THE BOMBAY DYEING & MFG. CO. LIMITED

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

POSTAL BALLOT

Notice pursuant to Section 192A(2) of the Companies Act, 1956

To the Members of the Company,

Notice is hereby given that the draft Resolutions set out below are proposed to be passed through Postal Ballot in accordance with Section 192A of the Companies Act, 1956 ('the Act') read with the Rules made thereunder, the Board of Directors of the Company ('the Board') proposes the same for the approval by Members.

An Explanatory Statement pursuant to Section 173(2) of the Act setting out all material facts relating to the Resolution is annexed hereto alongwith a Postal Ballot Form for consideration of Members.

The Board has appointed Mr. Nilesh G. Shah, Practicing Company Secretary, as Scrutinizer for conducting the voting process through Postal Ballot in accordance with the law and in a fair and transparent manner.

Members are requested to read carefully the instructions printed in the Postal Ballot Form and return the said Postal Ballot Form (no other form or photocopy thereof is permitted) duly completed, in the attached self-addressed postage prepaid envelope so as to reach the Scrutinizer on or before 17th October, 2012. The Company is pleased to offer e-voting facility as an alternate, for its Individual Members. The procedure for e-voting is given after the Explanatory Statement below. Responses received from Members after 17th October, 2012 shall be treated as if no response is received in terms of Rule 5(f) of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001. Members are therefore requested to send the duly completed Postal Ballot Forms well before 17th October, 2012 providing sufficient time for postal transit. The Scrutinizer will submit his Report and the result of the Postal Ballot shall be announced at the Registered Office of the Company on 18th October, 2012.

Draft Resolutions to be passed through Postal Ballot:

1. To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) and Article 9 and other enabling provisions of the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary from the authorities concerned, each Equity Share of the Company having a face value of ₹ 10/- (Rupees Ten) each fully paid up be sub-divided into 5 (Five) Equity Shares of the face value of ₹ 2/- (Rupees Two) each fully paid up.

RESOLVED FURTHER THAT upon sub-division of Equity Shares as aforesaid, the existing Share Certificate(s) in relation to the existing Equity Shares of the face value of ₹ 10/- each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date and the Company may, without requiring the surrender of the existing Share Certificate(s), directly issue and despatch the new Share Certificate(s) of the Company, in lieu of such existing Share Certificate(s) subject to the provisions of the Companies (Issue of Share Certificate) Rules, 1960 and in the case of Shares held in the dematerialized form, the number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the Shareholders with the Depository Participants, in lieu of the existing credits representing the Equity Shares of the Company before sub-division.

RESOLVED FURTHER THAT the Board of Directors of the Company (which expression shall also include a Committee thereof) be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give, from time to time, such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers to any Committee of Directors of the Company as it may deem appropriate."

2. To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to Section 16 and all other applicable provisions, if any, of the Companies Act, 1956, the existing Clause 5 of the Memorandum of Association of the Company be altered by substituting in its place and stead the following Clause:

"5. The Authorized Share Capital of the Company is ₹ 50,00,00,000 (Rupees Fifty crores) divided into 25,00,00,000 (Twenty Five crores) equity shares of the face value of ₹ 2/- (Rupees Two) each with power to increase or reduce the capital, to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred or special rights, privileges, or conditions as may be determined by or in accordance with the regulations of the

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Company to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company."

3. To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the existing Article 3 of the Articles of Association of the Company be altered by substituting in its place and stead the following Article:

"3. The Authorized Share Capital of the Company is ₹ 50,00,00,000 (Rupees Fifty crores) divided into 25,00,00,000 (Twenty Five crores) Equity Shares of the face value of ₹ 2/- (Rupees Two) each."

4. To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"**RESOLVED THAT** upon the sub-division of the Company's equity shares, in partial modification of the Special Resolution passed at the 122nd Annual General Meeting of the members held on 13th August, 2002, approving the proposal for introduction of an Employee Stock Option Scheme (ESOS), the maximum number of equity shares and the face value of each such equity share to be allotted on exercise of the rights attached to the options granted under the ESOS framed by the Company under the authority vested in terms of the aforesaid Resolution be amended from 19,58,876 shares of ₹ 10/- each to 97,94,380 shares of ₹ 2/- each respectively and the limit for the maximum number of shares to be granted to an employee be amended from 5,00,000 shares of ₹ 10/- each to 25,00,000 shares of ₹ 2/- each respectively wherever they occur in the ESOS, with liberty to the Board (including the Committee thereof) to make appropriate adjustments to the number of Options outstanding as at the Record Date and the Exercise Price, in accordance with the provisions of the ESOS and Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999."

By Order of the Board

J. C. BHAM
Company Secretary

Mumbai, 7th August, 2012

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

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 1:

In order to improve the liquidity of your Company's Equity Shares in the Stock Markets with higher floating stock in absolute numbers and to make them more affordable for the small retail investors to invest in the Company, the Board of Directors of the Company (the Board), at its Meeting held on 7th August, 2012, has approved the proposal of sub-division (stock split) of each Equity Share of the Company having a face value of ₹ 10/- into 5 (Five) Equity Shares of the face value of ₹ 2 /- (Rupees Two) each, subject to the approval of the shareholders and all authorities concerned.

The Record Date for the aforesaid sub-division of the Equity Shares will be fixed by the Company after the approval of the shareholders is obtained. The Company's shares are listed on Bombay Stock Exchange and National Stock Exchange.

Item No. 2:

The resolution mentioned at Item No. 2 of the notice relates to the alteration to Clause No. 5 of the Memorandum of Association of the Company with respect to substitution of the said Clause.

The existing Authorised Share Capital of the Company is ₹ 50,00,00,000 (Rupees Fifty crores) divided into 5,00,00,000 (Five crores) shares of ₹ 10/- (Rupees Ten) each out of which the Issued, Subscribed and Paid-Up Equity Share Capital consists of 4,13,06,980 (Four crores thirteen lakhs six thousand nine hundred eighty) Equity Shares of ₹ 10/- (Rupees Ten) each.

The change made to the Memorandum of Association pertains to change in the Authorised Capital of the Company from ₹ 50,00,00,000 (Rupees Fifty crores) divided into 5,00,00,000 (Five crores) Equity Shares of ₹ 10/- (Rupees Ten) each to ₹ 50,00,00,000 (Rupees Fifty crores) to be divided into 25,00,00,000 (Twenty Five crores) Equity Shares with face value of ₹ 2/- (Rupees Two) each.

Item No. 3:

Pursuant to provisions of Section 31 of the Companies Act, 1956, alteration of Article No. 3 of the Articles of Association requires approval of members by way of Special Resolution through Postal Ballot.

The change made to the Articles of Association pertains to change in the Authorised Capital of the Company from ₹ 50,00,00,000 (Rupees Fifty crores) divided into 5,00,00,000 (Five crores) Equity Shares of ₹ 10/- (Rupees Ten) each to ₹ 50,00,00,000 (Rupees Fifty crores) to be divided into 25,00,00,000 (Twenty Five crores) Equity Shares with face value of ₹ 2/- (Rupees Two) each.

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Item No. 4:

The sub-division as mentioned in Item No. 1 would require consequential amendments to the Employee Stock Option Scheme (ESOS) and would also require appropriate adjustments to be made to the number of Stock Options granted and outstanding as at the Record Date and the Exercise Price, in accordance with the Company's ESOS and SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as set out in item 4 of the aforesaid Notice.

Accordingly, the Resolutions at Items 1 to 4 seek the approval of the shareholders for the proposed sub-division of the Equity Shares of the face value of ₹ 10/- each into 5 Equity Shares of ₹ 2/- each and the consequent amendments to the existing Clause 5 of the Memorandum of Association and Article 3 of the Articles of Association of the Company as also the ESOS.

The Board is of the opinion that the aforesaid sub-division of the face value of Equity Shares is in the best interest of the investors and hence commends passing of the Resolutions at Items 1 and 2 as Ordinary Resolutions and the Resolutions at Items 3 and 4 as Special Resolutions through Postal Ballot.

A copy of the Memorandum and Articles of Association of the Company and the ESOS along with the proposed changes is available for inspection by the shareholders at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days (except Saturdays, Sundays and Public Holidays) up to 17th October, 2012.

The Directors of the Company are deemed to be concerned or interested in the resolution only to the extent of shares held by them in the Company and the Jt. Managing Director & CFO, may be deemed to be concerned or interested to the extent of stock options granted to him as on the date of the Notice.

Your approval is sought by voting through Postal Ballot pursuant to the, provisions of section 192A of the Act read together with the provisions of the Rules for passing the Resolutions as set out in this Notice.

By Order of the Board

J. C. BHAM
Company Secretary

Mumbai, 7th August, 2012

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

INSTRUCTIONS FOR VOTING

Voting in Physical form:

1. A Shareholder desiring to exercise vote by Postal Ballot may complete the Postal Ballot Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer in the attached self-addressed envelope. The self-addressed envelope bears the address of the Scrutinizer. Postage will be borne and paid by the Company. However, the envelope containing the Postal Ballot Form, if sent by courier at the expense of the shareholder, will also be accepted.
2. Duly completed Postal Ballot Form should reach not later than 5.00 p.m. on 17th October, 2012. All Postal Ballot Forms received thereafter will be strictly treated as if the reply from the shareholder has not been received.
3. Assent or dissent to the proposed resolution may be recorded by placing a tick mark (√) in the appropriate column.
4. This form is to be completed and signed by the shareholder (as per signature registered with the Company). In case of joint holding, this form should be completed and signed by the first-named shareholder and in his/her absence, by the next named shareholder. There will be only one postal ballot form for every folio irrespective of the number of joint holder(s).
5. In case the form is signed by the Power of Attorney holder for and on behalf of the shareholder, it must be accompanied by a certified true copy of the power of attorney. If such power of attorney is already registered with the Company, the Power of Attorney holder should quote the registration number beneath his/her signature. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution/ Authority.
6. Unsigned Postal Ballot Form will be rejected.
7. Members are requested not to send any other paper alongwith the Postal Ballot Form in the enclosed self-addressed envelope since all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
8. The attached self-addressed envelope is only for the limited purpose of this postal ballot process and the same should not be used by the shareholders for sending any other correspondence to the Company.

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e-Voting Facility

The Company is pleased to offer e-voting facility as an alternate, for all its Individual Members (i.e. other than Corporates / FIs / FIIs etc.), to enable them to cast their vote electronically instead of despatching Postal Ballot. The procedure for the same is as under:

i. Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com.

ii. Now click on "Shareholders Click here to cast your votes".

iii. Now, select the "**Electronic Voting Sequence Number" (EVSN)** alongwith "THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED" from the drop down menu and click on SUBMIT.

iv. Now, fill up the following details in the appropriate boxes:

	For members holding shares in Demat Form	For members holding shares in Physical Form
User-ID	For NSDL – 8 Character DP ID + 8 Digits Client ID For CDSL – 16 digits beneficiary ID	Registered Folio Number with the Company
Password	"Your Unique password has been printed on the Postal Ballot Form".	Enter the Password to be sent by the Company (For seeking the Password, the Members are requested to send a signed request letter informing an e-mail Id at which the "Password & Default Number" would be sent by the Company. Such request should be sent at the Registered Office of the Company/the Registrar and Share Transfer Agent.)
PAN or Default Number	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department.	Enter the Default Number that would be emailed to you by the Registrars on your email id as provided by you as aforesaid.

After entering these details appropriately, click on "SUBMIT".

v. The members holding shares in physical form will then reach directly to the voting screen. However, members holding shares in demat form will now be required to mandatorily change their password in the new password field and may enter their demographic details i.e. Date of Birth, Mobile number and email-id. Kindly remember that this password can be used by the demat shareholders for voting for resolution of any other Company in which they are eligible to vote, provided that Company opts for e-voting. However, for shareholders holding shares in physical form, the password and default number can only be used for e-voting on the resolution contained in this Postal Ballot Notice.

vi. On the voting page, you will see Resolution Description and option for voting YES/NO against Resolution Description. The option YES implies that you assent to the Resolution and NO implies that you dissent to the Resolution.

vii. Click on the Resolution File Link if you wish to view the entire resolution file.

viii. Enter the number of shares (which represents number of votes) under YES/NO, but not exceeding your total holding.

ix. 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.

x. Once you have confirmed your vote on the resolution, you will not be allowed to modify your vote.

xi. Kindly note that the members can opt only one mode for voting i.e. either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case member(s) cast their vote both via Physical Ballot and e-voting, then the voting validly done through Physical Ballot shall prevail and voting done by e-voting shall be treated as invalid.

xii. If you are a shareholder holding shares in demat form and had logged on to www.evotingindia.com and cast your vote for an earlier EVSN of any company, then you may use your existing log-in id and password.

xiii. If you wish to provide feedback on the e-voting system click on Suggestions. In case you have any queries or issues regarding e-voting, please contact on the helpdesk.evoting@cdslindia.com.

General

a) Voting by Postal Ballot, both in physical form and e-Voting, can be exercised only by the shareholder or his/her duly constituted attorney or, in case of bodies corporate, the duly authorised person. It cannot be exercised by a proxy.

b) Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholder on the cut-off date, which is the date of completion of despatch of the Notice. This date shall be announced through advertisement.

c) **Voting period commences on and from 17th September, 2012 at 10.00 a.m. and ends on 17th October, 2012 at 5.00 p.m**.

d) The date of declaration of results of the postal ballot (i.e. 18th October, 2012) shall be the date on which the resolution would be deemed to have been passed, if approved by requisite majority.

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