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

MINUTES OF THE ANNUAL GENERAL MEETING

The 132nd 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, 7th August, 2012, at 3.45 p.m.

The following Directors were present :

Mr. Nusli N. Wadia, Chairman
Mr. R. A. Shah, Officiating Chairman of the Audit Committee
Mr. A. K. Hirjee
Mr. S. M. Palia
Mr. S. S. Kelkar
Ms. Vinita Bali
Mr. Ness N. Wadia
Mr. Jeh N. Wadia, Managing Director
Mr. Durgesh Mehta – Joint Managing Director & Chief Financial Officer

1. 437 members were present in person.

2. 90 members were present through their proxies representing 2,91,86,231 shares, i.e. 70.66%. 1 proxy for 7,029 shares was invalid.

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.

5. The Chairman welcomed the members to the 132nd Annual General Meeting (AGM) of the Company and with their approval the Directors' Report and Audited Accounts for the year ended 31st March, 2012, 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. Vinit Kumar Parikh:

"RESOLVED THAT the audited Balance Sheet as at 31st March, 2012 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."

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

The current year was showing signs of concern due to inadequate monsoon and the economy was going through a fair amount of strain. The exorbitantly high interest rates were expected to come down but if it was not addressed, not only our business, but all businesses would have to face a very challenging time ahead in the coming year.

The Chairman then stated that the Board of Directors had met just prior to the AGM and approved the unaudited financial results for the first quarter ended 30th June, 2012.

The total revenue of the Company for the first quarter was Rs.487 crores, which was higher by about 21%. The loss for the first quarter was Rs.27 crores as opposed to loss of Rs.40 crores last year. The primary reason for this was the delay in the development of the two high rise luxury residential towers in Spring Mills. The building plans had to be redesigned and remodeled in conformity with the new rules under DCR Regulations which were recently amended. This led to slow-down in sales as it did not push sales until the plans were approved. The construction work of the towers has begun now.

The results of the Company were also affected by the performance of the PSF division where the margins were under pressure. However, with cotton price rising, margins in the second quarter was expected to improve.

Bombay Realty had commenced construction of a shopping mall at Wadia International Center at Worli which would be completed approximately in the third quarter of the current year It would have approximately 80,000 sq.ft. of high value shopping. Leases to the extent of about 40% were already committed and it was expected that by the end of the year the entire property would be fully leased and that would be a good income generator for the Company.

The Spring Mills at Dadar is a large plot in which construction of hotel had also been finalized. The Plaza as mentioned, would be completed by the end of the year, i.e. third quarter of the year and would be fully operational by the beginning of the next year, i.e. by the first quarter of the next year.

The textile business grew 36% last year and the Company witnessed some success in the premium products that were launched by the Textiles division. The overall margins of the business over the year and profitability improved. The Textile division was expected to perform better in the current year.

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There were two issues which the shareholders had been concerned about. One was that many shareholders had been asking for sub division of shares. As promised earlier, the Board at its meeting held prior to the AGM, decided to subdivide the shares from Rs.10 per share to a Rs.2 per share.

Secondly, the shareholders had been persisting for increase in the limit on the discount coupons which had not been raised for the last few years. The Board decided to raise the limit of the discount coupons from Rs.1500 to Rs. 2500.

The Chairman stated that posting of the Dividend Warrants would commence from 8th August, 2012 and ESC payment would also be made on the same day.

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

23 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 CHINWALA

Mrs. Gulshan Chinwala mentioned that the shareholders were making investment for best returns and since the Company had already announced the subdivision of shares, increase in the value of coupons and increase in dividend compared to last year, she was thankful and happy, and wished further success for the Company. As the first quarter results were better than the corresponding quarter of the last year, it was expected that the Company would do well in the FY 2012-13 also.

2. MR. TAMAL KUMAR MAJUMDAR

Mr. Tamal Kumar Majumdar conveyed his special thanks to Mr. J. C. Bham and Mr. Venkat Krishnan for maintaining cordial relations with the shareholders and sending him the annual report well in advance thus enabling him to prepare for the AGM.

Mr. Majumdar made some observations on the annual report and raised queries as under:

- During the year the main contributor to the Company's profit was the real estate division and as per segment accounting, the contribution of the real estate division to profit before consideration of interest expenses and unallocable expenses was a whopping Rs.268.58 crores. Whereas, contribution of textile division was a mere Rs.8.90

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crores and that of polyester division was negative as against last year's profits.

- The Company appeared to be in a catch 22 situation as the fall in cotton prices led to large number of spinners switching away from PSF thereby adversely impacting the volume of PSF division which resulted into a loss. On the other hand it helped textile division to book profits.
- What was the expected capacity utilization in respect of polyester business during 2012-13 which last year was 84%.
- Whether real estate division would remain the main contributor of profit during the current year also, taking into account the negative outlook by rating agencies for the current year.
- Had the Company moved before Supreme Court Order against dismissal of Writ Petition by the Division Bench of Bombay High Court for quashing and setting aside the stop work notice issued by the MCGM, as mentioned in the Directors' Report. What was the present status?
- The Board had approved an agreement between Nowrosjee Wadia & Sons Limited (NWS) and Bombay Dyeing to enter into Brand Equity and Business Promotion and Shared Services Scheme. The media reported that it was 0.3% of sales. Mr. Majumdar requested for confirmation and details in the matter.
- In addition to the Company's investment in shares in PT Five Star Textiles, Indonesia to the tune of Rs.1.59 crores, loans and advances of Rs. 30.87 crores as on 31st March, 2012 also included Rs. 15.65 crores recoverable from them. The Company's shareholding in PT Five Star was 33.89%. What was their current working and who were the other promoters. Whether any restructuring operation took place as mentioned in the notes to accounts and whether any general provision was required in this respect.
- The R&D expenditure last year was nil and in the current year also it was nil. How would the management implement future plan of action under R&D without making any expenditure.
- The unsecured loan balance outstanding as at the year end was Rs.100 crores. Under which head this was being shown as the same was not shown under loans and advances.
- What was the rate of interest paid by the Company.
- The change in the policy for revenue recognition from real estate activity to percentage of completion method was the right step taken by the management and as a result the profit for the current year decreased by Rs.73.51 crores.
- Whether the Company received any amount during the current year from Scal Services Limited in respect of its MOU signed with them for Island City Center for a consideration of Rs.743.83 crores, as mentioned on page 82.
- In the cash flow statement Rs.6.60 crores was shown as proceeds from sale of shares and the related party transactions also showed sale of shares of Proline India Ltd., Batra Group but as regards

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investment schedule was concerned, only sale of Proline was mentioned and there was no mention about sale of other shares like Batra Group. (Chairman's Reply: It was only sale of Proline shares to entities of Batra Group.)

- Foreign currency booked was Rs.17.57 crores under finance cost, and loss of Rs.2.91 crores was shown under other expenses. Whether foreign exchange loss of Rs.17.57 crores was related to buyers' credit. (Chairman's Reply: It was not loss but foreign exchange premium for forward cover.)

Mr. Majumdar stated that he earnestly hoped that the management and employees would work together under the able leadership of Mr. Nusli Wadia, and with the support of the shareholders it would not be impossible to make the Company truly big in the years to come.

3. MR. JAYPRAKASH DESAI

Mr. Jayprakash Desai mentioned that he was representing Motilal Oswal as a Wealth Manager. He congratulated the Board and the employees for the good results even during the volatile economic situations.

Mr. Desai made the following comments on the annual report and matters relating to the business:

- The copy of the annual report was a makeover over the last years report and showed marked improvement. He complimented the Company for complying with the shareholders suggestions. Report was excellent, informative, and provided details from the inception of the Company since 1879.
- The financial information was adequate and elaborative in the form of bar charts and 10 years' financial reference which was handy for comparison.
- Comparing the Company's financial figures of 2011-12 with that of 2010-11, it was observed that the dividend payout was less in the current year as net profit had improved considerably almost three times, whereas dividend had increased by only Rs.1.50.
- The Company was offering aroma rich collection of bed linen with infusion of Vitamin A, C and E for luxurious and glowing skin. This product was a welcome step which should catch the market, but the product needed advertisement. Although Bombay Dyeing was an established name, this product should be advertised on TV to reach each and every household as this was a new concept.
- Suggested to introduce mosquito repellent bed linen with chemical products infusion and also bed linen with various fragrances. (Chairman's Reply: It would be introduced shortly.)

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4. MRS. ANNIE ARANHA

Mrs. Annie Aranha mentioned that she was very happy to be a speaker in the AGM of one of the oldest companies in India who had maintained high standard of moral and business ethics. She thanked for the sub division of shares, increase in coupon value from Rs.1500 to Rs.2500 and also the dividend. She also thanked for the courtesies extended by taking the shareholders for the plant visit which was very informative.

Mrs. Aranha suggested that the Company should also focus on real estate construction in Mangalore in addition to Mumbai as there was plenty of space there and also the people were cash rich.

5. MR. T. M. DAVAR

Mr. T. M. Davar mentioned that he was one of the oldest shareholders of the Company and had been fully committed to the Company. He made the following comments, suggestions and queries on the annual report:

- There was a sea change in the presentation of the annual report from a very simple thin paper in the previous years to a very posh, attractive and meaningful one. He inquired about the cost of the annual report.
- The Chairman's Statement was in very small prints. It should be in bigger print to make it more legible.
- When the Company was giving the Group's crest, the history of 275 years of the Wadias in the current year's annual report, then the photos of founders, like Mr. Lowji Nusserwanjee, Mr. Nowrojee and Mr. Neville would have been very enlightening for the shareholders and hence the same should be included in the future annual reports.
- The Group's crest given on the last page of the annual report was also very impressive, given by the British Coat of Arms for commitment to advancement and innovation and the Company had been advancing step by step in profit.
- What was the reason for the absence of Mr. Ratan Tata, Mr. Keshub Mahindra and Mr. Ishaat Hussain at the meeting.
- For many decades textiles was the core business of the Company. However, what would be defined today as the core business of Bombay Dyeing, whether it would be Realty or Textiles? The Company should not overlook the development of textiles which had been the core business for decades and it should be further activated. Realty business may be growing but time would come when it would reach saturation.
- Regarding the judgement given by the Bombay High Court for MCGM and Mhada for reservation of certain percentage of flats constructed by the Company, it was mentioned that the Company would go to the Supreme Court. But if it was reversed what would be the impact on the Company.

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- Mr. S. S. Kelkar and Mr. A. K. Hirjee were described as independent directors. They were both former executives of the Company. Could they be classified as independent directors because one of the main duties of independent directors was to look after the interest of the minority shareholders.
- Under details of shareholding of more than 5% in the shares, one item was Reliance Capital Trustee Company Limited. Whether it belonged to the Ambani Group and were they holding more than 5% shares.

Mr. Davar supported all the resolutions.

6. MRS. ASHALATA MAHESHWARI

Mrs. Ashalata Maheshwari stated that with his vision and dynamic leadership the Chairman had made their new companies market leaders in their respective fields and enhanced shareholder value. She thanked Mr. J. C. Bham, his team and all those who worked for the annual report which was informative and transparent with colourful photos depicting the Company's history.

Commenting on the excellent and encouraging results, Mrs. Maheshwari stated that even in difficult and challenging business environment, the turnover had increased by 19.3%, EPTA improved by 18.3% and PBT and PAT increased substantially. She requested for the issue of bonus shares by the Company.

Mrs. Maheshwari raised the following queries:

- What was the expected growth in the current year since the new export team in textile division was trying to expand customer base and also to revive the old customers.
- What was the expected growth in revenue and profitability with One ICC and Two ICC on Spring Mill land and 25 acres Textile Mill land at Worli being developed.
- The textile division had turned around and made operating profit of Rs.9 crores. What were the prospects for further growth.
- What was the capacity utilization of polyester division at present.
- What was the total capex target for organic and inorganic growth.

Mrs. Maheshwari praised and saluted all employees and executives for their support in increasing the growth.

7. MR. VINIT KUMAR PARIKH

Mr. Vinit Kumar Parikh stated that the annual report was innovative and perhaps the best so far and that he would like to receive the annual report in physical form only. He thanked Sharepro Services for their excellent services.

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He welcomed the increase in dividend to 50%. He raised the following queries:

- What was the rent the Company was getting from Neville House.
- Whether shareholders could still deliver their letters and shares at Neville House.
- When did the Company purchase Batras and who was the previous person who sold the shares to the Company.

Mr. Parikh observed that the cost of annual report was quite high because of the glossy papers and suggested that the Company should think on cutting cost on report including by use of recycled paper or handmade paper and support the green revolution.

8. MR. BAKULBHAI V. JOSHI

Mr. B. V. Joshi expressed his appreciation for the good results after a long time and that even after 275 years the Wadia Group was still strong. He observed that the textile division was not doing well in the last few years but had shown capability and done very good in the current year.

Mr. Joshi suggested that like many other textile companies, the Company should enter into readymade garments as people now preferred more of branded products.

In view of the good results, he requested that the Company should give bonus shares to the shareholders.

9. MRS. SMITA SHAH

Mrs. Smita Shah stated that the annual report was received on time. With colourful photographs it was very attractive, informative and full of information.

She congratulated the Company for increasing the dividend in the current year at 50% from 35% last year and suggested to issue bonus shares to the shareholders within a year or two.

Commenting on the factory visit Mrs. Shah stated that it was very good and well organized. Good care was taken of the shareholders. She thanked the Secretarial Team and particularly, Mr. Ghag and Mr. Mayur for the same. She suggested that the Company may consider giving bed sheet and pillow covers to the shareholders instead of the usual towels.

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10. MRS. H. S. PATEL

Mrs. H. S. Patel thanked for the excellent results, very good annual report, subdivision of shares and good dividend, and requested for bonus shares.

Mrs. Patel inquired about the cost of the annual report and suggested that the Company should cut down the cost on annual report.

Mrs. Patel inquired why the sales of the Company were not increasing inspite of excellent fabric and bed linen, and suggested that like other competitors, the Company should be aggressive in selling.

11. MR. PRABHAKAR KUVALEKAR

Mr. Prabhakar Kuvalekar commented that the annual report was very good and informative with graphs and pictures and suggested that a separate page should be provided in the annual report for writing notes. He further suggested that financial highlights of the last 10 years should be on the last or front page.

Mr. Kuvalekar observed that the share capital was Rs.41.31 crores whereas the reserves and surplus stood at Rs.1751.09 crores i.e. 400 times the capital and hence suggested that bonus shares should be considered.

Mr. Kuvalekar also suggested that the shareholders should be invited either for the inauguration or a later visit of the mall which the Company was constructing in Worli.

12. MR. P. K. AGNIHOTRI

Mr. P. K. Agnihotri complimented for increasing the dividend to 50% compared to 35% last year and made the following observations/ comments and suggestions on the annual report:

- Though the Company's performance was exceedingly good and Earning Per Share was Rs.15 compared to Rs.5 last year, and Company had generated good profit with exceptionally good performance of the real estate, dividend declared was only 50%.
- It was noted from the financial highlights that except for the year 2009, the Company had made a very significant progress from last three years onwards in earnings before interest, tax, depreciation, profit before tax, but the reserves in the last two years had gone up very significantly high from Rs.171.74 crores in 2009-10 to Rs.1060.90 crores in 2010-11 and Rs. 1751.09 crores in 2011-12.
- The Company had generated profit of about Rs.59 crores in the current year but reserves had gone up by approximately Rs.700 crores. Whether it was due to conversion of warrants. There was a

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tremendous increase in the Reserves and Surplus and hence the shareholders were anticipating bonus shares.

- Rs.3.20 crores equity shares had been brought back by the Company at a premium upto 31st March, 2004 under buyback programme. Whether the Company intended to start that programme again so that it may have more valuation in the stock market also. Share prices may improve further if the practice is adopted.
- It was observed from the sensex chart that although the Company's share price had been hovering below the sensex, in the later part of the year it had gone exceedingly high.

Mr. Agnihotri expected that the Company would do very well in the coming year and also reward the shareholders either by way of bonus or dividend increase. He supported all the resolutions.

13. MR. DINESH BHATIA

Mr. Dinesh Bhatia congratulated for the excellent work and increased profit. Like many other shareholders, Mr. Bhatia also requested for bonus shares because the Company's reserves had increased to Rs.1751.09 crores from Rs.1060.90 last year, i.e. by about Rs.700 crores. No bonus was given in the last 10 years and if bonus was declared, the share prices of the Company would also remain steady.

Mr. Bhatia observed that compared to last year the EPS had increased from Rs.5.54 to Rs.14.59 and believed that it would increase in the current year also. He thanked for increasing the dividend from Rs.3.50 last year to Rs.5 in 2011-12.

Mr. Bhatia suggested that names of the speakers at the AGM should be recorded automatically for the plant visit. Same people should not be taken repeatedly for the factory visit every year.

He requested that the shareholders should be invited for the inauguration of the mall that was being constructed in Worli.

14. MRS. SHOBHANA MEHTA

Mrs. Shobhana Mehta made the following comments on the annual report:

- Annual report was received on time. She thanked for the colourful, informative and excellent presentation in the annual report. Full story of the Company was given with colourful photographs of the Company's products, buildings, together with full information about the developments during the last three centuries.
- People even today preferred the bed sheets and towels of only Bombay Dyeing because alongwith solid brand, the Company had maintained its quality.

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Mrs. Mehta raised the following queries:

- What was the Company's market share in textiles and polyester.
- How much was the production capacity and utilization in textiles and polyester.
- Under government's green initiative, how many shareholders had registered their email address, and how much Company had saved by sending soft copies of annual report by way of email to how many shareholders.

Mrs. Mehta made the following suggestions:

- Photograph of the founders should be given in the next annual report on the front or inner page.
- Bonus shares in the ratio of 1:1 be given to the shareholders.

Mrs. Mehta supported all the resolutions and conveyed her best wishes for the progress and success of the Company, better performance, better dividend in the near future.

15. MR. JOSEPH MARTINS

Mr. Joseph Martins stated that with a legacy of more than 130 years, the Wadia family had been able to sustain entrepreneurship for three centuries. Reality was one of the new business that the Company was focusing on.

Mr. Martins stated that when the shareholders visit the factory, their interest is to interact with the managers and he found that all in Bombay Dyeing were driven by the vision to excel, practice values that manifest integrity, excellence, respect, team work and trust.

Mr. Martins observed that the Company had declared uninterrupted dividends for more than 125 years. The Wadia group has a glorious profile. It was an expression of commitment and passion of all in the Company to shape a bright future for the organization.

16. MR. MICHAEL MARTINS

Mr. Michael Martins mentioned that he was happy to be a shareholder of an enterprise that generated sustainable values on the strength of trust and transparency. With a legacy of more than 130 years and driven by the vision to excel, the Company and the Wadia Group was committed to excellence, advancement and innovation with a portfolio of textiles, real estate, aviation, foods, plantations, engineering, chemicals and healthcare.

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17. MR. RAMASWAMI DAMODARAN

Mr. Ramaswami Damodaran complimented the Company, Board of Directors and all employees for their dedicated efforts by which the Company had not only made good progress, but also increased sales and profitability and paid higher dividend to the shareholders.

Mr. Damodaran suggested that an audio visual presentation should be made on the latest developments the Company had made during the last one or two years as this would give better impression to the shareholders on the spot.

Mr. Damodaran raised the following queries:

- Regarding the hotel business, whether it would be a five star or a seven star hotel? What would be likely investment in the proposed hotel and where it would be located?
- As regards PSF business, what is the competition faced by the Company from China. Whether anti- dumping duties were imposed by the government for controlling cost of imported products like PSF.
- Whether Company was fully utilizing its PSF production.
- What were the price differentials between imported and indigenous product.
- Whether Bombay Dyeing could have readymade suitings on the lines similar to Raymonds.

18. MR. HIREN VYAS

Mr. Hiren Vyas raised the following queries on the annual report:

- Whether ESOP was for a specific employee or for all employees of the Company. What was the price charged for the ESOP. (Chairman's Reply: Price was mentioned in the Resolution, i.e. the Market Price on which date was mentioned). Whether any lock-in period was applicable to shares allotted pursuant to the ESOP.
- Regarding preferential issue of warrants to promoters, it was mentioned that total 7,60,000 warrants were exercised in January 2012 but 12,67,000 warrants had lapsed. Why it had lapsed and which of the Company's promoters had not exercised these warrants.
- Technology absorption and simultaneous benefit of R&D was mentioned but there was no expenditure on R&D.

19. MRS. HOMA POUREDEHI

Mrs. Homa Pouredehi stated that she had already given a list of questions to the Company Secretary which could be replied by email. She congratulated for the interesting and colourful annual report which depicted all the activities and services of the Company.

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Mrs. Pouredehi expressed her support for all the resolutions and best wishes to the Company.

20. MR. BABULAL I. PAREKH

Mr. Babulal I. Parekh mentioned that the annual report was very good with full details of realty business and the two iconic buildings built by the Company. He then made the following inquiries on the annual report:

- When were the two new iconic towers going to be completed.
- Company had filed revision petition regarding land not given to Mhada. Company was going to the Supreme Court, fighting against the government and spending money on that. What was the status.
- Where was the freehold land added, as mentioned in the Note 11 in respect of Tangible Assets on page 73 of the Report.

Mr. Parekh observed that the Wadia Brand Equity and Business Promotion and Shared Services Agreement that the Company had entered into was very good. Company was moving forward and doing very good business and the shareholders would get more dividend.

Mr. Parekh suggested that the Company should consider giving bonus shares to the shareholders within a year or two.

21. MR. KIRTI SHAH

Mr. Kirti Shah suggested that instead of splitting the shares of the Company from Rs.10 each into Rs.2 each, it should be split into Rs.5 each. The market price of the shares would then remain same and market capitalization would also be doubled.

Mr. Shah raised the following queries:

- In last six months PSF had made profit of Rs.150 crores and in the current year it was breakeven. What was the future position.
- What was the status of the dispute with BMC and Mhada about surrendering land for which the Company was going to appeal in the Supreme Court.
- What was the rate of interest, i.e. cost of interest for the borrowings as on date.
- 7,60,000 warrants were exercised and 12,67,000 warrants had lapsed. How much money did the Company pay and how much money was lost on that.
- How much sq.ft. land was already given on lease and how much was the lease rental earned by the Company every year.

Mr. Shah also made the following suggestions:

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- Under the ten years financial highlights given in the annual report, book value should also be added. It should be given on the first page, and on the reverse page names of the directors and the team with designation should be mentioned.
- Quarterly results should be sent to the shareholders alongwith the stock exchanges by email as it does not involve much cost.

22. MR. JANAK MATHURADAS

Mr. Janak Mathuradas suggested that while splitting the shares, the minority shareholders who were still holding physical shares, should be given an option to convert their shares into demat by giving them one month prior notice so that they need not surrender their shares and at the same time they can convert their shares into electronic form, for which even stock exchange was giving permission. This would help, the Company to reduce the shareholders who were still holding physical shares and on splitting of shares, they would get shares in demat form.

23. MR. RONALD FERNANDES

Mr. Ronald Fernandes requested to register his name for the factory visit. He mentioned that he was interested in visiting Ranjangaon.

Regarding the annual report, Mr. Fernandes stated that it was very presentable with very good logo and front covering, and suggested that the financial highlights of the last 10 years at a glance should have been placed on the last page so that it could be easily torn off and preserved.

Regarding splitting of shares, he suggested consolidating the shares into shares of Rs.100/- each as it would reduce the number of shareholders.

Mr. Fernandes expressed his support for all the resolutions.

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

- The economy was under stress particularly with the situation on the monsoon.
- Textile sales in the Gulf was not very significant, it had just started.
- The Company was doing mostly product development and not basic R&D and hence it was not mentioned in the annual report.
- Company had already launched mosquito repellent sheets.
- Company's market share in textiles, in the household sector and the organized sector was 30%.

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- The Company had decided to exit from readymade garments business which was being done alongwith Proline, and hence sold Proline shares.

PSF Division

- It was expected that in the second quarter there would be improvement in PSF as against the first quarter. First quarter results were not as good as anticipated.
- The capacity utilization in PSF last year was 84%.
- In PSF Company's market share was 12%.
- The polyester staple fibre competition was not from China. There was no Chinese fibre coming into India. In fact China was an importer of fibre.
- There were no anti dumping duties imposed.

Bombay Realty

- The real estate division remained the main profit generator.
- Out of the two hotels that would be constructed, one would be a five star and the other would be a seven star hotel. They would be at two locations, in Worli and in Dadar Naigaon. Construction had not yet started and the Company would probably partner with somebody for the same.
- The ICC towers would be completed in about four years from now.
- In the new center so far the Company had only leased about 35,000 sq.ft. Leasing had just started.
- The value of leasehold and freehold land was very difficult to assess. Leasehold was the factory land and for freehold land the figures could not be assessed as of now.

General

- Part of the factory land was leased. Company's own lands in Mumbai were freehold. But the factory lands in Patalganga and Ranjangaon were leased because they are in industrial estates.
- Out of the total reserves that had gone up, the revaluation reserve arising from revaluation of land was Rs.600 crores. The Board would consider bonus shares when that land was brought to profit after sale of apartments.
- Increase in reserves was because of reserves of land.
- The case filed in Supreme Court had no impact on the development of the two towers. The press had created the impression that because the court had given the ruling, it would affect the development. It does not affect the development at all. The two towers which are under construction would continue to go ahead and there was no impairment on them.
- The Company was expected to hand over land towards Company's share to BMC and Mhada, but legally the Company was not bound to do so. It was not an obligation today. It is an obligation only after the

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Company has completed its FSI and starts using the balance land at which point of time it will have to share. The question of sharing today does not arise and has no impact on the development.

- The JV partner in PT Five Star was the Melwani Group but basically the responsibility of management was with Bombay Dyeing.
- The Agreement entered into with Nowrosjee Wadia and Sons was primarily for shared services. In the past shared services were done by Bombay Dyeing and different companies but now it was centralized. The shared services would be on the basis of cost and for use of logo it would be roughly in the region of about 0.1%. The Board had given approval for going upto 0.25% but there was no intention of doing so.
- Loans under section 301 were Inter-corporate Deposits from companies having common directors. The rate of interest was 11%.
- Bombay Dyeing received money from Scal on the agreements. It was paid on the same terms as applicable to any other party and so the Company received Rs.82 crores.
- The sale of shares mentioned in the annual report was sale of Proline shares to the Batra Group who were joint venture partners with the Company. The shares were bought by the Batra Group in two names.
- Foreign exchange was the premium and not a debit of interest.
- Each of the businesses of the Company were a core to themselves.
- The cost of the annual report was Rs.25 per copy.
- Regarding increasing dividend to 100%, the Company would go step by step.
- To avoid a situation of splitting shares into one share each and make multiple folios, the Company was issuing discount coupons to holders of minimum 10 shares.
- Mr. R. N. Tata, Mr. Keshub Mahindra and Mr. Ishaat Hussain were not present as they had other meetings of their companies for quarterly results.
- Mr. A. K. Hirjee and Mr. S. S. Kelkar were independent directors falling within the guidelines of SEBI Rules for independent directors.
- The last buy back of shares was in 2004.
- Approximately 12000 shareholders had registered their email addresses.
- ESOP was primarily for the Joint Managing Director. The shares would vest in the first year. There would be grant, then vest, and then the JMD could sell after that.
- Part of the warrants were only exercised because the Promoter Group had acquired shares from the market and threshold limit of 5% of the capital was reached. Hence, the warrants were not taken up to that extent.
- The amount forfeited on warrants was Rs.16.71 crores.
- The addition of Rs.81 crores to fixed assets was actually the transfer of work in progress, which was the VRS that was now added as fixed asset in the value of the textile land. It was an accounting treatment.
- The average rate of interest was 11%.

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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. Vinit Kumar Parikh.

The resolution was carried nem.con.

10. Mr. P. K. Agnihotri proposed and Mr. Dinesh Bhatia seconded the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT, as recommended by the Directors, a dividend of Rs. 5/- (Rupees Five Only) per Equity Share of Rs. 10/- each be declared and paid for the year ended 31st March, 2012 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 30th July, 2012 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 30th July, 2012 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. Janak Mathuradas proposed and Mrs. Annie Aranha seconded the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT Mr. R. A. Shah 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. Mrs. Ashalata Maheshwari proposed and Mr. T. M. Davar seconded the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT Mr. S. Ragothaman 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.

13. Mr. T. M. Davar proposed and Mr. P. K. Agnihotri seconded the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT Mr. S. M. Palia 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.

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14. Mr. Dinesh Bhatia proposed and Mr. Janak Mathuradas seconded the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT Ms. Vinita Bali 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.

15. Mrs. Annie Aranha proposed and Mr. T. M. Majumdar 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.

16. Mr. Vinit Kumar Parikh proposed and Mrs. Ashalata Maheshwari seconded the following Resolution as a Special Resolution:-

"**RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 1956 (the "**Act**") including any statutory modifications or re-enactments thereof for the time being in force, the Securities & Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("**SEBI Guidelines**"), and the provisions of the Memorandum and Articles of Association of the Company, and subject to the applicable provisions of the listing agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed, and the applicable statutes, guidelines, regulations, approvals, consents, permissions or sanctions of the Central Government and any other appropriate and/or concerned authorities, institutions or bodies (the "**Approvals**"), the Employee Stock Option Scheme (ESOS) of the Company be altered in the following manner, namely:

(a) Definition under 3 (n)

"**Guidelines**" means the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

(b) Definition under 3 (p)

"**intrinsic value**" means the excess of the market price of the share under ESOS over the exercise price of the option (including up-front payment, if any).

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(c) Definition under 3 (q)

"**Market Price**" of the share on a given date means the latest available closing price, prior to the date of the meeting of the Board of Directors or Remuneration/Compensation Committee in which Options are granted on the stock exchange on which the shares of the Company are listed or such other price as may be prescribed or stipulated by the Securities and Exchange Board of India (SEBI) from time to time. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date should be considered.

(d) Substitution of Clause 9 (e)

The Exercise Price per share for the purposes of the grant of Options shall be the 'Market Price' of the Company's equity shares as defined in the Guidelines, i.e. the latest available closing price, prior to the date of the meeting of the Board of Directors/ Remuneration/ Compensation Committee in which Options are granted subject to the Company conforming to the accounting policies specified in Schedule I of the Guidelines.

(e) Substitution of Clause 9 (f)

The Remuneration/Compensation Committee shall ensure that the Company shall also disclose separately the weighted-average exercise prices and weighted-average fair values of options in respect of options whose exercise price either equals or exceeds or is less than the market price of the stock.

(f) Substitution of Clause 9 (h)

The company may re-price the options which are not exercised, whether or not they have been vested, if ESOS were rendered unattractive due to fall in the price of the shares in the market.

Provided that the Company ensures that such re-pricing shall not be detrimental to the interest of employees and approval of shareholders in General Meeting has been obtained for such re-pricing.

(g) Substitution of 1st Proviso of Clause 11

PROVIDED, HOWEVER, that notwithstanding the foregoing, it shall be competent for the Remuneration/Compensation Committee in its sole and unfettered discretion, to determine whether the employee should be allowed to exercise the option on a pro-rata basis

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depending upon the length of his service or otherwise, if the guidelines prevailing at the relevant time so permit, and the decision of the Remuneration/Compensation Committee shall be final, binding and conclusive. It is clarified that this provision shall not confer on the employee any right to exercise the option.

(h) Substitution of sub-clause (b) of Clause 11

(b) If, on or after the date that this Option shall first become vested, an Employee's employment is terminated for any reason. other than death or disability or misconduct, the Employee shall have the right. within three months after such termination of employment, to exercise this Option to the extent that it is exercisable and unexercised on the date of such termination of employment, subject to any other limitation on the Exercise of the ESOS in effect on the date of Exercise. The three-month period may be extended at the discretion of the Remuneration/ Compensation Committee, but not beyond the expiration date stated in the original grant.

PROVIDED HOWEVER, that notwithstanding the foregoing, it shall be competent for the Remuneration/Compensation Committee in its sole and unfettered discretion, to provide that, if prior to the exercise of the options granted, an employee's employment is terminated for misconduct, then the option vested in such employees shall lapse. It is clarified that this provision shall not confer on the employee whose service is terminated for misconduct, any right to exercise the options vested in him/her.

FURTHER RESOLVED THAT for the purpose of giving effect to the above modifications to the ESOS, or for the purpose of finalising and confirming the above changes to the ESOS, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotment(s) (including to amend or modify any of the terms of such issue or allotment), as it may, in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members.

FURTHER RESOLVED THAT the Board be and is hereby authorised to vary or modify the terms of ESOS in accordance with any guidelines or regulations that may be issued, from time to time, by any appropriate authority unless such variation, modification or alteration is detrimental to the interests of the employees/Directors (including the whole-time Directors).

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FURTHER RESOLVED THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any Director(s) or Officer(s) of the Company or Chairman of the Company, to give effect to this Resolution.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby jointly and severally authorized to sign and file any/all necessary forms with any regulatory authority, governing body or other agency, including but not limited to the Securities & Exchange Board of India, the Bombay Stock Exchange, the National Stock Exchange, the Registrar of Companies, Ministry of Corporate Affairs and with such other authorities as may be required and to accept, respond to, clarify and address any such response, notice, clarification, modification, alteration as may be suggested by any authority to give effect to the above Resolution.

FURTHER RESOLVED THAT nothing contained in the above resolutions shall be construed as limiting, curtailing or otherwise reducing in any manner whatsoever any/all powers that were or have been conferred on the Board at the time of approving the ESOS or in relation to any prior modifications thereto and that any/all powers granted to the Board collectively and/or the Remuneration/Compensation Committee under such previous Resolutions shall continue to be in force and are hereby confirmed and ratified by the Shareholders."

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: 14.08.2012

CHAIRMAN

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

(J. C. BHAM)
COMPANY SECRETARY