BOMBAY DYEING

September 23, 2013

The Secretary,
Corporate Relationship Dept.,
The Stock Exchange, Mumbai,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

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

Dear Sirs,

As required in terms of Clause 31(d) of the Listing Agreement, we are sending herewith a copy of the Minutes of the Annual General Meeting of the Company held on 6th August, 2013 for your record.

Yours faithfully,
For THE BOMBAY DYEING & MFG. CO. LTD.

J. C. BHAM
Company Secretary

Encl : As above.

CC : National Securities Depository Ltd.,
Trade World, 4th Floor,
Kamala Mills Compound,
S. Bapat Marg, Lower Parel,
Mumbai – 400013

Central Depository Services (India) Ltd.,
Phiroze Jeejeebhoy Towers, 16th Floor,
Dalal Street,
Mumbai – 400023

THE BOMBAY DYEING & MANUFACTURING COMPANY LIMITED
Neville House, J. N. Heredia Marg, Ballard Estate,
Mumbai - 400 001

MINUTES OF THE ANNUAL GENERAL MEETING

The 133rd Annual General Meeting of The Bombay Dyeing and Manufacturing Company Limited was held at the Yashwantrao Chavan Center Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai – 400021, on Tuesday, 6th August, 2013, at 3.45 p.m.

The following Directors were present :

Mr. Nusli N. Wadia, Chairman
Mr. S. Ragothaman, Chairman of the Audit Committee
Mr. R. A. Shah
Mr. A. K. Hirjee
Mr. S. M. Palia
Mr. S. S. Kelkar
Ms. Vinita Bali
Mr. Ness N. Wadia
Mr. Ishaat Hussain
Mr. Jeh N. Wadia, Managing Director
Mr. Durgesh Mehta, Joint Managing Director

Others present:

Mr. Viraf Mehta, Partner, Kalyaniwalla & Mistry, Auditors

Mr. Raghuraj Balakrishna, Chief Financial Officer
Mr. J. C. Bham, Company Secretary

1. 256 members were present in person.

2. 76 members were present through their proxies representing 12,86,26,814 shares, i.e. 62.28%.

3. With the approval of the members present, the Notice convening the Meeting was taken as read by the Chairman.

4. The Chairman asked the Company Secretary to read the Auditors' Report and the Auditors' Report was read out by the Company Secretary. With the approval of the members, Annexure to the Auditors' Report was taken as read.

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5. The Chairman welcomed the members to the 133rd Annual General Meeting (AGM) of the Company and with their approval the Directors' Report and Audited Accounts for the year ended 31st March, 2013, already circulated to the members, were taken as read.

6. The Chairman proposed the following resolution as an Ordinary Resolution which was seconded by Mr. Bakul V. Joshi.

"RESOLVED THAT the audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon, be and are hereby received and adopted."

7. The Chairman then made the following remarks before answering the questions of the shareholders:

Mr. R. N. Tata had stepped down from the Board of Directors as he decided to pursue his other interests. Chairman requested the shareholders to join the Board to record and appreciate the contribution made by Mr. Tata to the Company over the years that he was a Director.

The Chairman then stated that the Board of Directors had met before the AGM and approved the unaudited financial results for the first quarter ended 30th June, 2013.

The total revenue of the Company for the first quarter was higher by 8%, equivalent to Rs. 527 crores. The loss for Q1 at Rs.27 crores was almost same as that of the previous year, which was mainly driven by the subdued performance of the PSF Division and the exchange loss which the Company suffered due to the recent crash in the value of Rupee vs. Dollar.

The economy was going through a very tough time and in general was having a fair amount of stress. Most companies were feeling the pressure to perform in these difficult times and your Company was also going through the same. The Company had sold about 40% of the total apartments that were being constructed in One ICC and Two ICC. The Company was still awaiting for the outcome of the court case regarding handing over of land to MHADA and MCGM. The matter was earlier heard in the Supreme Court but it has referred it back to the Bombay High Court with a direction to conclude the same within 3 months.

During the year under review, the Textile Division business grew by 7% over previous year, primarily due to the domestic business turning profitable. The export business remained very sluggish and unprofitable despite the drop in exchange rate.

The PSF Division achieved a turnover of Rs.1,328 crores which was more or less at par as in the previous year. As cotton prices remained depressed, they also reflected on the PSF prices because both the prices move in tandem. The margins, therefore, on PSF were under pressure.

The Chairman stated that Dividend Warrants would be posted by 8th August, 2013 and ESC payment would also be made on the same day.

Before putting the resolutions to vote, the Chairman invited queries from the members.

14 members thereafter addressed the Meeting. A summary of the comments and observations made and queries raised by the shareholders are given hereunder:

1. MRS. GULSHAN ABBAS CHINWALA

Mrs. Gulshan Chinwala stated that she was happy and thankful that inspite of critical conditions, the Company had maintained the dividend at 50% considering that the main concern of shareholders is return on their investments. Mrs. Chinwala further stated that considering the present state of affairs of the economy, one should be satisfied with the working of the Company. Mrs. Chinwala conveyed her best wishes for the betterment of the Company.

2. MR. BAKUL V. JOSHI

At the outset, Mr. Bakul Joshi congratulated the Chairman and the Board for the Company's performance. He shared the views of the Chairman that, the sluggish economy and the falling rupee has affected the performance of the Company in the first quarter of the current year. He hoped that the current year would be better than the previous year and dividend would be maintained.

Mr. Joshi enquired about the processing unit at Ranjangaon and whether any new activity would be undertaken there. He concluded by conveying his best wishes to the Company and the employees.

3. MR. RUSI B. KHAMBATTA

Mr. Rusi Khambatta thanked the Board for 50% dividend. He requested the Chairman to convey his best regards to Mr. R. N. Tata for a healthy retired life. Mr. Khambatta expressed his support for all the resolutions, and particularly resolution no.5 regarding the reappointment of Mr. Ness N. Wadia. He conveyed his best wishes for the coming year to the Board of Directors, employees and shareholders.

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4. MR. ADIL POLAD IRANI

Mr. Adil Irani stated that he had full trust in the Company and its management and normally does not raise questions at the AGM. He enquired whether Mr. Keshub Mahindra was on the Board. (Chairman's Reply: Mr. Keshub Mahindra is on the Board but was unfortunately unable to come for the meeting.) Mr. Polad requested the Chairman for his views on independent directors.

5. MR. BERUZ POUREDEHI IRANI

Mr. Beruz Pouredehi Irani made the following suggestions / queries on the annual report:

- Compared to last year's EPS of Rs.2.92, the Company had shown an EPS of Rs. 3.67 but inspite of better performance, the dividend declared has been same.
- The share price was not reflecting the true picture and enquired why the Company's share price was going down day by day. The Company should ensure that at least the market cap does not erode.
- The rent collected, compared to last year Rs. 7.64 crores was Rs. 7.67 crores in the current year. To which premises, establishment, was it pertaining to and why was the rent more by Rs. 3 lacs.
- Legal and professional fees last year was Rs. 8.12 crores, and in the current year it was Rs. 9.56 crores. He asked for the bifurcation of the said fees into legal fees and professional fees and to whom were they paid.
- He suggested that although it was not a statutory requirement, address of the Advocates & Solicitors and Auditors alongwith their names should be printed on the first page of the Annual Report in the interest of good corporate governance.
- Other expenses had increased substantially to Rs. 57.97 crores from Rs. 39.54 crores in the previous year. What were the new items computed under that head and the break-up of individual heads.

Mr. Irani expressed his support for all the resolutions and conveyed his good wishes for the Company.

6. MR. SUDHIR MEHTA

Mr. Sudhir Mehta stated that he had received the balance sheet on time and thanked the Company Secretary, Mr. J. C. Bham and his team for the colourful, informative and good presentation. He further stated that considering the economic conditions, results were good and performance was encouraging. EPS and book value per share had also increased.

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Mr. Mehta mentioned that there was all round improvement and considering the good results, he thanked the Company for maintaining 50% dividend.

Mr. Mehta then raised the following queries:

- What was the market share of the Company in Textile and PSF Divisions.
- What was the capex plan for the year 2013-14.
- When was the last bonus declared by the Company and what was the ratio.

Mr. Mehta, thereafter, expressed his support for all the resolutions.

7. MR. ALOYSIUS MASCARENHAS

At the outset, Mr. Aloysius Mascarenhas thanked the management, the Company Secretary and his team for sending him the balance sheet on time. He stated that the balance sheet was simple, informative, transparent and above all adhering to all the parameters required for good corporate governance.

He then made the following comments, suggestions and queries on the annual report:

- The results were good compared to last year. PBT and PAT had gone up and Company had maintained 50% dividend.
- On the economic scenario, the dollar was getting stronger against the rupee day by day. What was the impact of dollar appreciation verses rupee depreciation on the profitability of the Company?
- 122 Fixed Deposits aggregating to Rs. 70 lakhs had not been claimed by the investors. If this amount is not claimed within seven years the amount will have to be credited to the Investor Education & Protection Fund. Whether the Company has been sending reminders to the investors who have not claimed or were unable to claim their rightful Fixed Deposit amount.
- 10 year highlights showed in detail the progress made by the Company financially on year to year basis at a glance. He stated that from the said information one could see the progress of the Company, the dividend payout and all the other financial parameters.

Mr. Mascarenhas requested to arrange plant visit for the shareholders as usual. He conveyed his best wishes to all for the future.

8. MRS. H. S. PATEL

Mrs. H. S. Patel thanked the Company Secretary for sending the annual report in time. She also thanked the Chairman for the dividend of Re.1/- for

a share of Rs.2/-, which was proportionately the same as in the previous year.

Commenting on the balance sheet, Mrs. Patel pointed out that the Reserves and Surplus had come down, so also the assets. She observed that Trade Receivables included Rs. 34.65 crores due from a customer, and enquired if it was a part of compensation on sale of property, when was it due from that customer and when would it be recovered.

Mrs. Patel thanked for arranging the shareholders factory visit and hoped that this year also the visit would be arranged. She also hoped that shareholders would be given bonus shares.

9. MR. VINIT KUMAR PARIKH

Mr. Vinit Kumar Parikh appreciated the Company Secretary for sending him a separate copy of the annual report but stated that he did not receive even a single annual report at his residence despite many folios. He had submitted a letter at the Registered Office to this effect and requested to ensure that all dividend warrants were sent to him at the correct address.

Mr. Parikh stated that he was not in favour of splitting of the shares because if on a share of Rs. 2/-, a dividend of Re. 1/- was given, then the postage, printing and other costs would be much higher than the cost of the share.

Earlier, the minimum holding required for discount coupons was 10 shares of Rs.10/- each. Mr. Parikh enquired whether after sub-division the minimum holding for receiving discount coupons was 50 shares of Rs.2/- each.

Commenting on the annual report, Mr. Parikh stated that the Report was very compact and economical and in line with the green initiative. Financial highlights were given in the report.

He strongly recommended that the Company should come out in near future with a minimum 1: 1 bonus share as Reserves position was very comfortable.

Mr. Parikh stated that the date of the meeting was very convenient, but the auditorium for the meeting was most inconvenient because inspite of the Company paying full amount for the hall, the elevator there is never made available to the shareholders. He suggested that the Company could hold meeting at IMC Hall, or KC College Hall, or Birla Hall.

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10. MR. DINESH BHATIA

Mr. Dinesh Bhatia congratulated for the excellent results and stated that considering the current market situation and stiff competition, the Company's turnover had increased compared to last year. Profit had also increased and dividend was maintained at 50% for which he thanked the Management.

Mr. Bhatia made the following comments and suggestions on the annual report:

- The shareholders were proud about the Company's luxury projects, the two upcoming residential towers.
- Balance sheet was good and colourful with pictures of the Company's products, real estate business and textile business on the front and back inside cover.
- Under Tangible Assets, Freehold Land, book value last year was Rs. 93.75 crores. Addition during the year was Rs. 11.15 crores. He requested to provide information about the additional land of Rs. 11.15 crores purchased during the year.
- The Company's share price was below the book value. He suggested Promoters to buy the shares from the market when the Company's share price was lower than the book value. It would also reflect on the Company's share price which would then become steady.
- Mr. Bhatia suggested that considering the book value, the Company could give bonus shares which would have positive impact on share price. Alternatively, he suggested for buyback of the shares which could also increase the value of the shares.

Mr. Bhatia requested that if factory visit was arranged, opportunity should be given to those shareholders who have not got a chance earlier.

11. MR. MICHAEL P. MARTINS

Mr. Michael Martins mentioned that he was speaking on behalf of himself and his brother Mr. Joseph Martins who had written a letter which he read out.

He stated that Bombay Dyeing had scaled great heights in innovation and entrepreneurship, inspired by the century old legacy of goodwill and trust. The Company was moving ahead with greater determination and focus of effective execution to make the future even more eventful than the past.

The shareholders were happy and proud of the Company's achievements. The Company was constantly aligning its offerings to the evolving aspirations of the customers and in the process creating value for all stake holders.

MUMBAI

12. MR. JITENDRA S. SANGHAVI

Mr. Jitendra S. Sanghavi mentioned that the Chairman stated in his opening remarks that the Company's textile division could not do better. This was paradoxical and contradictory because Century Textiles where he was also a shareholder had done exceedingly well with highest profit in the last seven years that too in the textile division and they had mentioned in their report that they were doing exceedingly well in the exports and were expecting better performance in the current year.

Mr. Sanghavi raised following queries:

- It was mentioned in the Chairman' statement that 40% area was sold in the tower project. Whether it was total of both the towers or only in one tower. How much square feet area was sold.

- What was the total area sold in tower one and tower two. Whether it was carpet area, or super built up area.

- What was the gross document value of the 40% area which was sold.

- Sale value was accounted on percentage term basis. Out of gross document value how much was accounted upto 31st March, 2013 and when was the residual value expected to come in the books of accounts.

- Why the Company is slow in execution of its projects and whether the entire development of 70 acreas would take 15 to 20 years or would the Company be able to complete it by 2020.

- It was expected that the Company would come up with two hotels, one at Worli and one at Wadala. Whether the Company was going to sell the land outright, or would construct the hotels, or enter some joint venture with revenue sharing.

- Looking into the volatility in the stock exchange, whether the Board had fixed any price below which the stock option cannot be given.

Mr. Sanghavi made the following suggestions:

- The Company was giving stock options to the employees, but right now the Company's share price was at a very low level. When the prices are low, the Company should give an interest free loan to the person to buy the shares from the market or no stock option should be given in that year when prices are at abnormal low level because otherwise it would lead to equity dilution. The Company should look into its stock option policy and fix a price that is above the SEBI formula price.

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- He suggested for buy back of shares. If it was workable, the Company should make a small buy back of about 1% or 2% equity, but at a price not less than Rs.200 per share which would make cash payout to the tune of Rs. 60 to 70 crores which the Company could afford. It would give a message to the investor community at large that the management believed that the fair price of the share should be Rs.200 and above.

13. MR. ANIL KUMAR PODDAR

Mr. Anil Kumar Poddar stated that he had not received the annual report, neither by email nor physical copy. On request, he was given copy of the annual report at the AGM venue. Therefore, he could not comment on the accounts and would refrain from voting on all the resolutions.

He observed that in the annual report, name and designation of compliance officer was mentioned as Mr. J. C. Bham, Company Secretary. The Corporate Governance Report indicated that number of shareholders complaints received during the year was 104.

Mr. Poddar stated that he had sent an email and also submitted hard copy of that email duly signed by him alongwith the statutory fees of Rs.1000/- on 1st December, 2012 at the Worli office, for providing him copies of the statutory registers and records of the Company. Prior to that, he had inspected those records. The Company was under statutory obligation to provide him copies of statutory registers and records within 10 working days and it was more than seven to eight months but he had not received any reply from the Company. Thus, there was commission of offence by the Company.

Further, in the annual report the number of complaints not resolved to the satisfaction of shareholders was given as nil. However, his complaint has been pending and not resolved to his satisfaction. This was a mis-statement.

Mr. Poddar stated that there was a commission of offence by the Company and its Directors by not providing him the copies of statutory registers which the Company was under statutory obligation to send within 10 working days. Till date, his cheque was not cleared from his account so he assumed that the Company had committed offence.

Mr. Poddar further stated that there were two offences committed by the Company, one not providing copies of the statutory Registers and Records, and another a mis-statement in the annual report. He requested for clarification.

14. MR ADI K. NALLADARU

Mr. Adi K. Nalladaru mentioned that many people including himself have not received the Annual Reports through the post office. He also has not received the Annual Report since last two years. He requested the Company Secretary to look into the matter. Mr. Nalladaru stated that the market conditions were not good but he hoped that the Company could do better.

8. The Chairman thereafter replied to the queries and points raised by the members who were present in the auditorium. A summary of the replies given by the Chairman is given hereunder:

Textile Division

- There was no proposal for new investment in Ranjangaon for the time being.
- The rent was primarily for the godowns which were in Bhiwandi and in Delhi for the textile division and it was marginally up by Rs. 3 lacs.
- Regarding performance of Century Mills, they were a composite unit. They had always performed well in their export business even in the days when Bombay Dyeing was a composite unit. However, many of the companies who were into textiles exports had very tough time in the current year.

PSF Division

- The primary impact of the US dollar rupee exchange rate has been on the polyester business of the Company where import of both PTA and MEG was in US dollar which had affected and costs have gone up.

Bombay Realty

- Legal fees were primarily on the cases which were filed in the Supreme Court and High Court relating to the Company's properties which had been going on for some time, and one related to the arbitration in-respect of a dispute with the customer.
- The towers were not occupied yet. They were not yet built, but the Company had sold around 200 flats.
- The change in reserve was basically from revaluation reserve to the P&L account of the property brought into stock in progress or work in progress.
- Additional land brought into gross block was actually the capitalisation of the VRS that was paid recently for vacating of the land. It was added to the capital value of the land because at the time of closing down, the Company had to pay VRS in order to bring the land into work in progress and into construction.
- 40% sale was for both the towers, which was equivalent to around 200 flats.

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- The Company had sold roughly 40% of the carpet area of the total carpet area of approximately 1.2 million sq. ft. that was available in the two towers.
- Large number of hotels had come up in Mumbai in the last three years. Currently, there is over capacity of rooms and were not fully occupied. All the hotels now were charging very lower rates. The management would consider a hotel project at an appropriate time.
- The sales value was Rs. 1900 crores, and the Company had received about 18% of the same. Residuary would come subsequently with the progress of construction.

General

- Independent Directors were on all boards of all the Listed companies as required under the Listing Agreement. Independent Directors play an important role in the conduct of business of any company and in its governance.
- The addresses of solicitors and auditors would be mentioned in the balance sheet.
- It was difficult to furnish the break-up of other expenses because the list of such expenses was very long, which broadly covered travel cost, stationery, printing, security, business promotion, etc.
- Total amount outstanding under Fixed Deposit at present was Rs.55 lakhs and the Company has written to each of those people periodically to try and ensure that they collected their money.
- The trade receivable was from Axis Bank. The matter was under arbitration. Against the Company's claim, they have put counter claim on the Company.
- The issue about raising promoters' shareholding could not be discussed.
- Stock options were never issued for speculations to employees. It was always a part of the employee's remuneration. If the prices of shares in the market went up, the employee also then suffered because at the time of issue the conversion rate is fixed which would be at a very high price which may not be worth his while and vice-versa. Therefore, It was not fair to have ESOPs with different process for different prices.
- Buy back was something that the Board could certainly consider.
- Mr. Poddar had asked for copies of the Statutory Registers and Records since the inception of the Company. For 133 years old Company, not every document was available, nor it is possible to supply 133 years of records to him. Mr. Poddar had not asked for something which was practical. The Company Secretary had already responded to him. Mr. Poddar had also asked similar information, etc. from all the group companies. The Company had provided him what it could but 133 years documents could not be provided. If he wished to go legal, he was welcome to do so.
- The matter regarding non receipt of annual report through post office would be looked into.

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9. The Chairman then put to vote on a show of hands the Ordinary Resolution No.1 which had been moved by him and seconded by Mr. Bakulbhai V. Joshi.

The resolution was carried nem.con.

10. Ms. Gulshan Chinwala proposed and Mr. Sudhir Mehta seconded the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT, as recommended by the Directors, a dividend of Re.1/- (Rupee One Only) per Equity Share of Rs. 2/- each be declared and paid for the year ended 31st March, 2013 to those members whose names stand on the Register of Members of the Company after giving effect to all valid share transfers lodged with the Registrar & Share Transfer Agents of the Company on or before 29th July, 2013 in respect of shares held in physical form and in respect of shares held in electronic form, to the beneficial owners of shares as at the closing hours of 29th July, 2013 as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. for this purpose."

The Resolution was put to vote on a show of hands and carried nem.con.

11. Mr. Beruz Pouredehi proposed and Mr. Sudhi Mehta seconded the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT Mr. Keshub Mahindra who retires by rotation and is eligible for reappointment, be and is hereby reappointed as a Director of the Company."

The Resolution was put to vote on a show of hands and carried nem.con.

12. Mr. Adil Polad Irani proposed and Mr. Rusi B. Khambatta seconded the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT Mr. Ishaat Hussain who retires by rotation and is eligible for reappointment, be and is hereby reappointed as a Director of the Company."

The Resolution was put to vote on a show of hands and carried nem.con.

Since the next item of business related to the reappointment of Mr. Ness N. Wadia as Director, Mr. Nusli N. Wadia, Chairman, vacated the Chair and requested Mr. A. K. Hirjee to chair the meeting and accordingly Mr. A. K. Hirjee took the Chair.

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13. Mr. Rusi B. Khambatta proposed and Mr. Bakulbhai V. Joshi seconded the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT Mr. Ness N. Wadia who retires by rotation and is eligible for reappointment, be and is hereby reappointed as a Director of the Company."

The Resolution was put to vote on a show of hands and carried nem.con.

Mr. A. K. Hirjee thereafter vacated the Chair and Mr. Nusli N. Wadia resumed the Chair.

14. Mr. Nilesh Shah proposed and Mr. Adil Polad Irani seconded the following Resolution as an Ordinary Resolution:-

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

The Resolution was put to vote on a show of hands and carried nem.con.

The Meeting terminated with a vote of thanks to the Chair.

CONFIRMED

Sd/-

Date: 14.08.2013 **CHAIRMAN**

Certified True Copy
For THE BOMBAY DYEING & MFG. CO. LTD.

(J. C. BHAM)
COMPANY SECRETARY