

THE  
BOMBAY DYEING  
  
AND  
MANUFACTURING  
COMPANY  
LIMITED  
ESTABLISHED 1879

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**ANNUAL REPORT AND ACCOUNTS**  
2000-2001



# THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

## DIRECTORS

Nusli N. Wadia, *Chairman*  
Keshub Mahindra  
Shantanu N. Desai  
R. N. Tata  
R. A. Shah  
K. F. Rustamji  
Dr. H. N. Sethna  
H. R. Thanawalla (*Expired on 18-12-00*)  
A. Sarin, *Managing Director*  
P. V. Kuppaswamy, *Jt. Managing Director*  
S. S. Kelkar, *Executive Director*  
P. Malik, *Executive Director*  
Venu Srinivasan  
S. Ragothaman, *Nominee Director*  
A. K. Hirjee (*w.e.f. 28-5-01*)

## SENIOR VICE-PRESIDENT

N. Santhanam, *Senior Vice-President (Corporate Affairs)*

## VICE-PRESIDENTS/CHIEF EXECUTIVES

P. V. Bhide, *Vice-President — HR*  
S. K. Chakrabarti, *Vice-President (Manufacturing)*  
P. S. De, *Chief Financial Officer*  
A. Duggal, *Vice-President — Exports*  
T. A. Krishnan, *Vice-President (Materials)*  
P. K. Mukherjee, *Vice-President (Production, Planning and Product Development)*  
P. Nag, *Chief Executive — Domestic Retail Division (Fabrics)*

## GENERAL MANAGERS

V. Dadlani, *General Manager — Internal Audit*  
R. K. Gupta, *General Manager — (Marketing)*  
S. K. Gupta, *General Manager (Commercial)*  
R. Kalaighnam, *General Manager (Projects)*  
M. H. Kulkarni, *Comptroller*  
V. K. Maheshwari, *General Manager (Spring Mills)*  
R. L. Patil, *General Manager (Manufacturing)*  
N. Rajagopalan, *General Manager — Apparels*  
N. S. Rao, *General Manager (Textile Mills)*  
R. V. Sarma, *General Manager (Finance)*  
B. Satyanarayan, *General Manager — I.T.*  
Dr. (Mrs.) N. Shankar, *General Manager — Product Development*  
A. Singh, *General Manager — (Supply Chain — RDS)*  
D. J. Singh, *General Manager — National Sales Distribution*  
K. K. Thakur, *General Manager — Processing*  
S. K. Tibrewal, *General Manager — (Industrial & Wholesale Marketing)*

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## SECRETARY

P. Govindan

## BANKERS

ABN Amro Bank N.V.  
Standard Chartered Grindlays Bank Ltd.  
BNP Paribas  
Canara Bank  
Centurion Bank Limited  
Citi Bank N.A.  
Credit Lyonnais  
The Hongkong and Shanghai Banking Corporation Ltd.  
State Bank of Hyderabad  
State Bank of India  
Standard Chartered Bank

## ADVOCATES & SOLICITORS

Messrs. Desai & Diwanji  
Messrs. Crawford Bayley & Co.  
Messrs. Mulla & Mulla and Craigie Blunt & Caroe

## AUDITORS

Messrs. A. F. Ferguson & Co.

## REGISTERED OFFICE

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

# THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

## NOTICE

The 121st Annual General Meeting of the Members of The Bombay Dyeing & Manufacturing Company Limited will be held at the Birla Matushri Sabhagar, 19, Marine Lines, Mumbai-400020, on Monday, the 23rd July, 2001 at 3.45 p.m. to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2001, and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in the place of Mr. Venu Srinivasan, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in the place of Mr. K. F. Rustamji, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint a Director in the place of Mr. Nusli N. Wadia, who retires by rotation, and being eligible, offers himself for reappointment.
6. To appoint a Director in the place of Mr. Keshub Mahindra, who retires by rotation, and being eligible, offers himself for reappointment.
7. To appoint Messrs. A. F. Ferguson & Co., Chartered Accountants, 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 and to authorise the Board of Directors to fix their remuneration.
8. To consider and, if thought fit, to pass with or without modification the following Resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Article 23A of the Articles of Association of the Company and in accordance with the provisions of Sections 77A and 77B and all other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as "the Act") and the provisions contained in the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 (hereinafter referred to as "the Buy-back Regulations") [including any statutory modification(s) or re-enactment of the said Act or Rules framed thereunder from time to time or the Buy-back Regulations, for the time being in force] and subject to such approvals, permissions and sanctions as may be necessary and further subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall be deemed to include a Committee thereof), the consent of the Company be and is hereby accorded to the Board to purchase or buy-back its fully paid-up equity shares of the face value of Rs.10/- each up to a limit not exceeding 25% of the existing share capital of the Company i.e. up to a limit of 1,02,50,457 equity shares at a maximum price not exceeding Rs.60 per equity share (hereinafter referred to as "the Buy-back").

RESOLVED FURTHER THAT the Board be and is hereby authorised to implement the Buy-back within a period of twelve months from the date of passing of this resolution (or such extended period as may be permitted under the Act or the Buy-back Regulations or by the appropriate authorities) in one or more tranches from out of the Company's free reserves and/or the securities premium account and/or the proceeds of earlier issue of shares other than equity shares made specifically for buy-back purposes, by the methodology of open market purchases through the Stock Exchanges in such manner as may be prescribed by the Act and/or the Buy-back Regulations and on such terms and conditions as the Board may from time to time in its absolute discretion deem fit.

RESOLVED FURTHER THAT within the limits of 25% of the total paid-up capital and the maximum price of Rs.60 per equity share stipulated as aforesaid, the Board be and is hereby authorised to determine the aggregate amount to be utilised towards the Buy-back including the number of equity shares to be bought back, the specific price for individual transactions in the Buy-back and the time frame therefor and completion of the modalities for the closure of the Buy-back.

RESOLVED FURTHER THAT nothing contained hereinabove shall confer any right on the part of any shareholder to offer and/or any obligation on the part of the Company or the Board to buy-back any shares, and/or impair any power of the Company or the Board to terminate any process in relation to such Buy-back, if so permissible by law.

RESOLVED FURTHER THAT the Buy-back of shares (including shares underlying Global Depository Receipts) from non-resident shareholders, and/or shareholders of foreign nationality shall be subject to such further approvals as may be required including approvals, if any, from Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the Rules/Regulations framed thereunder.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper with regard to the implementation of the Buy-back including:

- (a) the appointment of Merchant Banker, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investor Service Centres and other Advisors, Consultants or Representatives;
- (b) the making of all applications to the appropriate authorities for their requisite approvals.
- (c) the initiating of all necessary actions for preparation and issue of Public Announcement;
- (d) the filing of Public Announcement and also the certificates for Declaration of Solvency and for extinguishment and physical destruction of share certificates in respect of shares bought back and all other documents required to be filed in the above connection with necessary authorities; and



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(e) the settling of all such questions or difficulties whatsoever which may arise in connection with the Buy-back so as to take all such steps and decisions in this regard.

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 for giving effect to the aforesaid Resolution."

9. To consider and, if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 257 of the Companies Act, 1956, Mr. Ramjilal Choudhary be and is hereby appointed a Director of the Company."

### Notes:

- (a) The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Items 8 and 9 of the Notice as set out above, is annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- (c) The Register of Members and the Share Transfer Books of the Company will be closed from Tuesday, the 3rd July, 2001 to Monday, the 23rd July, 2001 both days inclusive.
- (d) Members are requested to notify immediately any change of address :
  - (i) to their Depository Participants (DPs) in respect of their electronic share accounts, and
  - (ii) to the Company at its Share Department in respect of their physical share folios, if any, quoting their folio numbers.
- (e) Members are advised to submit their Electronic Clearing Service (ECS) mandates to enable the Company to make remittance by means of ECS.
- (f) The unclaimed dividends for the financial year ended 31st March, 1995 and previous years declared by the Company have been transferred to the General Revenue Account of the Central Government in terms of Section 205A of the Companies Act, 1956. Members who have not encashed the Dividend Warrants for the aforesaid years are requested to claim the amount from the Registrar of Companies, Maharashtra, Mumbai.  
Dividend remaining unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund. Members who have so far not encashed their Dividend Warrant(s) for the financial year ended 31st March, 1996 or any subsequent year are advised to submit their claim to the Company immediately quoting their folio numbers.
- (g) Members may avail themselves of the facility of nomination in terms of Section 194A of the Companies Act, 1956 by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's Share Department at its Textile Mill Complex, Administrative Office, 1st floor, Pandurang Budhkar Marg, Mumbai-400025.
- (h) As required in terms of paragraph VI(A) of Clause 49 of the Listing Agreement, the details of the directors retiring by rotation and eligible for reappointment are furnished below:

### Mr. Venu Srinivasan:

Mr. Venu Srinivasan, 48, is a Bachelor of Engineering from Madras University and also holds an MS degree in Management from Purdue University of USA. Mr. Srinivasan has been the Managing Director of Sundaram Clayton Ltd., a company engaged in the manufacture of air actuation systems for commercial vehicles and non-ferrous castings, since May 1979, and the Managing Director of TVS Suzuki Ltd., a leading manufacturer of powered two-wheelers in India, since August, 1986. His expertise relates to manufacture and marketing of air actuation systems for commercial vehicles and non-ferrous castings besides powered two-wheelers, Mopeds, Motorcycles and Scooters, seating system and related hardware and automotive applications.

Mr. Srinivasan was the Chairman of CII-Southern Region during the year 1997-98 and has been associated with CII for nearly 17 years in various capacities. He was the President of Automotive Research Association of India and also of the Society of Indian Automobile Manufacturers & Association of Indian Automobile Manufacturers.

He is the Honorary Consul for Republic of Korea.

**Outside Directorship:** TVS Suzuki Ltd. (Chairman & Managing Director), Sundaram-Clayton Ltd. (Managing Director), Lakshmi Auto Components Ltd., (Chairman), Harita-Grammer Ltd. (Chairman), TVS Electronics Ltd. (Chairman), Harita-NTI Ltd., The Adyar Property Holding Co. Ltd., Harita Finance Ltd., Lucas TVS Ltd., TV Sundram Iyengar & Sons Ltd., Sundaram Textiles Ltd., Southern Roadways Ltd., Sundaram Fasteners Ltd. and Cummins India Ltd. and 3 private companies.

**Committee Membership:** Shareholders/Investors Grievance Committees of the Boards of TVS Electronics Ltd., Harita Finance Ltd., Lakshmi Auto Components Ltd. and Harita-Grammer Ltd. (Chairman), and Investors' Grievance Committee of the Boards of Sundaram-Clayton Ltd. and TVS-Suzuki Ltd.

### Mr. K. F. Rustamji:

Mr. K. F. Rustamji, 85, is a Post Graduate in Science. After his retirement from the service of the Government of India, he joined the Company as its representative in Delhi in October, 1976 and was inducted on its Board in 1982.

## THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

He was awarded Padma Bhushan in 1951, followed by Padma Vibhushan in 1971. He was also the head of Stewart Hall, India, and also a member of the Board of three tea companies in Assam. He has also been a member of the National Integration Council since 1965.

**Outside Directorship:** Nesslene Chemicals & Fibres Ltd.

**Committee Membership:** Share Transfer and Shareholders/Investors Grievance Committee of the Company's Board (Chairman).

**Mr. Nusli N. Wadia:**

Mr. Nusli N. Wadia, 57, was inducted on the Company's Board in 1968 and in 1970, he was appointed as its Joint Managing Director. Since April, 1977, he has been the Chairman of the Company.

Mr. Wadia has contributed actively in the deliberations of various organisations such as the Cotton Textiles Export Promotion Council (TEXPROCIL), Millowners' Association (MOA), Associated Chambers of Commerce & Industry of India, etc. He is the former Chairman of TEXPROCIL and also of MOA.

Mr. Wadia was appointed on the Prime Minister's Council on Trade & Industry in 1998, 1999 & 2000. He was the Convenor of the Special Group Task Force on Food and Agro Industries Management Policy in September, 1998. He was a Member of the Special Subject Group to review regulations and procedures to unshackle Indian industry and on the Special Subject Group on Disinvestment.

Mr. Wadia has made a name for himself also in public affairs and has been actively associated with leading charitable institutions. He is also on the Managing Committee of the Nehru Centre, Mumbai.

**Outside Directorship:** The Bombay Burmah Trading Corporation Ltd. (Chairman), National Peroxide Ltd. (Chairman), Citurgia Biochemicals Ltd. (Chairman), Britannia Industries Ltd. (Chairman), Wadia BSN Ltd. (Chairman), Nowrosjee Wadia & Sons Ltd. (Chairman & Managing Director), Gherzi Eastern Ltd., Tata Iron & Steel Co. Ltd., Tata Chemicals Ltd., Tata Engineering & Locomotive Co. Ltd. (TELCO), Anil Starch Products Ltd. and Atul Ltd. and 5 foreign companies.

**Committee Membership:** Remuneration Committees of the Boards of The Bombay Dyeing & Mfg. Co. Ltd., TELCO (Chairman) and Britannia Industries Ltd.

**Mr. Keshub Mahindra:**

Mr. Keshub Mahindra, 77, is a B.Sc. graduate from Wharton, University of Pennsylvania, USA, and is the Chairman of Mahindra & Mahindra Ltd. He is also the Chairman of the Board of Governors of Mahindra United World College of India. He has been associated with various organisations including educational institutions like University of Pennsylvania Institute for the Advanced Study of India, New Delhi, International Advisory Board of University of Pennsylvania, Center for the Advanced Study of India, Philadelphia etc.

Mr. Mahindra has contributed actively in the deliberations of various organisations such as Bombay Chamber of Commerce & Industry (BCCI), Associated Chambers of Commerce & Industry of India, (ASSOCHAM), Employers' Federation of India, Indo-American Society etc. He is the former President of BCCI, ASSOCHAM and Employers' Federation of India and former Chairman of Indian Institute of Management, Ahmedabad.

Mr. Mahindra had been appointed by the Government of India to serve on a number of Committees including the Sachar Committee on Company Law & MRTP; Central Advisory Council of Industries, etc. He is the Non-official Member of State Planning Board, Government of Punjab.

Mr. Mahindra is the recipient of several Awards including International Awards such as MotorIndia Automan Award - 2000, Dadabhai Naoroji International Award for Excellence & Lifetime Achievement - 2000 etc.

**Outside Directorship:** Mahindra & Mahindra Ltd. (M&M) (Chairman), Mahindra Ugine Steel Co. Ltd. (Chairman), Mahindra Holdings & Finance Ltd. (Chairman), Housing Development Finance Corporation Ltd. (HDFC) (Vice-Chairman), Tata Chemicals Ltd., Tata Iron & Steel Co. Ltd. (TISCO), Bombay Burmah Trading Corporation Ltd., Infrastructure Leasing & Financial Services Ltd. (IL&FS), and Mahindra Automotive Steels Ltd.

**Committee Membership:** Share Transfer and Shareholders/Investors Grievance Committee of the Board of M&M (Chairman), Remuneration/Compensation Committee of the Boards of HDFC (Chairman), The Bombay Dyeing & Mfg. Co. Ltd. (Chairman), TISCO (Chairman), IL&FS, Tata Chemicals Ltd. and M&M.

By Order of the Board of Directors,

FOR THE BOMBAY DYEING & MFG. CO. LTD.

P. GOVINDAN  
Secretary

Mumbai, 14th June, 2001.

**Registered Office:**

Neville House,  
J.N. Heredia Marg,  
Mumbai 400 001.  
Phone: 2618071 (Ext.365/339)/2693712.



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### ANNEXURE TO NOTICE

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the business mentioned under Items 8 and 9 of the accompanying Notice dated 14th June, 2001.

#### Item 8:

As required under the provisions of Section 77A(3) of the Companies Act, 1956 ("the Act") and Regulation 5(1) of the Securities & Exchange Board of India (Buy-back of Securities) Regulations, 1998 read with Schedule I annexed thereto ("Buy-back Regulations"), the following Explanatory Statement sets out the various details required to be disclosed:

1. The Board of Directors of the Company ("the Board") at its Meeting held on 14th June, 2001 considered and approved the proposal for buy-back of upto 1,02,50,457 fully paid-up equity shares of Rs.10/- each at a price not exceeding Rs. 60 per share (hereinafter referred to as "the Buy-back") in accordance with the provisions contained in Article 23A of the Company's Articles of Association and Sections 77A and 77B and all other applicable provisions of the Act and the Buy-back Regulations.
2. The buy-back proposal is being mooted in keeping with the Company's desire to maximise returns to investors and enhance overall shareholder value by returning surplus cash to shareholders in an investor friendly manner. Also the Buy-back is an efficient mechanism for providing an exit opportunity to those shareholders who so desire, in a manner that does not substantially impact the market price of the Company's shares to the detriment of the continuing shareholders. Further, the Buy-back is also expected to enhance the earnings per share of the Company in future and create long term shareholder value.
3. The Buy-back is proposed to be implemented by the Company by the methodology of open market purchases through the Stock Exchanges in such manner as may be prescribed by the Act and under the Buy-back Regulations and on such terms and conditions as may be determined by the Board at a later date. The Company shall not buy-back its shares from any persons through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buy-back.
4. The equity shares of the Company are proposed to be bought back at a maximum price not exceeding Rs. 60 per equity share in terms of the Resolution at Item 8. This price has been arrived at after taking into consideration factors such as the book value, the market value of the shares on the Stock Exchanges and the possible impact of the Buy-back on the Company's earnings per share. The market price as proposed above, while providing an option to the shareholders to sell their shares at a premium over the current market price, will ensure that the growth of the Company is not impaired in any way and that the value of the shares after the Buy-back for the continuing shareholders is preserved.
5. The aggregate paid-up capital and free reserves of the Company as at 31st March, 2001 is Rs. 573.61 crores and in accordance with the provisions of the Act, the maximum amount allowed to be utilised for implementing the Buy-back is Rs. 143.40 crores representing 25% of the paid-up capital and free reserves of the Company.  
Further, as per the provisions of the Act, the maximum number of equity shares permitted to be bought back shall be 1,02,50,457 representing 25% of the total paid-up capital of the Company i.e. 4,10,01,829 equity shares of Rs.10/- each aggregating to Rs. 41 crores. At the proposed maximum price of Rs. 60 per share and for the proposed maximum number of 1,02,50,457, the maximum amount (including premium) deployed for the Buy-back would be Rs. 61.50 crores which works out to 10.72% of the total paid-up capital and free reserves of the Company. The Special Resolution at Item 8 seeks the consent of the shareholders for the Board (including a Committee thereof) to determine the price and the number of equity shares to be bought back by the Company within the aforesaid limits. The funds required for the Buy-back will be met out of the share premium account and/or other free reserves of the Company. The debt equity ratio of the Company after the Buy-back will be well within the limit of 2:1 as prescribed under the Act.
6. (a) The aggregate shareholding of the Promoters and of the Directors of the promoters where the Promoter is a Company and of the persons who are in the control of the Company (hereinafter collectively referred to as "the Promoters") as on the date of this Notice is 1,67,48,855 equity shares constituting 40.85% of the issued share capital of the Company.  
(b) Save and except the purchase of an aggregate number of 18,98,121 equity shares of Rs.10/- each of the Company on various dates, the highest rate being Rs. 61 per share on 27th February, 2001 and the lowest rate being Rs. 34 per share on 13th March, 2001, no shares were either purchased or sold by the Promoters during the period of six months preceding 14th June, 2001, i.e. the date of the Board Meeting at which the Buy-back was approved and the date hereof.
7. The Company shall not purchase shares under the Buy-back from the Promoters or persons in control of the Company.
8. As per the provisions of the Act, the Special Resolution passed by the shareholders approving the Buy-back shall be valid for a maximum period of 12 months from the date of passing of the said Resolution. The Board shall determine the time frame for completion of the Buy-back within this validity period.
9. In accordance with the regulatory provisions, the shares bought back by the Company will compulsorily be cancelled and will not be held for re-issue at a later date.
10. In terms of the provisions of Section 77A(8) of the Act, the Company will not be entitled to make a fresh issue of equity shares for a period of two years from the date of completion of the Buy-back envisaged under this Resolution except in cases/circumstances mentioned in the said Section.
11. The Company confirms that there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
12. The Board confirms:
  - (i) that it has made the necessary and full enquiry into the affairs and prospects of the Company and has formed the opinion:
    - (a) that immediately following the date on which the General Meeting is convened, there will be no grounds on which the Company could be found unable to pay its debts; and

# THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

- (b) as regards its prospects for the year immediately following the date of the General Meeting, that having regard to its intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the view of the Board, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the General Meeting; and
- (ii) in forming its opinion for the above purposes, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 1956 (including prospective and contingent liabilities).
13. The text of the Report dated 14th June, 2001 received from Messrs. A. F. Ferguson & Co., Chartered Accountants, the Statutory Auditors of the Company, addressed to the Board of Directors is reproduced below:
- "In connection with the proposed buy-back of equity shares approved by the Board of Directors at their meeting held on 14th June, 2001, and based on the information and explanations given to us, we report as follows:
1. We have inquired into the state of affairs of the Company with reference to its audited accounts for the year ended 31st March, 2001 as approved by the Board of Directors at their meeting held on 28th May, 2001. These accounts are subject to adoption by the members at the ensuing annual general meeting proposed to be held on 23rd July, 2001.
  2. The amount of permissible capital payment (including premium) towards buy-back of equity shares in question, as computed below, has been properly determined in accordance with Section 77A(2)(c) of the Companies Act, 1956 :

	Amount as at 31st March, 2001 (Rs. in crores)
Share Capital	41.00
Free reserves	532.61
	<u>573.61</u>
Maximum amount permissible for buy-back i.e. 25% of the total paid-up capital and free reserves	<u>143.40</u>

3. The Board of Directors at their meeting held on 14th June, 2001 have formed their opinion as specified in clause (x) of Schedule I to the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of the annual general meeting of the company proposed to be held on 23rd July, 2001."
14. All the material documents referred to in the Explanatory Statement such as the Memorandum & Articles of Association, relevant Board Resolutions for the Buy-back and the Auditors' Report on their enquiry into the state of affairs of the Company are available for inspection by the shareholders at the Registered Office of the Company on any working day (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
15. As the proposed Buy-back will be in the interest of the Company, the Directors recommend the passing of the Special Resolution at Item 8 as set out in the accompanying Notice.
16. None of the Directors is in any way concerned or interested either directly or indirectly in this Resolution except to the extent that in like manner as for all other shareholders, their percentage holding in the post buy-back equity share capital of the Company shall proportionately stand enhanced consequent upon the Buy-back.

## Item 9:

Mr. Ramjilal Choudhary, Kolkata has, by his letter dated 2nd June, 2001, given Notice to the Company under Section 257 of the Companies Act, 1956, proposing himself as a candidate for the office of Director of the Company. Mr. Ramjilal Choudhary holds 1 share of the Company as on the date of the Notice.

As no details such as expertise in specific functional areas, other directorship etc. of Mr. Ramjilal Choudhary were provided to the Company, the Company is unable to furnish the same.

The Resolution for Mr. Choudhary is being included in the Notice of the Annual General Meeting as required by law. It must, however, be made clear that the Management does not support the Resolution.

By Order of the Board of Directors,

FOR THE BOMBAY DYEING & MFG. CO. LTD.

P. GOVINDAN  
Secretary

Mumbai, 14th June, 2001.

## Registered Office:

Neville House,  
J.N. Heredia Marg,  
Mumbai 400 001.  
Phone: 2618071 (Ext.365/339)/2693712.



## ANNUAL REPORT 2000-2001

## 10 YEARS' FINANCIAL REVIEW

(Rs. in crores)

	2000-2001	1999-2000	1998-99	1997-98	1996-97	1995-96	1994-95	1993-94	1992-93	1991-92
<b>FINANCIAL POSITION</b>										
Share Capital	41.00	41.00	41.00	41.00	40.39	38.57	33.12	32.43	22.48	22.48
Reserves & Surplus	615.77	628.94	612.72	638.11	643.62	655.10	461.27	377.85	172.46	143.21
<b>Net Worth:</b>										
Total	656.77	669.94	653.72	679.11	684.01	693.67	494.39	410.28	194.94	165.69
Per Equity Share of Rs. 10	160	163	159	166	169	180	149	127	87	74
<b>Borrowings</b>	597.87	602.35	667.58	655.12	626.46	844.38	687.06	408.16	309.59	202.77
<b>Debt Equity Ratio</b>	0.10:1	0.03:1	0.37:1	0.30:1	0.24:1	0.26:1	0.40:1	0.55:1	0.82:1	0.68:1
<b>Fixed Assets:</b>										
Gross Block	897.03	865.10	847.61	839.01	821.79	795.28	712.02	624.33	497.49	358.70
Depreciation	550.55	507.42	456.20	405.31	354.68	305.41	263.38	227.48	201.52	170.92
Net Block	346.48	357.68	391.41	433.70	467.11	489.87	448.64	396.85	295.97	187.78
<b>Investments and Other Assets</b>	908.16	914.61	929.89	900.53	843.36	1,048.39	754.82	421.59	208.56	180.68
<b>OPERATING RESULTS</b>										
<b>Sales and other Income</b>	1,042.41	1048.71	952.09	1,024.14	1,133.49	1,492.56	1,119.26	630.22	591.98	532.01
<b>Manufacturing &amp; other Expenses</b>	976.45	955.66	882.05	950.97	1,050.54	1,330.60	966.88	551.88	522.68	447.53
<b>Depreciation</b>	47.83	48.46	49.00	48.15	47.25	44.86	37.54	27.17	31.81	26.63
<b>Profit before Tax</b>	18.13	44.59	21.04	25.02	35.70	117.10	114.84	51.17	37.49	57.85
<b>Taxation</b>	—	1.43	0.81	2.00	—	—	16.75	—	1.49	14.00
<b>Profit after Tax</b>	18.13	43.16	20.23	23.02	35.70	117.10	98.09	51.17	36.00	43.85
<b>Earnings per Equity Share of Rs. 10</b>	4	11	5	6	9	31	30	20	16	20
<b>Dividends:</b>										
Amount	9.04	13.65	13.65	15.73	15.27	21.61	18.96	10.23	6.75	6.75
Percentage	20	30	30	35	35	55	55	40	30	30

## Notes:

- Capital: Original Rs. 0.63 crore, Bonus Shares Rs. 21.02 crores, conversion of Debentures Rs. 0.83 crore, Global Depositary Receipts (GDRs) representing equity shares Rs. 5.51 crores, conversion of equity warrants relating to NCD/SPN Issue Rs. 9.81 crores and conversion of preferential warrants to promoters Rs. 3.20 crores. Average Share Capital for 2000-2001 — Rs. 41.00 crores.
- Debt Equity ratio is on Long Term Debt.
- Sales and other Income include excise duty, sale of Assets etc.
- Operating Results — Manufacturing & other Expenses for 1996-97 are net of write back of provision of Rs. 21.92 crores for premium payable on redemption of Secured Premium Notes which has been charged to the Share Premium Account in accordance with Section 78(2) of the Companies Act, 1956.
- Dividend amount includes Corporate Dividend Tax on the proposed/interim dividend, @ 10% for 1996-97 and 1997-98, @ 11% (inclusive of surcharge) for 1998-99 and 1999-2000, and @ 10.20% (inclusive of surcharge) for 2000-2001.
- Depreciation includes lease equalisation.

# THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

## SUMMARISED BALANCE SHEET

(Rupees in crores)  
31-3-2000

### WHAT THE COMPANY OWNED

#### FIXED ASSETS

Gross block .....	897.03	865.10
Less: Depreciation .....	<u>550.55</u>	<u>507.42</u>
Net block .....	346.48	357.68

#### INVESTMENTS

In Shares and securities .....	322.91	438.29
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#### OTHER ASSETS

Excess of "current assets, loans and advances" over "current liabilities and provisions" and deferred revenue expenditure .....	585.25	476.32
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<b>TOTAL ASSETS</b> .....	<u>1,254.64</u>	<u>1,272.29</u>
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### WHAT THE COMPANY OWED

Secured and unsecured loans .....	597.87	602.35
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#### SHAREHOLDERS' FUNDS

Share capital — paid up .....	41.00	41.00
Reserves .....	<u>615.77</u>	<u>628.94</u>
	656.77	669.94

<b>TOTAL (CAPITAL EMPLOYED)</b> .....	<u>1,254.64</u>	<u>1,272.29</u>
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## SUMMARISED PROFIT AND LOSS ACCOUNT

### WE EARNED FROM

Sales of our products .....	929.20	946.49
Interest, dividends & other income .....	<u>113.21</u>	<u>102.22</u>
	<u>1,042.41</u>	<u>1,048.71</u>

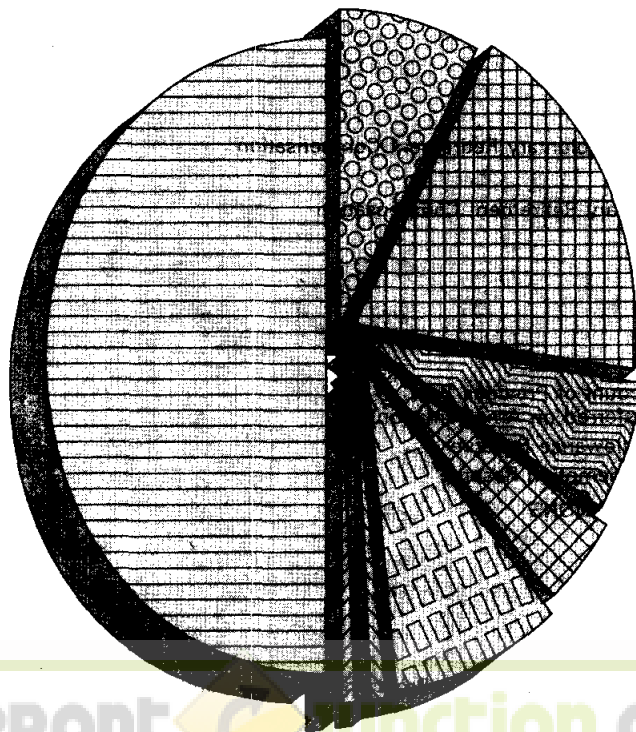
### WE PAID OR PROVIDED FOR









Raw materials etc. ....	521.41	464.74
Payments to employees .....	83.78	86.37
Operating expenses .....	198.58	237.85
Finance charges .....	71.72	68.38
Depreciation .....	47.83	48.46
Excise duty and taxation .....	100.96	99.75
Dividend & corporate dividend tax .....	9.04	13.65
Retained earnings .....	<u>9.09</u>	<u>29.51</u>
	<u>1,042.41</u>	<u>1,048.71</u>



## ANNUAL REPORT 2000-2001

## DISTRIBUTION OF INCOME



	2000-2001		1999-2000	
	Amount (Rs. in crores)	%	Amount (Rs. in crores)	%
 Raw Materials etc. ....	521.41	50.02	464.74	44.32
 Payment to Employees .....	83.78	8.04	86.37	8.24
 Operating Expenses .....	198.58	19.05	237.85	22.68
 Finance Charges .....	71.72	6.88	68.38	6.52
 Depreciation .....	47.83	4.59	48.46	4.62
 Excise Duty & Taxation .....	100.96	9.69	99.75	9.51
 Dividend & Corporate Dividend Tax .....	9.04	0.87	13.65	1.30
 Retained Earnings .....	9.09	0.87	29.51	2.81
	<u>1,042.41</u>	<u>100.00</u>	<u>1,048.71</u>	<u>100.00</u>