 022 - 66620000 Fax: 022 – 66193262
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	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

## II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No.	Name & Address of the Company	NIC Code of the Product /Service	% to total turnover of the Company
1	Polyester Staple Fibre	20302	54.20
2	Finishing of Cotton and Blended Cotton Textiles	13131	12.21
3	Manufacture of Bedding, Quilts, pillows, sleeping bags etc.	13924	
4	Real estate activities	6810	17.68

## III PARTICULARS OF HOLDING, SUBSIDIARY &amp; ASSOCIATE COMPANIES:

Sl. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Archway Investment Company Limited	U67120MH1976PLC019304	SUBSIDIARY	95.69	2(87)
2	Pentafil Textile Dealers Limited	U65993MH1984PLC253516	ASSOCIATE	49.00	2(6)
3	Bombay Dyeing Real Estate Company Limited	U70102MH2008PLC183489	ASSOCIATE	40.00	2(6)
4	PT Five Star Textile Indonesia	Incorporated in Indonesia	Joint Venture	33.89	2(6)



## IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity):

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	2085453	0	2085453	1.01	2085453	0	2085453	1.01	0.00
b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0.00
c) Bodies Corporates	88297597	0	88297597	42.75	88359097	0	88359097	42.78	0.03
d) Bank/FIs	0	0	0	0	0	0	0	0	0.00
e) Any other									
- Trusts	1983030	0	1983030	0.96	1983030	0	1983030	0.96	0.00
<b>SUB TOTAL : (A) (1)</b>	<b>92366080</b>	<b>0</b>	<b>92366080</b>	<b>44.72</b>	<b>92427580</b>	<b>0</b>	<b>92427580</b>	<b>44.75</b>	<b>0.03</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	5222748	0	5222748	2.53	5161248	0	5161248	2.50	(0.03)
b) Other Individuals	0	0	0	0	0	0	0	0	0.00
c) Bodies Corporates	10533790	0	10533790	5.10	10533790	0	10533790	5.10	0.00
d) Banks/FIs	0	0	0	0	0	0	0	0	0.00
e) Any other	0	0	0	0	0	0	0	0	0.00
<b>SUB TOTAL (A) (2)</b>	<b>15756538</b>		<b>15756538</b>	<b>7.63</b>	<b>15695038</b>		<b>15695038</b>	<b>7.60</b>	<b>(0.03)</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>108122618</b>	<b>0</b>	<b>108122618</b>	<b>52.35</b>	<b>108122618</b>	<b>0</b>	<b>108122618</b>	<b>52.35</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	15423049	10935	15433984	7.47	10645042	10935	10655977	5.16	(2.31)
b) Banks/FIs	301846	126365	428211	0.21	533964	102365	636329	0.31	0.10
c) Central Govt.	0	0	0	0	0	0	0	0	0.00
d) State Govt.	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	10482669	1250	10483919	5.08	8716720	1250	8717970	4.22	(0.86)
g) FIs	18169406	3900	18173306	8.80	13945688	3900	13949588	6.75	(2.05)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others - Foreign Portfolio - Corp.	0	0	0	0.00	611466	0	611466	0.30	0.30
<b>SUB TOTAL (B)(1):</b>	<b>44376970</b>	<b>142450</b>	<b>44519420</b>	<b>21.56</b>	<b>34452880</b>	<b>118450</b>	<b>34571330</b>	<b>16.74</b>	<b>(4.82)</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non Institutions</b>									
a) Bodies corporates	8605917	99535	8705452	4.22	12721012	92835	12813847	6.20	1.99
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	15400	15400	0.01	0	15400	15400	0.01	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	32681851	4783580	37465431	18.14	37326770	4544485	41871255	20.27	2.13
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3420808	229650	3650458	1.77	4932227	126000	5058227	2.45	0.68
c) Others (specify)									
(i) Non Resident Individuals	941910	160810	1102720	0.53	978142	161230	1139372	0.55	0.02
(ii) Trusts	133010	0	133010	0.06	144760	0	144760	0.07	0.01
(iii) Foreign Nationals	166	18300	18466	0.01	366	18300	18666	0.01	0.00
(iv) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0.00
<b>SUB TOTAL (B)(2):</b>	<b>45783662</b>	<b>5307275</b>	<b>51090937</b>	<b>24.74</b>	<b>56103277</b>	<b>4958250</b>	<b>61061527</b>	<b>29.56</b>	<b>4.83</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>90160632</b>	<b>5449725</b>	<b>95610357</b>	<b>46.29</b>	<b>90556157</b>	<b>5076700</b>	<b>95632857</b>	<b>46.30</b>	<b>0.01</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	2784670	17255	2801925	1.36	2762170	17255	2779425	1.35	(0.01)
<b>GRAND TOTAL (A+B+C)</b>	<b>201067920</b>	<b>5466980</b>	<b>206534900</b>	<b>100.00</b>	<b>201440945</b>	<b>5093955</b>	<b>206534900</b>	<b>100.00</b>	<b>0.00</b>

## (ii) SHAREHOLDING OF PROMOTERS:

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Shareholding at the end of the year		% change in share holding during the year
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1	AFCO INDUSTRIAL AND CHEMICALS LIMITED	59660	0.03	59660	0.03	0.00
2	LOTUS VINIYOG LIMITED	144690	0.07	144690	0.07	0.00
3	DPI PRODUCTS AND SERVICES LIMITED	264900	0.13	264900	0.13	0.00
4	THE BOMBAY BURMAH TRADING CORPORATION LIMITED	3000000	1.45	3000000	1.45	0.00
5	NUSLI NEVILLE WADIA	180530	0.09	180530	0.09	0.00
6	NUSLI NEVILLE WADIA	137000	0.07	137000	0.07	0.00
7	ESTATE OF SMT. BACHOOBAI WORONZOW	814030	0.39	814030	0.39	0.00
8	MACROFIL INVESTMENTS LIMITED	409700	0.20	409700	0.20	0.00
9	N W EXPORTS LIMITED	27771550	13.45	27771550	13.45	0.00
10	NOWROJEE WADIA AND SONS LIMITED	2131070	1.03	2131070	1.03	0.00
11	NUSLI NEVILLE WADIA	1310020	0.63	1310020	0.63	0.00
12	N N WADIA ADMIN OF ESTATE OF LT. EF DINSHAW	500	0.00	500	0.00	0.00
13	NESSVILLE TRADING PRIVATE LIMITED	24550	0.01	24550	0.01	0.00
14	SUNFLOWER INVESTMENTS AND TEXTILES PRIVATE LIMITED	21619537	10.47	21681037	10.50	0.03
15	MAUREEN NUSLI WADIA	378080	0.18	378080	0.18	0.00
16	JEHANGIR NUSLI WADIA	128525	0.06	128525	0.06	0.00
17	NUSLI NEVILLE WADIA	1665500	0.81	1665500	0.81	0.00
18	ELIZABETH ANNE GUHL	169688	0.08	108188	0.05	(0.03)
19	NESS NUSLI WADIA	1151918	0.56	1151918	0.56	0.00
20	THE BOMBAY BURMAH TRADING CORPORATION LIMITED	25783320	12.48	25783320	12.48	0.00
21	WADIA INVESTMENTS LIMITED	419750	0.20	419750	0.20	0.00
22	NATIONAL PEROXIDE LIMITED	1489700	0.72	1489700	0.72	0.00
23	MAUREEN NUSLI WADIA	19750	0.01	19750	0.01	0.00
24	DINA NEVILLE WADIA	458220	0.22	458220	0.22	0.00
25	HAVENKORES REAL ESTATES PVT LTD	122640	0.06	122640	0.06	0.00
26	NUSLI NEVILLE WADIA	567100	0.27	567100	0.27	0.00
27	NUSLI NEVILLE WADIA	49650	0.02	49650	0.02	0.00
28	DIANA CLAIRE WADIA	1854040	0.90	1854040	0.90	0.00
29	MAUREEN NUSLI WADIA	180180	0.09	180180	0.09	0.00
30	JEHANGIR NUSLI WADIA	159000	0.08	159000	0.08	0.00
31	NESS NUSLI WADIA	67500	0.03	67500	0.03	0.00
32	NEWPOINT ENTERPRISES LIMITED	250000	0.12	250000	0.12	0.00
33	BEN NEVIS INVESTMENTS LTD	10283790	4.98	10283790	4.98	0.00

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	
34	NIDHIVAN INVESTMENTS AND TRADING COMPANY PRIVATE LIMITED	500	0.00	-	0.00	-	0.00
35	SAHARA INVESTMENTS PRIVATE LIMITED	500	0.00	-	0.00	-	0.00
36	HEERA HOLDINGS AND LEASING PRIVATE LIMITED	500	0.00	-	0.00	-	0.00
37	NAPEROL INVESTMENTS LIMITED	406200	0.20	-	0.20	-	0.00
38	GO INVESTMENTS AND TRADING PRIVATE LIMITED	500	0.00	-	0.00	-	0.00
39	WADIA TECHNO ENGINEERING SERVICES LIMITED	195460	0.09	-	0.09	-	0.00
40	GO AIRLINES (INDIA) LIMITED	1000	0.00	-	0.00	-	0.00
41	N W EXPORTS LIMITED	135815	0.07	-	0.07	-	0.00
42	NOWROSJEE WADIA AND SONS LIMITED	3455000	1.67	-	1.67	-	0.00
43	THE BOMBAY BURMAH TRADING CORPORATION LIMITED	861055	0.42	-	0.42	-	0.00
	<b>TOTAL</b>	<b>108122618</b>	<b>52.35</b>	<b>6945500</b>	<b>108122618</b>	<b>52.35</b>	<b>4590000</b>

(iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE):

Sl. No.	Name of the Promoter/Promoter Group	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Shareholding at the end of the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	SUNFLOWER INVESTMENTS AND TEXTILES PRIVATE LIMITED	21619537	10.47	06.06.2014	26500	Transfer	21681037	10.50
				19.12.2014	35000	Transfer		
2	ELIZABETH ANNE GUHL	169688	0.08	06.06.2014	-26500	Transfer	108188	0.05
				19.12.2014	-35000	Transfer		

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs):

Sl. No.	Name of the Promoter/Promoter Group	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reason	Shareholding at the end of the year	
		No. of shares	% of total shares of the Company				No of shares	% of total shares of the Company
1	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE GROWTH FUND	11297695	5.47	23.05.2014	-26652.00	Transfer	9467211	4.58
				30.05.2014	-7772.00	Transfer		
				06.06.2014	-108160.00	Transfer		
				29.08.2014	-51100.00	Transfer		
				05.09.2014	-498400.00	Transfer		
				12.09.2014	-350000.00	Transfer		
				19.09.2014	-165500.00	Transfer		
				30.09.2014	-50000.00	Transfer		
				19.12.2014	-23500.00	Transfer		
				23.01.2015	-600000.00	Transfer		
				06.02.2015	-50000.00	Transfer		
				27.03.2015	100000.00	Transfer		
2	LIFE INSURANCE CORPORATION OF INDIA	8281925	4.01	27.02.2015	-100000.00	Transfer	6618784	3.20
				6.03.2015	-672266.00	Transfer		
				13.03.2015	-531910.00	Transfer		
				20.03.2015	-358965.00	Transfer		
3	MORGAN STANLEY ASIA (SINGAPORE) PTE.	5863146	2.84	13.06.2014	84706.00	Transfer	0	0
				08.08.2014	109047.00	Transfer		
				21.11.2014	-46905.00	Transfer		
				19.12.2014	-6009994.00	Transfer		
4	GOVERNMENT PENSION FUND GLOBAL	5526525	2.68	11.04.2014	-97007.00	Transfer	0	0
				18.04.2014	-144192.00	Transfer		
				25.04.2014	-201967.00	Transfer		
				02.05.2014	-221098.00	Transfer		
				09.05.2014	-274860.00	Transfer		
				16.05.2014	-55835.00	Transfer		
				30.05.2014	-98387.00	Transfer		
				06.06.2014	-421778.00	Transfer		

Sl. No.	Name of the Promoter/Promoter Group	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reason	Shareholding at the end of the year	
		No. of shares	% of total shares of the Company				No of shares	% of total shares of the Company
				13.06.2014	-335976.00	Transfer		
				20.06.2014	-405342.00	Transfer		
				30.06.2014	-401193.00	Transfer		
				04.07.2014	-2036396.00	Transfer		
				11.07.2014	-613209.00	Transfer		
5	CITIBANK N.A. NEW YORK, NYADR DEPARTMENT	2784670	1.35	31.12.2014	-22500.00	Transfer	2762170	1.34
6	THE ORIENTAL INSURANCE COMPANY LIMITED	2200244	1.07	20.06.2014	-12000.00	Transfer	2097436	1.02
				30.06.2014	-20808.00	Transfer		
				04.07.2014	-50000.00	Transfer		
				11.07.2014	-20000.00	Transfer		
7	DSP BLACKROCK SMALL AND MID CAP FUND	2042938	0.99	04.04.2014	-600000.00	Transfer	0	0
				02.05.2014	-1236179.00	Transfer		
				09.05.2014	-206759.00	Transfer		
8	DIMENSIONAL EMERGING MARKETS VALUE FUND	1441969	0.70	18.07.2014	28369.00	Transfer	1567477	0.76
				12.09.2014	97139.00	Transfer		
9	RELIANCE CAPITAL TRUSTEE CO LTD-RELIANCE LONGTERM EQUITY FUND	1375000	0.67	6.03.2015	-679800.00	Transfer	672300	0.33
				13.03.2015	-22900.00	Transfer		
10	C M JAIN IMPEX & INVESTMENTS PRIVATE LIMITED	787500	0.38	-	-	-	787500	0.38
11	THE EMERGING MARKETS SMALL CAP SERIES OF THE DFA INVESTMENT TRUST COMPANY	785565	0.38	13.02.2015	37932.00	Transfer	1119888	0.54
				20.02.2015	33020.00	Transfer		
				27.02.2015	189037.00	Transfer		
				6.03.2015	74334.00	Transfer		
12	MORGAN STANLEY ASIA (SINGAPORE) PTE.	0	0.00	19.12.2014	6009994	Transfer	6009994	2.91
13	GOVERNMENT PENSION FUND GLOBAL	0	0.00	6.03.2015	318061.00	Transfer	822787	0.40
				13.03.2015	281260.00	Transfer		
				20.03.2015	223466.00	Transfer		



**(v) Shareholding of Directors & KMP:**

For Each of the Directors & KMP		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1	Mr. Nusli N. Wadia	1926770	0.93	1926770	0.93
2	Mr. R. A. Shah	1500	0.00	7100	0.00
3	Mr. A. K. Hirjee	3800	0.00	3800	0.00
4	Mr. S. M. Palia	0	0.00	0	0.00
5	Mr. S. Ragothaman	35000	0.02	35000	0.02
6	Mr. S. S. Kelkar	50000	0.02	50000	0.02
7	Ms. Vinita Bali (upto 1.10.14)	0	0.00	0	0.00
8	Mr. Ishaat Hussain	0	0.00	0	0.00
9	Mr. Ness N. Wadia	1219418	0.59	1219418	0.59
10	Dr. (Mrs.) Sheela Bhide	0	0.00	0	0.00
11	Mr. Jehangir N. Wadia (KMP-MD)	287525	0.14	287525	0.14
12	Mr. Vinod Hiran (KMP-CFO)	0	0.00	0	0.00
13	Mr. J. C. Bham (KMP-CS)	250	0.00	250	0.00

**V. INDEBTEDNESS:**

₹ in crore

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	1264.52	41.14	129.89	1435.55
ii) Interest due but not paid	2.13	-	-	2.13
iii) Interest accrued but not due	2.55	-	-	2.55
<b>Total (i+ii+iii)</b>	<b>1269.20</b>	<b>41.14</b>	<b>129.89</b>	<b>1440.23</b>
Change in Indebtedness during the financial year				
Additions	1161.53	255.75	-	1,417.28
Reduction	(854.22)	(240.45)	(32.94)	(1,127.61)
<b>Net Change</b>	<b>307.31</b>	<b>15.30</b>	<b>(32.94)</b>	<b>289.67</b>
Indebtedness at the end of the financial year				
i) Principal Amount	1574.72	56.44	96.95	1728.11
ii) Interest due but not paid	0.21	-	-	0.21
iii) Interest accrued but not due	1.58	-	-	1.58
<b>Total (i+ii+iii)</b>	<b>1576.51</b>	<b>56.44</b>	<b>96.95</b>	<b>1729.90</b>

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. Remuneration to Managing Director, Whole time director and/or Manager:**

Sl.No.	Particulars of Remuneration	Name of the MD	Total Amount
<b>1</b>	<b>Gross salary</b>	<b>Mr. Jeh Wadia</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	4,34,03,627	4,34,03,627
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	44,82,563	44,82,563
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission as % of profit	-	-
	others (specify)	-	-
5	Others, (Bonus)	50,00,000	50,00,000
	(Perquisites and Allowance)	33,16,137	3,316,137
	<b>Total (A)</b>	<b>5,62,02,327</b>	<b>5,62,02,327</b>
	<b>Ceiling as per the Act (@ 5% of net profits calculated under Section 198 of the Companies Act, 2013)</b>		<b>2,61,05,000</b>

in ₹

## B. Remuneration to other directors:

Sl.No.	Particulars of Remuneration	Name of the Directors								Total Amount	
		Mr. R A Shah	Mr. A. K. Hirjee	Mr. S. M. Palia	Mr. S. Ragothaman	Mr. S. S. Kelkar	Mr. Ishaat Hussain	Mrs. Vinita Bali (Upto 1.10.14)	Dr. (Mrs.) Sheela Bhide (From 23.03.15)		
1											
	(a) Fee for attending board committee meetings (Total fees paid for attending Board and Committee meetings)	460000	370000	560000	440000	570000	500000	100000	80000	3080000	
	(b) Commission	-	-	-	-	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>460000</b>	<b>370000</b>	<b>560000</b>	<b>440000</b>	<b>570000</b>	<b>500000</b>	<b>100000</b>	<b>80000</b>	<b>3080000</b>	
2	Other Non Executive Directors										
	(a) Fee for attending board committee meetings (Total fees paid for attending Board and Committee meetings)	240000	320000							560000	
	(b) Commission	-	-	-	-	-	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>240000</b>	<b>320000</b>							<b>560000</b>	
	<b>Total (B)=(1+2)</b>	<b>700000</b>	<b>690000</b>	<b>560000</b>	<b>440000</b>	<b>570000</b>	<b>500000</b>	<b>100000</b>	<b>80000</b>	<b>3640000</b>	
	<b>Total Managerial Remuneration</b>									<b>56202327*</b>	
	<b>Overall Ceiling as per the Act.</b>	<b>₹ 0.52 crore (being 1% of the net profits of the Company calculated under Section 198 of the Companies Act, 2013)</b>									

\*Total Remuneration to Managing Director, Whole-time Directors and the other Directors (being the total of A and B).

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. J. C. Bham (Company Secretary)	Mr. Raghuraj Balakrishna* (Chief Financial Officer)	
1	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	6197728	7167294.48	13365022.48
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	41387	11497	52884
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify	-	-	-
5	Others, please specify	185472	259929	445401
	<b>Total</b>	<b>6424587</b>	<b>7438720.48</b>	<b>13863307.48</b>

\* Employed for the part of the year.

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

## ANNEXURE D to Directors' Report:

### MANAGEMENT DISCUSSION AND ANALYSIS

The year under review was a challenging one. However, with decline in oil and commodity prices, the Indian economy is expected to grow as per World Bank Report by 7.5 percent in 2015-16, 7.9 percent the next fiscal and 8 percent in 2017-18.

The Central Government's first full-year budget, for 2015-16, envisions a boost to infrastructure spending, an improved business environment and a wider social security net. Growth is forecast to accelerate, benefiting from the acceleration of infrastructure projects, strong consumer spending due to lower inflation and monetary easing and gradual improvements in market sentiments.

The projected shortfall in the monsoon for the second successive year also affect the economy at large and more particularly industries dependent upon the agricultural commodities for their inputs.

### BOMBAY REALTY

#### INDUSTRY STRUCTURE AND DEVELOPMENTS

Real estate prices across Mumbai where Company's land bank is located have plateaued and sales remained sluggish. The Government has taken several initiatives, the outcomes of which will be seen in the next two to three years. The Government's plan of encouraging affordable housing for the people and developing infrastructure is expected to bear fruit in the coming years. RBI's measures to control inflation through monetary tightening had a major negative impact on the real estate business in India. The continued high interest rates coupled with a highly regulated and complex administrative and legal framework in the sector, led to a slowdown of construction activity and a reduction in new launches, apart from delaying delivery of existing projects by several months.

Though the Central Government has announced a 'Housing for all by 2022' scheme in its first budget and 'Smart Cities Mission', there is still a lot of clarity required about its implementation and processes. The Real Estate (Regulation and Development) Bill (RER) and the Land Acquisition, Resettlement & Rehabilitation (LARR) Bill are still pending and the government is currently considering sending them to a select committee for review.

While these reforms are expected to boost confidence of home buyers and investors, they have their drawbacks. The RER bill will raise developer's funding concerns and the LARR bill will make land acquisition more costly and time consuming, thereby, having unfavorable impact on the prices.

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

### OPPORTUNITIES & THREATS

Looking ahead, the investment sentiment is expected to improve with a strong popular government at the Center and the State as they are expected to undertake positive reforms in real estate sector. This will lead to improvement in the performance of the Company's Real Estate Division, Bombay Realty.

Important events like banks lowering interest rates, RBI offering incentives for infrastructure financing, creation of Real Estate Investment Trusts (REITs), relaxation of FDI norms in construction sector will boost real estate development.

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

Municipal Corporation of Greater Mumbai (MCGM) announced the Development Plan 2034 (DP) with a view to provide a definitive direction to the growth of Mumbai's infrastructure and realty market. However, due to major defects in the DP, the Maharashtra Government has asked the MCGM to correct factual errors on land use in DP and come out with a revised draft. The MCGM in due course will be introducing a revised DP. Developers will wait to study the revised DP and its proposals and implications before launching new projects which will result in further delay in the commencement of new projects.

Considering the high property prices in Mumbai, the city is in a desperate need of affordable housing. The proposed Development Plan should be implemented at the earliest; otherwise it will hurt the long-term development of the city.

### RISKS AND CONCERNS

The Company's projects were affected due to the regulatory environment in India. Excessive supply of 'luxury residences' in the Central Mumbai area by competing developers might impact the project profitability negatively. Tepid global economic recovery, fiscal deficit and adverse monetary policies could also delay the proposed reforms and impact the real estate industry in general and your Company's projects in particular.

### HOME & YOU

#### INDUSTRY STRUCTURE AND DEVELOPMENTS

The textile industry plays a crucial role in the Indian Economy. Apart from one of the basic necessities of life, it contributes significantly to the industrial output, employment generation and export earnings of the country. During 2014-15, Indian textiles and clothing exports increased by 14% over the previous year. The Government of India and

State Governments announced textile industry friendly policies and schemes to encourage value addition and growth.

The country's economic growth has created significant opportunities for textile retail growth. The textile sector, contributes about 14% to Industrial output, 4% to GDP and accounts for 13% of the country's exports. The textiles industry is one of the largest employers in India and has strong linkages with the rural economy. It provides direct employment to over 35 million people and another 20 million in indirect employment.

Within the overall Textile sector, the home textile market size is estimated at over ₹16,000 crore. The share of the formal organized sector is still less than 8% and likely to grow significantly in the near future as the prominence of brands and branding increases.

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

#### OPPORTUNITIES & THREATS

There is a growing trend among modern home buyers and existing owners on spending more to improve home interiors. More people are spending on changing the look and feel on a regular basis by adding lifestyle accessories and soft furnishings. There is a greater need and propensity to spend money on products including bed and bath to reflect their lifestyles and personalities.

To capitalise on this new and emerging opportunity, a new lifestyle category is proposed to be introduced this year with products like cushions, curtains, rugs, throws and decor products like frames and vases, reaching out to a wider section of consumers all across. The introduction of several exciting new products in bed and bath, along with licensing tie ups with international brands like Disney, Turner and Mattel will appeal to the customers and add to the customer base. At the other end, to cater to the premium customers, the Company has launched designer collection 'Signature line' with 3 leading designers to create an aspiration among the luxury loving customer. Adding to the emergence of new channels of sales, your Company is launching its own e-commerce portal, to cater to the growing population of online shoppers.

The Company will cover larger markets through an expansion of the product range by way of an increased array of designs and textures. The launch of a new lifestyle category and new range in the mattress

category will expand the portfolio.

#### OUTLOOK

Your Company has opened new stores with a new retail identity at several locations around the country and plans to continue the retail expansion program more aggressively. Investment in brand building activities and sharpening brand imagery will also continue in addition to expanding the distribution reach and penetration in selected markets and product categories.

Since the Company would be moving towards 100% outsourcing from next year, the Company has already put in place a network of high quality vendors and a robust sourcing and quality structure and process, to ensure consistent and timely delivery of products as per the high quality and specifications requirements.

#### RISKS AND CONCERNS

The key concern for business remains the sluggish consumer demand, both in the urban and rural markets. At the same time, the market is witnessing increasing competitive intensity from the existing competition and new players/entrants.

#### POLYESTER BUSINESS

##### INDUSTRY STRUCTURE AND DEVELOPMENTS

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

PSF industry saw a moderate growth of 4-5% in volume due to improving demand in the Indian and overseas markets. The division recorded a 15% growth in sales volume during the year. Sharp fall followed by modest recovery in crude oil prices resulted in volatile raw material prices. The overall polyester industry's capacity utilization improved but remained under 80%, but your Company's utilization increased to 93% (as against 85% in the previous year).

Over the past few years, use of recycled polyester, derived from recycling of used PET bottles and other waste material has been gaining strength. Recycled polyester has been gaining market share due to preferential excise duty treatment in India. However, fibre produced by your Company is of much superior quality and has more wider usage compared to such recycled fibre. Therefore, despite competition from such cheaper fibre, your Company is able to maintain the market share and increase its sales volume.

#### OPPORTUNITIES AND THREATS

The opportunity for PSF is driven by its durability, versatility of end

usage and lower price as compared to cotton and other substitute fibres, natural or man-made. Polyester is used in apparels, sportswear, home furnishing, automotive and industrial textiles. India has an enormous market potential, with per capita consumption of all fibres at approximately 50% of global per capita consumption. The Government of India's push to substantially increase the size of the textile industry output will pave the way for larger man-made fibre consumption due to limited availability of cotton, benefiting the polyester industry at large.

China has a dominant influence on polyester, fibre intermediaries and downstream textile industries. Any significant developments in the Chinese polyester chain could impact your Company's business dynamics.

## OUTLOOK

The year 2014-15 was a year of recovery from the polyester business perspective. Improving demand and sustained efforts on the part of your Company to achieve higher capacity utilization have yielded positive results.

Meanwhile, the Company will continue focusing on cost reduction initiatives in order to reduce the cost of manufacturing.

## RISKS AND CONCERNS

Price of raw materials as well as energy cost, the two major input costs for PSF Division are significantly dependent on crude oil price. Changes in oil prices could lead to an impact on margins and profitability. With the main input costs based in US\$, fluctuations in the Indian ₹ / US\$ exchange rate could impact the business and margin. Supply and price of cotton and any significant change in the size of cotton crop in India and globally could have an impact on the demand of PSF.

## SEGMENT-WISE PERFORMANCE

Segment-wise performance together with a discussion on operational and financial performance has been covered in the Directors' Report which should be treated as forming part of this Management Discussion and Analysis.

## GENERAL

### INTERNAL CONTROLS

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. M/s. Aneja & Associates, Chartered Accountants, are the internal auditors of the Company and their internal audit plan and remuneration are approved by the Audit Committee. The reports and findings of the internal auditor and the internal control system are periodically reviewed by the Audit

Committee. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiary. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

## HUMAN RESOURCES

The Company continues to strengthen its people capabilities in its quest to build a growing and sustainable business. An increased focus is being maintained to further build employee retention at all levels in the Company.

Towards this several programs related to Learning & Development, Reward & Recognition are being worked upon. The HR structure is being revised to manage Company's talent pool in a better manner so that employees can have successful long term careers and can productively contribute to the Company.

## RESOURCES & LIQUIDITY

The liquidity pressures felt during the year are expected to ease with the sale of the Textile Unit and improved sale of flats.

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

### Cautionary Statement

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



## ANNEXURE E to the Directors' Report: REPORT ON CORPORATE GOVERNANCE

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

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

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

### 2. Board of Directors:

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

Name	Category	No. of Board Meetings attended during 2014-15	Whether attended AGM held on 8 <sup>th</sup> August, 2014	No. of Directorships in other public companies as on 31st March, 2015*		No. of Committee positions held in other public companies** as on 31st March, 2015	
				Chairman	Member	Chairman	Member
Mr. Nusli N. Wadia (Chairman)	Non-Executive/ Promoter	5	Yes	3	4	-	-
Mr. R. A. Shah	Independent	6	Yes	3	6	3	4
Mr. S. S. Kelkar	-do-	6	Yes	-	8	1	2
Mr. S. Ragothaman	-do-	4	Yes	-	8	1	6
Mr. A. K. Hirjee	-do-	6	Yes	2	2	5	2
Mr. S. M. Palia	-do-	6	Yes	-	3	1	-
Ms. Vinita Bali (upto October 1, 2014)	Non-Executive – Not Independent	2	Yes	-	-	-	-
Dr. (Mrs.) Sheela Bhide (w.e.f. March 23, 2015)	Independent	1	No	-	5	1	-
Mr. Ishaat Hussain	-do-	6	Yes	4	4	2	4
Mr. Ness N. Wadia	Non-Executive/ Promoter	5	Yes	1	5	-	2
Mr. Jehangir N. Wadia	Managing Director/ Promoter	6	Yes	-	4	-	1

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

\* Excludes directorship in foreign companies, private companies and companies governed by Section 8 of the Companies Act, 2013.

\*\* Excludes Committees other than Audit Committee and Stakeholders Relationship Committee and companies other than public limited companies.

During the year under review, 6 Board Meetings were held, the dates being 27<sup>th</sup> May, 2014, 7<sup>th</sup> August, 2014, 13<sup>th</sup> November, 2014, 4<sup>th</sup> February, 2015, 19<sup>th</sup> February, 2015 and 26<sup>th</sup> March, 2015.

### 3. Board Committees:

The Board has constituted the following Committees of Directors:

#### (a) Audit Committee:

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013, read with revised Clause 49 of the Listing Agreement. The Committee comprises of members who possess financial and accounting expertise/exposure. The Committee consists of the following 5 Non-Executive Independent Directors:

Mr. Ishaat Hussain [Chairman]

Mr. S. Ragothaman

Mr. R. A. Shah

Mr. S. S. Kelkar

Mr. S. M. Palia

Mr. Jehangir N. Wadia, Managing Director and Mr. Raghuraj Balakrishna, Chief Financial Officer (upto August 8, 2014), 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 Company adopted a revised Audit Committee Charter, containing the terms of reference effective from October 1, 2014 in accordance with Companies Act, 2013 and Clause 49 of the Listing Agreement.

The role of the Audit Committee flows directly from the Board of Director's overview function on corporate governance, which holds the Management accountable to the Board and the Board accountable to the stakeholders. The term of reference of the Audit Committee broadly includes acting as a catalyst, in helping the organization achieve its objectives. The Audit Committee's primary role is to review the Company's financial statements, internal financial reporting process, internal financial controls, the audit process, adequacy, reliability and effectiveness of the internal control systems, vigil mechanism, related party transactions, monitoring process for compliance with laws and regulations and the code of conduct.

The Audit Committee also reviews reports and presentations and the responses thereto by the management.

During the year under review, 5 Meetings of the Audit Committee were held, the dates being 26<sup>th</sup> May, 2014, 6<sup>th</sup> August, 2014, 7<sup>th</sup> November, 2014, 2<sup>nd</sup> February, 2015 and 24<sup>th</sup> March, 2015.

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

Name	No. of Audit Committee Meetings attended
Mr. Ishaat Hussain	5
Mr. S. Ragothaman	3
Mr. R. A. Shah	4
Mr. S. S. Kelkar	5
Mr. S. M. Palia	5

#### Internal Audit and Control:

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

#### Whistle Blower policy:

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior. Towards this end, the Company has implemented a Whistle Blower Policy, with a view to provide a mechanism for employees and Directors of the Company to approach the Ethics Committee or Chairman of the Audit Committee of the Company to report instances of violations of laws, rules and regulations, unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The vigil mechanism also provides adequate safeguards against victimisation of persons who use such mechanisms and also to ensure direct access to the Ethics Committee or Chairman of the Audit Committee in appropriate or exceptional cases. The Board has approved the whistle blower policy which has been uploaded on the Company's website: <http://teknowits.com/bombaydyeing/Corporategov.aspx>

#### (b) Nomination and Remuneration Committee:

The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

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

Mr. Ishaat Hussain (Chairman upto 26<sup>th</sup> March, 2015)

Mr. S. M. Palia (Chairman from 26<sup>th</sup> March, 2015)\*

Mr. Nusli N. Wadia

Mr. R. A. Shah

Mr. S. Ragothaman

Mr. A. K. Hirjee

The Chairman of the Committee, Mr. Ishaat Hussain, is an Independent Director. Mr. S. M. Palia who has been inducted as a Member and Chairman of the Committee on 26<sup>th</sup> March, 2015 is also an Independent Director.

During the year under review, the Committee met 3 times on 27<sup>th</sup> May, 2014, 4<sup>th</sup> February, 2015 and 26<sup>th</sup> March, 2015.

Details of attendance of each member at the Nomination and Remuneration Committee Meetings are as follows:-

Name	No. of Nomination and Remuneration Committee Meetings attended
Mr. Ishaat Hussain	3
Mr. Nusli N. Wadia	3
Mr. R. A. Shah	3
Mr. S. Ragothaman	3
Mr. A. K. Hirjee	3

\* To strengthen the role of the Committee, the Board at its meeting held on March 26, 2015, appointed Mr. S. M. Palia as Chairman and Member of the Nomination and Remuneration Committee.

The broad terms of reference of the Nomination and Remuneration Committee includes:

- Setup and composition of the Board, its committees and the leadership team of the Company comprising of Key Managerial Personnel ("KMP" as defined under the Companies Act, 2013) and Executive Team (as defined by the Committee).
- Evaluation of performance of the Board, its Committees and Individual Directors.
- Remuneration for Directors, KMPs, Executive Team and other employees.
- Oversight of the familiarisation programme of Directors.
- Oversight of the HR philosophy, HR and people strategy and key HR practices.

#### Remuneration Policy:

Payment of remuneration to the Managing Director is governed by the Agreement executed between him and the Company. His Agreement is approved by the Board and by the shareholders. His remuneration structure comprises salary, incentive, bonus, benefits, perquisites and allowances, contribution to provident fund, superannuation and gratuity. The Non-Executive Directors do not draw any remuneration from the Company other than sitting fees and such commission as may be determined by the Board from time to time. The remuneration policy as approved by the Board is placed on the website of the Company: <http://teknowits.com/bombaydyeing/Corporategov.aspx>

(i) Details of remuneration paid to the Managing Director during the year 2014-2015 are given below: - (in ₹)

Name	Salary	Benefits*	Bonus**	Total
Mr. Jehangir N. Wadia, Managing Director	2,68,01,088	2,44,01,239	50,00,000	5,62,02,327

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

\*\* Bonus pertains to financial year 2013-14 paid during financial year 2014-15.

Notes:

1. The Agreement with the Managing Director is 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.
2. Excess Remuneration payable to Mr. Jehangir N. Wadia, Managing Director, is subject to the approval of the Central Government, in respect of which the Company has made an application and the approval is awaited.

(ii) Details of payments made to Non-Executive Directors during the year 2014-15 and the number of shares held by them are given below: -

	Sitting Fees (in ₹)		Total No. of Shares held in the Company as on 31 <sup>st</sup> March, 2015
	Board Meeting	Committee Meeting	
Mr. Nusli N. Wadia	1,80,000	60,000	19,26,770
Mr. R. A. Shah*	2,20,000	2,40,000	7,100
Mr. S. S. Kelkar	2,20,000	3,50,000	50,000
Mr. S. Ragothaman	1,40,000	3,00,000	35,000

	Sitting Fees (in ₹)		Total No. of Shares held in the Company as on 31 <sup>st</sup> March, 2015
	Board Meeting	Committee Meeting	
Mr. A. K. Hirjee	2,20,000	1,50,000	3,800
Mr. S. M. Palia	2,20,000	3,40,000	Nil
Ms. Vinita Bali (upto October 1, 2014)	60,000	40,000	Nil
Mr. Ishaat Hussain	2,20,000	2,80,000	Nil
Mr. Ness N. Wadia	2,00,000	1,20,000	12,19,418
Dr. (Mrs.) Sheela Bhide (w.e.f. March 23, 2015)	40,000	40,000	Nil

\*In the opinion of Nomination and Remuneration Committee, Mr. R. A. Shah, Director in the Company and is also a partner of Crawford Bayley & Co., a solicitor firm, possesses the requisite qualification for the practice of legal professional and has rendered services of a professional nature to the Company. The quantum of professional fees received by Crawford Bayley & Co. from the Company constitutes less than 10% of the total revenues of the legal firm.

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 134<sup>th</sup> Annual General Meeting held on 8<sup>th</sup> August, 2014. Earlier Non-Executive Directors were paid sitting fees at the rate of ₹ 20,000/- per meeting for attending the meetings of the Board of Directors/Committees thereof except Stakeholders Relationship Committee wherein the Non-Executive Directors are paid sitting fees at the rate of ₹ 10,000/- per meeting. At the Board Meeting held on 27<sup>th</sup> May, 2014, the Board revised the payment of sitting fees payable to Non-Executive Directors. Accordingly the Non-Executive Directors are paid sitting fees at the rate of ₹ 40,000/- per meeting for attending the meetings of the Board of Directors/Committees thereof. Sitting fees for Nomination and Remuneration Committee is ₹ 20,000/- per meeting and Stakeholders Relationship Committee is ₹ 10,000/- per meeting. The Independent Directors are paid sitting fees at the rate of ₹ 40,000/- per meeting of Independent Directors.

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

#### Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 ("Act") and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Clause 49 of the Equity Listing Agreement ("Clause 49") as may be applicable, the Board of Directors ("Board") has carried out an annual evaluation of its own performance and that of its committees and individual directors.

The performance of the Board and individual directors was evaluated by the Board seeking inputs from all the Directors.

The performance of the committees was evaluated by the Board seeking inputs from the committee members. The Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors. A separate meeting of Independent Directors was also held to review the performance of non-independent directors; performance of the Board as a whole and performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors. This was followed by a Board meeting that discussed the performance of the Board, its committees and individual directors.

The criteria for performance evaluation of the Board included aspects like Board composition and structure; effectiveness of Board processes, information and functioning etc. The criteria for performance evaluation of committees of the Board included aspects like composition of committees, effectiveness of committee meetings etc. The criteria for performance evaluation of the individual directors included aspects on contribution to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. In addition the Chairperson was also evaluated on the key aspects of his/her role.

#### (c) Stakeholders Relationship Committee:

The Committee's constitution and terms of reference are in compliance with provisions of the Section 178(5) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

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

- To look into the redressal of grievances such as transfer of security, non-receipt of annual reports, dividends, interest etc. of various stakeholders of the Company viz. shareholders, debenture holders, fixed deposit holders and other security holders.
- To approve and monitor transfers, transmission, splitting, consolidation, dematerialisation, rematerialisation of securities issued by the Company and issue of duplicate security certificates.

- iii. To carry out the functions as envisaged under the Code of Conduct to regulate, monitor and report trading by insiders and code of practices and procedures for fair disclosures of unpublished price sensitive information adopted by the Company in terms of Regulations 8(1), 9(1) and 9(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

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

Mr. S. S. Kelkar (Chairman)

Mr. A. K. Hirjee

Mr. Jehangir N. Wadia

During the year under review, the Committee met once on 14<sup>th</sup> July, 2014 and all the members except Mr. Jehangir N. Wadia, attended the meeting.

The Board at its meeting held on 20<sup>th</sup> October, 2010 and as modified by the Board at its meeting held on 28<sup>th</sup> May, 2013, had delegated the powers to approve transfer and transmission of securities, to issue consolidated/ new certificates etc. subject to certain guidelines and limits laid down, severally to the Managing Director, Chief Financial Officer and the Company Secretary. Accordingly, the transfer and transmission of shares, issue of consolidated/ new certificates, etc. upto the limits laid down are approved on a weekly basis by any of the above delegates. As per Rule 6(2)(a) of the Companies (Share Capital and Debentures) Rules, 2014, the duplicate share certificates are to be issued in lieu of those lost or destroyed, only with the prior consent of the Board or Committee thereof. Accordingly duplicate share certificates are now issued with the prior approval of the Committee.

**Name and designation of Compliance Officer:**

Mr. J. C. Bham, Company Secretary

No. of shareholders' complaints received during the year:	115
No. of complaints not resolved to the satisfaction of shareholders:	Nil
No. of pending share transfers:	Nil

**(d) Finance Committee:**

The Finance Committee consists of the following Directors:

Mr. S. S. Kelkar

Mr. A. K. Hirjee

Mr. S. Ragothaman

Mr. Ness N. Wadia

Mr. S. M. Palia

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; (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 and (iv) To open and operate various bank accounts of the Company. The Managing Director and Chief Financial Officer are permanent invitees.

During the year under review, the Committee met 2 times on 2<sup>nd</sup> February, 2015 and 24<sup>th</sup> March, 2015.

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

Name	No. of Finance Committee Meetings attended
Mr. S. S. Kelkar	2
Mr. A. K. Hirjee	1
Mr. S. Ragothaman	2
Mr. Ness N. Wadia	2
Mr. S. M. Palia	2

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

**(e) Executive Committee:**

The Executive Committee consists of the following Directors:

Mr. Nusli N. Wadia (Chairman)

Mr. S. Ragothaman

Mr. S. M. Palia

Mr. S. S. Kelkar

Mr. A. K. Hirjee

Ms. Vinita Bali (upto October 1, 2014)

Mr. Ishaat Hussain

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

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

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

The Company Secretary of the Company acts as the Company Secretary of the Committee.

**(f) Corporate Social Responsibility (CSR) Committee:**

The Committee's constitution and terms of reference are in compliance with provisions of the Section 135 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The CSR Committee consists of the following Directors:

Ms. Vinita Bali (upto October 1, 2014) [Chairperson]

Mr. Ness N. Wadia (w.e.f. November 13, 2014) [Chairman]

Mr. S. M. Palia

Mr. S. S. Kelkar

Dr. (Mrs.) Sheela Bhide (w.e.f. March 23, 2015)

The CSR Committee will:

- (i) review the existing CSR Policy from time to time and the activities to be undertaken by the Company towards CSR activities;
- (ii) recommend the project/programme to be undertaken, amount of expenditure to be incurred, roles and responsibilities of various stakeholders, etc. in respect of CSR activities; and
- (iii) monitor for ensuring implementation of the projects/programmes undertaken or the end use of the amount spent by the Company towards CSR activities.

During the year under review, the Committee met once on 6<sup>th</sup> August, 2014 and all members attended the meeting.

**(g) Independent Directors Meeting**

During the year under review, the Independent Directors met on March 26, 2015, inter alia, to discuss:

- Evaluation of the performance of the Board as a whole;
- Evaluation of performance of the Non-Independent Non-Executive Directors and the Board Chairman;
- To assess the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting.

**(h) Familiarisation programme for Independent Directors**

The Board members are provided with necessary documents/ brochures and reports to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, business strategy and risks involved.

Quarterly updates on relevant statutory changes encompassing important laws are regularly circulated to the Directors.

The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at <http://teknowits.com/bombaydyeing/BoardofDirectors.aspx>

**4. General Body Meetings:**

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

Date & Time	Location	Special Resolutions Passed
8 <sup>th</sup> August, 2014, at 3.45 p.m.	Yashwantrao Chavan Center Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai – 400 021	(i) To increase the borrowing limits. (ii) To create charges, mortgages and hypothecation and to sell, lease or otherwise dispose of the part or whole of the undertaking. (iii) To renew and accept fixed deposits from the public. (iv) Remuneration to non-executive directors.
6 <sup>th</sup> August, 2013, at 3.45 p.m.	Yashwantrao Chavan Center Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai – 400021	Nil
7 <sup>th</sup> August, 2012, at 3.45 p.m.	Yashwantrao Chavan Center Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai - 400021	(i) Alteration in Employee Stock Option Scheme of the Company.

- (b) Whether any Special Resolutions were passed last year through postal ballot: During the year under review, no Special Resolution was passed through postal ballot.
- (c) Person who conducted postal ballot exercise: Not Applicable
- (d) Whether any special resolution is proposed to be passed through postal ballot this year: During the current year, special resolution is proposed to be passed through postal ballot for sale of asset.
- (e) Procedure for postal ballot:

The procedure for postal ballot will be followed in terms of Section 110 of the Companies Act, 2013 read with Rule 22 of The Companies (Management and Administration) Rules, 2014, as amended from time to time.

## 5. Other disclosures:

### (a) Related Party Transactions:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

As required under clause 49(VIII) of the listing agreement with Stock Exchanges, the Company has formulated a policy on Related Party Transactions which has been put up on the website of the Company: <http://teknowits.com/bombaydyeing/Corporategov.aspx>

### (b) Details of non-compliance by the Company, penalties and 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:

A detailed review of business risks and the Company's plan to mitigate them is presented to the Audit Committee and Board. The Company has been taking steps to mitigate foreseeable business risks. Business risk evaluation and management is an ongoing and continuous process within the Company and regularly updated to the Audit Committee and Board.

The Company has formulated a Risk Assessment & Management Policy, duly reviewed by the Audit Committee, establishing the philosophy of the Company towards risk identification, analysis and prioritization of risks, development of risk mitigation plans and reporting to the Board periodically. The Policy would be applicable to all the functions and departments of the Company. The Risk Assessment & Management Policy would be implemented through the establishment of the Risk Management Committee accountable to the Board of Directors. The Committee shall include the Managing Director ('MD') Chief Financial Officer, Chief Executive Officers, internal auditor of the Company and such other members as included by the Board/MD. The MD will be the Chairman of the Committee.

### (d) CEO/CFO Certification:

Mr. Jehangir N. Wadia, Managing Director and Mr. Vinod Hiran, Chief Financial Officer, have certified to the Board in accordance with Clause 49(IX) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31<sup>st</sup> March, 2015.

### (e) Code of Conduct:

The Board of Directors has adopted the Code of Ethics and Business Principles for Non-Executive Directors as also for the employees including Whole-time Directors and other members of

Senior Management. The said Code has been communicated to all the Directors and members of the Senior Management. The Code has also been posted on the Company's website: <http://teknowits.com/bombaydyeing/Corporategov.aspx>

### (f) Prevention of Insider Trading Code:

The Company has adopted a Code of Conduct to regulate, monitor and report trading by insiders and code of practices and procedures for fair disclosures of unpublished price sensitive information in terms of Regulations 8(1), 9(1) and 9(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

All the Directors, employees at senior management level and other specified persons who could have access to unpublished price sensitive information of the Company are governed by this code.

### (g) Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

The Company has not received any complaint on sexual harassment during the financial year 2014-15.

## 6. Means of communication:

### (i) Quarterly results:

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

### (ii) Newspapers wherein results normally published:

Financial Express (all editions) & Loksatta (Mumbai).

### (iii) Any Website where displayed: [www.bombaydyeing.com](http://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:  
Thursday, 6<sup>th</sup> August, 2015 - 3.45 p.m. at Birla Matushri Sabhagar, 19, Marine Lines, Mumbai – 400 020.
- (b) Financial calendar (tentative):  
Financial results for the quarter ending 30<sup>th</sup> June, 2015: 1<sup>st</sup> week August, 2015.  
Financial results for the quarter ending 30<sup>th</sup> September, 2015: 1<sup>st</sup> week November, 2015.  
Financial results for the quarter ending 31<sup>st</sup> December, 2015: 2<sup>nd</sup> week February, 2015.  
Financial results for the year ending 31<sup>st</sup> March, 2016: End May, 2016.  
Annual General Meeting for the year ending 31<sup>st</sup> March, 2016: 1<sup>st</sup> or 2<sup>nd</sup> week of August, 2016.
- (c) Book closure period: 1<sup>st</sup> August, 2015 to 6<sup>th</sup> August, 2015 both days inclusive.
- (d) Dividend payment date: On or from 7<sup>th</sup> August, 2015.
- (e) Listing on Stock Exchanges: Currently, the Company's securities are listed at:
1. BSE Ltd., 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 2015-16 have been paid to BSE 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 2015.
- (f) Stock Code:  
BSE Ltd. (BSE): 500020  
National Stock Exchange of India Ltd. (NSE): BOMDYEING
- (g) Stock Market Data: Please see Annexure 1
- (h) Stock Performance: Please see Annexure 2
- (i) Registrar & Transfer Agents:  
Sharepro Services (India) Pvt. Ltd., the Company's Registrar and Transfer Agent (R&TA) handle the entire share registry work, both physical and electronic. Accordingly, all documents, transfer deeds, demat requests and other communications in relation thereto should be addressed to the R&TA at its following offices:

**Registered Office:**

Sharepro Services (India) Pvt. Ltd.,  
**Unit: Bombay Dyeing**  
13AB, Samhita Warehousing Complex,  
Sakinaka Telephone Exchange Lane,  
Off Andheri Kurla Road, Sakinaka,  
Andheri (East), Mumbai 400 072.  
Tel: 022 - 67720300/67720400  
Fax: 022 - 28591568  
e-mail: sharepro@shareproservices.com

**Investor Relation Centre:**

Sharepro Services (India) Pvt. Ltd.  
**Unit: Bombay Dyeing**  
912, Raheja Centre,  
Free Press Journal Road,  
Nariman Point,  
Mumbai 400 021.  
Tel: 022 - 66134700  
Fax: 022 - 22825484

**(j) Share Transfer System:**

Share transfers in physical form are registered within a period of 7 to 15 days from the date of receipt in case documents are complete in all respects. The Board at its meeting held on 20<sup>th</sup> October, 2010 and as modified at its meeting held on 28<sup>th</sup> May, 2013 had delegated the powers to approve transfer and transmission of shares, issue of consolidated/new certificates etc. subject to certain guidelines and limits laid down, severally to the Managing Director, Chief Financial Officer and the Company Secretary. Anything above the said limit is approved by the Share Transfer Committee. The number of shares transferred/transmitted during the year is as under:

	No. of Applications	No. of Shares
Transfers	187	35,155
Transmissions	51	1,16,230
Total	238	1,51,385

**(k) Dematerialisation of shares and liquidity:**

97.53% of the outstanding equity shares have been dematerialised up to 31<sup>st</sup> March, 2015. All shares held by Promoters/Promoter Group Companies have been dematerialised. Trading in equity shares of the Company is permitted only in dematerialised form effective from 29<sup>th</sup> November, 1999 as per Notification issued by the Securities & Exchange Board of India (SEBI).

**(l) Share Capital Audit**

M/s. Parikh & Associates, Practicing Company Secretaries, have carried out the Secretarial Audit of the Company for the Financial year 2014-15 and as per the provisions of Section 204 of the Companies Act, 2013, a Secretarial Audit Report in the prescribed format given by M/s. Parikh & Associates is annexed to this Report.

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

- (m) Outstanding GDRs/Warrants, Convertible Bonds, conversion date and likely impact on equity:
- 5,55,885 GDRs were outstanding as at 31<sup>st</sup> March, 2015, each GDR representing five underlying equity shares of ₹ 2/- each.
  - 928 (2013-14: 928) Warrants as part of the rights entitlement kept in abeyance out of the rights issue of non-convertible debentures (NCDs)/secured premium notes (SPNs) with two detachable warrants attached to each NCD/SPN entitling the warrant-holder to apply for and be allotted five equity shares of the Company for each warrant at a price of ₹ 12 per share. Likely impact on full conversion will be ₹ 0.09 lakh on share capital and ₹ 0.46 lakh on share premium.
- (n) (i) Distribution of Shareholding as on 31<sup>st</sup> March, 2015.

Description	No. of Shareholders	%	Share Holding	%
1 - 50	28692	30.23	761019	0.37
51 - 100	13720	14.46	1224941	0.59
101 - 250	22251	23.44	4233514	2.05
251 - 500	14693	15.48	6118813	2.96
501 - 1000	7688	8.10	6202859	3.00
1001 - 5000	6379	6.72	14046116	6.80
5001 & Above	1487	1.57	173947638	84.22
<b>Total</b>	<b>94,910</b>	<b>100.00</b>	<b>20,65,34,900</b>	<b>100.00</b>

- (ii) Shareholding Pattern as on 31<sup>st</sup> March, 2015.

	No. of Shares	%
Promoter Group *	10,81,22,618	52.35
Insurance Companies	87,17,970	4.22
Banks/FIs	6,36,329	0.31
Mutual Funds	1,06,55,977	5.16
FII's	1,39,49,588	6.75
GDR Holders	27,79,425	1.35
Others	6,16,72,993	29.86
<b>Total</b>	<b>20,65,34,900</b>	<b>100.00</b>

\*Promoter Group comprises:

Mr. Nusli N. Wadia and his relatives in terms of Section 2 (77) of the Companies Act, 2013, Ms. Diana Claire Wadia, Ms. Elizabeth Anne Guhl, Estate of Smt. Bachoobai Woronzow, Jer Mavis Settlement No. II, Diana Claire Wadia Trust, Nusli Neville Wadia Trust, N. N. Wadia – Administrator of Estate of Late E. F. Dinshaw, Nowrosjee Wadia & Sons Limited, The Bombay Burmah Trading Corporation Limited, National Peroxide Limited, Sunflower Investments & Textiles Pvt. Ltd., Wadia Techno-Engineering Services Ltd., Ben Nevis Investments Limited, Macrofil Investments Limited, Nessville Trading Private Limited, Lotus Viniyog Private Limited, Go Airlines India Ltd., Go Investment & Trading Pvt. Ltd., Nidhivan

Investment & Trading Co. Pvt. Ltd., Heera Holdings & Leasing Pvt. Ltd. and Sahara Investments Pvt. Ltd. and their subsidiaries and associates.

- (o) In terms of Section 205C of the Companies Act, 1956, read with the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001 (which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified), the Company has credited during the year ended 31<sup>st</sup> March, 2015, an aggregate amount of ₹ 14.85 lakhs to the Investor Education and Protection Fund (IEPF).
- (p) Plant Locations :

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

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

**Address for correspondence:**

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

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

For any queries on Annual Report or investors' assistance:

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

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

**(q) Green Initiative:**

By virtue of Ministry of Corporate Affairs ("MCA") Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, read with Rule 11 of the Companies (Accounts) Rules, 2014, service of documents may be made to members through electronic mode.

We therefore appeal to the members to be a part of the said 'Green Initiative' and request the members to register their name in getting the said documents in electronic mode by sending an email giving their Registered Folio Number and/or DP Id/

Client ID to the dedicated email address at [bombaydyeing@shareproservices.com](mailto:bombaydyeing@shareproservices.com) or login at the R&TA's website [www.shareproservices.com](http://www.shareproservices.com) and register their request.

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

**Non-Mandatory Requirements:****(a) Office of the Chairman of the Board:**

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

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

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

**(c) Unqualified Financial Statements:**

There are no qualifications in the Auditor's Report on the accounts for the financial year 2014-15.

Mumbai, 25<sup>th</sup> May, 2015.

## 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 31<sup>st</sup> March, 2015.

For The Bombay Dyeing & Mfg. Co. Ltd.

Jehangir N. Wadia  
Managing Director

Mumbai, 25<sup>th</sup> May, 2015.

**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 31<sup>st</sup> March, 2015, under clause 49 of the listing agreements with relevant stock exchanges.**

We have examined the compliance of conditions of corporate governance by The Bombay Dyeing and Manufacturing Company Limited ("the Company") for the year ended 31<sup>st</sup> March, 2015, as stipulated in clause 49 of the listing agreements of the Company with relevant stock exchanges.

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

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

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

**For KALYANIWALLA & MISTRY**

Chartered Accountants  
Registration No. 104607W

**ERMIN K. IRANI**

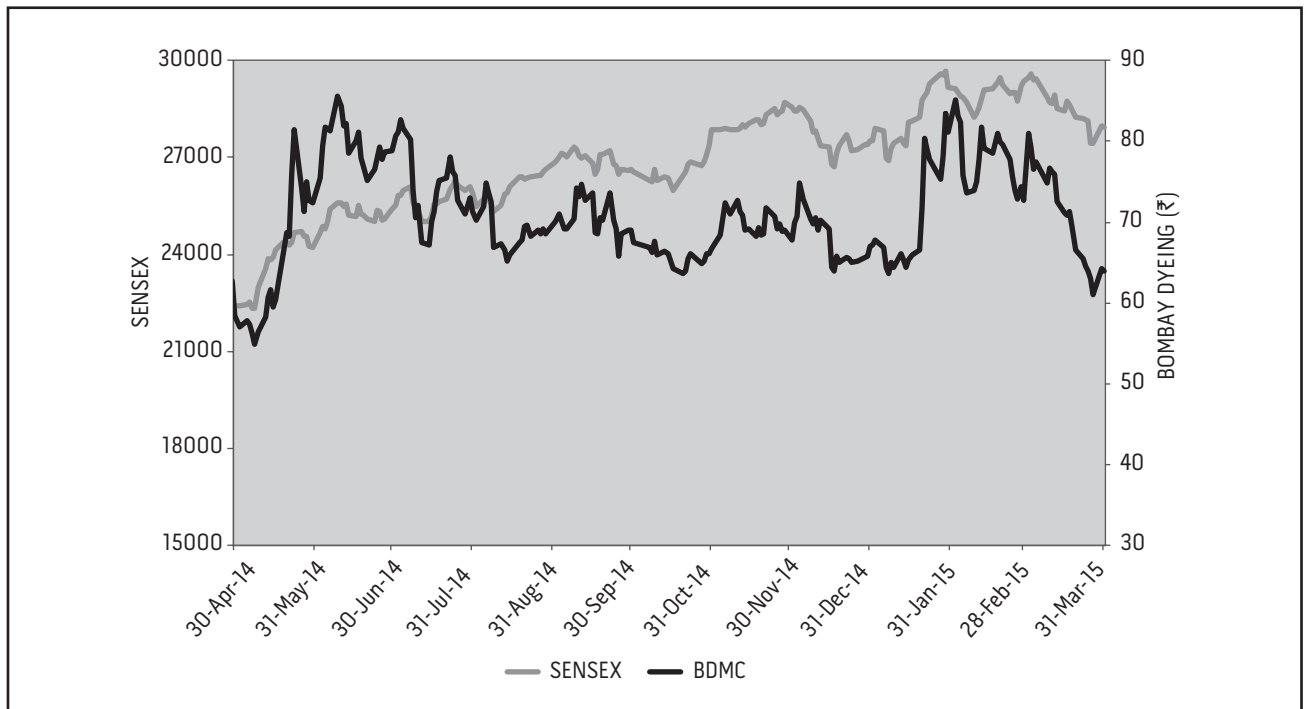
Partner  
Membership No.: 35646  
Mumbai: May 25, 2015

ANNEXURE 1

**STOCK MARKET DATA**

	Month's High Price (₹)		Month's Low Price (₹)		No. of shares Traded		No. of Trades		Value (₹ in lacs)	
	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE
Apr. 2014	69.25	68.50	55.00	54.50	15972751	37265617	168131	239039	10148.42	23579.74
May. 2014	83.80	83.80	54.60	54.30	17606179	45444244	209506	274682	12291.43	31901.22
Jun. 2014	87.55	87.90	72.45	72.60	16558771	45134255	204649	293932	13287.65	36281.97
Jul. 2014	84.35	84.35	65.50	65.25	15229756	49310605	180824	324304	11566.85	38002.85
Aug. 2014	75.80	75.70	62.85	62.65	6964602	18975149	85814	146264	4847.17	13204.81
Sep. 2014	76.40	76.40	64.20	64.05	10990593	33161108	126506	218908	7857.57	23742.46
Oct. 2014	69.15	69.20	63.30	63.00	3434690	9687226	43830	97402	2269.43	6395.29
Nov. 2014	74.00	73.80	66.65	66.55	9845599	27059511	103259	161089	6956.83	19144.21
Dec. 2014	76.45	76.50	62.50	62.10	9755690	28722579	115109	185161	6841.68	20155.74
Jan. 2015	85.95	86.00	62.75	62.75	18113172	46552132	188545	270955	13816.10	35506.33
Feb. 2015	87.45	87.85	71.00	70.65	13574279	28203540	153157	184804	10818.34	22509.94
Mar. 2015	83.65	83.70	60.30	60.35	11891197	31465650	122993	199664	8809.33	23466.15

ANNEXURE 2



## ANNEXURE F to Directors' Report:

### DETAILS OF THE REMUNERATION OF DIRECTORS, KMP'S AND EMPLOYEES

[Pursuant To Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) Of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial Year 2014-15 (₹ in crore)	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director/ to median remuneration of employees
1	Mr. Nusli N. Wadia, Chairman of the Company	xxx	xxx	0
2	Mr. Jehangir N. Wadia, Managing Director	5.87	11%	110.18
3	Mr. Ness N. Wadia, Promoter and Non-Executive	xxx	xxx	0
4	Mr. R. A. Shah, Non-Executive and Independent	xxx	xxx	0
5	Mr. S. S. Kelkar, Non-Executive and Independent	xxx	xxx	0
6	Mr. S. Ragothaman, Non-Executive and Independent	xxx	xxx	0
7	Mr. A. K. Hirjee, Non-Executive and Independent	xxx	xxx	0
8	Mr. S. M. Palia, Non-Executive and Independent	xxx	xxx	0
9	Mr. Ishaat Hussain, Non-Executive and Independent	xxx	xxx	0
10	Dr. (Mrs.) Sheela Bhide, Non-Executive and Independent*	xxx	*	*
11	Mr. Raghuraj Balakrishnan, Chief Financial Officer**	xxx	**	**
12	Mr. Vinod Hiran, Chief Financial Officer***	xxx	***	***
13	Mr. Jairaj C. Bham, Company Secretary	0.67	11%	xxx

\* Details not given as Dr. (Mrs.) Sheela Bhide was a Director only for part of the financial year 2014-15 i.e. with effect from March 23, 2015.

\*\* Details not given as Mr. Raghuraj Balakrishna was Chief Financial Officer & Key Managerial Personnel only for part of the financial year 2014-15 i.e. upto August 8, 2014.

\*\*\* Details not given as Mr. Vinod Hiran is Chief Financial Officer & Key Managerial Personnel was appointed after the end of financial year 2014-15.

- ii. The median remuneration of employees of the Company during the financial year was ₹ 0.05 crore. In the financial year 2014-15, there was an increase of 0.60 % in the median remuneration of employees;
- iii. There were 950 number of permanent employees on the rolls of Company as on March 31, 2015;
- iv. The explanation on the relationship between average increase in remuneration and company performance: The increase in remuneration is linked to the performance of the Company as a whole, the performance of the concerned Division, the performance of the employees and other factors like industry trends and economic environment.
- v. a) Variations in the market capitalisation of the Company : The market capitalization as on March 31, 2015, was ₹ 1319.76 crore (₹ 1142.14 crore as on March 31, 2014).
- b) Price Earnings ratio of the Company was ₹ 53.70 as at March 31, 2015 and was ₹ 46.86 as at March 31, 2014.
- c) Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer - The exact date of listing of the Company's shares is not available but the shares were listed before the year 1934. Since the listing of the shares the Company has not made any Public offer. The market capitalisation as on March 31, 2015, was ₹ 1319.76 crore and the closing price of the same at NSE on March 31, 2015, was ₹ 63.90 per Equity Share of the face value of ₹ 2/- each.

- vi. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 whereas the increase in the managerial remuneration for the same financial year: There were no exceptional circumstances for increase in Managerial Remuneration as Managerial & Non Managerial levels were provided with similar increases.
- vii. Comparison of Remuneration of each Key Managerial Personnel(s) and All Key Managerial Personnel(s) together against the performance of the Company:

	Mr. Jehangir N. Wadia	Mr. J. C. Bham	Total
Aggregate remuneration of Key managerial personnel (KMP) in financial year 2014-15 (₹ in crore)	5.87	0.67	6.54
Revenue (₹ in crore)	2566.75		
Remuneration of KMPs (as % of revenue)	0.23%	0.03%	0.25%
Profit before Tax (PBT) (₹ in crore)	34.94		
Remuneration of KMP (as % of PBT)	16.80%	1.92%	18.72%

- viii. The key parameters for any variable component of remuneration availed by the directors: Performance Bonus
- ix. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: There are so such cases wherein any employee received remuneration in excess of the highest paid Director.
- x. Affirmation that the remuneration is as per the remuneration policy of the company: It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.



## ANNEXURE G to Directors' Report:

### FORM No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015

(Pursuant to Section 204(1) of the Companies Act, 2013, and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members,  
**THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Bombay Dyeing and Manufacturing Company Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of The Bombay Dyeing and Manufacturing Company Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by The Bombay Dyeing and Manufacturing Company Limited for the financial year ended on 31<sup>st</sup> March, 2015, according to the provisions of:

- (i) The Companies Act, 2013, (the Act) and the rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956, ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996, and the Regulations and Bye-laws framed there under;

- (iv) Foreign Exchange Management Act, 1999, and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (vi) Other laws as are applicable to the Company as per representations made by the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to board and general meetings of The Institute of Company Secretaries of India are not in force as on the date of this report.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review and as per the explanations given and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the following observations:

- (a) the payment of remuneration to managing director was subject to the approval of Central Government and other necessary approvals.
- (b) The Company has an unspent amount of ₹ 9 lakhs against the amount of ₹ 1.47 crores to be spent during the year towards Corporate Social Responsibility.
- (c) The Chief Financial Officer (CFO) being the Key Managerial Personnel of the Company resigned on 8th August, 2014. The new incumbent was appointed as CFO on 24<sup>th</sup> April, 2015.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had following events which had major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc :

- a. Acquired the shares of Archway Investment Company Limited and it became a subsidiary of the company.

For Parikh & Associates  
Company Secretaries

Place: Mumbai

Date: 25<sup>th</sup> May, 2015

**P. N. Parikh**  
Partner  
CP No: 1228  
FCS No: 327

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

**Annexure A**

To,  
The Members

**The Bombay Dyeing and Manufacturing Company Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates  
Company Secretaries

Place: Mumbai

Date: 25<sup>th</sup> May, 2015

**P. N. Parikh**  
Partner  
CP No: 1228  
FCS No: 327

## ANNEXURE H to Directors' Report:

### CORPORATE SOCIAL RESPONSIBILITY POLICY (Approved by the Board of Directors on August 7, 2014)

#### Introduction

As per the Companies Act, 2013, all companies having net worth of ₹ 500 Crore or more, or turnover of ₹ 1,000 crore or more or a net profit of ₹ 5 crore or more during any financial year will be required to constitute a Corporate Social Responsibility (CSR) committee of the Board of Directors comprising three or more directors, at least one of whom will be an Independent director.

Aligning with the guidelines of the Section 135 of the Companies Act, 2013, and the Rules framed there under, the Company has constituted a Committee, which is responsible for formulating and monitoring the CSR Policy of the Company. The Committee has adopted a policy that intends to:

- Recommend the project/programme to be undertaken within the long term vision and strategy of the Wadia Group in respect of CSR activities, amount of expenditure to be incurred, type of activities, roles and responsibilities of various stakeholders, etc.
- Formulate a monitoring mechanism for ensuring implementation of the projects/programmes undertaken or the end use of the amount spent by it towards CSR activities.

#### THE CSR POLICY

##### BACKGROUND

Corporate Social Responsibility (CSR) embodies the various initiatives and programs of the Wadia Group in the communities and environment in which the Group Companies operate. It represents the continuing commitment and actions of the Wadia Group to contribute towards economic and social development and growth.

##### I. OBJECTIVE

The CSR Policy of the Company has been formulated and adopted in terms of Section 135 of the Companies Act, 2013, and the Rule's made thereunder. The Company will undertake CSR activities specified in Schedule VII to the Companies Act, 2013 (as per annexure attached).

##### II. CONSTITUTION OF CSR COMMITTEE

The Board of Directors of the Company has constituted a CSR Committee of Directors comprising of three directors with one being an Independent Director.

##### ROLE OF CSR COMMITTEE

The CSR Committee will play the following role in fulfilling the Company's CSR objectives:

- Recommendations of the project/programme to be undertaken within the long term vision and strategy of the Wadia Group in respect of CSR activities, amount of

expenditure to be incurred, type of activities, roles and responsibilities of various stakeholders, etc.

- Formulation of a monitoring mechanism for ensuring implementation of the projects / programmes undertaken or the end use of the amount spent by it towards CSR activities.

The contribution will be made for any activities undertaken within India. The Committee will give preference to the local area and areas around it where it operates in spending the amount earmarked for CSR activities.

Surplus arising out of the CSR activities will be utilized for the benefit of the community.

##### III. ROLE OF BOARD OF DIRECTORS

The role of the Board with respect to CSR is as under:

- Review the recommendations in respect of the annual budget for CSR;
- Disclose contents of the Policy in the Company's report/ website; and
- Ensure that the Company spends in every financial year, at least two percent of the average net profits made during the three immediately preceding financial years of the Company on CSR activities.

##### IV. DISBURSEMENT OF CSR AMOUNT

The Company may undertake CSR activities, on its own or by pooling the resources into the Sir Ness Wadia Foundation or other not-for-profit organisations (NGOs) or a combination thereof.

The CSR Committee will decide on the budget allocation for CSR Projects and Programmes and the instalments for disbursement of amounts.

##### V. PARTNERING ORGANISATIONS

While undertaking any project or program with other partnering organizations, the Company will undertake due diligence to evaluate the NGO's reputation, track record, capacity and competency, including organization structure, requisite permits and licenses, presence in desired geography and compatibility with the Group CSR Policy.

##### PROCESS FOR UNDERTAKING CSR ACTIVITIES/ PROJECTS THROUGH PARTNERING NGOS

The following procedure will be adhered to while undertaking/ funding CSR activities/ projects through NGOs:

- Presentation of Project / Program details.
- Execution of Memorandums of Understanding (MoU) with the Partnering NGOs, which will detail the key roles and responsibilities of each of the parties for a specified project or projects identified by the Wadia Group / Company.

- Scheduling of disbursements of funds relating to the program and monitoring system in accordance with pre-agreed milestones with partners.
- The Committee whilst making any contribution will specify the activities for which it is made and the amount for the same.

#### **VI. MONITORING**

CSR Committee will institute a transparent monitoring mechanism for implementation of CSR Projects or Programmes undertaken by the Company or through NGOs.

#### **VII. VOLUNTEERING**

The Company will encourage and enable employees and other stakeholders to participate in the projects supported by it through Employee Volunteering Programmes (EVP). The Company will recognize the efforts put in by employees in CSR activities through the annual appraisal system. The Head HR will play a specific role in building capacities, skills and talents under the concept of the Company's broader vision on CSR.

#### **VIII. SELF-ASSESSMENT**

The Company will introduce a mechanism for self-assessment of CSR activities pursued by it and strive to improve the existing policy and systems. It will also undertake impact assessment of the development projects on the target group.

#### **IX. DISSEMINATION OF INFORMATION**

The CSR Committee will report to the Board of the Company, from time to time, of the status of the CSR projects/ activities undertaken by it along with the report on the impact created by such projects/ activities. The Company shall upload this Policy on its website [www.bombaydyeing.com](http://www.bombaydyeing.com). A detailed status report on the CSR activities carried out by the Company will be disclosed every year as part of the Directors' Report in the Annual Report. The said information will also be uploaded on the website of the Company. The CSR activities of the Company shall also be visible through newsletters, websites, press releases and the Directors' Report (as an integral part of business) articulated on major occasions and employee / shareholder / dealer meetings.

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

as prescribed under section 135 of the Companies Act, 2013 and companies (Corporate Social Responsibility Policy).

1. **A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**  
The Company has undertaken projects like contribution towards restoration of hospitals for children, donation of textile products to areas affected adversely due to natural calamities like floods, landslides, earthquake, etc. Kindly refer the Corporate Social Responsibility Policy above and on the Company's website: <http://teknowits.com/bombaydyeing/Corporategov.aspx>
2. **The Composition of the CSR Committee:**  
Mr. Ness N. Wadia (Chairman), Mr. S. M. Palia, Mr. S. S. Kelkar and Dr. (Mrs.) Sheela Bhide.
3. **Average Net Profit of the Company for last three financial years (2012-14):** ₹ 73.50 crore.
4. **Prescribed CSR expenditure (two percent of the Amount as in item 3 above) (2011-2013):** Expenditure for the financial year 2014-15 amounts to ₹ 1.47 crore.
5. **Details of CSR spend during the Financial Year 2014-15:**
  - (a) Total amount spent during the financial year 2014-15 ₹ 1.38 crore.
  - (b) Amount unspent, if any: Refer Note 6
  - (c) Manner in which the Amount spent during the financial year is detailed below:

(1) Sr. No.	(2) CSR Project or Activity identified	(3) Sector in which the project is covered	(4) Projects or programmes [1] Local area or other [2] Specify the state and district where projects or programmes were undertaken.	(5) Amount outlay (Budget) projects or programmes wise (₹)	(6) Amount spent on the projects or programmes		(7) Cumulative expenditure up to the reporting period (₹)	(8) Amount spent: directly or through implementing agency (₹)
					Direct expenditure on programme or projects (₹)	Overheads (₹)		
1.	Preservation of heritage building of Bai Jerbai Wadia Hospital for Children (BJWHC)	Promoting preventative health care	State: Maharashtra District: Mumbai	1 crore	1 crore	Nil	1 crore	1 crore spent directly by Bai Jerbai Wadia Hospital
2.	Donations of textiles products for Jammu & Kashmir relief operations	Promoting preventative health care	State: Jammu & Kashmir	0.38 crore	0.38 crore	Nil	1.38 crore	0.38 crore spent directly.

6. **In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:**  
The shortfall in the spend of ₹ 9 lakhs during the year under report is intended to be made good in future upon identification of suitable projects within the Company's CSR Policy.
7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

For and behalf of the  
Corporate Social Responsibility Committee of  
The Bombay Dyeing and Mfg. Co. Limited

**Ness N. Wadia**  
Chairman

Corporate Social Responsibility Committee

For The Bombay Dyeing and Mfg. Co. Limited  
**Nusli N. Wadia**  
Chairman

# INDEPENDENT AUDITOR'S REPORT

To the Members of

## THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on

whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015 and its profit and its cash flows for the year ended on that date.

### Emphasis of Matters

We draw attention to:

- Note No. 36 to the financial statements regarding agreements to sell certain apartments in the proposed residential towers being constructed at Island City Centre to SCAL Services Ltd., a Group company, in terms of various MOUs entered between the companies till March 2015. The Company has during the year recognized net revenues of ₹ 301.11 crores (2013-14: ₹ 670.13 crores) and resultant profit before tax of ₹ 224.49 crores (2013-14: ₹ 355.45 crores) on sale of apartments to SCAL.
- Note 38 to the financial statements regarding the giving of advance possession of earmarked lands at Spring Mills, Wadala to MCGM and MHADA under the Integrated Development Scheme as per the provisions of DCR 58. In lieu of the physical possession given to MCGM, the Company has recognized the entitlement of additional Development Rights (FSI) available for its own use and has converted the same into stock in trade at market value. An amount of ₹ 351.24 crores has been released from Revaluation Reserve to the credit of the Statement of Profit and Loss in respect of areas agreed for sale /sold and percentage of work completed.
- Note 40 to the financial statements regarding the remuneration paid to the Managing Director being in excess of the limits prescribed under sections 197 read with schedule V of the Companies Act, 2013 by ₹ 3.26 crore, due to inadequacy of profits. The excess remuneration is subject to the approval of the Central Government for which an application has been made.

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

### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of

sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:
- a) We have sought and 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 it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the

Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations on its financial position in the financial statements – Refer Notes 30 and 39 to the financial statements.
  - b. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For KALYANIWALLA & MISTRY**

Chartered Accountants

Firm Registration No. 104607W

**ERMIN K. IRANI**

Partner

Membership No.: 35646

Mumbai, May 25, 2015

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Para 1 'Report on Other Legal and Regulatory Requirements' of our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2015.

- i) (a) The Company has maintained records showing full particulars, including quantitative details and situation of fixed assets. The records of certain assets need to be assimilated to make identification possible.
- b) The Company has a program for physical verification of fixed assets in a phased manner. In our opinion, the period of verification is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed in respect of the assets physically verified during the year.
- ii) a) The Management has conducted physical verification of inventory (excluding stocks lying with third parties) at reasonable intervals. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) The Company is generally maintaining proper records of inventory. The discrepancies noticed on verification between physical stock and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- iii) a) The Company has granted unsecured loans/ deposits to two companies and an interest free shareholders' deposit to a jointly controlled entity covered in the register maintained under section 189 of the Companies Act. The principal amount and interest on the loans/ deposits have been repaid regularly, as stipulated. The shareholder's deposit is free of interest and repayment thereof has been extended up to December 2015 as permitted by Reserve Bank of India.
- b) There is no amount overdue more than rupees one lakh as on the Balance sheet date, as the repayment of the shareholder's deposit has been extended.
- iv) In our opinion and according to the information and explanations given to us, the Company has an internal control system which is generally adequate, commensurate with the size of the Company and nature of its business, with regard to purchases of inventory, fixed assets, and for the sale of goods and services. On the basis of our examination of the books and records and the information and explanations given to us, we have not come across any continuing failure to correct major weakness in the internal control system.
- v) In our opinion and according to the information and explanations given to us, the Company has complied with directives issued by Reserve Bank of India and the provision of sections 73 to 76 or any other applicable provisions of the Act and The Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- vi) We have broadly reviewed the books of accounts and records maintained by the Company in respect of manufacture of products covered under the Rules made by the Central Government for maintenance of cost records, under section 148 (1) of the Companies Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) a) According to the information and explanation given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues, including dues pertaining to Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. We have been informed that there are no undisputed dues which have remained outstanding as at the end of the financial year, for a period of more than six months from the date they became payable.



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

No.	Name of the statute	Nature of Dues	Amount (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	Income tax	0.03	2007-08	Deputy Commissioner of Income Tax- TDS, Mumbai
		Income tax	0.02	2008-09	Deputy Commissioner of Income Tax- TDS, Mumbai
		Income tax	0.13	2009-10	Commissioner of Income Tax (Appeals), Mumbai
		Income tax	0.26	2010-11	Commissioner of Income Tax (Appeals), Mumbai
2	The Customs Act, 1962	Interest on customs duty	0.95	1995 to 2012	Commissioners of Customs (Appeals), Mumbai
3	The Central Excise Act, 1944	Excise Duty	0.16	1989-90 to 1995-96	Commissioner of Central Excise (Appeals), Mumbai
		Excise Duty	0.56	1995-96 to 1996-97	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai
		Excise Duty	0.03	1997-1998	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai
		Excise Duty	0.09	2000-2001	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai
		Excise Duty	0.02	2001-2004	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai
		Service Tax	0.76	2003-04 to 2005-06	Commissioner of Service Tax, Mumbai Tribunal
		Interest on excise duty	0.20	2002-2006	Bombay High Court
4	Municipal Corporation of Greater Mumbai Octroi Rules, 1965	Octroi	2.16	2007-2008	Deputy Assessor & Collector (Octroi)

- c) According to the information and explanations given to us, the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
- viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- ix) 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.
- x) In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by its jointly controlled entity from banks or financial institutions are not prima facie prejudicial to the interest of the Company.
- xi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- xii) Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud on, or by the company, has been noticed or reported during the year.

**For KALYANIWALLA & MISTRY**

Chartered Accountants

Firm Registration No. 104607W

**ERMIN K. IRANI**

Partner

Membership No.: 35646

Mumbai, May 25, 2015

## BALANCE SHEET as at 31st March, 2015

(₹ in crores)

	Note	As at 31st March, 2015	As at 31st March, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital .....	2	41.31	41.31
Reserves and surplus .....	3	1,530.97	1,422.24
		1,572.28	1,463.55
<b>Non-current liabilities</b>			
Long-term borrowings .....	4	906.03	553.96
Other Long-term liabilities .....	5	6.85	10.90
Long-term provisions .....	6	13.60	12.03
		926.48	576.89
<b>Current liabilities</b>			
Short-term borrowings .....	7	430.50	512.11
Trade payables .....	8	480.75	640.60
Other current liabilities .....	9	540.21	516.92
Short-term provisions .....	10	42.47	53.52
		1,493.93	1,723.15
<b>TOTAL</b>		<b>3,992.69</b>	<b>3,763.59</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets .....	11	834.65	852.91
Intangible assets .....	12	3.31	4.84
Capital work-in-progress .....		74.59	88.70
Incidental expenditure relating to construction / development .....	13	-	64.69
Non-current investments .....	14	55.96	55.96
Long-term loans and advances .....	15	37.25	37.84
Other non current assets .....	16	1,190.74	1,086.95
		2,196.50	2,191.89
<b>Current assets</b>			
Inventories.....	17	710.27	718.72
Trade receivables .....	18	264.79	195.80
Cash and bank balances .....	19	68.42	28.23
Short-term loans and advances .....	20	221.01	157.33
Other current assets .....	21	531.70	471.62
		1,796.19	1,571.70
<b>TOTAL</b>		<b>3,992.69</b>	<b>3,763.59</b>
Significant Accounting Policies	1		
The accompanying notes are an integral part of the standalone financial statements			

As per our report attached

Signatures to the Balance Sheet and Notes to financial statements  
For and on behalf of the Board of Directors

**FOR KALYANIWALLA & MISTRY**  
Chartered Accountants  
Firm Registration No.104607W

NUSLI N. WADIA

Chairman

JEH N. WADIA

Managing Director

**Ermin K. Irani**  
Partner  
Membership No.35646

VINOD HIRAN

CFO

J.C. BHAM

Company Secretary

R.A. SHAH  
S. S. KELKAR  
S. RAGOTHAMAN  
A. K. HIRJEE  
S. M. PALIA  
SHEELA BHIDE  
ISHAAT HUSSAIN  
NESS N. WADIA

Directors

Mumbai, 25th May, 2015.

Mumbai, 25th May, 2015.

## STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2015

(₹ in crores)

	Note	2014-15	2013-14
<b>INCOME</b>			
Revenue from operations .....	22	2,511.84	2,782.93
Less : Excise Duty .....		133.57	126.70
Revenue from operations (net) .....		2,378.27	2,656.23
Other income .....	23	54.91	39.75
Total Revenue .....		2,433.18	2,695.98
<b>EXPENSES</b>			
Cost of materials consumed .....	24	1,270.59	1,391.65
Purchases of Stock-in-Trade .....		187.87	141.27
Changes in inventories of finished goods, work-in-progress and stock-in-trade ....	25	(400.59)	318.14
Employee benefits expenses .....	26	88.23	93.30
Finance costs .....	27	227.22	191.02
Depreciation and amortization expenses .....	28	46.82	60.02
Impairment loss on fixed assets (Refer Note No. 33) .....	33	13.26	-
Other expenses .....	29	964.84	467.44
		2,398.24	2,662.84
<b>Profit before tax</b> .....		34.94	33.14
Tax expenses:			
Current tax .....		10.38	8.80
<b>Profit for the year</b> .....		<b>24.56</b>	<b>24.34</b>
Earnings per equity share of nominal value ₹ 2 each (Refer Note No.47)			
- Basic		1.19	1.18
- Diluted		1.19	1.18
Significant Accounting Policies	1		
The accompanying notes are an integral part of the standalone financial statements			

As per our report attached

Signatures to the Statement of Profit & Loss and Notes to financial statements  
For and on behalf of the Board of Directors

**FOR KALYANIWALLA & MISTRY**  
Chartered Accountants  
Firm Registration No.104607W

NUSLI N. WADIA *Chairman*  
JEH N. WADIA *Managing Director*

**Ermin K. Irani**  
Partner  
Membership No.35646

VINOD HIRAN *CFO*  
J.C. BHAM *Company Secretary*

R.A. SHAH  
S. S. KELKAR  
S. RAGOTHAMAN  
A. K. HIRJEE  
S. M. PALIA  
SHEELA BHIDE  
ISHAAT HUSSAIN  
NESS N. WADIA

Directors

Mumbai, 25th May, 2015.

Mumbai, 25th May, 2015.

## CASH FLOW STATEMENT for the year ended 31st March, 2015

(₹ in crores)

	2014-2015	2013-2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
NET PROFIT BEFORE TAX .....	34.94	33.14
Adjusted for		
Depreciation and amortisation .....	46.82	60.02
Impairment of Assets .....	13.26	-
Foreign exchange loss/(gain) (net) .....	2.61	(24.19)
Provision for doubtful debts/advances .....	14.58	7.28
Sundry balances / excess provision written back (net) .....	(3.59)	(0.86)
Interest income .....	(16.07)	(6.49)
Profit on sale of fixed assets (net) .....	(16.18)	(0.03)
Interest and other finance charges .....	227.22	191.02
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS .....	303.59	259.89
Changes in		
Inventories .....	164.13	339.62
Trade receivables .....	(78.36)	20.47
Other current and non-current assets .....	(192.17)	(625.94)
Trade payables and acceptances .....	(165.19)	58.67
Other current and non-current liabilities .....	26.57	(61.99)
Provisions .....	(9.41)	11.28
CASH GENERATED FROM OPERATIONS	49.16	2.00
Direct taxes paid (net) .....	(4.17)	(15.77)
NET CASH FROM OPERATING ACTIVITIES .....	(a) 44.99	(13.77)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets .....	(25.72)	(39.06)
Proceeds from sale of fixed assets .....	29.71	2.79
Inter-corporate deposits placed .....	(64.35)	(144.56)
Inter-corporate deposits received back .....	13.65	155.47
Fixed deposits placed with banks having original maturity over three months .....	(36.18)	(4.35)
Fixed deposits with banks matured having original maturity over three months .....	31.77	26.75
Interest received .....	14.02	6.52
NET CASH (USED IN) / FROM INVESTING ACTIVITIES .....	(b) (37.10)	3.56
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings .....	1,110.53	727.36
Repayment of borrowings .....	(877.98)	(618.40)
Proceeds from fixed deposits / Inter-corporate borrowings .....	255.75	146.50
Repayment of matured fixed deposits / Inter-corporate borrowings .....	(253.68)	(151.42)
(Decrease) / Increase in demand loan, cash credit .....	50.99	87.72
Interest and other finance charges paid .....	(236.33)	(168.56)
Dividend paid (including corporate dividend tax) .....	(19.27)	(24.12)
NET CASH (USED IN) / FINANCING ACTIVITIES .....	(c) 30.01	(0.92)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS .....</b> (a + b + c)	<b>37.90</b>	<b>(11.13)</b>

**CASH FLOW STATEMENT** for the year ended 31st March, 2015 (Contd.)

(₹ in crores)

	2014-2015	2013-2014
CASH AND CASH EQUIVALENTS AT THE COMMENCEMENT OF THE YEAR .....	20.12	31.25
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR .....	58.02	20.12
<b>NET (DECREASE) / INCREASE</b>	<b>37.90</b>	<b>(11.13)</b>
Notes :		
1. Cash and Cash Equivalents comprises of :		
Balances with banks in current accounts .....	3.89	17.07
Cheques on hand .....	4.23	2.92
Cash on hand .....	0.17	0.13
Bank deposits with maturity less than 3 months .....	49.73	-
Cash and Cash Equivalents .....	58.02	20.12
2. Figures in brackets are outflows/deductions.		
3. Previous year's figures have been regrouped where necessary.		

As per our report attached

**FOR KALYANIWALLA & MISTRY**  
Chartered Accountants  
Firm Registration No.104607W

**Ermin K. Irani**  
Partner  
Membership No.35646

NUSLI N. WADIA *Chairman*  
JEH N. WADIA *Managing Director*  
VINOD HIRAN *CFO*  
J.C. BHAM *Company Secretary*

Signatures to the Cash Flow Statement  
For and on behalf of the Board of Directors

R.A. SHAH  
S. S. KELKAR  
S. RAGOTHAMAN  
A. K. HIRJEE  
S. M. PALIA  
SHEELA BHIDE  
ISHAAT HUSSAIN  
NESS N. WADIA

Directors

Mumbai, 25th May, 2015.

Mumbai, 25th May, 2015.

## NOTES to financial statements for the year ended 31st March, 2015

### NOTE NO.1 :- SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements are prepared under the historical cost convention, except for revaluation of certain freehold land on conversion to stock-in-trade, on the accrual basis of accounting and in accordance with the generally accepted accounting principles in India. The financial statements have been prepared to comply in all material aspects with the accounting standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act, to the extent applicable.

The classification of assets and liabilities of the Company into current or non-current is based on the Company's normal operating cycle and other criterion specified in the Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

#### (b) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported balances of assets, liabilities and contingent liabilities as of the date of the financial statements and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. However, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustment to the carrying amounts of assets and liabilities in future periods.

#### (c) Revenue recognition

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

##### Revenue from real estate activity

Revenue from real estate activity is recognised to the extent that it is probable that the economic benefits will flow to the Company, all significant risks and rewards of ownership are transferred to the customers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration.

The freehold land (including FSI entitlement thereon) under Real Estate Development planned for sale, is converted from fixed assets into stock-in-trade at market value. The difference between the market value and cost of that part of freehold land is credited to revaluation reserve and is released to the Statement of Profit and Loss in the proportion of revenue recognized under the percentage of completion method on entering into an agreement / contracts for sale.

Revenue from real estate development activity where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards, is recognised on the 'Percentage of Completion Method'. Revenue is recognised

in relation to the sold areas, on the basis of percentage of actual cost incurred, including land, development and construction costs as against the total estimated cost of project. Revenue is recognised, if the cost incurred is in excess of 25% of the total estimated cost and the outcome of the project can be reliably ascertained. The company continues to recognize revenue in accordance with the Guidance Note on Recognition of Revenue by Real Estate Developers (Issued 2006) for the projects commenced before 1st April 2012.

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

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

The estimates of saleable area and cost of construction are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined. The estimated cost of construction as determined is based on management's estimate of the cost expected to be incurred till the final completion and includes cost of materials, service and other related overheads. Unbilled costs are carried as real estate development work in progress.

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

#### (d) 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.

#### (e) Depreciation

Depreciation on fixed assets other than furniture & fixtures and motor vehicles is provided on the straight line method, prorata to the period of use, over the useful life as prescribed in Schedule II to the Companies Act, 2013 or as estimated by the management, whichever is lower. Depreciation on furniture & fixtures and motor vehicles is provided on the written down value method over the useful life as prescribed in Schedule II. The asset categories and their useful lives over which depreciation is provided are as under:

## NOTES to financial statements for the year ended 31st March, 2015

### 1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Asset	Useful life
Leasehold land	Lease period namely 95 years
Buildings	30 to 60 years
Office equipment	5 years
Computers	3 to 6 years
Plant & machinery	15 to 25 years
Furniture & fixtures	10 years
Assets of retail shops including leasehold improvements	6 years
Movable site offices	10 years
Motor vehicles	8 years
Computer software	5 years
Technical know-how	10 years

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

#### Change in Estimates

Pursuant to notification of Schedule II to the Companies Act, 2013, the Company has, with effect from April 1, 2014, realigned the useful life of its Fixed Assets, other than assets of retail shops and movable site offices, with the useful life prescribed in schedule II.

Pursuant to such change, the carrying amount of such assets as on April 1, 2014 has been depreciated over the remaining useful life, resulting in the depreciation charge for the year being lower by ₹ 11.65 crores and where the remaining useful life has been exhausted, the carrying amount of such assets amounting to ₹ 1.54 crores has been charged against the opening balance of Retained Earnings.

#### (f) Impairment

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

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

#### (g) Borrowing costs

Borrowing costs include interest, amortization of ancillary costs, amortization of discounts related to borrowings and foreign exchange to the extent they are regarded as adjustment to interest costs. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such asset till such time that the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

#### (h) Investments

(i) Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long term investments.

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

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

#### (i) Inventories

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

(ii) Cost is determined as follows:

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

(b) Raw Materials

- cotton, fibre, cloth, yarn, purified terephthalic acid, mono ethylene glycol, dyes & chemicals and other materials on a weighted average method.

(c) Work-in-process and finished goods (including stock lying at our own retail store)

Textile division-

Material costs included in the valuation are determined on the basis of the average consumption rates closer to the year end so as to reflect the fair approximation to the costs incurred. Costs of conversion and other costs are determined on the basis of standard costs, adjusted for variances between standard and actual costs, if material. Cost of ready finished goods is determined on weighted average method.

PSF division-

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



## NOTES to financial statements for the year ended 31st March, 2015

### 1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

#### (d) Real estate under development

Real estate under development comprises undivided interest in the freehold land at market value, determined at the rate at which it was converted from fixed assets into stock-in-trade for present and future development, expenditure relating to construction and allocated expenses incidental to the projects undertaken by the Company. Cost of land and construction / development is charged to Statement of Profit and Loss proportionate to area sold and at the time when corresponding revenue is recognised.

#### (j) Foreign currency transactions

- (i) Transactions in foreign currency are recorded at standard exchange rates determined monthly. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of all monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Statement of Profit & Loss.
- (ii) Forward exchange contracts other than those entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions are translated at period end exchange rates and the resultant gains and losses as well as the gains and losses on cancellation of such contracts are recognised in the Statement of Profit and Loss. Premium or discount on such forward exchange contracts is amortised as income or expense over the life of the contract. Forward exchange contracts entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions are treated as derivative financial instruments.
- (iii) The company uses forward foreign exchange contracts to hedge its exposure against movements in foreign exchange rates.

#### (k) Derivative Financial Instruments and Hedging

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

##### Cash Flow Hedge

Forward exchange contracts entered into to hedge foreign currency risks of firm commitments or highly probable forecast transactions, that qualify as cash flow hedges are recorded in accordance with the principles of hedge accounting enunciated in Accounting Standard (AS) 30 – Financial Instruments Recognition and Measurement. The gains or losses on designated hedging instruments that qualify as effective hedges is recorded in the

Hedging Reserve account and is recognized in the Statement of Profit and Loss in the same period or periods during which the hedged transaction affects profit or loss.

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

#### (l) Employees benefits

##### (i) Short term employee benefits:

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

##### (ii) Post-employment benefits:

###### (1) Defined Contribution Plan:

###### a) Provident and Family Pension Fund

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both the employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to the provident fund and pension fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner. The Company has no further obligations beyond making the contribution, except that any shortfall in the fund assets based on the Government specified minimum rates of return in respect of provident fund set up by the Company, and the Company recognises such contributions and shortfall, if any, as an expense in the year incurred.

###### b) Superannuation

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

## NOTES to financial statements for the year ended 31st March, 2015

### 1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

#### (II) Defined Benefit Plan:

##### a) Gratuity

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

##### b) Other long-term employee benefits - compensated absences

The Company provides for encashment of leave or leave with pay subject to certain rules. The leave accumulated to the credit of the employees up to Dec 31, 2014 is available for carry forward and encashment on separation. The leave earned during the period has to be utilized by the employees within the following year. The Company makes provision for compensated absences based on an actuarial valuation by an independent actuary at the year end, which is calculated using Project Unit Credit Method. Actuarial gains and losses which comprise experience adjustment and the effect of change in actuarial assumptions are recognised in the Statement of Profit and Loss.

##### c) Termination Benefits

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

#### (m) Employee share based payments

Equity settled stock options granted under the Company's Employee stock option (ESOP) scheme are accounted as per the accounting treatment prescribed by SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share based

payments issued by ICAI. The Company measures compensation cost relating to employee stock options using the intrinsic value method and compensation expense, if any, is amortised over the vesting period of the option on a straight line basis.

#### (n) Taxation

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

#### (o) Provisions and Contingent Liabilities

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

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

#### (p) Leases

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

#### (q) Government Grants

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

#### (r) Cash and cash equivalents

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

## NOTES to financial statements for the year ended 31st March, 2015

### (s) Earnings per share

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

### (t) Segment Reporting

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

(₹ in crores)

2. SHARE CAPITAL	As at 31st March, 2015	As at 31st March, 2014
<b>AUTHORISED</b>		
25,00,00,000 (2013-14: 25,00,00,000) Equity shares of ₹ 2 each shares of	50.00	50.00
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
20,65,34,900 (2013-14 :20,65,34,900) Equity shares of ₹ 2 each fully paid-up	41.31	41.31
	<b>41.31</b>	<b>41.31</b>

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

#### Equity shares

	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	Numbers	₹ in crore	Numbers	₹ in crores
At the beginning of the period	206,534,900	41.31	206,534,900	41.31
Add: Shares issued during the year	-	-	-	-
Outstanding at the end of the period	<b>206,534,900</b>	<b>41.31</b>	<b>206,534,900</b>	<b>41.31</b>

### (b) Rights, preferences and restrictions attached to Equity shares

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

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

	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	Numbers	% holding	Numbers	% holding
The Bombay Burmah Trading Corporation Limited	29,644,375	14.35	29,644,375	14.35
N.W.Exports Limited	27,771,550	13.45	27,771,550	13.45
Sunflower Investment and Textiles Private Limited	21,681,037	10.50	13,550,037	6.56
Reliance Capital Trustee Co.Limited	-	-	11,297,695	5.47
	<b>79,096,962</b>	<b>38.30</b>	<b>82,263,657</b>	<b>39.83</b>

## NOTES to financial statements for the year ended 31st March, 2015

### 2. SHARE CAPITAL (Contd.)

#### (d) Shares reserved for issue under options

Pursuant to the Employee Stock Option Scheme (ESOS) approved by the shareholders on 13th August, 2002 and as further amended by the shareholders on 07th August, 2012, the Company has granted 14,000 options, (70,000 options post sub-division) to the Joint Managing Director of the Company at an exercise price of ₹ 528.25 (₹ 105.65 post sub-division) per share. As per the terms of the ESOS, each option is exercisable for conversion into one equity share of the Company (Refer Note 45).

#### (e) Information regarding issue of shares during last five years

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

#### (f) Shares held in Abeyance

Under orders from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992, - the allotment of 4,640 shares (2013-14- 4,640 shares) of face value of ₹ 2/- each against warrants carrying rights of conversion into equity shares of the Company has been kept in abeyance in accordance with section 126 of the Companies Act, 2013, till such time as the title of the bonafide owner is certified by the concerned Stock Exchanges.

(₹ in crores)

3. RESERVES AND SURPLUS	As at 31st March, 2015	As at 31st March, 2014
<b>Capital Reserve</b>		
As per last balance sheet	28.60	28.60
<b>Capital Redemption Reserve</b>		
As per last balance sheet	2.55	2.55
<b>Securities Premium Account</b>		
As per last balance sheet	141.37	141.37
<b>Revaluation Reserve [Refer Note 1 (c) and 38]</b>		
As per last balance sheet	993.30	1,220.95
Add: Addition on conversion of a part of the freehold land into stock-in-trade	694.29	-
Less: Reversal of excess reserve consequent to reduction of base FSI on ICC land due to handover of additional land to MCGM and MHADA under Integrated Development Scheme	(238.07)	-
Less: Released to statement of profit and loss in proportion of revenue recognised on entering into agreements for sale	(351.24)	(227.65)
	1,098.28	993.30
<b>Investment Reserve</b>		
As per last balance sheet	1.31	1.31
<b>Hedging Reserve Account</b>		
As per last balance sheet	(1.07)	(0.18)
Add / (Less): Fair value gain / (loss) on derivative contracts designated as cash flow hedges	0.62	(0.89)
	(0.45)	(1.07)
<b>General Reserve</b>		
As per last balance sheet	155.81	153.38
Add: Transferred from statement of profit and loss	-	2.43
	155.81	155.81
<b>Surplus in statement of profit and loss</b>		
Balance as per last balance sheet	100.37	97.79
Depreciation on assets where remaining useful life is nil, recognised in retained earnings	(1.54)	-
Add: Profit for the year	24.56	24.34
	123.39	122.13

## NOTES to financial statements for the year ended 31st March, 2015

### 3. RESERVES AND SURPLUS(Contd.)

(₹ in crores)

3. RESERVES AND SURPLUS	As at 31st March, 2015	As at 31st March, 2014
Less: Appropriations		
Proposed dividend	(16.52)	(16.52)
Dividend distribution tax	(3.37)	(2.81)
Transferred to General Reserve	-	(2.43)
Net surplus in the statement of profit and loss	103.50	100.37
	<b>1,530.97</b>	<b>1,422.24</b>

(₹ in crores)

4. LONG-TERM BORROWINGS	As at 31st March, 2015	As at 31st March, 2014
<b>Secured</b>		
<b>Term Loans</b>		
- from banks	858.51	458.84
- from others	47.50	-
<b>Unsecured</b>		
Fixed Deposits	906.01	458.84
	0.02	95.12
	<b>906.03</b>	<b>553.96</b>

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

- Term Loans (TUFS) aggregating ₹ 27.04 crores (2013-14 ₹ 47.26 crores) are secured by first pari passu charge on the Company's existing as well as future fixed assets at Textile Processing Unit at Ranjangaon and the Polyester Division at Patalganga other than fixed assets charged exclusively to term lenders. Repayable in quarterly instalments over a period of 2 to 3 years.
- Term loan amounting to ₹ Nil (2013-14 ₹ 3.37 crores) was secured by first pari-passu charge on the fixed assets of the Company at Polyester Division at Patalganga.
- Term loans aggregating ₹ Nil (2013-14 ₹ 41.66 crores) were secured by first pari-passu charge over part of the land of the Company at Textile Mills at Mumbai admeasuring upto 89,819.85 square metres and plant and machinery, buildings and structures thereon.
- Term loans aggregating ₹ 100.00 crores (2013-14 ₹ 250.00 crores) are secured by first pari passu charge on Company's plant & machinery at Textile Processing unit at Ranjangaon and the Polyester Division at Patalganga. Repayable in half yearly instalments over 1 to 2 years.
- Term loan aggregating ₹ 90.00 crores (2013-14 ₹ Nil) is secured by first pari passu charge on Company's plant & machinery at Textile Processing unit at Ranjangaon and the Polyester Division at Patalganga and second charge of portion of Spring Mills land and buildings and structures thereon. Repayable in the next year.
- Term loans aggregating ₹ 529.50 crores (2013-14 ₹ 406.25 crores) are secured by first / secondary pari-passu charge over part of the land of the Company at Textile Mills at Mumbai and plant and machinery, buildings and structures thereon. Repayable in quarterly instalments over a period of 3 to 4 years.
- Term loan amounting to ₹ 36.30 crores (2013-14 ₹ 45.00 crores) is secured by first pari-passu charge of rent receivables from premises given on lease by the Company and second charge of portion of Spring Mills land and buildings and structures thereon. Repayable in monthly instalments over 4 years.
- Term loans under consortium arrangement amounting to ₹ 417.82 crores (2013-14 ₹ Nil) is secured by first pari-passu charge / Escrow of receivables of One ICC and Two ICC at Spring Mills, Dadar and first pari passu charge over part of land of the Company at Textile Mills at Mumbai and buildings and structures thereon. Repayable in quarterly instalments over a period of 4 to 5 years after initial moratorium of 18 months.

#### b) Terms of repayment of unsecured borrowing:

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

(₹ in crores)

5. OTHER LONG-TERM LIABILITIES	As at 31st March, 2015	As at 31st March, 2014
Trade payables	1.89	2.15
Deposits	4.96	8.75
	<b>6.85</b>	<b>10.90</b>

## NOTES to financial statements for the year ended 31st March, 2015

(₹ in crores)

6. LONG TERM PROVISIONS	As at 31st March, 2015	As at 31st March, 2014
<b>Provision for employee benefits</b>		
- Provision for compensated absences	4.19	4.27
- Provision for termination benefits (Refer Note 35)	6.68	5.88
- Provision for Sales Tax Forms (Refer Note (a) below)	2.73	1.88
	<b>13.60</b>	<b>12.03</b>
<b>(a) Movement in provisions</b>		
Provision for Sales Tax Forms		
Balance as at the beginning of the year	1.88	0.63
Additions	0.85	1.25
Amounts utilised	-	-
Balance as at the end of the year	<b>2.73</b>	<b>1.88</b>

(₹ in crores)

7. SHORT-TERM BORROWINGS	As at 31st March, 2015	As at 31st March, 2014
<b>Secured</b>		
- Working capital demand loans from banks	158.80	152.81
- Packing credit from bank	95.00	50.00
- Buyer's Credit in Foreign currency	120.26	268.16
<b>Unsecured</b>		
Bills discounted with banks	1.44	21.14
Intercompany deposits	55.00	20.00
	<b>430.50</b>	<b>512.11</b>

### a) Nature of Security for Short term borrowings

- (i) Working Capital loans of ₹ 158.80 crores (2013-14 ₹ 152.81 crores) and Buyer's Credit amounting to ₹ 23.81 crores (2013-14 ₹ 158.92 crores) from banks under consortium arrangement is secured by hypothecation of present and future stocks, book debts and other current assets on pari passu basis and a second charge over part of the land of the Company at Textile Mills at Mumbai admeasuring 89,819.85 square metres and plant and machinery and buildings thereon on pari passu basis.
- (ii) Packing credit from bank of ₹ 95 crores (2013-14 ₹ 50 crores) is secured by way of registered mortgage on the immovable properties in Wadia International Centre (Texturising Building and Hemming Building) located at Worli, Mumbai.
- (iii) Buyer's Credit aggregating ₹ 96.45 crores (2013-14 ₹ 109.24 crores) is secured by first pari-passu charge on land of the Company at Spring Mills at Mumbai admeasuring 36,617.13 square metres.

(₹ in crores)

8. TRADE PAYABLES	As at 31st March, 2015	As at 31st March, 2014
Acceptances under suppliers line of credit	102.06	201.42
Dues to Micro and Small Enterprises (Refer Note (a) below)	0.16	0.14
Other Creditors	378.53	439.04
	<b>480.75</b>	<b>640.60</b>

- a) The dues payable to Micro and Small enterprises is based on the information available with the Company and takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose (Refer Note 44)

## NOTES to financial statements for the year ended 31st March, 2015

(₹ in crores)

<b>9. OTHER CURRENT LIABILITIES</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
Current maturities of long-term borrowings [Refer Note 4 (a) and (b) ]		
- Term loans from banks	294.65	334.71
- Fixed deposits	94.64	34.47
Interest accrued and due on borrowings	0.21	2.13
Interest accrued but not due on borrowings	1.58	2.55
Unclaimed matured deposits	2.29	0.30
Unpaid dividends *	1.03	0.97
Advances from customers	30.11	36.57
Deposits	7.25	2.74
Liability in respect of forward exchange contracts	17.80	44.35
Statutory dues including service tax and withholding tax	7.60	21.62
Creditors for capital expenditure	1.28	0.57
Employees benefits payable	5.46	6.38
Accrued expenses	71.19	23.61
Other payables	5.12	5.95
	<b>540.21</b>	<b>516.92</b>

- a)\* During the year, the Company has transferred an amount of ₹ 0.14 crore (2013-14 ₹ 0.14 crore) to the Investor Education & Protection Fund under section 205(C) of the Companies Act, 1956. There is no amount due for payment to the Fund as at the year end.
- b) Interest accrued and due on borrowings represents interest due as on Balance Sheet date but debited by the bank after the Balance Sheet date.

(₹ in crores)

<b>10. SHORT TERM PROVISIONS</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
<b>Provision for employee benefits</b>		
Provision for compensated absences	1.50	1.80
Provision for termination benefits (Refer Note 35)	0.58	0.83
	2.08	2.63
<b>Other provisions</b>		
Provision for litigation and disputes (Refer Note (a) below)	10.41	8.86
Provision for commercial and other matters (Refer Note (a) below)	10.09	22.70
Proposed dividend	16.52	16.52
Provision for tax on proposed dividend	3.37	2.81
	40.39	50.89
	<b>42.47</b>	<b>53.52</b>
<b>(a) Movement in provisions</b>		
- Litigation and disputes		
Balance as at the beginning of the year	8.86	7.06
Additions	1.55	2.64
Amounts utilised	-	(0.84)
Balance as at the end of the year	<b>10.41</b>	<b>8.86</b>
- Commercial and other matters		
Balance as at the beginning of the year	22.70	14.92
Additions	5.20	12.99
Amounts utilised	(17.81)	(5.21)
Balance as at the end of the year	<b>10.09</b>	<b>22.70</b>

## NOTES to financial statements for the year ended 31st March, 2015

### 11. TANGIBLE FIXED ASSETS

(₹ in crores)

Description	GROSS BLOCK					DEPRECIATION					NET BLOCK		
	Cost or book value as at 01-04-2014	Adjustments	Additions	Deductions	Cost or book value as at 31-03-2015	Balance as at 01-04-2014	Adjustments	For the year	Deductions	Impairment during the year	Balance as at 31-03-2015	As at 31-03-2015	As at 31.03.2014
Land													
Freehold	105.65	-	717.65	704.95	118.35	-	-	-	-	-	-	118.35	105.65
Leasehold	19.02	-	-	-	19.02	1.77	-	0.20	-	-	1.97	17.05	17.25
Building*	151.77	(0.03)	0.33	3.29	148.78	32.11	1.89	4.06	0.81	-	37.25	111.53	119.69
Computers and data processing units	14.57	0.42	0.60	0.03	15.56	12.04	(0.33)	1.42	0.02	-	13.11	2.45	2.53
Office Equipments	3.25	3.85	0.26	0.01	7.35	2.09	2.84	1.90	0.01	-	6.82	0.53	1.16
Plant & Machinery	964.13	(7.23)	25.89	0.30	982.49	373.70	(1.46)	31.59	0.18	13.26	416.91	565.58	590.40
Furniture & Fixture	40.59	0.20	4.66	-	45.45	24.92	(0.03)	5.33	-	-	30.22	15.23	15.67
Motor Vehicles	2.10	2.73	-	0.01	4.82	1.54	(1.43)	0.79	0.01	-	0.89	3.93	0.56
<b>Total</b>	<b>1,301.08</b>	<b>(0.06)</b>	<b>749.39</b>	<b>708.59</b>	<b>1,341.82</b>	<b>448.17</b>	<b>1.48</b>	<b>45.29</b>	<b>1.03</b>	<b>13.26</b>	<b>507.17</b>	<b>834.65</b>	<b>852.91</b>
As at 31.03.2014	1,304.96	-	11.03	14.91	1,301.08	402.25	-	58.45	12.53	-	448.17	852.91	-

#### Note:

- There are no adjustments to the fixed assets on account of borrowing cost and exchange differences during the year.
- Additions to Freehold land includes ₹ 694.29 crores towards revaluation of land @ ₹ 15,000 per sq. ft. of FSI as ascertained by registered valuers. The said land has been converted to stock-in-trade for utilisation in ICC Project.
- Adjustments represents reclassification of certain assets and adjustments under Depreciation includes ₹ 1.54 crores being the carrying amount of the assets on the date of Schedule II coming into effect, namely April 1, 2014, where the remaining useful life is Nil, being recognised in the opening balance of retained earnings.
- \*The company has given commercial premises on operating lease which form part of its premises at Neville House, Ballard Estate and C-1 Wadia International Centre, Worli. Since only a portion of the buildings are given on lease, the gross carrying amount and accumulated depreciation of the premises given on lease is not separately available.

### 12. INTANGIBLE FIXED ASSETS

(₹ in crores)

Description	GROSS BLOCK					DEPRECIATION					NET BLOCK		
	Cost or book value as at 01-04-2014	Adjustments	Additions	Deductions	Cost or book value as at 31-03-2015	Balance as at 01-04-2014	Adjustments	For the year	Deductions	Impairment during the year	Balance as at 31-03-2015	As at 31-03-2015	As at 31.03.2014
Technical Know How	4.22	-	-	-	4.22	2.74	-	0.43	-	-	3.17	1.05	1.48
Software	10.67	0.06	0.26	0.36	10.63	7.31	0.06	1.10	0.10	-	8.37	2.26	3.36
<b>Total</b>	<b>14.89</b>	<b>0.06</b>	<b>0.26</b>	<b>0.36</b>	<b>14.85</b>	<b>10.05</b>	<b>0.06</b>	<b>1.53</b>	<b>0.10</b>	<b>-</b>	<b>11.54</b>	<b>3.31</b>	<b>4.84</b>
As at 31.03.2014	13.72	-	1.55	0.38	14.89	8.48	-	1.57	-	-	10.05	4.84	-

(₹ in crores)

13. INCIDENTAL EXPENDITURE RELATING TO CONSTRUCTION / DEVELOPMENT		As at 31st March, 2015	As at 31st March, 2014
Opening balance		64.69	57.87
Architect fees and technical and project related consultancy		-	1.12
Civil, Electrical, contracting etc..		-	0.67
Payment to local agencies		-	(0.27)
Compensation for rehabilitation of tenants		-	5.30
		-	6.82
Less: Capitalised during the year		(13.98)	-
Less: Transferred to Real estate development work-in-progress		(50.71)	-
Closing balance		-	<b>64.69</b>

#### Note:

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



## NOTES to financial statements for the year ended 31st March, 2015

(₹ in crores)

14. NON-CURRENT INVESTMENTS	As at 31st March, 2015	As at 31st March, 2014
<b>TRADE INVESTMENTS (Valued at Cost)</b>		
<b>Equity shares fully paid up (Unquoted)</b>		
<b>Investment in associate company</b>		
20,000 (2013-14: 20,000) Equity shares of ₹ 10 each in Bombay Dyeing Real Estate Company Limited	0.02	0.02
<b>Investment in jointly controlled entity</b>		
2,217 (2013-14: 2,217) Series A shares of U.S. \$ 1,000 each in PT. Five Star Textile Indonesia	1.59	1.59
<b>Investment in others</b>		
1,900 (2013-14 :1,900) Equity shares of ₹ 10 each in BDS Urban Infrastructure Pvt.Ltd.	0.01	0.01
30,400 (2013-14: 30,400) Equity shares of ₹ 100 each in Scal Services Ltd.	0.30	0.30
	1.92	1.92
<b>OTHER INVESTMENTS (Valued at Cost)</b>		
<b>Equity shares fully paid up (Unquoted)</b>		
<b>Investment in subsidiary company</b>		
49,80,600 (2013-14: NIL) Equity shares of ₹ 100 each in Archway Investment Co. Ltd.	49.81	-
<b>Investment in associate company</b>		
NIL (2013-14: 2,15,600) Equity shares of ₹ 100 each in Archway Investment Co. Ltd.	-	2.16
88,200 (2013-14: 88,200) Equity shares of ₹ 100 each in Pentafil Textile Dealers Ltd.	0.88	0.88
<b>Investment in others</b>		
100 (2013-14: 100) Shares of ₹ 25 each in Roha Industries Association's Co-operative Consumers Society Ltd.[ ₹ 2500/- (2013-14 ₹ 2500/-)]	*	*
<b>Debentures</b>		
<b>Investment in subsidiary company</b>		
3,35,000 (2013-14: Nil) Fully Convertible Unsecured (Interest Free) Debentures of ₹ 100 each in Archway Investment Co.Ltd.	3.35	-
<b>Investment in associate company</b>		
Nil (2013-14: 47,65,000) Zero-Interest Unsecured Fully Convertible Debentures - A Series of ₹ 100 each in Archway Investment Co. Ltd.	-	47.65
Nil (2013-14: 3,35,000) Fully Convertible Unsecured (Interest Free) Debentures of ₹ 100 each in Archway Investment Co.Ltd.	-	3.35
	54.04	54.04
	55.96	55.96
* denotes values less than ₹ 1 lakh.		
<b>Aggregate amount of Quoted Investment</b>	-	-
<b>Aggregate provision for diminution in value of investments</b>	-	-
<b>Aggregate amount of Unquoted Investment</b>	55.96	55.96
	<b>55.96</b>	<b>55.96</b>

## NOTES to financial statements for the year ended 31st March, 2015

(₹ in crores)

15. LONG-TERM LOANS AND ADVANCES	As at 31st March, 2015	As at 31st March, 2014
<b>Unsecured, Considered good (unless otherwise stated)</b>		
Capital advances	2.62	2.33
Security deposits		
- Considered good	5.93	4.10
- Considered doubtful	0.57	0.57
- Less : Provision for doubtful advances	(0.57)	(0.57)
	5.93	4.10
Loans and advances to related parties		
- Considered good	25.08	27.06
- Considered doubtful	17.18	11.18
- Less : Provision for doubtful advances	(17.18)	(11.18)
	25.08	27.06
Advances recoverable in cash or kind		
- Considered good	2.28	3.03
- Considered doubtful	2.76	2.74
- Less : Provision for doubtful advances	(2.76)	(2.74)
	2.28	3.03
Prepaid expenses	0.08	0.06
Loans to employees	0.23	0.23
Balances with government authorities		
- Considered good	1.03	1.03
- Considered doubtful	1.48	1.48
- Less : Provision for doubtful advances	(1.48)	(1.48)
	1.03	1.03
	<b>37.25</b>	<b>37.84</b>

- a) Loans and advances to related parties include a deposit of ₹ 15.22 crores (2013-14 ₹ 15.22 crores) and amounts recoverable of ₹ 6.86 crores (net of provisions) (2013-14 ₹ 8.84 crores) from PT. Five Star Textile Indonesia (PTFS), a jointly controlled entity. PTFS has been incurring continuous losses. The Company has proposed disposal of surplus lands / the assets of the undertaking for recovery of the deposits and advances. In the opinion of the management the advances and deposits are considered good and fully recoverable.

b) Loans and advances to related parties pertain to :		
P.T.Five Star Textile Indonesia (net)	22.08	24.06
The Bombay Burmah Trading Corporation Limited - Deposit	3.00	3.00
	25.08	27.06

## NOTES to financial statements for the year ended 31st March, 2015

(₹ in crores)

<b>16. OTHER NON CURRENT ASSETS</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
Long term deposits with banks (Refer Note (a) below)	4.28	2.10
Unamortised finance charges	6.98	2.76
Industrial subsidy receivable	14.67	11.26
Unbilled revenue	1,164.81	1,070.83
	<b>1,190.74</b>	<b>1,086.95</b>

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

(₹ in crores)

<b>17. INVENTORIES</b> (Valued at lower of cost and net realisable value)	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
Raw materials [includes in transit ₹ 49.86 crores (2013-14 ₹ 54.17 crores)]	67.32	122.40
Work-in-progress	9.39	18.20
Finished goods [includes in transit ₹ 1 crore (2013-14 ₹ 2.94 crores)]	90.28	160.83
Stock-in-Trade	26.77	30.40
Stores, spares and catalysts	15.27	17.99
Real estate development work-in-progress	501.24	368.90
	<b>710.27</b>	<b>718.72</b>

### Note:

Real Estate development work-in-progress includes expenditure incurred by the Company on projects which are delayed or yet to be commenced. Management expects to commence these projects in the near future and does not expect any loss on this account.

(₹ in crores)

<b>18. TRADE RECEIVABLES</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
<b>Unsecured, considered good unless otherwise stated</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	40.72	36.30
Considered doubtful	19.48	10.89
	60.20	47.19
Less: Provision for doubtful receivables	(19.48)	(10.89)
	40.72	36.30
Other receivables - Considered good	224.07	159.50
	<b>264.79</b>	<b>195.80</b>

(a) Trade receivables includes ₹ 36.64 crores (2013-14 ₹ 34.90 crores) due from a customer towards part compensation for sale of property, common area maintenance charges and project related costs. The receivables are under dispute and the matter has been referred to the arbitration. Pending finalisation of arbitration proceedings, the receivables are considered good.

## NOTES to financial statements for the year ended 31st March, 2015

		(₹ in crores)	
19. CASH AND BANK BALANCES	As at 31st March, 2015	As at 31st March, 2014	
<b>Cash and Cash Equivalents</b>			
Balances with banks in current accounts	3.89	17.07	
Cheques on hand	4.23	2.92	
Cash on hand	0.17	0.13	
Bank deposits with maturity less than 3 months (Refer Note (a) below)	49.73	-	
	58.02	20.12	
<b>Other bank balances</b>			
Balance with banks in unpaid dividend accounts	1.03	0.97	
Bank deposits with maturity more than 3 months but less than 12 months (Refer Note (a) below)	9.37	7.14	
	10.40	8.11	
	<b>68.42</b>	<b>28.23</b>	

- a) Bank deposits include restricted deposits as under :
- Fixed deposits under lien towards security for guarantees issued on behalf of the Company and as security against a claim on the Company - ₹ 25.19 crores (2013-14 ₹ 1.27 crore).
  - Fixed deposits held in trust out of funds received as corpus fund and maintenance deposits from flat owners ₹ 3.80 crore (2013-14 ₹ 4.22 crore).
  - Short term deposits relating to amounts held under Escrow in accordance with the loan arrangements with a consortium of bankers ₹ 29.78 crores (2013-14 ₹ Nil)

		(₹ in crores)	
20. SHORT-TERM LOANS AND ADVANCES	As at 31st March, 2015	As at 31st March, 2014	
<b>Unsecured, considered good, unless otherwise stated :</b>			
Capital advances	0.02	-	
Security deposits	0.19	0.29	
Loans and advances to related parties			
- Considered good	51.07	0.29	
- Considered doubtful	0.05	-	
- Less: Provision for doubtful advances	(0.05)	-	
	51.07	0.29	
Advances recoverable in cash or kind or for value to be received	82.91	27.08	
Advance income-tax (net of provision for taxation)	24.20	30.41	
Prepaid expenses	3.57	2.84	
Loans/ advances to employees	0.58	0.72	
Balances with government authorities	58.47	95.70	
	<b>221.01</b>	<b>157.33</b>	

- a) Advances recoverable in cash or in kind or for value to be received includes ₹ 0.73 crore (2013-14 ₹ 0.73 crore) on account of remuneration recoverable from Mr. M.K.Singh, Executive Director, whose services were terminated on 6th July, 2008 consequent to detection of irregular conduct. A suit has been filed by the Company in the High Court of Judicature of Mumbai alleging fraudulent misconduct. The matter is pending before the Court.

- b) Loans and advances to related parties pertain to :

		(₹ in crores)	
	As at 31st March, 2015	As at 31st March, 2014	
Archway Investment Company Limited	21.25	-	
Go Airlines (India) Limited (net)	0.36	0.28	
The Bombay Burmah Trading Corporation Limited	0.01	0.01	
Bombay Dyeing Real Estate Company Limited	29.45	-	
	<b>51.07</b>	<b>0.29</b>	

## NOTES to financial statements for the year ended 31st March, 2015

21. OTHER CURRENT ASSETS	(₹ in crores)	
	As at 31st March, 2015	As at 31st March, 2014
<b>Unsecured, considered good</b>		
Interest accrued on deposits	2.22	0.17
Unamortised finance charges	5.84	5.41
Deferred premium	9.37	21.86
Industrial subsidy receivable	36.73	26.01
Export benefits receivable	14.80	8.97
Unbilled revenue	462.74	409.20
	<b>531.70</b>	<b>471.62</b>

22. REVENUE FROM OPERATIONS	(₹ in crores)	
	2014-15	2013-14
<b>Sale of products and services</b>		
Finished goods	1,777.73	1,757.28
Traded goods	258.61	190.34
Processing income	4.08	5.68
<b>Real estate development activity (Refer Note 36)</b>	420.83	781.25
<b>Other operating revenue</b>		
Lease Rentals	23.45	22.22
Scrap sales	2.26	2.19
Others	24.88	23.97
	2,511.84	2,782.93
Less : Excise duty	133.57	126.70
Revenue from operations (net)	2,378.27	2,656.23
<b>Details of Products Sold</b>		
<b>Finished and Traded goods sold</b>		
Polyester staple fibre	1,475.90	1,423.63
Cotton processed long length	167.54	151.01
Cotton made ups	134.30	182.64
Traded goods - long length and made ups	258.60	190.34
	<b>2,036.34</b>	<b>1,947.62</b>

23. OTHER INCOME	(₹ in crores)	
	2014-15	2013-14
<b>Interest Income</b>		
on inter-corporate deposits	3.95	1.47
on income-tax refunds	0.02	-
on fixed deposits with banks	3.63	0.62
on others	8.47	4.40
Profit on sale of fixed assets	16.18	0.03
Subsidy under Package Incentive Scheme	15.66	26.07
Sundry balances / excess provisions written back	3.65	1.12
Other non-operating income	3.35	6.04
	<b>54.91</b>	<b>39.75</b>

## NOTES to financial statements for the year ended 31st March, 2015

(₹ in crores)		
<b>24. COST OF MATERIAL CONSUMED</b>	<b>2014-15</b>	2013-14
Inventory at the beginning of the year	122.40	66.34
Add : Purchases	1,215.52	1,447.71
Less: Inventory at the end of the year	(67.33)	(122.40)
	<b>1,270.59</b>	<b>1,391.65</b>

(₹ in crores)		
Details of raw material consumed		
1. Cotton	1.82	0.96
2. Fibre	0.33	1.58
3. Yarn	21.00	22.62
4. Grey cloth	130.71	170.93
5. Dyes and chemicals	16.04	21.49
6. Purified Terephthalic Acid	786.04	854.47
7. Mono Ethylene Glycol	298.63	310.87
8. Others	16.02	8.73
	<b>1,270.59</b>	<b>1,391.65</b>

(₹ in crores)		
<b>25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>	<b>2014-15</b>	2013-14
<b>Manufacturing</b>		
Inventories at the end of the year		
Finished goods	85.31	155.77
Work-in-progress	9.39	18.20
Stock-in-trade	26.77	30.40
	121.47	204.37
Inventories at the beginning of the year		
Finished goods	155.77	123.86
Work-in-progress	18.20	20.26
Stock-in-trade	30.40	14.55
	204.37	158.67
Inventory change - manufacturing (a)	82.90	(45.70)
<b>Real Estate</b>		
Inventories at the end of the year		
Stock in trade	4.98	5.07
Office Premises	-	-
Development work-in-progress	501.24	368.90
	506.22	373.97
Inventories at the beginning of the year		
Stock in trade	5.07	5.07
Office Premises	-	0.30
Development work-in-progress	368.90	960.39
	373.97	965.76
Less: Office premises capitalised during the year	-	(0.30)
Decrease / (increase) in inventory	(132.25)	591.49
Release from revaluation reserve in proportion of revenue recognised on areas agreed for sale / sold	(351.24)	(227.65)
Inventory change - real estate (b)	(483.49)	363.84
Inventory change (a) + (b)	<b>(400.59)</b>	<b>318.14</b>

## NOTES to financial statements for the year ended 31st March, 2015

(₹ in crores)		
<b>26. EMPLOYEE BENEFITS EXPENSE</b>	<b>2014-15</b>	2013-14
Salaries, wages and bonus	78.18	83.15
Contribution to provident and other funds	5.93	5.79
Workmen and staff welfare expenses	4.12	4.36
	<b>88.23</b>	<b>93.30</b>

(₹ in crores)		
<b>27. FINANCE COSTS</b>	<b>2014-15</b>	2013-14
Interest on long term borrowing	156.21	127.02
Interest on working capital loans	15.18	9.41
Ancillary borrowing costs	21.33	16.74
Exchange difference to the extent considered as an adjustment to borrowing costs	34.50	37.85
	<b>227.22</b>	<b>191.02</b>

(₹ in crores)		
<b>28. DEPRECIATION AND AMORTISATION EXPENSES</b>	<b>2014-15</b>	2013-14
Depreciation on tangible assets	45.29	58.45
Depreciation on intangible assets	1.53	1.57
	<b>46.82</b>	<b>60.02</b>

(₹ in crores)		
<b>29. OTHER EXPENSES</b>	<b>2014-15</b>	2013-14
<b>Manufacturing Expenses</b>		
Stores, spare parts and catalysts	51.06	60.14
Oil and coal consumed	64.85	100.54
Electric energy (net of refund receivable on account of regulatory liability charges)	47.78	43.75
Water charges	3.94	3.92
Repairs: Buildings	1.10	2.47
Machinery	6.21	6.11
Others	1.71	1.78
Excise duty other than relating to sales	(0.10)	0.06
Job work / processing charges	20.24	26.91
	196.79	245.68
<b>Construction Expenses</b>		
Architect fees and technical and project related consultancy	16.68	5.80
Civil, Electrical, contracting etc..	47.72	1.00
Payment to local agencies	0.40	-
Fees for cancellation of contracts,acquiring rights in real estate	3.44	0.23

## NOTES to financial statements for the year ended 31st March, 2015

(₹ in crores)

<b>29. OTHER EXPENSES</b>	<b>2014-15</b>	<b>2013-14</b>
Land cost on conversion of freehold land to stock in trade (net of revaluation reversal-Refer Note 38)	463.92	-
Compensation for rehabilitation of tenants	2.20	-
Incidental expenditure relating to construction / development transferred to projects work-in-progress	50.70	-
	<b>585.06</b>	<b>7.03</b>
<b>Selling and Distribution Expenses</b>		
Brokerage, commission and indenting charges on sales	8.06	14.88
Discount on sales	1.89	1.74
Freight and forwarding	23.11	24.96
Advertisement expense	29.48	24.80
	<b>62.54</b>	<b>66.38</b>
<b>Establishment Expenses</b>		
Rent	13.90	8.34
Rates and taxes	14.29	12.30
Insurance	1.84	1.62
Sundry balances written off	0.06	0.20
Provision for doubtful advances/debts	14.58	7.28
Legal and Professional Fees	6.84	10.02
Retainership Fees	1.87	1.96
Loss on foreign currency transactions (net)	23.84	56.37
Expenditure incurred on corporate social responsibility activities	1.38	-
Miscellaneous expenses	41.85	50.26
	<b>120.45</b>	<b>148.35</b>
	<b>964.84</b>	<b>467.44</b>
<b>Payment to auditor</b>		
<b>As an auditor :</b>		
Audit Fee	0.47	0.47
Limited Review	0.35	0.35
<b>In other capacity:</b>		
Certification fees	0.02	0.01
Reimbursement of expenses	0.01	0.01
	<b>0.85</b>	<b>0.84</b>



## NOTES to financial statements for the year ended 31st March, 2015

(₹ in crores)

<b>30. CONTINGENT LIABILITIES</b>	<b>2014-15</b>	<b>2013-14</b>
A. Claims against the company not acknowledged as debt.		
(a) Income-tax matters in respect of earlier years under dispute (including interest of ₹ 5.12 crores) [31.03.2014, ₹ 4.91 crores] as follows:	24.11	23.72
(i) Decided in Company's favour by appellate authorities and department in further appeal	0.18	0.18
(ii) Pending in appeal - matters decided against the Company	23.93	23.54
(b) Sales Tax, Service Tax and Excise Duties	1.85	11.70
(c) Customs duty	0.95	0.95
(d) Others (Claims against the Company not acknowledged as debts) (with interest thereon)	44.75	45.04
<p>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.</p>		
B. Guarantees		
1. Counter indemnity for an amount of ₹ 182.82 crores (31.3.2014 ₹ 166.53 crores) issued in favour of IDBI Bank Limited which in turn has guaranteed loans granted by Punjab National Bank International London and Bank of India, Jersey to PTFS secured by first pari-passu charge on 36,617.13 square metres of land at Company's Spring Mill Dadar, Naigaon together with all buildings, structures and erections there on.		
2. Corporate guarantee for an amount of ₹ 20.76 crores (31.03.2014 ₹ 19.94 crores) issued in favour of Bank of Bahrain & Kuwait, Bahrain for loans granted to PTFS. The Company has a pari passu charge on PTFS's assets, which would cover the aforesaid indemnity amount.		
C. Other money for which the company is contingently liable		
Bills discounted	3.72	22.63

(₹ in crores)

<b>31. CAPITAL &amp; OTHER COMMITMENTS</b>	<b>2014-15</b>	<b>2013-14</b>
(i) Estimated amount of contracts to be executed on capital account and not provided for:	29.10	30.09
(ii) Other Commitments not provided for related to construction under development	1,252.73	53.92
(iii) In accordance with the EPCG Scheme, the company had during 2006-07 and 2007-08 imported capital goods at concessional duty, subject to condition that the Company will fulfill, in future, a specified amount of export obligation within eight years. Amount of duty saved on import of the goods aggregate to ₹ 30.08 crores (31.03.2014 ₹ 30.08 crores) against which export obligation amounting to ₹ 415.34 crores (31.03.2014 ₹ 415.34 crores) needs to be fulfilled. Of the same, entire export obligation amounting to ₹ 415.34 (31.03.2014 ₹ 392.76 crores) has been fulfilled and balance export obligation is ₹ Nil (31.03.2014 ₹ 22.58 crores).		
(iv) Export obligation pending under Advance License Scheme is ₹ 0.72 crores (31.03.2014 ₹ 0.72 crores) and duty saved thereon.	0.17	0.17

## NOTES to financial statements for the year ended 31st March, 2015

- 32 During the year 2000-01, pursuant to the scheme of amalgamation between Scal Investments Limited (SIL) and the Company, sanctioned by the jurisdictional court on 20th April, 2001, the assets, liabilities and reserves of SIL had been transferred to and vested in the Company with effect from 1st October, 2000. The titles in respect of certain immovable properties amalgamated into the Company are still in the process of transfer.
- 33 The Company has subsequent to the Balance Sheet date signed a Binding Term Sheet agreeing to enter into a transaction with a proposed purchaser for the sale and transfer of the entire Undertaking consisting of the Textile factory/ plant of the Company situated at Ranjangaon, together with all specified tangible assets including land, personnel/ employees and other assets in relation to the said Undertaking on a slump sale basis as a going concern and on "as is where is" basis for a total consideration of ₹ 230 crores. The net realizable value of the assets covered under the term sheet for disposal being lower than the carrying value thereof, the Company has made a provision for impairment of the said assets amounting to ₹ 13.26 crores as at March 31, 2015.
- 34 Based on the advice obtained by the Company, the premium charged by the Company on sale of apartments under the deferred payment scheme compared to the price charged under the normal sales scheme is also considered as part of sales consideration and is recognised as revenue under the percentage of completion method.
- 35 The Company vide notice dated 8th January 2013 notified the closure of its textile mills manufacturing undertaking at Worli, pursuant to which some of the textile workers accepted alternate employment in the company and the remaining workers accepted closure of the undertaking and consequent termination of services under the memorandum of agreement signed by the Company with the workers union. In accordance with the agreement, the Company has paid / provided to such employees the terminal dues, closure compensation and ex-gratia compensation. Whilst some workers have accepted lump sum compensation, others have opted for a monthly payment up to age 63 or till demise, whichever is earlier. The liability in respect of the monthly payments has been actuarially determined as on the Balance sheet date at ₹ 7.26 crores (2013-14 - ₹ 6.40 crores) by the independent actuary. As at the time of the previous voluntary retirement schemes, the initial cost relating to ex-gratia compensation was added to the development cost of land. The actuarial loss for the year amounting to ₹ 1.40 crores (2013-14 - ₹ 0.27 crore) has been recorded in the Statement of Profit & Loss.
- 36 The Company has agreed to sell several apartments in the proposed residential towers being constructed at Island City Centre to SCAL Services Ltd, a Group company, in terms of various Memorandum of Understanding (MOUs) entered between the companies till March 31, 2015. Based on the method of accounting (percentage of completion) followed by the company, net revenue of ₹ 301.11 crores (2013-14 ₹ 670.13 crores) and the resultant profit before tax of ₹ 224.49 crores (2013-14 ₹ 355.45 crores) has been recognised during the year ended March 31, 2015 on sales to SCAL.
- 37 Recognition of income and expenses on on-going real estate project under long term contracts is based on actual sales; estimated costs and work completion status. Determination of profits/ losses, the percentage of completion, costs to completion and realisability of the construction work in progress & unbilled revenues necessarily involves making estimates by the Company, some of which being of a technical nature, are being relied upon by auditors. Profit from these contracts and valuation of construction work in progress / unbilled revenue is based on such estimates.
- 38 The Bombay High Court vide its order dated November 20, 2013 permitted the Company to surrender land at one location i.e. Spring Mills, Wadala, as per the application made by the Company under the Integrated Development Scheme for consolidating handover obligation. Pursuant to the Order of the Supreme Court dated August 2, 2013 and the above order of the Bombay High Court, the Company has during the year given advance possession of 32,829.02 sq. mtrs of land to MCGM and 33,822.89 sq. mtrs of land to MHADA at Spring Mills, Wadala after completion of necessary boundary wall, and internal filling/ leveling, SWD, etc. as per the provisions of DCR 58 (6) read with DCR 58 (1) (a) & (b) and both MCGM and MHADA have taken advance possession of the said lands, pending completion of certain administrative formalities, which as per the company's architect are routine.

As per the provisions of DCR 54 and as certified by the Company's Architects, the Company is entitled to Development Rights (FSI) of 43,661.11 sq. mtrs generated in lieu of lands earmarked and handed over to MCGM for utilization by the owners on the said land and to Transferable Development Rights (TDR) of 44,984.44 sq. mtrs. in lieu of lands earmarked and handed over to MHADA under the Integrated Development Scheme as per the provisions of DCR 58.

Since physical possession of the earmarked lands is handed over and Advance Possession Receipts obtained from MCGM and MHADA, the Company has recognized the entitlement of additional Development Rights (FSI) available for its own use and accordingly converted the same into stock in trade at market value (as ascertained by registered valuers). The difference between the market value and cost thereof amounting to ₹ 694.29 crores has been credited to Revaluation Reserve increasing the Revaluation Reserve to ₹ 1687.59 crores. As per the method of accounting followed by the Company, an amount of ₹ 351.24 crores has been released from Revaluation Reserve to the credit of the Statement of Profit and Loss in respect of areas agreed for sale / sold and percentage of work completed. (including higher release of reserve due to increase in percentage completion). The Transferable Development Rights (TDR) will be recognised on receipt of TDR certificates.

## NOTES to financial statements for the year ended 31st March, 2015

Consequent to consolidation of handover obligations and hand over of land at one location, the base FSI available at Spring Mills, Wadala was reduced. Thus the proportionate cost of such land of ₹ 241.04 crores was transferred back to Freehold land for handover and the revaluation reserve relating to be reduced FSI amounting to ₹238.07 crores has been reversed during the year.

### 39 Litigations

- (a) During the year 2010-11, the Company had agreed to sell certain area in the proposed tower TWO ICC to Shaan Realtors Pvt. Ltd., formerly Accord Holding Pvt. Ltd. ("the claimants"). The area agreed to be sold is under dispute and the matter was referred to arbitration. The arbitrator vide order dated 13th January 2014 passed the final award directing the company to allot to the claimants and/ or its associates, friends, nominees carpet area of 1,00,000 sq. ft. less the carpet area as already allotted to them in the proposed tower TWO ICC, namely additional carpet area of 48,495 sq. ft. The Company has filed an appeal in the Bombay High Court under section 34 of the Arbitration & Conciliation Act, 1996 against the final award. The Company is confident that the final award passed by the learned arbitrator will get reversed in view of the strong merits in the case. Accordingly, the requisite area has been set aside by the Company and the total area to be allotted to the claimants will be accounted on disposal of the appeal filed in the High Court. No adjustment has been made in the accounts for the year ended 31st March 2015 in view of the uncertainty involved.
- (b) The Bombay High Court vide its order dated 20th November, 2013 permitted the Company to surrender land at one location i.e. Wadala, as per the application made by the company under integrated development scheme. As per this order the total of 66,651 sq. meter of land has been surrendered to MCGM and MHADA at Island City Centre, Wadala. During the year 2013-14, the Union had filed a writ petition requiring the company to surrender non textile mill land. The Bombay High Court has directed the Company to reserve additional 10,000 sq. meters of land adjacent to the land to be surrendered. The Company believes that abovesaid writ petition filed in Bombay High Court has no impact on the development of the two towers at ICC since the reserved land of 10,000 sq. meters is different from the one where construction of the two towers is in progress.
- (c) The company had during the year 2010-11 sold the building known as 'Wadia Tower A' to Axis Bank Ltd for a consideration of ₹ 782.62 crores. The purchaser has till date paid a sum of ₹ 753.69 crores and the balance ₹ 28.93 crores is still outstanding. Axis bank has claimed interest for delayed handover for a period of 4 months from October 2010 to January 2011, and has not paid the common area maintenance charges amounting ₹ 7.71 crores. Since the matter could not be amicably resolved, the same was referred to arbitration. Claims from the Bank regarding costs for work completed by the Bank on behalf of the Company and by the Company on behalf of Axis Bank are also matters under arbitration. Pending finalisation of arbitration proceedings the receivables are considered good.

40 The remuneration paid to Managing Director for the year ended March 31, 2015 is in excess of the limits laid down in section 197 of the Companies Act, 2013 read with Schedule V of the said Act. The excess remuneration of ₹ 3.26 crores is subject to the approval of the Central Government, in respect of which the Company has made an application and the approval is awaited. The excess of remuneration of the Managing Director over the limits prescribed under section 198 and 309 of the Companies Act, 1956 for the year ended March 31, 2014 has been approved by Central Government vide approval dated 18th September, 2014.

41. Prior Period expenses included under "Statement of Profit and Loss" for the year.

	(₹ in crores)	
	2014-15	2013-14
Brokerage, commission and indenting charges on sales	-	0.62
	-	0.62

### 42. Employee Benefits

#### A. Defined Contribution Plan

The Company has recognized the following amounts in the Statement of Profit and Loss under contribution to provident and other funds as under:

	(₹ in crores)	
	2014-15	2013-14
Employer's contribution to Provident Fund	2.89	3.45
Employer's contribution to Family Pension Fund	0.41	0.46
Employer's contribution to Superannuation Fund	0.55	0.66

## NOTES to financial statements for the year ended 31st March, 2015

### B. Defined Benefit Plan

Gratuity - as per actuarial valuation as on 31st March, 2015

	(₹ in crores)	
	2014-15	2013-14
i. Reconciliation of opening and closing balances of Defined Benefit		
Present value of Defined Benefit Obligation as at 31st March, 2014	17.04	16.40
Interest cost	1.58	1.31
Current Service Cost	1.53	1.66
Benefits paid	(1.36)	(1.08)
Liability transferred out	-	-
Net Actuarial (gain) / loss	(0.95)	(1.25)
Present value of Defined Benefit Obligation as at 31st March, 2015	17.84	17.04
ii. Reconciliation of fair value of Plan Assets		
Fair value of Plan Assets as at 31st March, 2014	17.44	15.08
Expected return on Plan Assets	1.52	1.31
Net Actuarial gain / (loss)	(0.36)	(0.28)
Employer's Contribution	0.96	1.33
Transfer to other company	-	-
Benefits Paid	(1.36)	-
Fair value of Plan Assets as at 31st March, 2015	18.20	17.44
The Company expects to contribute in 2015-2016	1.17	1.13
The major categories of Plan Assets as a percentage of the fair value of total Plan Assets are as follows:		
Insurance Funds	100.00	75.20
Others	-	24.80
	100.00	100.00
iii. Net assets / (liabilities) recognised in the Balance Sheet as at 31st March, 2015		
Present value of Defined Benefit Obligation	(17.84)	(17.04)
Fair value of Plan Assets	18.20	17.44
Net Assets / (liability) recognised in Balance Sheet	0.36	0.40
iv. Components of Employer's Expenses		
Current Service Cost	1.53	1.66
Interest Cost	1.57	1.31
Expected return on Plan Assets	(1.52)	(1.31)
Net Actuarial (gain) / loss	(0.59)	(0.97)
Total expenses recognised in the statement of profit and loss under contribution to Gratuity Fund	0.99	0.69
Actual return on Plan Assets	1.16	1.04
v. Actuarial Assumptions		
Mortality Table	Indian Assured Lives Mortality (2006-08)	
Discount Rate (per annum)	7.95%	9.25%
Expected rate of return on Plan Assets	7.95%	8.70%
Salary escalation	8.50%	8.50%

## NOTES to financial statements for the year ended 31st March, 2015

### 42. Employee Benefits (Contd.)

vi. Amount recognized in current year and previous years

(₹ in crores)

	2014-15	2013-14	2012-13	2011-12	2010-11
1 Present Value of Defined Benefit Obligation as at 31st March	17.84	17.04	16.41	15.33	13.75
2 Fair Value of Plan Assets as on 31st March	18.20	17.44	15.08	14.51	12.99
3 Funded Status [Surplus / (Deficit)]	0.36	0.40	(1.33)	(0.82)	(0.76)
4 Experience adjustment on Plan Liabilities [(Gain)/Loss]	(2.23)	(1.00)	1.35	0.74	(0.15)
5 Experience adjustment on Plan Assets [(Loss)/Gain]	(0.36)	(0.28)	(0.27)	(0.37)	(0.34)

- vii a. The estimates of rate of escalation in salary considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.
- b. The discounting rate is considered based on market yield on government bonds having currency and terms consistent with the currency and terms of the post-employment benefit obligations.
- c. The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risk, historical results of return on plan assets and the Company's policy for plan assets management.

viii The above information is certified by the actuary.

### C. Other long term benefits-

Amount recognised as a liability in respect of compensated leave absences as per the actuarial valuation as on March 31, 2015 is ₹ 5.69 crores [2013-14- ₹ 6.07 crores]

### 43. Deferred Taxes

(₹ in crores)

	Deferred Tax (Liability)/Asset as at 1st April, 2014	Credit/(Charge) for the year	Deferred Tax (Liability)/Asset as at 31st March, 2015
Nature of timing difference			
(a) Deferred tax liabilities			
- Depreciation	(133.11)	(2.99)	(136.10)
	(133.11)	(2.99)	(136.10)
Deferred Tax Assets			
- Item covered under section 43B	2.06	(1.65)	0.41
- Item covered under section 40a(ia)	1.33	(1.33)	-
- Provision for bad and doubtful debts	5.65	4.96	10.61
- 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	124.07	(3.50)	120.57
- Impairment of Assets	-	4.51	4.51
	133.11	2.99	136.10
Net	-	-	-

### 44. Current Liabilities

The amount of dues owed to Micro, Small and Medium Enterprises as on 31st March, 2015 amounted to ₹ 0.16 crore (31st March, 2014- ₹ 0.11 crore). This amount has been outstanding for more than 45 days at the Balance Sheet date. The information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

## NOTES to financial statements for the year ended 31st March, 2015

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

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

Particulars	2014-15	2013-14
Principal amount due to suppliers and remaining unpaid under MSMED Act, 2006	0.16	0.11
Interest accrued and due and unpaid to suppliers under MSMED Act, on the above amount (₹ Nil) (31.03.2014 ₹ 3,831)	-	-
Interest paid	-	0.03
Payment made to suppliers (Other than interest) beyond the appointed day, during the year	13.21	2.11
Interest due and payable to suppliers under MSMED Act, for payments already made for the period of delay	0.01	0.02
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	0.03
Amount of further interest remaining due and payable in succeeding year	-	-

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

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

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

On 7th August 2012, the Board of Directors had granted 14000 stock options (70,000 stock options post sub-division) to the Joint Managing Director of the Company at an exercise price of ₹ 528.25 (₹ 105.65 post subdivision) per share for the years 2011-12 and 2012-13 which options have vested on 7th August 2013. Further 50,000 stock options of equity shares of ₹ 2 each were granted for the year 2013-14 on 28th May, 2013 at an exercise price of ₹ 79.50 per share to the Joint Managing Director which were due for vesting on 28th May, 2014. However, these options have lapsed as the grantee has resigned from the Company before the vesting date. Consequent upon the sub-division of shares on and from 31st October, 2012, the number of options and the exercise price have been appropriately adjusted.

#### Method used for accounting of share based payment plan:

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

Movement in the options under the Scheme:	31st March, 2015	31st March, 2014
Options outstanding at the beginning of the year	70,000	70,000
Options granted during the year	NIL	50,000
Options vested during the year	NIL	70,000
Options exercised during the year	NIL	NIL
Options lapsed during the year	NIL	50,000
Options outstanding as at the end of the year	70,000	70,000
Weighted average price per option (₹)	105.65	105.65

#### Fair Value Methodology:

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

## NOTES to financial statements for the year ended 31st March, 2015

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

Particulars	31st March, 2015	31st March, 2014
No. of option granted	70,000	50,000
Date of grant	07th August, 2012	28th May, 2013
Vesting period (years)	1	Lapsed
Expected life of option (years)	3	2.50
Expected volatility	45.42%	37.03%
Risk free rate	8.09%	7.32%
Expected dividends	50% of face value of share	"60% of face value of share"
Weighted -average fair values of options per share (₹)	36	22.65

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

Particulars	31st March, 2015	31st March, 2014
Net profit (as reported)	24.56	24.34
Less: Stock-based compensation expense determined under fair value based-method, net of Intrinsic Value (without considering tax impact)	-	-
Net profit (pro-forma) considered for computing EPS (pro-forma)	24.56	24.34
Basic earnings per share (as reported)	1.19	1.18
Basic earnings per share (pro-forma)	1.19	1.18
Diluted earnings per share (as reported)	1.19	1.18
Diluted earnings per share (pro-forma)	1.19	1.18

### 46. Derivative Instruments & unhedged foreign currency exposure

(i) Particulars of outstanding Forward Foreign Exchange Contracts entered into by the Company as on 31st March, 2015 for hedging the currency risk:

Particulars	Purpose	Amount in foreign currency	
		As at 31st March, 2015	As at 31st March, 2014
Forward contracts to buy USD	Hedge of external commercial borrowings & raw material imports	86,131,028	111,669,984
Forward contracts to sell USD	Hedge of firm commitments, highly probable forecast transactions and export of finished goods	10,057,013	3,000,000

(ii) Particulars of unhedged foreign currency exposures as on 31st March, 2015

	As at 31st March, 2015	As at 31st March, 2014
(a) Trade Receivables		
USD	-	1,099,992
EURO	205,384	359,499
(b) Trade and Other Payables		
USD	269,627	346,553
EURO	5,670	213,795

(iii) The Company has adopted the principles of hedge accounting as set out in Accounting Standard 30, 'Financial Instruments: Recognition and Measurement', issued by The Institute of Chartered Accountants of India. Accordingly, the foreign exchange loss of ₹ 0.45 crores (2013-14 ₹ 1.07 crores) as on 31st March, 2015 on forward foreign exchange contracts entered into to hedge firm commitments and highly probable forecast transactions, which qualify for hedge accounting, has been accounted under Hedging Reserve to be ultimately recognised in the profit and loss account when the forecasted transactions arise.

## NOTES to financial statements for the year ended 31st March, 2015

### 47. Earnings Per Equity Share

(₹ in crores)

	2014-15	2013-14
(i) Profit computation for both basic and diluted earnings per equity share of ₹ 2 each: Net profit as per Statement of Profit and Loss available for equity Shareholders	24.56	24.34
(ii) Number of Equity Shares	No. of equity shares	No. of equity shares
Number of Equity Shares at the beginning of the year	206,534,900	206,534,900
Add:- Shares allotted during the year	-	-
Number of Equity Shares at the end of the year	206,534,900	206,534,900
Weighted average number of equity shares		
(a) For basic earnings	206,534,900	206,534,900
(b) For diluted earnings	206,534,900	206,534,900
Face value of Equity Share (In ₹)	2	2
(iii) Earnings per equity share		
Basic (in ₹)	1.19	1.18
Diluted (in ₹)	1.19	1.18

### 48. Operating Lease

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

(₹ in crores)

	As at 31st March, 2015	As at 31st March, 2014
Lease rent expenses		
(i) Total of minimum lease payments for a period:		
- not later than one year	7.58	5.10
- later than one year but not later than five years	31.12	12.43
- later than five years	13.89	2.79
(ii) Lease payments recognised in the statement of profit and loss for the year	12.89	3.89

- (iii) The lease agreements are for a period of four years for vehicles and for a period of one to nine years for retail shops including further periods for which the Company has the option to continue the lease of retail shop with the condition of increase in rent, for a period of one year for godowns and for a period of 3 years for flats.

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

(₹ in crores)

	As at 31st March, 2015	As at 31st March, 2014
Lease rent income:		
(i) Total of lease rent income for a period:		
- not later than one year	23.56	19.05
- later than one year but not later than five years	55.10	56.06
- later than five years	-	3.57

- (ii) The details such as gross carrying amount, accumulated depreciation and depreciation for the current year, are not available separately in respect of the properties given on lease.



## NOTES to financial statements for the year ended 31st March, 2015

### 49. Segment Reporting

(₹ in crores)

(i) Primary Segments - Business Segments	Textile	Polyester	Real Estate	Elimination	Total
<b>A REVENUE</b>					
1. Segment revenue - External sales/ income from operations	569.94 [535.16]	1,364.05 [1,317.59]	444.23 [803.28]	- [-]	2,378.22 [2,656.03]
2. Inter-segment revenue	- [-]	2.70 [4.68]	- [-]	(2.70) [4.68]	- -
3. Total segment revenue	569.94 [535.16]	1,366.75 [1,322.27]	444.23 [803.28]	(2.70) [(4.68)]	2,378.22 [2,656.03]
4. Unallocated revenue					0.05 [0.20]
TOTAL					2,378.27 [2,656.23]
<b>B RESULT</b>					
1. Segment result/operating profit/(loss)	26.20 [15.15]	(9.77) [(110.01)]	302.69 [372.46]		319.12 [277.60]
2. Unallocated (Expenses)/Income Net					(56.96) [(53.44)]
3. Operating Profit					262.16 [224.16]
4. Interest expenses					(227.22) [(191.02)]
5. Income Taxes					(10.38) [(8.80)]
6. Net Profit					24.56 [24.34]
<b>C OTHER INFORMATION</b>					
1. Segment assets	423.48 [478.16]	758.74 [902.71]	2,596.44 [2,232.47]		3,778.66 [3,613.34]
2. Unallocated assets					214.05 [150.25]
3. Total assets					3,992.69 [3,763.59]
4. Segment liabilities	54.39 [66.19]	452.51 [614.77]	136.46 [104.05]		643.36 [785.01]
5. Unallocated liabilities					51.23 [79.75]
6. Total liabilities					694.59 [864.76]

## NOTES to financial statements for the year ended 31st March, 2015

(₹ in crores)

(i) Primary Segments - Business Segments	Textile	Polyester	Real Estate	Elimination	Total
7. Cost incurred during the year to acquire segment fixed assets	5.67 [4.08]	26.12 [4.00]	23.57 [4.50]		55.36 [12.58]
8. Depreciation	14.38 [18.91]	23.91 [35.06]	8.53 [6.05]		46.82 [60.02]
9. Non-cash expenses other than depreciation					
- doubtful advances written off	- [0.21]	- [-]	- [-]		- [0.21]
- provision for bad & doubtful debts	6.64 [7.28]	7.94 [-]	- [-]		14.58 [7.28]
<b>(ii) Secondary Segments - Geographical Segments</b>					
			India	Rest of the World	Total
A. Segment revenue from external customers, based on geographical location of customers			2,048.59 [2,321.06]	329.63 [334.97]	2,378.22 [2,656.03]
B. Segment assets based on geographical location			3,717.28 [3,547.65]	61.38 [65.69]	3,778.66 [3,613.34]
C. Cost incurred during the year to acquire fixed assets			55.36 [12.58]	- [-]	55.36 [12.58]

### 50. Related party disclosures

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

Subsidiary Company:	Archway Investment Company Limited (w.e.f. 23rd Oct 2014) (95.69% holding)
Associate Companies:	Archway Investment Company Limited (upto 22nd Oct 2014) Pentafil Textile Dealers Limited Bombay Dyeing Real Estate Company Limited
Joint Venture Company:	PT.Five Star Textile, Indonesia
Key Management Personnel:	Mr. Jehangir N Wadia - Managing Director Mr. Ness N Wadia - Director- Brother of Managing Director Mr. Jairaj C Bham -Company Secretary Mr. Raghuraj Balkrishna -Chief Financial Officer (upto 08th Aug 2014) Mr. Durgesh Mehta -Joint Managing Director (upto 15th Feb 2014)
Relatives of Key Management Personnel:	Mrs. Saroj Jairaj Bham - Spouse of the Company Secretary
Entities over which key management personnel and relatives exercise significant influence :	Go Airlines (India) Limited The Bombay Burmah Trading Corporation Ltd.

## NOTES to financial statements for the year ended 31st March, 2015

### 49. Segment Reporting (Contd.)

#### (b) Transactions with related parties

(₹ in crores)					
Nature of transactions	Subsidiary Company	Associate Companies	Joint Venture Company	Key Management Personnel & their relatives	Entities over which Key Management Personnel & their relatives exercise significant influence
I) Transactions:					
(i) Inter-Corporate Deposits/Advances given					
- Archway Investment Company Limited	1.90 (-)	28.50 (42.51)	- (-)	- (-)	- (-)
- Bombay Dyeing Real Estate Co. Ltd.	- (-)	33.95 (102.05)	- (-)	- (-)	- (-)
- Go Airlines (India) Ltd.	- (-)	- (-)	- (-)	- (-)	- (0.02)
(ii) Repayment received against ICD/Advances					
- Archway Investment Company Limited	9.15 (-)	- (53.41)	- (-)	- (-)	- (-)
- Bombay Dyeing Real Estate Co. Ltd.	- (-)	4.50 (102.05)	- (-)	- (-)	- (-)
- Jehangir Wadia	- (-)	- (-)	- (-)	- (0.08)	- (-)
(iii) Interest income on ICD/Advance					
- Archway Investment Company Limited	1.36 (-)	1.68 (0.48)	- (-)	- (-)	- (-)
- Bombay Dyeing Real Estate Co. Ltd.	- (-)	0.91 (0.99)	- (-)	- (-)	- (-)
(iv) Airlines Tickets purchased					
- Go Airlines (India) Limited	- (-)	- (-)	- (-)	- (-)	- (0.01)
(v) Expenses incurred on behalf of related parties (reimbursable)					
- PT. Five Star Textile Indonesia	- (-)	- (-)	3.68 (2.71)	- (-)	- (-)
- Go Airlines (India) Limited	- (-)	- (-)	- (-)	- (-)	0.71 (0.47)
- The Bombay Burmah Trading Corporation Ltd.	- (-)	- (-)	- (-)	- (-)	0.58 (0.71)

## NOTES to financial statements for the year ended 31st March, 2015

### 50. Related party disclosures (Contd.)

(₹ in crores)					
Nature of transactions	Subsidiary Company	Associate Companies	Joint Venture Company	Key Management Personnel & their relatives	Entities over which Key Management Personnel & their relatives exercise significant influence
(vi) Expenses incurred on behalf of Company (reimbursable)					
- The Bombay Burmah Trading Corporation Ltd.	-	-	-	-	0.43
	(-)	(-)	(-)	(-)	(0.13)
(vii) Remuneration					
- Mr. Jehangir Wadia	-	-	-	5.87	-
	(-)	(-)	(-)	(5.38)	(-)
- Mr. J. C. Bham	-	-	-	0.64	-
	(-)	(-)	(-)	(0.53)	(-)
- Mr. Raghuraj Balkrishna	-	-	-	0.75	-
	(-)	(-)	(-)	(1.83)	(-)
- Mr. Durgesh Mehta	-	-	-	-	-
	(-)	(-)	(-)	(2.80)	(-)
(viii) Guarantee and collaterals					
- PT. Five Star Textile Indonesia	-	-	17.11	-	-
	(-)	(-)	(52.35)	(-)	(-)
(ix) Lease Rent income					
- Go Airlines (India) Ltd.	-	-	-	-	1.84
	(-)	(-)	(-)	(-)	(1.84)
(x) Sale of goods					
- Go Airlines (India) Ltd.	-	-	-	-	0.03
	(-)	(-)	(-)	(-)	(0.08)
- The Bombay Burmah Trading Corporation Ltd.	-	-	-	-	0.01
	(-)	(-)	(-)	(-)	(0.03)
(xi) Sale of fixed assets					
- Go Airlines (India) Ltd.	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.02)
(xii) Repayment of Fixed Deposits					
- Mrs. Saroj Jairaj Bham	-	-	-	0.02	-
	(-)	(-)	(-)	(-)	(-)
(xiii) Interest paid on Fixed Deposits					
- Mrs. Saroj Jairaj Bham	-	-	-	0.01	-
	(-)	(-)	(-)	(-)	(-)

## NOTES to financial statements for the year ended 31st March, 2015

### 50. Related party disclosures (Contd.)

(₹ in crores)					
Nature of transactions	Subsidiary Company	Associate Companies	Joint Venture Company	Key Management Personnel & their relatives	Entities over which Key Management Personnel & their relatives exercise significant influence
II) Particulars of amounts due to or due from related parties at the year end					
i) Receivables					
- PT. Five Star Textile Indonesia	-	-	24.04	-	-
	(-)	(-)	(20.02)	(-)	(-)
- Go Airlines (India) Limited	-	-	-	-	0.40
	(-)	(-)	(-)	(-)	(0.30)
- The Bombay Burmah Trading Corporation Ltd.	-	-	-	-	0.16
	(-)	(-)	(-)	(-)	(0.23)
ii) Inter Corporate deposits					
- Archway Investment Company Limited	21.25	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
- Bombay Dyeing Real Estate Co. Ltd.	-	29.45	-	-	-
	(-)	(-)	(-)	(-)	(-)
III) Advances received for purchase of flats					
- Mr. Ness Wadia	-	-	-	0.57	-
	(-)	(-)	(-)	(0.57)	(-)
- Mr. Jehangir Wadia	-	-	-	0.28	-
	(-)	(-)	(-)	(0.28)	(-)
IV) Shareholders' deposit given					
- PT. Five Star Textile Indonesia	-	-	15.22	-	-
	(-)	(-)	(15.22)	(-)	(-)
V) Deposit given					
- The Bombay Burmah Trading Corporation Ltd.	-	-	-	-	3.00
	(-)	(-)	(-)	(-)	(3.00)
VI) Guarantee and collaterals given					
- PT. Five Star Textile Indonesia [Refer footnote (b)]	-	-	203.58	-	-
	(-)	(-)	(186.47)	(-)	(-)
VII) Fixed Deposits accepted					
- Mrs. Saroj Jairaj Bham	-	-	-	0.12	-
	(-)	(-)	(-)	(-)	(-)

#### Notes:

- Dividend paid has not been considered by the Company as a transaction falling under the purview of Accounting Standard 18 "Related Party Disclosures".
- Guarantees and collaterals to PT. Five Star Textile Indonesia are secured by a pari passu charge on the assets of the joint venture.

## NOTES to financial statements for the year ended 31st March, 2015

### 51 Additional disclosure as required by the amended clause 32 of the listing agreements and section 186 of the Companies Act, 2013

Sr. No.	Name	Nature of transaction	Balance as at 31 <sup>st</sup> March, 2015 ₹ in crore	Maximum amount outstanding during the year ₹ in crore	No. of shares of the Company held by the loanees as at 31 <sup>st</sup> March, 2015
<b>A Investments and Loans and advances in subsidiary and associates</b>					
1	Archway Investment Company Ltd.	Inter corporate deposit (Short term funding requirements at interest rates of 12%-13%)	21.25 [-]	28.50 [21.75]	- [-]
		Investment in equity shares	49.81 [2.16]	49.81 [2.16]	- [-]
		Investment in fully convertible debentures (carrying no interest)	3.35 [51.00]	51.00 [51.00]	- [-]
2	Pentafil Textile Dealers Ltd.	Investment in equity shares	0.88 [0.88]	0.88 [0.88]	- [-]
3	Bombay Dyeing Real Estate Company Ltd.	Investment in equity shares	0.02 [0.02]	0.02 [0.02]	- [-]
		Inter corporate deposit (Short term funding requirements at interest rates of 12%-13%)	29.45 [-]	29.45 [31.00]	- [-]
4	Scal Services Ltd. (Associate upto the previous year 2013-14)	Investment in equity shares	- [0.30]	- [0.30]	- [-]
			104.76 [54.36]	159.66 [107.11]	- [-]
<b>B Loans and advances in the nature of loans to jointly controlled entity</b>					
1	PT. Five Star Textile Indonesia	Interest free Shareholders' Deposit	15.22 [15.22]	15.22 [15.22]	- [-]
		Loans & Advances (Technical fees and expenses recoverable)	24.04 [20.02]	24.04 [21.59]	- [-]
			39.26 [35.24]	39.26 [36.81]	- [-]
<b>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 186 of the Companies Act, 2013, other than referred in A1, A3 and B1 above.</b>					
	Employee Loans		0.20 [0.60]	0.23 [0.76]	- [-]
<b>D. Guarantees given:</b>					
Guarantees are provided to a bank which has in turn provided guarantees to lender banks and also to a lender bank of jointly controlled entity for availing long term loans - Refer Note 30.					

## NOTES to financial statements for the year ended 31st March, 2015

### 52. Joint Ventures

The Company has the following joint venture as on 31st March, 2015 and its proportionate share in the assets, liabilities, income and expenditure of the respective joint venture company is given below:

	As at 31st Dec, 2014	As at 31st Dec, 2013
(a) ASSETS		
Fixed assets	40.96	42.21
Inventories	0.88	1.68
Trade receivables	0.20	0.96
Cash and bank balances	0.12	0.12
Short-term loans and advances	4.29	8.10
Other current assets	1.33	1.42
	<b>47.78</b>	<b>54.48</b>
(b) LIABILITIES		
Long-term borrowings	27.20	30.17
Short-term borrowings	48.89	24.17
Trade payables	0.09	0.32
Other current liabilities	0.44	0.76
	<b>76.62</b>	<b>55.41</b>
(c) INCOME	8.15	7.13
(d) EXPENSES	11.72	7.82

### 53. CIF value of imports of

	(₹ in crores)	
	2014-15	2013-14
(i) Raw material	869.38	1,124.08
(ii) Stores, spare parts & catalysts	21.25	27.32
(iii) Capital goods	2.45	0.84
(iv) Construction material	-	-

### 54. Expenditure in foreign currency (Disclosure on payment basis)

	(₹ in crores)	
	2014-15	2013-14
(i) Travelling expenses	2.41	1.35
(ii) Interest	6.40	8.79
(iii) Architect Fees, technical & project related Consultancy	2.84	0.52
(iv) Other expenditure	0.31	3.83

## NOTES to financial statements for the year ended 31st March, 2015

### 55. Consumption

	2014-15		2013-14	
		%		%
Imported raw materials, spare parts and components	921.86	72.55	1,127.72	77.68
Indigenous raw materials, spare parts and components	348.74	27.45	324.08	22.32
	1,270.60	100.00	1,451.80	100.00

(₹ in crores)

### 56. Remittances in foreign currencies

	2014-15	2013-14
	Remittance in foreign currencies on account of dividend to three non-resident shareholder i.e. the depository for the GDR holders and two Non-Domestic Companies:	
(i) on 1,33,35,715 equity shares of Rs. 2/-each, dividend for 2013-2014	1.07	-
(ii) on 1,33,35,715 equity shares of Rs. 2/-each, dividend for 2012-2013	-	1.33
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: 877 (2013-2014 :815)		
(ii) on 1,64,86,397 equity shares of Rs. 2/-each, dividend for 2013-2014	1.32	-
(iii) on 2,18,26,077 equity shares of Rs. 2/-each, dividend for 2012-2013	-	2.18

(₹ in crores)

### 57. Earnings in foreign exchange

	2014-15	2013-14
	(i) Export of goods calculated on FOB basis	319.32
(ii) Reimbursement of insurance and freight on exports	10.30	9.97
(iii) Sale of Flats	-	3.19

(₹ in crores)

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

59. Previous year figures have been regrouped where necessary.

As per our report attached

**FOR KALYANIWALLA & MISTRY**  
Chartered Accountants  
Firm Registration No.104607W

NUSLI N. WADIA *Chairman*  
JEH N. WADIA *Managing Director*  
VINOD HIRAN *CFO*  
J.C. BHAM *Company Secretary*

**Ermin K. Irani**  
Partner  
Membership No.35646

Signatures to the Notes to financial statements  
For and on behalf of the Board of Directors

R.A. SHAH  
S. S. KELKAR  
S. RAGOTHAMAN  
A. K. HIRJEE  
S. M. PALIA  
SHEELA BHIDE  
ISHAAT HUSSAIN  
NESS N. WADIA

Directors

Mumbai, 25th May, 2015.

Mumbai, 25th May, 2015.



# INDEPENDENT AUDITOR'S REPORT

To the Members of

## **THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of The Bombay Dyeing and Manufacturing Company Limited (hereinafter referred to as "the Holding Company") and its Subsidiary, (the Holding Company and its Subsidiary collectively referred to as "the Group"), its Associates and Jointly Controlled Entity comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (the "Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of

the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2015 and its consolidated profits and its consolidated cash flows for the year ended on that date.

### **Emphasis of Matters**

We draw attention to:

1. Note No. 36 to the consolidated financial statements regarding agreements to sell certain apartments in the proposed residential towers being constructed at Island City Centre to SCAL Services Ltd., a Group company in terms of various MOUs entered between the companies till March 2015. The Company has during the year recognized net revenues of ₹ 301.11 crores and resultant profit before tax of ₹ 224.49 crores on sale of apartment to SCAL.
2. Note 38 to the consolidated financial statements regarding the giving of advance possession of earmarked lands at Spring Mills, Wadala to MCGM and MHADA under the Integrated Development Scheme as per the provisions of DCR 58. In lieu of the physical possession given to MCGM, the Company has recognized the entitlement of additional Development Rights (FSI) available for its own use and has converted the same into stock in trade at market value. An amount of ₹ 351.24 crores has been released from Revaluation Reserve to the credit of the Statement of Profit and Loss in respect of areas agreed for sale /sold and percentage of work completed.
3. Note 40 to the consolidated financial statements regarding the remuneration paid to the Managing Director being in excess of the limits prescribed under sections 197 read with schedule V of the Companies Act, 2013 by ₹ 3.26 crore, due to inadequacy of profits. The excess remuneration is subject

to the approval of the Central Government for which an application has been made.

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

#### Other Matters

We did not audit the financial statements / financial information of a subsidiary and a jointly controlled entity whose financial statements reflect total assets of ₹ 182.95 crores as at March 31, 2015, total revenue of ₹ 12.39 crores and net cash outflows amounting to ₹ 0.97 crore for the year ended on that date, as considered in the preparation of the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 0.18 crore for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of two associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiary, jointly controlled entity and associates and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, jointly controlled entity and associates is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' report of the Holding Company, subsidiary company and associates incorporated in India (hereinafter referred to as "covered entities"), we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, and associate companies, none of the directors of the Group and its associate companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's report of the subsidiary company, and associate companies:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entity – Refer Notes 30 and 39 to the consolidated financial statements.
  - ii. The Group, its associates and jointly controlled entity did not have any material foreseeable losses under applicable law or accounting standards on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding company, its subsidiary and associates incorporated in India.

**For KALYANIWALLA & MISTRY**

Chartered Accountants

Firm Registration No. 104607W

**ERMIN K. IRANI**

Partner

Membership No.: 35646

Mumbai, May 25, 2015

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Para 1 'Report on Other Legal and Regulatory Requirements' of our Independent Auditors' Report to the members of the Company on the consolidated financial statements for the year ended March 31, 2015.

1. (a) The covered entities have maintained records showing full particulars, including quantitative details and situation of fixed assets, where applicable. The records of certain assets need to be assimilated to make identification possible.
- b) The covered entities have a program for physical verification of fixed assets in a phased manner. In our opinion, the period of verification is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed in respect of the assets physically verified during the year.
- ii. a) The Management has conducted physical verification of inventory (excluding stocks lying with third parties), where applicable, at reasonable intervals. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the covered entities and nature of its business.
- c) The covered entities are generally maintaining proper records of inventory, where applicable. The discrepancies noticed on verification between physical stock and book records were not material in relation to the operations of the covered entities and the same have been properly dealt with in the books of account.
- iii. a) The Holding company has granted unsecured loans/ deposits to two companies and an interest free shareholders' deposit to a jointly controlled entity covered in the register maintained under section 189 of the Companies Act. The principal amount and interest on the loans/ deposits have been repaid regularly, as stipulated. The shareholder's deposit is free of interest and repayment thereof has been extended up to December 2015 as permitted by Reserve Bank of India.
- b) There is no amount overdue more than rupees one lakh as on the Balance sheet date, as the repayment of the shareholder's deposit has been extended.
- iv) In our opinion and according to the information and explanations given to us, the covered entities have an internal control system which is generally adequate, commensurate with the size of the covered entities and nature of its business, with regard to purchases of inventory, fixed assets, and for the sale of goods and services. On the basis of our examination of the books and records and the information and explanations given to us, we have not come across any continuing failure to correct major weakness in the internal control system.
- v) In our opinion and according to the information and explanations given to us, the covered entities have complied with directives issued by Reserve Bank of India and the provision of sections 73 to 76 or any other applicable provisions of the Act and The Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the public, as applicable. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- vi) We have broadly reviewed the books of accounts and records maintained by the covered entities, where applicable, in respect of manufacture of products covered under the Rules made by the Central Government for maintenance of cost records, under section 148 (1) of the Companies Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) a) According to the information and explanation given to us and the records examined by us, the covered entities are generally regular in depositing undisputed statutory dues, including dues pertaining to Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. We have been informed that there are no undisputed dues which have remained outstanding as at the end of the financial year, for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of Sales tax, Income tax, Custom duty, Wealth tax, Service tax, Excise duty or Cess which have not been deposited on account of any dispute, except as stated below:

No.	Name of the statute	Nature of Dues	Amount (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	Income tax	0.03	2007-08	Deputy Commissioner of Income Tax- TDS, Mumbai
		Income tax	0.02	2008-09	Deputy Commissioner of Income Tax- TDS, Mumbai
		Income tax	0.13	2009-10	Commissioner of Income Tax (Appeals), Mumbai

No.	Name of the statute	Nature of Dues	Amount (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
		Income tax	0.26	2010-11	Commissioner of Income Tax (Appeals), Mumbai
2	The Customs Act, 1962	Interest on customs duty	0.95	1995 to 2012	Commissioners of Customs (Appeals), Mumbai
3	The Central Excise Act, 1944	Excise Duty	0.16	1989-90 to 1995-96	Commissioner of Central Excise (Appeals), Mumbai
		Excise Duty	0.56	1995-96 to 1996-97	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai
		Excise Duty	0.03	1997-1998	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai
		Excise Duty	0.09	2000-2001	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai
		Excise Duty	0.02	2001-2004	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai
		Service Tax	0.76	2003-04 to 2005-06	Commissioner of Service Tax, Mumbai Tribunal
		Interest on excise duty	0.20	2002-2006	Bombay High Court
4	Municipal Corporation of Greater Mumbai Octroi Rules, 1965	Octroi	2.16	2007-2008	Deputy Assessor & Collector (Octroi)
5	Income Tax (Subsidiary Company)	Income Tax	1.20	2010-2013	AT Commissioner of Income Tax (Appeals)

- c) According to the information and explanations given to us, the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
- viii) The Group does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- ix) In our opinion and according to the information and explanations given to us, the covered entities have not defaulted in repayment of dues to banks, financial institutions or debenture holders.
- x) In our opinion and according to the information and explanations given to us, the terms and conditions on which the Holding Company has given guarantees for loans taken by its jointly controlled entity from banks or financial institutions are not prima facie prejudicial to the interest of the Company. The other entities have not given any guarantees for loans taken by others.
- xi) In our opinion and according to the information and explanations
- given to us, the term loans have been applied for the purpose for which they were obtained.
- xii) Based upon the audit procedures performed by us and to the best of our knowledge and belief and according to the information and explanations given to us by the Management and the audit reports of the covered entities, no fraud on, or by the covered entities, has been noticed or reported during the year.

**For KALYANIWALLA & MISTRY**

Chartered Accountants  
Firm Registration No. 104607W

**ERMIN K. IRANI**

Partner

Membership No.: 35646

Mumbai, May 25, 2015

# CONSOLIDATED BALANCE SHEET as at 31st March, 2015

(₹ in crores)

	Note	As at 31st March 2015
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
Share capital .....	2	41.31
Reserves and surplus .....	3	1,510.78
		1,552.09
<b>Minority Interest</b> .....		2.69
<b>Non-current liabilities</b>		
Long-term borrowings.....	4	918.29
Other Long-term liabilities.....	5	6.85
Long-term provisions.....	6	13.60
		938.74
<b>Current liabilities</b>		
Short-term borrowings.....	7	527.21
Trade payables .....	8	480.84
Other current liabilities .....	9	540.87
Short-term provisions.....	10	42.47
		1,591.39
	<b>TOTAL</b>	<b>4,084.91</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets		
Tangible assets .....	11	875.62
Intangible assets .....	12	3.31
Capital work-in-progress.....		74.59
Incidental expenditure relating to construction / development .....	13	-
Non-current investments .....	14	54.40
Long-term loans and advances.....	15	22.31
Other non current assets .....	16	1,190.74
		2,220.97
<b>Current assets</b>		
Inventories.....	17	711.14
Trade receivables .....	18	264.98
Cash and bank balances .....	19	68.54
Short-term loans and advances.....	20	286.25
Other current assets .....	21	533.03
		1,863.94
	<b>TOTAL</b>	<b>4,084.91</b>
Significant Accounting Policies	1	
The accompanying notes are an integral part of the consolidated financial statements		

As per our report attached

**FOR KALYANIWALLA & MISTRY**  
Chartered Accountants  
Firm Registration No.104607W

NUSLI N. WADIA *Chairman*JEH N. WADIA *Managing Director*

**Ermin K. Irani**  
Partner  
Membership No.35646

VINOD HIRAN *CFO*J.C. BHAM *Company Secretary*Signatures to the Balance Sheet and Notes to financial statements  
For and on behalf of the Board of Directors

R.A. SHAH  
S. S. KELKAR  
S. RAGOTHAMAN  
A. K. HIRJEE  
S. M. PALIA  
SHEELA BHIDE  
ISHAAT HUSSAIN  
NESS N. WADIA

Directors

Mumbai, 25th May, 2015.

Mumbai, 25th May, 2015.

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2015

(₹ in crores)

	Note	2014-15
<b>INCOME</b>		
Revenue from operations.....	22	2,519.99
Less : Excise Duty .....		133.57
Revenue from operations (net) .....		2,386.42
Other income .....	23	57.80
Total Revenue .....		2,444.22
<b>EXPENSES</b>		
Cost of materials consumed .....	24	1,276.01
Purchases of Stock-in-Trade .....		187.87
Changes in inventories of finished goods, work-in-progress and stock-in-trade.....	25	(399.97)
Employee benefits expenses.....	26	90.68
Finance costs .....	27	232.12
Depreciation and amortization expenses.....	28	47.27
Impairment loss on fixed assets (Refer Note No. 33) .....		13.26
Other expenses .....	29	965.79
		2,413.03
<b>Profit before tax</b> .....		31.19
Tax expenses:		
Current tax .....		10.68
<b>Profit after tax</b> .....		20.51
Share of Profit /(Loss) in Associates .....		(0.18)
<b>Profit before Minority Interest</b> .....		20.33
Minority Interest.....		0.02
<b>Profit for the year</b> .....		<b>20.35</b>
Earnings per equity share of nominal value ₹ 2 each (Refer Note No.45)		
- Basic (in ₹).....		0.99
- Diluted (in ₹) .....		0.99
Significant Accounting Policies	1	
The accompanying notes are an integral part of the consolidated financial statements		

As per our report attached

Signatures to the Statement of Profit & Loss and Notes to financial statements  
For and on behalf of the Board of Directors

**FOR KALYANIWALLA & MISTRY**  
Chartered Accountants  
Firm Registration No.104607W

NUSLI N. WADIA *Chairman*  
JEH N. WADIA *Managing Director*

**Ermin K. Irani**  
Partner  
Membership No.35646

VINOD HIRAN *CFO*  
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SHEELA BHIDE  
ISHAAT HUSSAIN  
NESS N. WADIA

Directors

Mumbai, 25th May, 2015.

Mumbai, 25th May, 2015.

## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2015

(₹ in crores)

	2014-2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>	
NET PROFIT BEFORE TAX .....	31.19
Adjusted for	
Depreciation and amortisation .....	47.27
Impairment of Assets .....	13.26
Foreign exchange loss/(gain) (net) .....	2.61
Profit on sale of investments .....	(0.07)
Provision for doubtful debts/advances .....	14.58
Sundry balances / excess provision written back (net) .....	(3.59)
Interest income .....	(18.79)
Profit on sale of fixed assets (net).....	(16.18)
Interest and other finance charges .....	232.12
Write back of deferred charges .....	(0.43)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS.....	301.97
Changes in	
Inventories .....	164.87
Trade receivables .....	(77.62)
Other current and non-current assets .....	(187.24)
Trade payables and acceptances .....	(165.79)
Other current and non-current liabilities .....	26.28
Provisions .....	(9.41)
CASH GENERATED FROM OPERATIONS .....	53.06
Direct taxes paid (net) .....	(4.86)
NET CASH FROM OPERATING ACTIVITIES .....	48.20
	(a)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>	
Purchase of fixed assets.....	(26.45)
Proceeds from sale of fixed assets.....	29.71
Proceeds from sale of investments.....	0.92
Inter-corporate deposits placed .....	(76.90)
Inter-corporate deposits received back.....	20.40
Fixed deposits placed with banks having original maturity over three months .....	(36.18)
Fixed deposits with banks matured having original maturity over three months .....	31.77
Interest received.....	16.74
NET CASH (USED IN) / FROM INVESTING ACTIVITIES .....	(39.99)
	(b)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>	
Proceeds from borrowings.....	1,125.18
Repayment of borrowings.....	(889.03)
Proceeds from fixed deposits / Inter-corporate borrowings.....	255.75
Repayment of matured fixed deposits / Inter-corporate borrowings.....	(253.68)
(Decrease) / Increase in demand loan, cash credit .....	50.99
Interest and other finance charges paid .....	(241.22)
Dividend paid (including corporate dividend tax)	(19.27)
NET CASH (USED IN) / FINANCING ACTIVITIES .....	28.72
	(c)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS .....</b>	<b>36.93</b>
	(a + b + c)

## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2015

(₹ in crores)

	2014-2015
CASH AND CASH EQUIVALENTS AT THE COMMENCEMENT OF THE YEAR	20.24
Upon addition of Subsidiary company	0.97
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	58.14
<b>NET (DECREASE) / INCREASE</b>	<b>36.93</b>

Notes :		Opening Balance	Closing Balance
1.	Cash and Cash Equivalents comprise of:		
	Balances with banks in current accounts	17.19	4.01
	Cheques on hand	2.92	4.23
	Cash on hand	0.13	0.17
	Bank deposits with maturity less than 3 months	-	49.73
	Cash and cash equivalents	<b>20.24</b>	<b>58.14</b>

2. The above Cash Flow Statement includes share of Cash Flows from jointly controlled entities as under:

	Amount
Cash and Cash Equivalents (Opening Balance)	0.12
a. Net Cash from Operating Activities	0.92
b. Net Cash used in Investing Activities	(0.73)
c. Net Cash (used in) / from Financing Activities	0.89
<b>CASH AND CASH EQUIVALENTS FROM JOINTLY CONTROLLED ENTITIES</b>	<b>0.12</b>
(Closing balance)	

3. Figures in brackets are outflows/deductions.

As per our report attached

**FOR KALYANIWALLA & MISTRY**  
Chartered Accountants  
Firm Registration No.104607W

**Ermin K. Irani**  
Partner  
Membership No.35646

NUSLI N. WADIA *Chairman*  
JEH N. WADIA *Managing Director*  
VINOD HIRAN *CFO*  
J.C. BHAM *Company Secretary*

Signatures to the Cash Flow Statement  
For and on behalf of the Board of Directors

R.A. SHAH  
S. S. KELKAR  
S. RAGOTHAMAN  
A. K. HIRJEE  
S. M. PALIA  
SHEELA BHIDE  
ISHAAT HUSSAIN  
NESS N. WADIA

Directors

Mumbai, 25th May, 2015.

Mumbai, 25th May, 2015.



## NOTES to consolidated financial statements for the year ended 31st March, 2015

### NOTE NO.1 :- SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements are prepared under the historical cost convention, except for revaluation of certain freehold land on conversion to stock-in-trade, on an accrual basis of accounting, and in accordance with generally accepted accounting principles in India. The financial statements have been prepared to comply in all material aspects with the accounting standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act, to the extent applicable.

The classification of assets and liabilities of the Company into current or non-current is based on the Company's normal operating cycle and other criterion specified in the Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current-non-current classification of assets and liabilities.

#### (b) Principles of Consolidation

The Consolidated Financial Statements relate to The Bombay Dyeing and Manufacturing Company Limited ("the Holding company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), its associates and jointly controlled entity. The consolidated financial statements have been prepared in accordance with Accounting Standard 21 - Consolidated Financial Statements, Accounting Standard 23 - Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard 27 - Financial Reporting of Interests in Joint Ventures respectively of the Companies Accounting Standards (Rules), 2006 (as amended).

The Consolidated Financial Statements are prepared using the Financial Statements of the Parent Company and Subsidiary Company drawn up to the same reporting date i.e 31st March 2015. In case of the foreign joint venture company, financial statements for the year ending 31st December 2014 have been considered for the purpose of consolidation.

The consolidation of financial statements of the Holding Company and its subsidiary is done on line by line basis adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances, intra-group transactions and unrealised profit or loss, except where cost cannot be recovered. The result of operations of the subsidiary is included in the consolidated financial statements from the date on which the parent subsidiary relationship came into existence. The difference between the cost of investment in subsidiary and joint venture and the proportionate share in the equity of the investee company as at the date of acquisition of stake is recognised in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be. Goodwill arising on consolidation is tested for impairment annually. Minority's interest in net profit of consolidated subsidiary for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the company. Their share of net assets is identified and presented in the Consolidated Balance sheet separately. As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The interest in the assets, liabilities, income and expenses of the joint venture is consolidated using proportionate consolidation method. The intra group balances, intra-group transactions and unrealised profit or loss are eliminated to the extent of the company's proportionate share, except where cost cannot be recovered. Revenue items are proportionately consolidated using average foreign exchange rate and balance sheet items are proportionately consolidated using as at the year-end foreign exchange rate. Difference due to translation of foreign jointly controlled entity is transferred to foreign currency translation reserve.

Investments in associates are accounted for using 'Equity Method' in accordance with Accounting Standard 23 (AS-23) "Accounting for Investment in Associates in Consolidated Financial Statements" under which the investment is initially recorded at cost, identifying any goodwill or capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the associate.

#### Particulars of Subsidiaries, Joint Venture and Associates

Name	Country of Incorporation	Proportion of Ownership Interest
		March 31, 2015
<b>Subsidiary Company</b>		
Archway Investment Company Limited	India	95.69%
<b>Jointly Controlled Entity</b>		
PT Five Star Textile, Indonesia	Indonesia	33.89%
<b>Associates</b>		
Pentafil Textile Dealers Limited	India	49%
Bombay Dyeing Real Estate Company Limited	India	40%

#### (c) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported balances of assets, liabilities and contingent liabilities as of the date of the financial statements and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. However, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustment to the carrying amounts of assets and liabilities in future periods.

#### (d) Revenue recognition

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

Revenue from real estate activity

## NOTES to consolidated financial statements for the year ended 31st March, 2015

### 1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Revenue from real estate activity is recognised to the extent that it is probable that the economic benefits will flow to the Company, all significant risks and rewards of ownership are transferred to the customers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration.

The freehold land (including FSI entitlement thereon) under Real Estate Development planned for sale, is converted from fixed assets into stock-in-trade at market value. The difference between the market value and cost of that part of freehold land is credited to revaluation reserve and is released to the Statement of Profit and Loss in the proportion of revenue recognised under the percentage of completion method on entering into an agreement / contracts for sale.

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

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

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

The estimates of saleable area and cost of construction are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined. The estimated cost of construction as determined is based on management's estimate of the cost expected to be incurred till the final completion and includes cost of materials, service and other related overheads. Unbilled costs are carried as real estate development work in progress.

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

losses to completion.

#### (e) Fixed assets

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

#### (f) Depreciation

Depreciation on fixed assets other than furniture & fixtures and motor vehicles is provided on the straight line method, prorata to the period of use, over the useful life as prescribed in Schedule II to the Companies Act, 2013 or as estimated by the management, whichever is lower. Depreciation on furniture & fixtures and motor vehicles is provided on the written down value method over the useful life as prescribed in Schedule II. The asset categories and their useful lives over which depreciation is provided are as under:

Asset	Useful life
Leasehold land	Lease period namely 95 years
Buildings	30 to 60 years
Office equipment	5 years
Computers	3 to 6 years
Plant & machinery	15 to 25 years
Furniture & fixtures	10 years
Assets of retail shops including leasehold improvements	6 years
Movable site offices	10 years
Motor vehicles	8 years
Computer software	5 years
Technical know-how	10 years

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

#### Change in Estimates

Pursuant to notification of Schedule II to the Companies Act, 2013, the Company has, with effect from April 1, 2014, realigned the useful life of its Fixed Assets, other than assets of retail shops and movable site offices, with the useful life prescribed in schedule II.

Pursuant to such change, the carrying amount of such assets as on April 1, 2014 has been depreciated over the remaining useful life, resulting in the depreciation charge for the year being lower by ₹ 11.65 crores and where the remaining useful life has been exhausted, the carrying amount of such assets amounting to ₹ 1.54 crores has been charged against the opening balance of Retained Earnings.

#### (g) Impairment

The carrying amounts of the Company's tangible and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such

## NOTES to consolidated financial statements for the year ended 31st March, 2015

### 1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

indication exists, the asset's recoverable amounts are estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss, if any, is recognised in the Statement of Profit and Loss in the period in which impairment takes place.

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

#### (h) Borrowing costs

Borrowing costs include interest, amortization of ancillary costs, amortization of discounts related to borrowings and foreign exchange to the extent they are regarded as adjustment to interest costs. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such asset till such time that the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

#### (i) Investments

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

#### (j) Inventories

- (i) Inventories are valued at lower of cost and net realizable value.
- (ii) Cost is determined as follows:
  - (a) Stores, spare parts and catalysts on a weighted average method.
  - (b) Raw Materials  
cotton, fibre, cloth, yarn, purified terephthalic acid, mono ethylene glycol, dyes & chemicals and other materials on a weighted average method.
  - (c) Work-in-progress and finished goods (including stock lying at our own retail store)

##### Textile division-

Material costs included in the valuation are determined on the basis of the average consumption rates closer to the year end so as to reflect the fair approximation to

the costs incurred. Costs of conversion and other costs are determined on the basis of standard costs, adjusted for variances between standard and actual costs, if material. Cost of ready finished goods is determined on weighted average method.

##### PSF division-

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

#### (d) Real estate under development

Real estate under development comprises undivided interest in the freehold land at market value, determined at the rate at which it was converted from fixed assets into stock-in-trade for present and future development, expenditure relating to construction and allocated expenses incidental to the projects undertaken by the Company. Cost of land and construction/ development is charged to Statement of Profit and Loss proportionate to area sold and at the time when corresponding revenue is recognised.

#### (k) Foreign currency transactions

- (i) Transactions in foreign currency are recorded at standard exchange rates determined monthly. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of all monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Statement of Profit & Loss.
- (ii) Forward exchange contracts other than those entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions are translated at period end exchange rates and the resultant gains and losses as well as the gains and losses on cancellation of such contracts are recognised in the Statement of Profit and Loss. Premium or discount on such forward exchange contracts is amortised as income or expense over the life of the contract. Forward exchange contracts entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions are treated as derivative financial instruments.
- (iii) The company uses forward foreign exchange contracts to hedge its exposure against movements in foreign exchange rates.

#### (l) Derivative Financial Instruments and Hedging

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

##### Cash Flow Hedge

Forward exchange contracts entered into to hedge foreign currency risks of firm commitments or highly probable forecast

## NOTES to consolidated financial statements for the year ended 31st March, 2015

### 1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 recognised 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 recognised in the Statement of Profit and Loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in the Hedging Reserve are transferred to the Statement of Profit and Loss immediately.

#### (m) Employees benefits

##### (i) Short term employee benefits:

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

##### (ii) Post-employment benefits:

##### (I) Defined Contribution Plan:

##### a) Provident and Family Pension Fund

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both the employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to the provident fund and pension fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner. The Company has no further obligations beyond making the contribution, except that any shortfall in the fund assets based on the Government specified minimum rates of return in respect of provident fund set up by the Company, and the Company recognises such contributions and shortfall, if any, as an expense in the year incurred.

##### b) Superannuation

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

##### (II) Defined Benefit Plan:

##### a) Gratuity

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

##### b) Other long-term employee benefits - compensated absences

The Company provides for encashment of leave or leave with pay subject to certain rules. The leave accumulated to the credit of the employees up to Dec 31, 2014 is available for carry forward and encashment on separation. The leave earned during the period has to be utilized by the employees within the following year. The Company makes provision for compensated absences based on an actuarial valuation by an independent actuary at the year end, which is calculated using Project Unit Credit Method. Actuarial gains and losses which comprise experience adjustment and the effect of change in actuarial assumptions are recognised in the Statement of Profit and Loss.

##### c) Termination Benefits

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

##### (n) Employee share based payments

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

## NOTES to consolidated financial statements for the year ended 31st March, 2015

### 1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

#### (o) Taxation

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

#### (p) Provisions and Contingent Liabilities

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

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

#### (q) Leases

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

#### (r) Government Grants

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

#### (s) Cash and cash equivalents

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

#### (t) Earnings per share

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

#### (u) Segment Reporting

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

(₹ in crores)

2. SHARE CAPITAL		As at 31st March, 2015
<b>AUTHORISED</b>		
25,00,00,000	Equity shares of ₹ 2 each	50.00
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
20,65,34,900	Equity shares of ₹ 2 each fully paid-up	41.31
		<b>41.31</b>

## NOTES to consolidated financial statements for the year ended 31st March, 2015

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

#### Equity shares

	As at 31st March, 2015	
	Numbers	₹ in crores
At the beginning of the period	206,534,900	41.31
Add: Shares issued during the year	-	-
Outstanding at the end of the period	<b>206,534,900</b>	<b>41.31</b>

### (b) Rights, preferences and restrictions attached to Equity shares

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

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

	As at 31st March, 2015	
	Numbers Face Value of ₹ 2	% holding
The Bombay Burmah Trading Corporation Limited	29,644,375	14.35
N.W.Exports Limited	27,771,550	13.45
Sunflower Investment and Textiles Private Limited	21,681,037	10.50
Reliance Capital Trustee Co.Limited	-	-
	<b>79,096,962</b>	<b>38.30</b>

### (d) Shares reserved for issue under options

Persuant to the Employee Stock Option Scheme (ESOS) approved by the shareholders on 13th August, 2002 and as further amended by the shareholders on 07th August, 2012, the company has granted 14000 options, (70000 options post sub-division) to the Joint Managing Director of the Company at an exercise price of ₹ 528.25 (₹ 105.65 post sub division) per share. As per the terms of ESOS, each option is exercisable for conversion into one equity share of the Company. (Refer note 43)

### (e) Information regarding issue of shares during last five years

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

### (f) Shares held in Abeyance

Under orders from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992, - the allotment of 4,640 shares of face value of ₹ 2/- each against warrants carrying rights of conversion into equity shares of the Company has been kept in abeyance in accordance with section 126 of the Companies Act, 2013, till such time as the title of the bonafide owner is certified by the concerned Stock Exchanges.

(₹ in crores)

3. RESERVES AND SURPLUS	As at 31st March, 2015
<b>Capital Reserve</b>	
Opening Balance	28.60
Add: Capital Reserve on acquisition of subsidiary	10.47
	39.07
<b>Capital Redemption Reserve</b>	
Opening Balance	2.55

## NOTES to consolidated financial statements for the year ended 31st March, 2015

### 3. RESERVES AND SURPLUS (Contd.)

(₹ in crores)

3. RESERVES AND SURPLUS	As at 31st March, 2015
<b>Securities Premium Account</b>	
Opening Balance	141.37
Add : Share in jointly controlled entity	5.23
	146.60
<b>Revaluation Reserve [Refer Note 1 (d) and 38 ]</b>	
Opening Balance	993.30
Add: Addition on conversion of a part of the freehold land into stock-in-trade	694.29
Less: Reversal of excess reserve consequent to reduction of base FSI on ICC land due to handover of additional land to MCGM and MHADA under Integrated Development Scheme	(238.07)
Less: Released to statement of profit and loss in proportion of revenue recognised on entering into agreements for sale	(351.24)
Add : Share in jointly controlled entity	35.74
	1,134.02
<b>Investment Reserve</b>	
Opening Balance	1.31
<b>Foreign Currency Translation Reserve</b>	
Exchange difference on translation of jointly controlled foreign operation	0.69
<b>Hedging Reserve Account</b>	
Opening Balance	(1.07)
Add: Fair value gain on derivative contracts designated as cash flow hedges	0.62
	(0.45)
<b>General Reserve</b>	
Opening Balance	155.81
Add : Share in jointly controlled entity (₹ 324)	*
	155.81
<b>Surplus in statement of profit and loss</b>	
Opening Balance	100.37
Less: Depreciation on assets where remaining useful life is nil, recognised in retained earnings	(1.54)
Less: Share in jointly controlled entity	(68.53)
Add : Share of accumulated surplus in associates on consolidation	0.42
Add: Profit for the year	20.35
	51.07
Less: Appropriations	
Proposed dividend	(16.52 )
Dividend distribution tax	(3.37)
Net surplus in the statement of profit and loss	31.18
	<b>1,510.78</b>

\* denotes values less than ₹ 1 lac



**NOTES** to consolidated financial statements for the year ended 31st March, 2015

(₹ in crores)

4. LONG-TERM BORROWINGS	As at 31st March, 2015
<b>Secured</b>	
<b>Term Loans</b>	
- from banks	858.51
- from others	47.50
	906.01
<b>Unsecured</b>	
Fixed Deposits	0.02
Share in jointly controlled entity	12.26
	<b>918.29</b>

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

- i) Term Loans (TUFS) aggregating ₹ 27.03 crores are secured by first pari passu charge on the Company's existing as well as future fixed assets at Textile Processing Unit at Ranjangaon and the Polyester Division at Patalganga other than fixed assets charged exclusively to term lenders. Repayable in quarterly instalments over a period of 2 to 3 years.
- ii) Term loans aggregating ₹ 100.00 crores are secured by first pari passu charge on Company's plant & machinery at Textile Processing unit at Ranjangaon and the Polyester Division at Patalganga. Repayable in half yearly instalments over 1 to 2 years.
- iii) Term loan aggregating ₹ 90.00 crores is secured by first pari passu charge on Company's plant & machinery at Textile Processing unit at Ranjangaon and the Polyester Division at Patalganga and second charge of portion of Spring Mills land and buildings and structures thereon. Repayable in the next year.
- iv) Term loans aggregating ₹ 529.50 crores are secured by first / secondary pari-passu charge over part of the land of the Company at Textile Mills at Mumbai and plant and machinery, buildings and structures thereon. Repayable in quarterly instalments over a period of 3 to 4 years.
- v) Term loan amounting to ₹ 36.30 crores is secured by first pari-passu charge of rent receivables from premises given on lease by the Company and second charge of portion of Spring Mills land and buildings and structures thereon. Repayable in monthly instalments over 4 years.
- vi) Term loans under consortium arrangement amounting to ₹ 417.81 crores is secured by first pari-passu charge / Escrow of receivables of One ICC and Two ICC at Spring Mills, Dadar and first pari passu charge over part of land of the Company at Textile Mills at Mumbai and buildings and structures thereon. Repayable in quarterly instalments over a period of 4 to 5 years after initial moratorium of 18 months.

**b) Terms of repayment of unsecured borrowing:**

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



## NOTES to consolidated financial statements for the year ended 31st March, 2015

(₹ in crores)

<b>5. OTHER LONG-TERM LIABILITIES</b>	<b>As at 31st March, 2015</b>
Trade payables	1.89
Deposits	4.96
	<b>6.85</b>

(₹ in crores)

<b>6. LONG TERM PROVISIONS</b>	<b>As at 31st March, 2015</b>
<b>Provision for employee benefits</b>	
- Provision for compensated absences	4.19
- Provision for termination benefits (Refer Note 35)	6.68
- Provision for Sales Tax Forms (Refer Note (a) below)	2.73
	<b>13.60</b>

<b>(a) Movement in provisions</b>	
Provision for Sales Tax Forms	
Balance as at the beginning of the year	1.88
Additions	0.85
Amounts utilised	-
Balance as at the end of the year	<b>2.73</b>

(₹ in crores)

<b>7. SHORT-TERM BORROWINGS</b>	<b>As at 31st March, 2015</b>
<b>Secured</b>	
- Working capital demand loans from banks	158.80
- Packing credit from bank	95.00
- Buyer's Credit in Foreign currency	120.26
<b>Unsecured</b>	
Bills discounted with banks	1.44
Intercompany deposits	102.82
Share in jointly controlled entity	48.89
	<b>527.21</b>

### a) Nature of Security for Short term borrowings

- (i) Working Capital loans of ₹ 158.80 crores and Buyer's Credit amounting to ₹ 23.81 crores from banks under consortium arrangement is secured by hypothecation of present and future stocks, book debts and other current assets on pari passu basis and a second charge over part of the land of the Company at Textile Mills at Mumbai admeasuring 89,819.85 square metres and plant and machinery and buildings thereon on pari passu basis.
- (ii) Packing credit from bank of ₹ 95 crores is secured by way of registered mortgage on the immovable properties in Wadia International Centre (Texturising Building and Hemming Building) located at Worli, Mumbai.
- (iii) Buyer's Credit aggregating ₹ 96.45 crores is secured by first pari-passu charge on land of the Company at Spring Mills at Mumbai admeasuring 36,617.13 square metres.

**NOTES** to consolidated financial statements for the year ended 31st March, 2015

(₹ in crores)

<b>8. TRADE PAYABLES</b>	<b>As at 31st March, 2015</b>
Acceptances under suppliers line of credit	102.06
Dues to Micro and Small Enterprises (Refer Note (a) below)	0.16
Other Creditors	378.53
Share in jointly controlled entity	0.09
	<b>480.84</b>

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

(₹ in crores)

<b>9. OTHER CURRENT LIABILITIES</b>	<b>As at 31st March, 2015</b>
Current maturities of long-term borrowings [Refer Note 4 (a & b)]	
- Term loans from banks	294.65
- Fixed deposits	94.64
Interest accrued and due on borrowings	0.21
Interest accrued but not due on borrowings	1.58
Unclaimed matured deposits	2.29
Unpaid dividends *	1.03
Advances from customers	30.11
Deposits	7.25
Liability in respect of forward exchange contracts	17.80
Statutory dues including service tax and withholding tax	7.83
Creditors for capital expenditure	1.28
Employee benefits payable	5.46
Accrued expenses	71.19
Other payables	5.12
Share in jointly controlled entity	0.43
	<b>540.87</b>

- a)\* During the year, the Company has transferred an amount of ₹ 0.14 crore to the Investor Education & Protection Fund under section 205C of the Companies Act, 1956. There is no amount due for payment to the Fund as at the year end.
- b) Interest accrued and due on borrowings represents interest due as on Balance Sheet date but debited by the bank after the Balance Sheet date.

(₹ in crores)

<b>10. SHORT TERM PROVISIONS</b>	<b>As at 31st March, 2015</b>
<b>Provision for employee benefits</b>	
Provision for compensated absences	1.50
Provision for termination benefits (Refer Note 35)	0.58
	2.08
<b>Other provisions</b>	
Provision for litigation and disputes (Refer Note (a) below)	10.41
Provision for commercial and other matters (Refer Note (a) below)	10.09
Proposed dividend	16.52
Provision for tax on proposed dividend	3.37
	40.39
	<b>42.47</b>

## NOTES to consolidated financial statements for the year ended 31st March, 2015

(₹ in crores)

10. SHORT TERM PROVISIONS		As at 31st March, 2015
(a) Movement in provisions		
- Litigation and disputes		
Balance as at the beginning of the year		8.86
Additions		1.55
Amounts utilised		-
Balance as at the end of the year		<b>10.41</b>
- Commercial and other matters		
Balance as at the beginning of the year		22.70
Additions		5.20
Amounts utilised		(17.81)
Balance as at the end of the year		<b>10.09</b>

## 11. TANGIBLE FIXED ASSETS

(₹ in crores)

Description	GROSS BLOCK					DEPRECIATION						NET BLOCK
	Cost or book value as at 01-04-2014	Adjustments	Additions	Deductions	Cost or book value as at 31-03-2015	Balance as at 01-04-2014	Adjustments	For the year	Deductions	Impairment during the Year	Balance as at 31.03.2015	As at 31.03.2015
Land												
Freehold	105.65	-	717.65	704.95	118.35	-	-	-	-	-	-	118.35
Leasehold	19.02	-	-	-	19.02	1.77	-	0.20	-	-	1.97	17.05
Building*	151.77	(0.03)	0.33	3.29	148.78	32.11	1.89	4.06	0.81	-	37.25	111.53
Computers and data processing units	14.57	0.42	0.60	0.03	15.56	12.04	(0.33)	1.42	0.02	-	13.11	2.45
Office Equipments	3.25	3.85	0.26	0.01	7.35	2.09	2.84	1.90	0.01	-	6.82	0.53
Plant & Machinery	964.13	(7.23)	25.89	0.30	982.49	373.70	(1.46)	31.59	0.18	13.26	416.91	565.58
Furniture & Fixture	40.59	0.20	4.66	-	45.45	24.92	(0.03)	5.33	-	-	30.22	15.23
Motor Vehicles	2.10	2.73	-	0.01	4.82	1.54	(1.43)	0.79	0.01	-	0.89	3.93
Share in jointly controlled entity	64.90	-	0.69	-	65.59	24.20	(0.03)	0.45	-	-	24.62	40.97
<b>Total</b>	<b>1,365.98</b>	<b>(0.06)</b>	<b>750.08</b>	<b>708.59</b>	<b>1,407.41</b>	<b>472.37</b>	<b>1.45</b>	<b>45.74</b>	<b>1.03</b>	<b>13.26</b>	<b>531.79</b>	<b>875.62</b>

- a) There are no adjustments to the fixed assets on account of borrowing cost.
- b) Additions to Freehold land includes ₹ 694.29 crores towards revaluation of land @ ₹ 15,000 per sq. ft. of FSI as ascertained by registered valuers. The said land has been converted to stock-in-trade for utilisation in ICC Project.
- c) Adjustments represents reclassification of certain assets and adjustments under Depreciation includes ₹ 1.54 crores being the carrying amount of the assets on the date of Schedule II coming into effect, namely April 1, 2014, where the remaining useful life is Nil, being recognised in the opening balance of retained earnings and ₹ (0.03) crore being exchange difference during the year.
- d) \*The company has given commercial premises on operating lease which form part of its premises at Neville House, Ballard Estate and C-1 Wadia International Centre, Worli. Since only a portion of the buildings are given on lease, the gross carrying amount and accumulated depreciation of the premises given on lease is not separately available.

## 12. INTANGIBLE FIXED ASSETS

(₹ in crores)

Description	GROSS BLOCK					DEPRECIATION						NET BLOCK
	Cost or book value as at 01-04-2014	Adjustments	Additions	Deductions	Cost or book value as at 31-03-2015	Balance as at 01-04-2014	Adjustments	For the year	Deductions	Impairment during the Year	Balance as at 31.03.2015	As at 31.03.2015
Technical Know How	4.22	-	-	-	4.22	2.74	-	0.43	-	-	3.17	1.05
Software	10.67	0.06	0.26	0.36	10.63	7.31	0.06	1.10	0.10	-	8.37	2.26
<b>Total</b>	<b>14.89</b>	<b>0.06</b>	<b>0.26</b>	<b>0.36</b>	<b>14.85</b>	<b>10.05</b>	<b>0.06</b>	<b>1.53</b>	<b>0.10</b>	<b>-</b>	<b>11.54</b>	<b>3.31</b>

## NOTES to consolidated financial statements for the year ended 31st March, 2015

(₹ in crores)

13. INCIDENTAL EXPENDITURE RELATING TO CONSTRUCTION / DEVELOPMENT	As at 31st March, 2015
Opening balance	64.69
Less: Capitalised during the year	(13.98)
Less: Transferred to Real estate development work-in-progress	(50.71)
Closing balance	-

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

(₹ in crores)

14. NON-CURRENT INVESTMENTS	As at 31st March, 2015
<b>TRADE INVESTMENTS</b>	
<b>Equity shares Fully paid up (unquoted)</b>	
<b>Investment in associate company (Valued at Carrying Value)</b>	
20,000 Equity shares of ₹ 10 each in Bombay Dyeing Real Estate Company Limited	0.12
<b>Investment in others (Valued at Cost)</b>	
1,900 Equity shares of ₹ 10 each in BDS Urban Infrastructure Pvt.Ltd.	0.01
30,400 Equity shares of ₹ 100 each in Scal Services Ltd.	0.30
	0.43
<b>OTHER INVESTMENTS</b>	
<b>Equity shares Fully paid up (unquoted)</b>	
<b>Investment in associate company (Valued at Carrying Value)</b>	
88,200 Equity shares of ₹ 100 each in Pentafil Textile Dealers Ltd.	1.01
<b>Investment in others (Valued at Cost)</b>	
100 Shares of ₹ 25 each in Roha Industries Association's Co-operative Consumers Society Ltd.(₹ 2500/-)	*
<b>Equity shares Fully paid up (Quoted - Valued at Cost)</b>	
15,560 Equity Shares of ₹ 10/- each fully paid up in Citurgia Biochemicals Limited	0.02
13,038,600 Equity Shares of ₹ 2/- each fully paid up in Bombay Burmah Trading Corporation Limited	49.39
285,000 Equity Shares of ₹ 10/- each fully paid up in National Peroxide Limited	2.37
25,262 Equity Shares of ₹ 10/- each fully paid up in D. B. Realty limited	1.18
	53.97
	<b>54.40</b>
<b>* Denotes value less than ₹ 1 lakh</b>	
<b>Aggregate amount of Quoted Investment</b>	52.96
<b>Market Value of Quoted Investment</b>	589.59
<b>Aggregate amount of Unquoted Investment</b>	1.44
<b>Aggregate Provision for diminution in value of investments</b>	-

## NOTES to consolidated financial statements for the year ended 31st March, 2015

(₹ in crores)

15. LONG-TERM LOANS AND ADVANCES	As at 31st March, 2015
<b>Unsecured, Considered good (unless otherwise stated)</b>	
Capital advances	2.62
Security deposits	
- Considered good	5.93
- Considered doubtful	0.57
- Less : Provision for doubtful advances	(0.57)
	5.93
Loans and advances to related parties	
- Considered good	10.14
- Considered doubtful	17.18
- Less : Provision for doubtful advances	(17.18)
	10.14
Advances recoverable in cash or kind	
- Considered good	2.28
- Considered doubtful	2.76
- Less : Provision for doubtful advances	(2.76)
	2.28
Prepaid expenses	0.08
Loans to employees	0.23
Balances with government authorities	
- Considered good	1.03
- Considered doubtful	1.48
- Less : Provision for doubtful advances	(1.48)
	1.03
	<b>22.31</b>

- a) Loans and advances to related parties include a deposit of ₹ 8.43 crores and amount recoverable of ₹ 15.89 crores from PT. Five Star Textile Indonesia (PTFS), a joint venture company, of which ₹ 17.18 crores is considered doubtful and provided for. PTFS has been incurring continuous losses. The Company has proposed disposal of surplus lands / the assets of the undertaking for recovery of the deposits and advances. In the opinion of the management the advances and deposits are considered good and fully recoverable.

b) Loans and advances to related parties pertain to :	
P.T.Five Star Textile Indonesia (net)	7.14
The Bombay Burmah Trading Corporation Limited - Deposit	3.00
	<b>10.14</b>

**NOTES** to consolidated financial statements for the year ended 31st March, 2015

(₹ in crores)

<b>16. OTHER NON CURRENT ASSETS</b>	<b>As at 31st March, 2015</b>
Long term deposits with banks (Refer Note (a) below)	4.28
Unamortised finance charges	6.98
Industrial subsidy receivable	14.67
Unbilled revenue	1,164.81
	<b>1,190.74</b>

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

(₹ in crores)

<b>17. INVENTORIES</b> (Valued at lower of cost and net realisable value)	<b>As at 31st March, 2015</b>
Raw materials [includes in transit ₹ 49.86 crores]	67.32
Work-in-progress	9.39
Finished goods [includes in transit ₹ 1 crore]	90.28
Stock-in-Trade	26.77
Stores, spares and catalysts	15.27
Real estate development work-in-progress	501.24
Share in jointly controlled entity	0.87
	<b>711.14</b>

Note: Real Estate development work-in-progress includes expenditure incurred by the Company on projects which are delayed or yet to be commenced. Management expects to commence these projects in the near future and does not expect any loss on this account.

(₹ in crores)

<b>18. TRADE RECEIVABLES</b>	<b>As at 31st March, 2015</b>
<b>Unsecured, considered good unless otherwise stated</b>	
Outstanding for a period exceeding six months from the date they are due for payment	
Considered good	40.72
Considered doubtful	19.48
	60.20
Less: Provision for doubtful receivables	(19.48)
	40.72
Other receivables - considered good	224.07
Share in Jointly controlled entity	0.19
	<b>264.98</b>

(a) Trade receivables includes ₹ 36.64 crores due from a customer towards part compensation for sale of property, common area maintenance charges and project related costs. The receivables are under dispute and the matter has been referred to the arbitration. Pending finalisation of arbitration proceedings, the receivables are considered good.

## NOTES to consolidated financial statements for the year ended 31st March, 2015

(₹ in crores)

<b>19. CASH AND BANK BALANCES</b>	<b>As at 31st March, 2015</b>
<b>Cash and Cash Equivalents</b>	
Balances with banks in current accounts	3.89
Cheques on hand	4.23
Cash on hand	0.17
Bank deposits with maturity less than 3 months (refer note (a) below)	49.73
	58.02
<b>Other bank balances</b>	
Balance with banks in unpaid dividend accounts	1.03
Bank deposits with maturity more than 3 months but less than 12 months (Refer Note (a) below)	9.37
	10.40
Share in Jointly controlled entity	0.12
	<b>68.54</b>

(a) Bank deposits include restricted deposits as under :

- Fixed deposits under lien towards security for guarantees issued on behalf of the Company and as security against a claim on the Company - ₹ 25.19 crores.
- Fixed deposits held in trust out of fund received as corpus fund and maintenance deposits from flat owners ₹ 3.80 crores
- Short term deposits relating to amounts held under Escrow in accordance with the loan arrangements with a consortium of bankers ₹ 29.78 crores.

(₹ in crores)

<b>20. SHORT-TERM LOANS AND ADVANCES</b>	<b>As at 31st March, 2015</b>
<b>Unsecured, considered good, unless otherwise stated :</b>	
Capital advances	0.02
Security deposits	0.19
Loans and advances to related parties	
- Considered good	29.82
- Considered doubtful	0.05
- Less : Provision for doubtful advances	(0.05)
	29.82
Advances recoverable in cash or kind or for value to be received	161.21
Advance income-tax (net of provision for taxation)	28.10
Prepaid expenses	3.57
Loans/ advances to employees	0.58
Balances with government authorities	58.47
Share in jointly controlled entity	4.29
	<b>286.25</b>

a) Advances recoverable in cash or in kind or for value to be received includes ₹ 0.73 crore on account of remuneration recoverable from Mr. M.K.Singh, Executive Director, whose services were terminated on 6th July, 2008 consequent to detection of irregular conduct. A suit has been filed by the Company in the High Court of Judicature of Mumbai alleging fraudulent misconduct. The matter is pending before the Court.

## NOTES to consolidated financial statements for the year ended 31st March, 2015

### 20. SHORT-TERM LOANS AND ADVANCES (Contd.)

(₹ in crores)

	<b>As at 31st March, 2015</b>
b) Loans and advances to related parties pertain to :	
Go Airlines (India) Limited (net)	0.36
The Bombay Burmah Trading Corporation Limited	0.01
Bombay Dyeing Real Estate Company Limited	29.45
	<b>29.82</b>

(₹ in crores)

<b>21. OTHER CURRENT ASSETS</b>	<b>As at 31st March, 2015</b>
<b>Unsecured, considered good</b>	
Interest accrued on deposits	2.22
Unamortised finance charges	5.84
Deferred premium	9.37
Industrial subsidy receivable	36.73
Export benefits receivable	14.80
Unbilled revenue	462.74
Share in jointly controlled entity	1.33
	<b>533.03</b>

(₹ in crores)

<b>22. REVENUE FROM OPERATIONS</b>	<b>2014-15</b>
<b>Sale of products and services</b>	
Finished goods	1,777.73
Traded goods	258.61
Processing income	4.08
<b>Real estate development activity (Refer Note 36)</b>	420.83
<b>Other operating revenue</b>	
Lease Rentals	23.45
Scrap sales	2.26
Others	24.88
	2,511.84
Less : Excise duty	133.57
	2,378.27
Share in Jointly controlled entity	8.15
Revenue from operations (net)	2,386.42
<b>Details of Products Sold</b>	
<b>Finished and Traded goods sold</b>	
Polyester staple fibre	1,475.90
Cotton processed long length	167.54
Cotton made ups	134.30
Traded goods - long length and made ups	258.60
Yarn and embroidery	7.55
	<b>2,043.89</b>



## NOTES to consolidated financial statements for the year ended 31st March, 2015

(₹ in crores)

<b>23. OTHER INCOME</b>	<b>2014-15</b>
<b>Interest income</b>	
on inter-corporate deposits	6.68
on income-tax refunds	0.02
on fixed deposits with banks	3.63
on others	8.47
Profit on sale of current investments	0.07
Profit on sale of fixed assets	16.18
Subsidy under Package Incentive Scheme	15.66
Sundry balances / excess provisions written back	3.65
Other non-operating income	3.35
Share in Jointly controlled entity	0.09
	<b>57.80</b>

(₹ in crores)

<b>24. COST OF RAW MATERIAL CONSUMED</b>	<b>2014-15</b>
Inventory at the beginning of the year	122.40
Add : Purchases	1,215.52
Less: Inventory at the end of the year	(67.33)
	1,270.59
Share in Jointly controlled entity	5.42
Cost of material consumed	<b>1,276.01</b>

Details of material consumed

(₹ in crores)

1. Cotton	1.82
2. Fibre	0.33
3. Yarn	21.00
4. Grey cloth	130.71
5. Dyes and chemicals	16.04
6. Purified Terephthalic Acid	786.04
7. Mono Ethylene Glycol	298.63
8. Others	21.44
	<b>1,276.01</b>

**NOTES** to consolidated financial statements for the year ended 31st March, 2015

(₹ in crores)

<b>25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>	<b>2014-15</b>
<b>Manufacturing</b>	
Inventories at the end of the year	
Finished goods	85.31
Work-in-progress	9.39
Stock-in-trade	26.77
	121.47
Inventories at the beginning of the year	
Finished goods	155.77
Work-in-progress	18.20
Stock-in-trade	30.40
	204.37
Share in Jointly controlled entity	0.62
Inventory change - manufacturing (a)	83.52
<b>Real Estate</b>	
Inventories at the end of the year	
Stock in trade	4.98
Development work-in-progress	501.24
	506.22
Inventories at the beginning of the year	
Stock in trade	5.07
Development work-in-progress	368.90
	373.97
Decrease / (increase) in inventory	(132.25)
Release from revaluation reserve in proportion of revenue recognised on areas agreed for sale / sold	(351.24)
Inventory change - real estate (b)	(483.49)
Inventory change - (a+b)	<b>(399.97)</b>

(₹ in crores)

<b>26. EMPLOYEE BENEFITS EXPENSE</b>	<b>2014-15</b>
Salaries, wages and bonus	78.18
Contribution to provident and other funds	5.93
Workmen and staff welfare expenses	4.12
Share in jointly controlled entity	2.45
	<b>90.68</b>

## NOTES to consolidated financial statements for the year ended 31st March, 2015

(₹ in crores)

<b>27. FINANCE COSTS</b>	<b>2014-15</b>
Interest on long term borrowing	156.21
Interest on working capital loans	15.18
Ancillary borrowing costs	23.76
Exchange difference to the extent considered as an adjustment to borrowing costs	34.50
Share in jointly controlled entity	2.47
	<b>232.12</b>

(₹ in crores)

<b>28. DEPRECIATION AND AMORTISATION EXPENSE</b>	<b>2014-15</b>
Depreciation on tangible assets	45.29
Depreciation on intangible assets	1.53
Share in jointly controlled entity	0.45
	<b>47.27</b>

(₹ in crores)

<b>29. OTHER EXPENSES</b>	<b>2014-15</b>
<b>Manufacturing Expenses</b>	
Stores, spare parts and catalysts	51.06
Oil and coal consumed	64.85
Electric energy (net of refund receivable on account of regulatory liability charges )	47.78
Water charges	3.94
Repairs: Buildings	1.10
Machinery	6.21
Others	1.71
Excise duty other than relating to sales	(0.10)
Job work / processing charges	20.24
	196.79
<b>Construction Expenses</b>	
Architect fees and technical and project related consultancy	16.68
Civil, Electrical, contracting etc..	47.72
Payment to local agencies	0.40
Fees for cancellation of contracts,acquiring rights in real estate	3.44
Land cost on conversion of freehold land to stock in trade (net of revaluation reversal -Refer Note 38)	463.92
Compensation for rehabilitation of tenants	2.20
Incidental expenditure relating to construction / development transferred to projects work-in-progress	50.70
	<b>585.06</b>

**NOTES** to consolidated financial statements for the year ended 31st March, 2015

(₹ in crores)

<b>29. OTHER EXPENSES (CONTD.)</b>	<b>2014-15</b>
<b>Selling and Distribution Expenses</b>	
Brokerage, commission and indenting charges on sales	8.06
Discount on sales	1.89
Freight and forwarding	23.11
Advertisement expense	29.48
	<b>62.54</b>
<b>Establishment Expenses</b>	
Rent	13.90
Rates and taxes	14.29
Insurance	1.84
Sundry balances written off	0.06
Provision for doubtful advances/debts	14.58
Legal and Professional Fees	6.84
Retainership Fees	1.87
Loss on foreign currency transactions (net)	23.84
Expenditure incurred on corporate social responsibility activities	1.38
Miscellaneous expenses	42.38
	<b>120.98</b>
Share in jointly controlled entity	0.42
	<b>965.79</b>
<b>Payment to auditor</b>	
<b>As an auditor :</b>	
Audit Fee	0.47
Limited Review	0.35
<b>In other capacity:</b>	
Certification fees	0.02
Reimbursement of expenses	0.01
	<b>0.85</b>

## NOTES to consolidated financial statements for the year ended 31st March, 2015

(₹ in crores)

30. CONTINGENT LIABILITIES	2014-15
A. Claims against the company not acknowledged as debt.	
(a) Income-tax matters in respect of earlier years under dispute (including interest of ₹ 5.12 crores) as follows:	27.08
(i) Decided in Company's favour by appellate authorities and department in further appeal	0.18
(ii) Pending in appeal - matters decided against the Company	26.90
(b) Sales Tax, Service Tax and Excise Duties	1.85
(c) Customs duty	0.95
(d) Others (Claims against the Company not acknowledged as debts) (with interest thereon)	44.75
In respect of items (a) to (d) above, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments pending at various forums/authorities.	
B. Guarantees	
1. Counter indemnity for an amount of ₹ 182.82 crores issued in favour of IDBI Bank Limited which in turn has guaranteed loans granted by Punjab National Bank, International London and Bank of India, Jersey to PTFS secured by first pari-passu charge on 36,617.13 square metres of land at Company's Spring Mill Dadar, Naigaon together with all buildings, structures and erections there on.	
2. Corporate guarantee for an amount of ₹ 20.76 crores issued in favour of Bank of Bahrain & Kuwait, Bahrain for loans granted to PTFS.	
The Company has a pari passu charge on PTFS's assets, which would cover the aforesaid indemnity amount.	
C. Other money for which the company is contingently liable	
Bills discounted	3.72

31. CAPITAL & OTHER COMMITMENTS	2014-15
(i) Estimated amount of contracts to be executed on capital account and not provided for:	29.10
(ii) Other Commitments not provided for related to construction under development	1,252.73
(iii) In accordance with the EPCG Scheme, the company had during 2006-07 and 2007-08 imported capital goods at concessional duty, subject to condition that the Company will fulfill, in future, a specified amount of export obligation within eight years. Amount of duty saved on import of the goods aggregate ₹ 30.08 crores against which export obligation of ₹ 415.34 crores amounting needs to be fulfilled. Of the same, entire export obligation amounting to ₹ 415.34 crores has been fulfilled and balance export obligation is NIL.	
(iv) Export obligation pending under Advance License Scheme is ₹ 0.72 crores and duty saved thereon.	0.17

32 During the year 2000-01, pursuant to the scheme of amalgamation between Scal Investments Limited (SIL) and the Company, sanctioned by the jurisdictional court on 20th April, 2001, the assets, liabilities and reserves of SIL had been transferred to and vested in the Company with effect from 1st October, 2000. The titles in respect of certain immovable properties amalgamated into the Company are still in the process of transfer.

33 The Company has subsequent to the Balance Sheet date signed a Binding Term Sheet agreeing to enter into a transaction with a proposed purchaser for the sale and transfer of the entire Undertaking consisting of the Textile factory/ plant of the Company situated at Ranjangaon, together with all specified tangible assets including land, personnel/ employees and other assets in relation to the said Undertaking on a slump sale basis as a going concern and on "as is where is" basis for a total consideration of ₹ 230 crore. The net realizable value of the assets covered under the term sheet for disposal being lower than the carrying value thereof, the Company has made a provision for impairment of the said assets amounting to ₹ 13.26 crores as at March 31, 2015.

## NOTES to consolidated financial statements for the year ended 31st March, 2015

- 34 Based on the advice obtained by the Company, the premium charged by the Company on sale of apartments under the deferred payment scheme compared to the price charged under the normal sales scheme is also considered as part of sales consideration and is recognised as revenue under the percentage of completion method.
- 35 The Company vide notice dated 8th January 2013 notified the closure of its textile mills manufacturing undertaking at Worli, pursuant to which some of the textile workers accepted alternate employment in the company and the remaining workers accepted closure of the undertaking and consequent termination of services under the memorandum of agreement signed by the Company with the workers union. In accordance with the agreement, the Company has paid / provided to such employees the terminal dues, closure compensation and ex-gratia compensation. Whilst some workers have accepted lump sum compensation, others have opted for a monthly payment up to age 63 or till demise, whichever is earlier. The liability in respect of the monthly payments has been actuarially determined as on the Balance sheet date at ₹ 7.26 crores by the independent actuary. As at the time of the previous voluntary retirement schemes, the initial cost relating to ex-gratia compensation was added to the development cost of land. The actuarial loss for the year amounting to ₹ 1.40 crores has been recorded in the Statement of Profit & Loss.
- 36 The Company has agreed to sell several apartments in the proposed residential towers being constructed at Island City Centre to SCAL Services Ltd, a Group company, in terms of various Memorandum of Understanding (MOUs) entered between the companies till March 31, 2015. Based on the method of accounting (percentage of completion) followed by the company, net revenue of ₹ 301.11 crores and the resultant profit before tax of ₹ 224.49 crores has been recognised during the year ended March 31, 2015 on sales to SCAL.
- 37 Recognition of income and expenses on on-going real estate project under long term contracts is based on actual sales; estimated costs and work completion status. Determination of profits/ losses, the percentage of completion, costs to completion and realisability of the construction work in progress & unbilled revenues necessarily involves making estimates by the Company, some of which being of a technical nature, are being relied upon by auditors. Profit from these contracts and valuation of construction work in progress / unbilled revenue is based on such estimates.
- 38 The Bombay High Court vide its order dated November 20, 2013 permitted the Company to surrender land at one location i.e. Spring Mills, Wadala, as per the application made by the Company under the Integrated Development Scheme for consolidating handover obligation. Pursuant to the Order of the Supreme Court dated August 2, 2013 and the above order of the Bombay High Court, the Company has during the year given advance possession of 32,829.02 sq. mtrs of land to MCGM and 33,822.89 sq. mtrs of land to MHADA at Spring Mills, Wadala after completion of necessary boundary wall, and internal filling/ leveling, SWD, etc. as per the provisions of DCR 58 (6) read with DCR 58 (1) (a) & (b) and both MCGM and MHADA have taken advance possession of the said lands, pending completion of certain administrative formalities, which as per the company's architect are routine.

As per the provisions of DCR 54 and as certified by the Company's Architects, the Company is entitled to Development Rights (FSI) of 43,661.11 sq. mtrs generated in lieu of lands earmarked and handed over to MCGM for utilization by the owners on the said land and to Transferable Development Rights (TDR) of 44,984.44 sq. mtrs. in lieu of lands earmarked and handed over to MHADA under the Integrated Development Scheme as per the provisions of DCR 58.

Since physical possession of the earmarked lands is handed over and Advance Possession Receipts obtained from MCGM and MHADA, the Company has recognized the entitlement of additional Development Rights (FSI) available for its own use and accordingly converted the same into stock in trade at market value (as ascertained by registered valuers). The difference between the market value and cost thereof amounting to ₹ 694.29 crores has been credited to Revaluation Reserve increasing the Revaluation Reserve to ₹ 1,687.59 crores. As per the method of accounting followed by the Company, an amount of ₹ 351.24 crores has been released from Revaluation Reserve to the credit of the Statement of Profit and Loss in respect of areas agreed for sale / sold and percentage of work completed. (including higher release of reserve due to increase in percentage completion). The Transferable Development Rights (TDR) will be recognised on receipt of TDR certificates.

Consequent to consolidation of handover obligations and hand over of land at one location, the base FSI available at Spring Mills, Wadala was reduced. Thus the proportionate cost of such land of ₹ 241.04 crores was transferred back to Freehold land for handover and the revaluation reserve relating to be reduced FSI amounting to ₹ 238.07 crores has been reversed during the year.

### 39 Litigations

- (a) During the year 2010-11, the Company had agreed to sell certain area in the proposed tower TWO ICC to Shaan Realtors Pvt. Ltd., formerly Accord Holding Pvt. Ltd. ("the claimants"). The area agreed to be sold is under dispute and the matter was referred to arbitration. The arbitrator vide order dated 13th January 2014 passed the final award directing the company to allot to the claimants and/ or its associates, friends, nominees carpet area of 1,00,000 sq. ft. less the carpet area as already allotted to them in the proposed tower TWO ICC, namely additional carpet area of 48,495 sq. ft. The Company has filed an appeal in the Bombay High Court under section 34 of the Arbitration & Conciliation Act, 1996 against the final award. The Company is confident that the final award passed by the learned arbitrator will get reversed in view of the strong merits in the case. Accordingly, the requisite area has been set aside by the Company and the total area to be allotted to the claimants will be accounted on disposal of the appeal filed in the High Court. No adjustment has been made in the accounts for the year ended 31st March 2015 in view of the uncertainty involved.
- (b) The Bombay High Court vide its order dated 20th November, 2013 permitted the Company to surrender land at one location i.e. Wadala, as per the application made by the company under integrated development scheme. As per this order the total of 66,651 sq. meter of land has been surrendered to MCGM and MHADA at Island City Centre, Wadala. During the year 2013-14, the Union had filed a writ petition requiring the company to surrender non textile mill land. The Bombay High Court has directed the Company to reserve additional 10,000 sq. meters

## NOTES to consolidated financial statements for the year ended 31st March, 2015

of land adjacent to the land to be surrendered. The Company believes that abovesaid writ petition filed in Bombay High Court has no impact on the development of the two towers at ICC since the reserved land of 10,000 sq. meters is different from the one where construction of the two towers is in progress.

- (c) The company had during the year 2010-11 sold the building known as 'Wadia Tower A' to Axis Bank Ltd for a consideration of ₹ 782.62 crores. The purchaser has till date paid a sum of ₹ 753.69 crores and the balance ₹ 28.93 crores is still outstanding. Axis bank has claimed interest for delayed handover for a period of 4 months from October 2010 to January 2011, and has not paid the common area maintenance charges amounting ₹ 7.71 crores. Since the matter could not be amicably resolved, the same was referred to arbitration. Claims from the Bank regarding costs for work completed by the Bank on behalf of the Company and by the Company on behalf of Axis Bank or also matters under arbitration. Pending finalisation of arbitration proceeding the receivable are considered good.
- 40 The remuneration paid to Managing Director for the year ended March 31, 2015 is in excess of the limits laid down in section 197 of the Companies Act, 2013 read with Schedule V of the said Act. The excess remuneration of ₹ 3.26 crores is subject to the approval of the Central Government, in respect of which the Company has made an application and the approval is awaited. The excess remuneration of Managing Director over the limits prescribed under section 198 and 309 of the Companies Act, 1956 for the year ended March 31, 2014 has been approved by Central Government vide approval dated 18th September, 2014.
41. Employee Benefits

### A. Defined Contribution Plan

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

	(₹ in crores)
	<b>2014-15</b>
Employer's contribution to Provident Fund	2.89
Employer's contribution to Family Pension Fund	0.41
Employer's contribution to Superannuation Fund	0.55

### B. Defined Benefit Plan

Gratuity - as per actuarial valuation as on 31st March, 2015

	(₹ in crores)
	<b>2014-15</b>
i. Reconciliation of opening and closing balances of Defined Benefit	
Present value of Defined Benefit Obligation as at 31st March, 2014	17.04
Interest cost	1.58
Current Service Cost	1.53
Benefits paid	(1.36)
Liability transferred out	-
Net Actuarial (gain) / loss	(0.95)
Present value of Defined Benefit Obligation as at 31st March, 2015	17.84
ii. Reconciliation of fair value of Plan Assets	
Fair value of Plan Assets as at 31 <sup>st</sup> March, 2014	17.44
Expected return on Plan Assets	1.52
Net Actuarial gain / (loss)	(0.36)
Employer's Contribution	0.96
Transfer to other company	-
Benefits Paid	(1.36)
Fair value of Plan Assets as at 31st March, 2015	18.20
The Company expects to contribute in 2015-2016	1.17
The major categories of Plan Assets as a percentage of the fair value of total Plan Assets are as follows:	
Insurance Funds	100.00
Others	-
	100.00

## NOTES to consolidated financial statements for the year ended 31st March, 2015

		(₹ in crores)	
		<b>2014-15</b>	
iii.	Net assets / (liabilities) recognised in the Balance Sheet as at 31 <sup>st</sup> March, 2015		
	Present value of Defined Benefit Obligation	(17.84)	
	Fair value of Plan Assets	18.20	
	Net Assets / (liability) recognised in Balance Sheet	<b>0.36</b>	
iv.	Components of Employer's Expenses		
	Current Service Cost	1.53	
	Interest Cost	1.57	
	Expected return on Plan Assets	(1.52)	
	Net Actuarial (gain) / loss	(0.59)	
	Total expenses recognised in the statement of profit and loss under contribution to Gratuity Fund	<b>0.99</b>	
	Actual return on Plan Assets	1.16	
v.	Actuarial Assumptions		
	Mortality Table	Indian Assured Lives Mortality (2006-08)	
	Discount Rate (per annum)	7.95%	9.25%
	Expected rate of return on Plan Assets	7.95%	8.70%
	Salary escalation	8.50%	8.50%

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

	<b>2014-15</b>	2013-14	2012-13	2011-12	2010-11
1 Present Value of Defined Benefit Obligation as at 31st March	17.84	17.04	16.41	15.33	13.75
2 Fair Value of Plan Assets as on 31st March	18.20	17.44	15.08	14.51	12.99
3 Funded Status [Surplus / (Deficit)]	0.36	0.40	(1.33)	(0.82)	(0.76)
4 Experience adjustment on Plan Liabilities [(Gain)/Loss]	(2.23)	(1.00)	1.35	0.74	(0.15)
5 Experience adjustment on Plan Assets [(Loss)/Gain]	(0.36)	(0.28)	(0.27)	(0.37)	(0.34)

- vii. a. The estimates of rate of escalation in salary considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.
- b. The discounting rate is considered based on market yield on government bonds having currency and terms consistent with the currency and terms of the post-employment benefit obligations.
- c. The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risk, historical results of return on plan assets and the Company's policy for plan assets management.
- viii The above information is certified by the actuary.
- ix The above information regarding employee benefits is in respect of the holding company only as the subsidiary and associate companies do not have any employees. The jointly controlled entity has computed provision for appreciation and compensation benefits as required by the Ministry of Manpower (Indonesia) Decree No.150/2000 (Kep-150) dated June 20, 2000. In the year 2009, provision of ₹ 0.57 crores was made in this behalf. The Company has not made any further computation on the stand that the amount is sufficient to cover all payment for employee benefits.

### C. Other long term benefits-

Amount recognised as a liability in respect of compensated leave absences as per the actuarial valuation as on March 31, 2015 is ₹ 5.70 crores



## NOTES to consolidated financial statements for the year ended 31st March, 2015

### 42. Deferred Taxes

(₹ in crores)

	Deferred Tax (Liability)/Asset as at 01st April, 2014	Credit / (Charge) for the year	Deferred Tax (Liability)/Asset as at 31st March, 2015
Nature of timing difference			
(a) Deferred tax liabilities			
- Depreciation	(133.11)	(2.99)	(136.10)
	(133.11)	(2.99)	(136.10)
Deferred Tax Assets			
- Item covered under section 43B	2.06	(1.65)	0.41
- Item covered under section 40a(ia)	1.33	(1.33)	-
- Provision for bad and doubtful debts	5.65	4.96	10.61
- 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	124.07	(3.50)	120.57
- Impairment of Assets	-	4.51	4.51
	133.11	2.99	136.10
Net	-	-	-

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

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

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

On 7th August 2012, the Board of Directors had granted 14000 stock options (70,000 stock options post sub -division) to the Joint Managing Director of the Company at an exercise price of ₹ 528.25 (₹ 105.65 post subdivision) per share for the years 2011-12 and 2012-13 which options have vested on 7th August 2013. Further 50,000 stock options of equity shares of ₹ 2 each were granted for the year 2013-14 on 28th May, 2013 at an exercise price of ₹ 79.50 per share to the Joint Managing Director which were due for vesting on 28th May, 2014. However, these options have lapsed as the grantee has resigned from the Company before the vesting date. Consequent upon the sub-division of shares on and from 31st October, 2012, the number of options and the exercise price have been appropriately adjusted.

#### Method used for accounting of share based payment plan:

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

## NOTES to consolidated financial statements for the year ended 31st March, 2015

<b>Movement in the options under the Scheme:</b>	<b>31st March 2015</b>
Options outstanding at the beginning of the year	70,000
Options granted during the year	NIL
Options vested during the year	NIL
Options exercised during the year	NIL
Options lapsed during the year	NIL
Unexercised option outstanding as at the end of the year	70,000
Weighted average price per option (₹)	105.65

### Fair Value Methodology:

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

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

<b>Particulars</b>	<b>31st March 2015</b>
No. of option granted	70,000
Date of grant	07th August, 2012
Vesting period (years)	1
Expected life of option (years)	3
Expected volatility	45.42%
Risk free rate	8.09%
Expected dividends	50% of face value of share
Weighted -average fair values of options per share (₹)	36

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

<b>Particulars</b>	<b>31st March 2015</b>
Net profit (as reported)	20.35
Less: Stock-based compensation expense determined under fair value based-method, net of Intrinsic Value (without considering tax impact)	-
Net profit (pro-forma) considered for computing EPS (pro-forma)	20.35
Basic earnings per share (as reported)	0.99
Basic earnings per share (pro-forma)	0.99
Diluted earnings per share (as reported)	0.99
Diluted earnings per share (pro-forma)	0.99

## NOTES to consolidated financial statements for the year ended 31st March, 2015

### 44 Derivative Instruments & unhedged foreign currency exposure

- (i) Particulars of outstanding Forward Foreign Exchange Contracts entered into by the Company as on 31st March, 2015 for hedging the currency risk:

Particulars	Purpose	Amount in foreign currency
		As at 31st March 2015
Forward contracts to buy USD	Hedge of external commercial borrowings & raw material imports	86,131,028
Forward contracts to sell USD	Hedge of firm commitments, highly probable forecast transactions and export of finished goods	10,057,013

- (ii) Particulars of unhedged foreign currency exposures as on 31st March, 2015

	As at 31st March 2015
(a) Trade Receivables	
USD	-
EURO	205,384
(b) Trade and Other Payables	
USD	269,627
EURO	5,670

- (iii) The Company has adopted the principles of hedge accounting as set out in Accounting Standard 30, 'Financial Instruments: Recognition and Measurement', issued by The Institute of Chartered Accountants of India. Accordingly, the foreign exchange loss of ₹ 0.45 crores as on 31st March, 2015 on forward foreign exchange contracts entered into to hedge firm commitments and highly probable forecast transactions, which qualify for hedge accounting, has been accounted under Hedging Reserve to be ultimately recognised in the profit and loss account when the forecasted transactions arise.

### 45. Earnings Per Equity Share

(₹ in crores)

	2014-15
(i) Profit computation for both basic and diluted earnings per equity share of ₹ 2 each: Net profit as per Statement of profit and loss available for equity Shareholders	20.35
(ii) Number of Equity Share	No. of equity shares
Number of Equity Shares at the beginning of the year	206,534,900
Add:- Shares allotted during the year	-
Number of Equity Shares at the end of the year	206,534,900
Weighted average number of equity shares	
(a) For basic earnings	206,534,900
(b) For diluted earnings	206,534,900
Face value of Equity Share (In ₹)	2
(iii) Earnings per equity share	
Basic (in ₹)	0.99
Diluted (in ₹)	0.99

## NOTES to consolidated financial statements for the year ended 31st March, 2015

### 46. Operating Lease

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

	(₹ in crores)
	As at 31st March, 2015
Lease rent expenses	
(i) Total of minimum lease payments for a period:	
- not later than one year	7.58
- later than one year but not later than five years	31.12
- later than five years	13.89
(ii) Lease payments recognised in the statement of profit and loss for the year	12.89

- (iii) The lease agreements are for a period of four years for vehicles and for a period of one to nine years for retail shops including further periods for which the Company has the option to continue the lease of retail shop with the condition of increase in rent, for a period of one year for godowns and for a period of 3 years for flats

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

	(₹ in crores)
	As at 31st March, 2015
(i) Lease rental income:	
Total of lease rent income for a period:	
- not later than one year	23.56
- later than one year but not later than five years	55.10
- later than five years	-

- (ii) The details such as gross carrying amount, accumulated depreciation and depreciation for the current year, are not available separately in respect of the properties given on lease.

### 47. Segment Reporting

	(₹ in crores)				
(i) Primary Segments - Business Segments	Textile	Polyester	Real Estate	Elimination	Total
<b>A REVENUE</b>					
1. Segment revenue - External sales/ income from operations	578.09	1,364.05	444.23	-	2,386.37
2. Inter-segment revenue	-	2.70	-	(2.70)	-
3. Total segment revenue	578.09	1,366.75	444.23	(2.70)	2,386.37
4. Unallocated revenue					0.05
TOTAL					2,386.42
<b>B RESULT</b>					
1. Segment result / operating profit / (loss)	25.10	(9.77)	302.69		318.02
2. Unallocated (Expenses) / Income Net					(54.71)
3. Operating Profit					263.31

## NOTES to consolidated financial statements for the year ended 31st March, 2015

(₹ in crores)

(i) Primary Segments - Business Segments	Textile	Polyester	Real Estate	Elimination	Total
4. Interest expenses					(232.12)
5. Income Taxes					(10.68)
6. Net Profit					20.51
<b>C OTHER INFORMATION</b>					
1. Segment assets	476.51	758.74	2,596.44	(14.94)	3,816.75
2. Unallocated assets					268.16
3. Total assets					4,084.91
4. Segment liabilities	121.32	452.51	136.46	(14.94)	695.35
5. Unallocated liabilities					105.36
6. Total liabilities					800.71
7. Cost incurred during the year to acquire segment fixed assets	6.33	26.12	23.57		56.02
8. Depreciation	14.83	23.91	8.53		47.27
9. Non-cash expenses other than depreciation					
- provision for bad & doubtful debts	6.64	7.94	-		14.58
<b>(ii) Secondary Segments - Geographical Segments</b>					
			India	Rest of the World	Total
A. Segment revenue from external customer, based on geographical location of customers			2,048.59	337.78	2,386.37
B. Segment assets based on geographical location			3,722.52	94.23	3,816.75
C. Cost incurred during the year to acquire fixed assets			55.36	0.66	56.02

### 48. Related party disclosures

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

Associate Companies:

Pentafil Textile Dealers Limited  
Bombay Dyeing Real Estate Company Limited

Joint Venture Company:

PT.Five Star Textile Indonesia

Key Management Personnel:

Mr. Jehangir N Wadia - Managing Director  
Mr. Ness N Wadia - Director- Brother of Managing Director  
Mr. Jairaj C Bham - Company Secretary  
Mr. Raghuraj Balkrishna - Chief Financial Officer (upto 08th Aug 2014)  
Mrs. Saroj Jairaj Bham - Spouse of Company Secretary

Relatives of Key Managerial Personnel

Entities over which key management

Personnel and relatives exercise significant influence :

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

## NOTES to consolidated financial statements for the year ended 31st March, 2015

### (b) Transactions with related parties

(₹ in crores)					
Nature of transactions	Associate Companies	Joint Venture Company	Key Management Personnel & their relatives	Entities over which Key Management Personnel & their relatives exercise significant influence	
I) Transactions:					
(i) Inter-Corporate Deposits/Advances given					
- Bombay Dyeing Real Estate Co. Ltd.	33.95	-	-		-
(ii) Repayment received against ICD/Advances					
- Bombay Dyeing Real Estate Co. Ltd.	4.50	-	-		-
(iii) Interest income on ICD/Advance					
- Bombay Dyeing Real Estate Co. Ltd.	0.91	-	-		-
(iv) Expenses incurred on behalf of related parties (reimbursable)					
- PT. Five Star Textile Indonesia	-	2.43	-		-
- Go Airlines (India) Limited	-	-	-		0.71
- The Bombay Burmah Trading Corporation Ltd.	-	-	-		0.58
(v) Expenses incurred on behalf of Company (reimbursable)					
- The Bombay Burmah Trading Corporation Ltd.	-	-	-		0.43
(vi) Remuneration					
- Mr. Jehangir Wadia	-	-	5.87		-
- Mr. J. C. Bham	-	-	0.64		-
- Mr. Raghuraj Balkrishna	-	-	0.75		-
(vii) Guarantee and collaterals					
- PT. Five Star Textile Indonesia	-	17.11	-		-
(viii) Lease Rent income					
- Go Airlines (India) Ltd.	-	-	-		1.84
(ix) Sale of goods					
- Go Airlines (India) Ltd.	-	-	-		0.03
- The Bombay Burmah Trading Corporation Ltd.	-	-	-		0.01
(x) Repayment of Fixed Deposits					
- Mrs. Saroj Jairaj Bham	-	-	0.02		-
(xi) Interest paid on Fixed Deposits					
- Mrs. Saroj Jairaj Bham	-	-	0.01		-
II) Particulars of amounts due to or due from related parties at the year end					
i) Receivables					
- PT. Five Star Textile Indonesia	-	15.89	-		-
- Go Airlines (India) Limited	-	-	-		0.40
- The Bombay Burmah Trading Corporation Ltd.	-	-	-		0.16
ii) Inter Corporate deposits					
- Bombay Dyeing Real Estate Co. Ltd.	29.45	-	-		-

## NOTES to consolidated financial statements for the year ended 31st March, 2015

(₹ in crores)

Nature of transactions	Associate Companies	Joint Venture Company	Key Management Personnel & their relatives	Entities over which Key Management Personnel & their relatives exercise significant influence
III) Advances received for purchase of flats				
- Mr. Ness Wadia	-	-	0.57	-
- Mr. Jehangir Wadia	-	-	0.28	-
IV) Shareholders' deposit given				
- PT. Five Star Textile Indonesia	-	8.42	-	-
V) Deposit given				
- The Bombay Burmah Trading Corporation Ltd.	-	-	-	3.00
VI) Guarantee and collaterals given				
- PT. Five Star Textile Indonesia [Refer footnote (b)]	-	203.58	-	-
VII) Fixed Deposit accepted				
- Mrs. Saroj Jairaj Bham	-	-	0.12	-

## 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) Guarantees and collaterals to PT. Five Star Textile Indonesia are secured by a pari passu charge on the assets of the joint venture.

- 49 Additional information as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiary, Associates, Joint Venture.

Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in crores)	As % of consolidated profit or loss	Amount (₹ in crores)
1	2	3	4	5
(I) <b>Parent</b> The Bombay Dyeing And Manufacturing Company Ltd.	101.30%	1,572.28	120.69%	24.56
(II) <b>Subsidiary</b> <b>Indian</b> Archway Investments Co Ltd	4.03%	62.50	(2.36%)	(0.48)
(III) <b>Joint Ventures</b> (as per proportionate consolidation method) <b>Foreign</b> P.T. Five Star Textile	(1.86%)	(28.84)	(17.54%)	(3.57)
	<b>103.47%</b>	<b>1,605.94</b>	<b>100.79%</b>	<b>20.51</b>
Adjustments arising out of consolidation	(3.32%)	(51.40)	0.00%	-
Minority Interest	(0.17%)	(2.69)	0.10%	0.02
Share in Profit/ (Loss) in associates	0.02%	0.24	(0.89%)	(0.18)
<b>TOTAL</b>	<b>100.00%</b>	<b>1,552.09</b>	<b>100.00%</b>	<b>20.35</b>

## NOTES to consolidated financial statements for the year ended 31st March, 2015

### 50. Share in Joint Venture

The Group's share of the assets, liabilities, income, expenses, etc. (each without elimination of the effect of the transactions between the Group and the Joint Venture) related to its interests in the joint venture, based on the audited financial statement are:

	As at 31st Dec, 2014
(a) ASSETS	
Fixed Assets	40.96
Inventories	0.88
Trade receivables	0.20
Cash and bank balances	0.12
Short-term loans and advances	4.29
Other current assets	1.33
	<b>47.78</b>
(b) LIABILITIES	
Long-term borrowings	27.20
Short-term borrowings	48.89
Trade payables	0.09
Other current liabilities	0.44
	<b>76.62</b>
(c) INCOME	8.15
(d) EXPENSES	11.72

51. This year being the first year that consolidated financial statement are presented, comparative figures for the previous year have not been presented in accordance with the transitional provisions of AS-21 consolidated financial statement.

As per our report attached

**FOR KALYANIWALLA & MISTRY**  
Chartered Accountants  
Firm Registration No.104607W

**Ermin K. Irani**  
Partner  
Membership No.35646

Mumbai, 25th May, 2015.

NUSLI N. WADIA *Chairman*  
JEH N. WADIA *Managing Director*  
VINOD HIRAN *CFO*  
J.C. BHAM *Company Secretary*

Mumbai, 25th May, 2015.

For and on behalf of the Board of Directors

R.A. SHAH  
S. S. KELKAR  
S. RAGOTHAMAN  
A. K. HIRJEE  
S. M. PALIA  
SHEELA BHIDE  
ISHAAT HUSSAIN  
NESS N. WADIA

Directors



## FORM AOC-I

### Part "A": Subsidiaries Information

Sr. No.	Particulars	Details
1.	Name of Subsidiary	Archway Investment Company Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Financial year - April 1, 2014 - March 31, 2015
3.	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
4.	Share Capital	₹ 52,05,00,000
5.	Reserves & Surplus	₹ 10,45,38,354
6.	Total Assets	₹ 1,35,16,18,062
7.	Total liabilities	₹ 1,35,16,18,062
8.	Investments	₹ 52,95,18,783
9.	Turnover/total income	₹ 10,10,37,983
10.	Profit before taxation	₹ 1,94,44,540
11.	Provision for taxation	₹ 30,00,000
12.	Profit after taxation	₹ 1,64,44,540
13.	Proposed Dividend	-
14.	% of Shareholding	95.68%

### Part "B": Associate and Joint ventures

Sr. No.	Particulars	Pentafil Textile Dealers Limited (Associate Company)	Bombay Dyeing Real Estate Company Limited (Associate Company)	PT Five Star Textile Indonesia (Joint Venture)
1.	Latest audited Balance Sheet date	31/03/2015	31/03/2015	31/12/2014
2.	Shares of Associate/joint Venture held by the company on the year end			
	No.	88,200	20,000	2,217
	Amount of Investment in Associate/ Joint Venture	8,82,000	2,00,000	1,59,45,614
	Extend of Holding %	49%	40%	33.89%
3.	Description of how there is significant influence	Voting power	Voting power	Voting power
4.	Reason why the associate/joint venture is not consolidated	N.A.	N.A.	N.A.
5.	Networth attributable to shareholding as per latest audited Balance Sheet	2,06,87,299	30,90,073	(85,08,76,277.27)
6.	Profit/Loss for the year			
	i. Considered in Consolidated	(18,01,900)	(22,17,067)	(10,52,10,222.50)
	ii. Not Considered in Consolidated	N.A.	N.A.	N.A.

For and on behalf of the Board of Directors

NUSLI N. WADIA

*Chairman*

JEH N. WADIA

*Managing Director*

VINOD HIRAN

*CFO*

J.C. BHAM

*Company Secretary*

R.A. SHAH  
S. S. KELKAR  
S. RAGOTHAMAN  
A. K. HIRJEE  
S. M. PALIA  
SHEELA BHIDE  
ISHAAT HUSSAIN  
NESS N. WADIA

*Directors*

Mumbai, 25th May, 2015.



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### Bombay Dyeing

**Corporate office:** C-1, Wadia International Center (WIC), Pandurang Budhkar Marg, Worli, Mumbai - 400 025

**Phone:** +91 22 66620000      **Website:** [www.bombaydyeing.com](http://www.bombaydyeing.com)

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### Home & You

**Sales office:** C-1, Wadia International Center (WIC), Pandurang Budhkar Marg, Worli, Mumbai - 400 025

**Phone:** +91 22 66620000      **Website:** [www.bombaydyeing.com](http://www.bombaydyeing.com)

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

**Phone:** +91 21 38232700/38232800

**Fax:** +91 21 38232600

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

**Phone:** +91 2192 251096/103

**Fax:** +91 2192 250263

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### Bombay Realty

**Sales office:** The Island City Center (ICC), GD Ambekar Marg, Dadar (E), Mumbai - 400 014

**Phone:** +91 22 61912345      **Email:** [sales@bombayrealty.in](mailto:sales@bombayrealty.in)      **Website:** [www.bombayrealty.in](http://www.bombayrealty.in)

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## THE WADIA GROUP

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

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

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

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

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

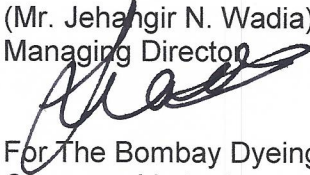
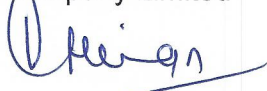


**The Bombay Dyeing and Manufacturing Company Limited**  
**Registered Office:** Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai 400 001.

## AFTER 279 YEARS, OUR GROUP BRANDS



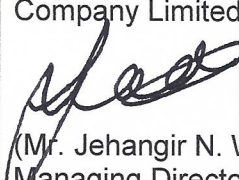
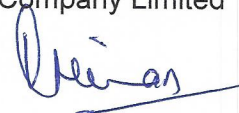


## FORM A

### Format of covering letter of the annual audit report to be filed with the Stock exchanges

1.	Name of the Company:	The Bombay Dyeing and Manufacturing Company Limited - Standalone financial statements
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	Un-qualified with Matter of Emphasis
4.	Frequency of observation	Observation 1 - since FY 2012-13 Observation 2 - FY 2014-15 Observation 3 - since FY 2013-14
5.	To be signed by-	For The Bombay Dyeing and Manufacturing Company Limited
	▪CEO/Managing Director	(Mr. Jehangir N. Wadia) Managing Director 
	▪CFO	For The Bombay Dyeing and Manufacturing Company Limited  (Mr. Vinod Hiran) Chief Financial Officer
	▪Auditor of the Company	For Kalyaniwalla & Mistry Chartered Accountants Firm Reg. No. 104607W  →  Ermin K. Irani (Partner) Membership No.: 35646
	▪Audit Committee Chairman	For The Bombay Dyeing and Manufacturing Company Limited  →  (Mr. Ishaat Hussain) Director

## FORM A

### Format of covering letter of the annual audit report to be filed with the Stock exchanges

1.	Name of the Company:	The Bombay Dyeing and Manufacturing Company Limited - Consolidated financial statements
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	Un-qualified with Matter of Emphasis
4.	Frequency of observation	Observation 1 - FY 2014-15 Observation 2 - FY 2014-15 Observation 3 - FY 2014-15
5.	To be signed by-	For The Bombay Dyeing and Manufacturing Company Limited
	▪CEO/Managing Director	 (Mr. Jehangir N. Wadia) Managing Director
	▪CFO	For The Bombay Dyeing and Manufacturing Company Limited  (Mr. Vinod Hiran) Chief Financial Officer
	▪Auditor of the Company	For Kalyaniwalla & Mistry Chartered Accountants Firm Reg. No. 104607W  →  Ermin K. Irani (Partner) Membership No.: 35646
	▪Audit Committee Chairman	For The Bombay Dyeing and Manufacturing Company Limited  →  (Mr. Ishaat Hussain) Director