

**ANNUAL REPORT & ACCOUNTS
2006 - 2007**

**THE BOMBAY DYEING
AND MANUFACTURING COMPANY LIMITED**

ESTABLISHED 1879



ANNUAL REPORT 2006-2007

DIRECTORS

Nusli N. Wadia, *Chairman*
 Keshub Mahindra
 R. N. Tata
 R. A. Shah
 Dr. H. N. Sethna
 S. S. Kelkar
 S. Ragothaman
 A. K. Hirjee
 S. M. Palia (w.e.f. 30.05.06)
 P. V. Kuppaswamy, *Jt. Managing Director*
 Ness N. Wadia, *Jt. Managing Director*
 M. K. Singh, *Executive Director*
 Surya Kant Gupta, *Executive Director (w.e.f. 30.05.06)*

CHIEF FINANCIAL OFFICER

Govinder Singh

SECRETARY

P. Govindan

VICE-PRESIDENTS/BUSINESS HEAD

Burjor Nariman, *Sr. Vice-President (Corporate Group)*
 Dr. S. C. Basu, *Business Head (PSF)*
 R. Chandrasekharan, *Vice-President (Corporate Group)*
 V. Deshpande, *Vice-President (Corporate - HR)*
 S. K. Gupta, *Vice-President (Manufacturing & Commercial)*
 P. Phadnis, *Vice-President - Corporate Affairs*
 Bhagaban Kar, *Asst. Vice-President (PSF Manufacturing)*

GENERAL MANAGERS

A. Bhawsingka, *General Manager - Commercial & Operations*
 C. Chandiramani, *General Manager - Retail*
 R. K. Gupta, *General Manager - Marketing*
 R. Kapur, *General Manager - Processing*
 K. V. Krishnamurthy, *General Manager - Operations*
 Ms. Lucy Roychoudhury, *General Manager - Sales & Marketing*
 R. Mahindru, *General Manager - Business Development*
 S. N. Nandagopal, *General Manager - Procurement*
 B. K. Pandya, *General Manager - Manufacturing*
 A. V. Potdar, *General Manager - Personnel & Administration*
 J. P. Rath, *General Manager - Commercial*
 V. R. Sangharajka, *Head - Treasury*
 R. Sharma, *General Manager (CTS)*
 S. K. Tibrewal, *General Manager - Industrial & Wholesale Marketing*
 P. Umamaheshwaran, *General Manager - Engineering*

BANKERS

State Bank of India
 UTI Bank Ltd.
 IDBI Bank Ltd.
 State Bank of Hyderabad
 State Bank of Patiala
 Citibank N. A.
 Standard Chartered Bank

ADVOCATES & SOLICITORS

Messrs. Crawford Bayley & Co.
 Messrs. Desai & Diwanji
 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.

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THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

NOTICE

The 127th 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 400 020, on Wednesday, 25th July, 2007, at 3.45 p.m. to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 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. Nusli N. Wadia, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in the place of Mr. Keshub Mahindra, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint a Director in the place of Mr. R. A. Shah, who retires by rotation, and being eligible, offers himself for reappointment.
6. To appoint a Director in the place of Dr. H. N. Sethna, 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.

Special Business:

To consider and, if thought fit, to pass with or without modification the following Resolutions:

8. As an Ordinary Resolution:

"RESOLVED that in supersession of Resolution No. 3 passed at the Extra-Ordinary General Meeting of the Company held on 2nd December, 1992, consent of the Company be and is hereby accorded in terms of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company for borrowing from time to time any sum or sums of money (exclusive of interest) not exceeding at any time the sum of Rs. 1,500 crores (Rupees one thousand five hundred crores) on such terms and conditions as the Board may deem fit, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

9. As an Ordinary Resolution:

"RESOLVED that in supersession of Resolution No. 4 passed at the Extra-Ordinary General Meeting of the Company held on 2nd December, 1992, consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) for creating such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties of the Company wheresoever situate, both present and future, on such terms, at such time, in such form and in such manner as the Board may deem fit, together with power to take over the management of the business and concern of the Company in certain events in favour of all or any of the following, namely: Banks, Financial Institutions, Insurance Companies, Investment Institutions, other investing agencies, Bodies Corporate incorporated under any statute including Army Group Insurance Directorate and Naval Group Insurance Directorate and trustees for the holders of debentures/secured premium notes/bonds/other securities/debt instruments, and other secured lenders (hereinafter referred to as "the Lenders") to secure repayment of any loans (both rupee loans and foreign currency loans) and/or any other financial assistance and/or guarantee facilities already obtained or that may hereafter be obtained from any of the Lenders by the Company, and/or to secure redemption of debentures (whether partly/fully convertible or non-convertible)/secured premium notes/bonds/other securities/debt instruments and/ or rupee/foreign currency convertible bonds and/or bonds with share warrants attached, already issued or that may hereafter be issued by the Company, together with all interest, compound additional interest, commitment charge, liquidated damages, premium on prepayment or on redemption, trustees' remuneration, costs, charges, expenses and all other moneys including revaluation/devaluation/fluctuation in the rates of foreign currencies involved, payable by the Company to the Lenders concerned, in terms of their respective Loan Agreements/ Heads of Agreements/Hypothecation Agreements/ Trustees Agreements/Letters of Sanction/Memorandum of terms and conditions/Debenture Certificates entered into/to be entered into/issued/to be issued by the Company, provided that the total borrowings of the Company (exclusive of interest) whether by way of loans and/or any other financial assistance and/or guarantee facilities and/or issue of debentures/secured premium notes/other securities/debt instruments to be secured as aforesaid (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) shall not any time exceed the limit of Rs. 1,500 crores (Rupees one thousand five hundred crores).

"RESOLVED FURTHER THAT the Board be and is hereby authorized to finalise and execute with any of the Lenders jointly or severally, the documents, instruments and writings for creating aforesaid mortgage/charge and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for implementing the aforesaid Resolution and to resolve any question, difficulty or doubt which may arise in relation thereto or otherwise considered by the Board to be in the best interest of the Company.



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Notes:

- (a) The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, setting out material facts relating to the Special Business at 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 Thursday, the 5th July, 2007 to Wednesday, 25th July, 2007 both days inclusive.
- (d) Dividend, if any, that may be declared at the Meeting, will, subject to the provisions of Section 206A of the Companies Act, 1956, be paid on or after 10th August, 2007 to those Shareholders 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 4th July, 2007, in respect of shares held in physical form. In respect of shares held in electronic form, the dividend for the year ended 31st March, 2007 will be payable to the beneficial owners of shares as at the closing hours of 4th July, 2007 as per details furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for this purpose.
- (e) Members are requested to notify immediately any change of address:
- to their Depository Participants (DPs) in respect of their electronic share accounts, and
 - to the Company's Registrar & Share Transfer Agents, M/s.Sharepro Services (India) Pvt. Ltd. (R & TA), at Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai 400 099, or at 912 Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021, in respect of their physical share folios, if any, quoting their folio numbers.
- (f) Members are advised to submit their Electronic Clearing Service (ECS) mandates to the Company's R & TA at either of the aforesaid addresses to facilitate remittance by means of ECS.
- (g) Pursuant to the provisions of Section 205A of the Act, dividends for the financial year ended 31st March, 2000 and thereafter, which remain unpaid or unclaimed for a period of 7 years from the respective dates of transfer to the unpaid dividend account of the Company are due for transfer to the Investor Education & Protection Fund (IEPF) on the dates given in the table below:

Financial Year	Date of Declaration of Dividend	Last date for claiming unpaid dividend	Due date for transfer to IEPF
1999-2000	27.04.2000	26.04.2007	13.07.2007
2000-2001	23.07.2001	22.07.2008	26.09.2008
2001-2002	13.08.2002	12.08.2009	19.10.2009
2002-2003	30.07.2003	29.07.2010	05.10.2010
2003-2004	23.07.2004	22.07.2011	26.09.2011
2004-2005	29.07.2005	28.07.2012	04.10.2012
2005-2006	27.07.2006	26.07.2013	02.10.2013

Members who have so far not encashed the Dividend Warrants for the above years are advised to submit their claim to the Company's R & TA at either of the aforesaid addresses immediately quoting their folio number/DP ID & Client ID. It may be noted that once the unclaimed dividend is transferred to IEPF as aforesaid, no claim shall lie in respect of such amount by the members.

- (h) Members may avail themselves of the facility of nomination in terms of Section 109A 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 Registered office or from its R & TA at either of the aforesaid addresses.
- (i) As required in terms of paragraph IV(G)(i) of Clause 49 of the Listing Agreement, the details of the directors retiring by rotation and eligible for reappointment are furnished below:

MR. NUSLI N. WADIA

Mr. Nusli N.Wadia, 63, was inducted on the Company's Board in 1968. 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 organizations 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 during 1998 to 2004. 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.

THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

Mr. Wadia has made a name for himself also in public affairs and has been actively associated with leading charitable institutions.

He holds 1,23,350 equity shares of the Company.

Outside Directorship: The Bombay Burmah Trading Corporation Ltd. (Chairman), Britannia Industries Ltd. (Chairman), Wadia BSN India Ltd. (Chairman), Nowrosjee Wadia & Sons Ltd. (Chairman & Managing Director), Gherzi Eastern Ltd., Tata Steel Ltd., Tata Chemicals Ltd., Tata Motors Ltd., Atul Ltd., and 2 private limited companies and 2 foreign companies.

Committee Membership: Remuneration Committees of the Board of The Bombay Dyeing & Mfg. Co.Ltd., Tata Motors Ltd. (Chairman), Tata Chemicals Ltd.(Chairman), Britannia Industries Ltd., IPR Committee of Britannia Industries Ltd. (Chairman), Nomination Committee of Britannia Industries Ltd. (Chairman) and Audit Committee of Tata Steel Ltd.

MR.KESHUB MAHINDRA:

Mr. Keshub Mahindra, 83, Chairman of Mahindra & Mahindra Ltd., is a graduate from Wharton, University of Pennsylvania, USA. He is a well-known philanthropist. He has contributed immensely to the cause of building ethical corporations in India. He was appointed by the Government of India to serve on a number of Committees including the Sachar Commission on Company Law & MRTP; Central Advisory Council of Industries etc.

He is a Member of various organizations & committees namely Prime Minister's Council on Trade & Industry, New Delhi; Member of Apex Advisory Council – ASSOCHAM; Founder Member of Governing Council, Integrated Research & Action for Development (IRAD) New Delhi, President - Centre for Research in Rural & Industrial Development Society, Chandigarh; Chairman, Governing Body, Centre for Research in Rural & Industrial Development; President Emeritus – Employers' Federation of India; President of the Governing Council - University of Pennsylvania Institute for the Advanced Study of India, New Delhi and Hon. Fellow - All India Management Association, New Delhi.

Mr. Keshub Mahindra is the former President of Bombay Chamber of Commerce & Industry (1966-67), President of ASSOCHAM (1969-70), President of Indo-American Society (1991-92), President of M.V.I.R.D.C. - World Trade Centre (1978-95), Chairman of Indian Institute of Management, Ahmedabad (1975-85), Chairman of HUDCO (1971-75), Member of the Foundation Board - International Management Institute, Geneva (1984-89), Hon. Member, Business Advisory Council - International Finance Corporation, Washington (1986-96), Member, International Council - Asia Society, New York (1983-97) and Chairman, India Nominating Committee "Single Nation Programme" – Eisenhower Exchange Fellowships, U.S.A (1998 - 2005).

He spearheads social causes in and as Chairman of Mahindra Foundation; Chairman, Board of Trustees – Population First; Member, Governing Board – United Way of Mumbai; Member of the International Advisory Board of University of Pennsylvania, Center for the Advanced Study of India, Philadelphia; Vice-President - National Society for Clean Cities; Chairman and Founder Trustee - Bombay City Policy Research Foundation; Member, Governing Board – Bombay First and Chairman of its Health & Environment Committee; Chairman & Trustee – K.C. Mahindra Education Trust; Hon. Member - Rotary Club of Bombay; Member of the Governing Body of HelpAge India (2000-04) and Member of the Board of Governors of Bharat Shiksha Kosh (2002-05).

He has been the recipient of various prestigious awards namely Chevalier De La Legion D'honneur (1987), Companion - British Institute of Management (1985), Giants International Business Leadership Award (1972-82), NIF-Mody Enterprises Man of the Year Award (1980), Madras Management Association Business Leadership Award (1983), Business India - Businessman of the Year, India (1989), Honorary Fellowship of All India Management Association (1990), Rotary Award for Vocational Excellence (1992), Shiromani Award (1992), Vikas Jyoti Award for Outstanding Services, Contribution & Achievements (1993), FIE Foundation - Rashtra Bhushan Award (1994), The Sir Jehangir Ghandy Medal for Industrial Peace, - XLRI, Jamshedpur (1994), Rotary Vocational Excellence Award in the field of Industry (1996), IMC Diamond Jubilee Endowment Trust Award (1998), Motorindia Automan Award (2000), Dadabhai Naoroji International Award for Excellence & Lifetime Achievement (2000), All India Management Association Lifetime Achievement Award for Management (2003), Award from Overdrive for Excellence in the Indian Automotive Hall of Pride (2004), Institute of Company Secretaries of India (ICSI) Lifetime Achievement Award for Excellence in Corporate Governance (2004), Qimpro Platinum Standard – Statesman for Quality – Business Award (2005), Lakshya Business Visionary Award – NITIE (2006) and Indian Business School (IBS) Kolkata Lifetime Achievement Award presented by the Institute of Chartered Financial Analysts of India (ICFAI) (2007).

He holds 1630 equity shares of the Company.

Outside Directorship: Mr. Mahindra is on the Board of Directors as Chairman of Mahindra & Mahindra Ltd. (M&M), Mahindra Ugine Steel Co. Ltd. , Mahindra Holdings & Finance Ltd., Board of Governors of Mahindra United World College of India, Vice-Chairman of Housing Development Finance Corporation Ltd., Director of The Bombay Burmah Trading Corporation Ltd., Pratham – India Education Initiative and United World Colleges (International) Ltd. U.K.

Committee Membership: Chairman & Member -Share Transfer and Shareholders/Investors Grievance Committee ; Chairman & Member- Loans and Investment Committee; Member- Remuneration/ Compensation Committee of the Board of M&M; Chairman - Compensation Committee of the Board of HDFC and Chairman - Remuneration Committee of the Board of The Bombay Dyeing & Mfg.Co.Ltd.

MR. R.A. SHAH

Mr. R.A. Shah, 75, is a leading Solicitor and a Senior Partner of M/s.Crawford Bayley & Company, a firm of Solicitors and Advocates. He specialises in a broad spectrum of corporate laws. Mr. R.A. Shah has been a Director on the Board of the Company since December 1979.

He holds 300 equity shares of the Company.



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Outside Directorship: Godfrey Philips India Ltd (Chairman), Pfizer Ltd. (Chairman), Roche Scientific Co. (I) Pvt. Ltd. (Chairman), Colgate Palmolive India Ltd. (Vice-Chairman), Abbot India Ltd., Asian Paints Ltd., BASF India Ltd., Clariant Chemicals India Ltd., Deepak Fertilisers & Petrochemicals Corporation Ltd., Procter & Gamble Hygiene and Healthcare Ltd., Nicholas Piramal India Ltd., Lupin Ltd., The Associated Cement Companies Ltd., BASF Polyurethanes India Ltd., Wockhardt Ltd., Atul Limited (Alternate Director), Century Enka Ltd. (Alternate Director), Modicare Ltd. (Alternate Director), RPG Life Sciences Ltd. (Alternate Director), Schrader Duncan Ltd. (Alternate Director), Uhde India Ltd. (Alternate Director), and 1 foreign company.

Committee Membership: Audit Committee of the Boards of Pfizer Ltd. (Chairman), Colgate Palmolive India Ltd. (Chairman), The Bombay Dyeing & Mfg. Co. Ltd (Chairman), Nicholas Piramal India Ltd. (Chairman), Clariant Chemicals India Ltd. (Chairman), BASF India Ltd., Abbot India Ltd., Procter & Gamble Hygiene and Healthcare Ltd., Century Enka Ltd. (Alternate Member) & Wockhardt Ltd. (Alternate Member) and Remuneration Committee of the Board of The Bombay Dyeing & Mfg. Co. Ltd. and Lupin Ltd.

DR.H.N.SETHNA

Dr. H. N. Sethna, 83, is B.Sc., B.Sc. (Tech.) from Bombay University and M.S.E. (Michigan); F.A. Sc., F.N.A., F.I.E., M.I.E. He has been conferred with Honorary Doctorates in Science by several Universities in the country and also I.I.T., Bombay and Delhi, apart from Honorary Doctorate in laws by Bombay University.

He was Director of the Bhabha Atomic Research Centre during the period 1966-72. He was appointed Secretary to the Government of India and Chairman Atomic Energy Commission during the period 1972-1981 and Principal Secretary to the Government of India and Chairman Atomic Energy Commission from 1981 to 1983. He was appointed a Member of the Research Advisory Committee of the Planning Commission, Government of India in 1998. He was appointed a Member of the Court of the Indian Institute of Science, Bangalore (1998-2001), the Court of University of Hyderabad (1998) and the Board of Trade, D.G.F.T., Government of India (1999).

He was awarded "Padma Shri" in 1959, followed by "Padma Bhushan" in 1966 and "Padma Vibhushan" in 1975.

Dr. Sethna is the recipient of several Awards including Pandit Jawaharlal Nehru Award for Engineering & Technological Sciences, "UDCT Diamond" Award from the University of Bombay, "Life time Contribution in Engineering Award" from the Indian National Academy of Engineering. He was on the Scientific Advisory Committee of the International Atomic Energy Agency from 1966 to 1981 and also on U.N. Scientific Advisory Committee in 1970. He was the Chairman of Tata Electric Companies from 1989 to 1999.

He has been a Member of several reputed Institutions and organisations. Dr. Sethna has been actively associated with leading Charitable Institutions.

He holds 5,152 equity shares of the Company.

Outside Directorship: Cabot India Limited (Chairman), WIMCO Limited (Chairman), Jost's Engineering Co.Ltd., Mahindra Ugine Steel Co. Ltd., The Mahindra United World College of India and 1 private limited company .

Committee Membership : Audit Committee of the Board of Wimco Ltd. (Chairman), The Bombay Dyeing & Mfg. Co. Ltd. and Cabot India Ltd. and Share transfer and Shareholders/Investors Grievance Committee of the Board of The Bombay Dyeing & Mfg. Co. Ltd. (Chairman).

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

P. GOVINDAN
Secretary

Mumbai, 24th May, 2007.

Registered Office:

Neville House,
J.N. Heredia Marg,
Ballard Estate,
Mumbai 400 001.
Phone: 22618071

THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

ANNEXURE TO NOTICE

Explanatory Statement:

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the Special Business mentioned under items 8 & 9 of the accompanying Notice dated 24th May, 2007.

Items 8 & 9

Under Section 293(1)(d) of the Companies Act, 1956 (the Act), the Board of Directors of a company cannot, except with the consent of the company in general meeting, borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital and free reserves of the company, that is to say, reserves not set apart for any specific purpose. The shareholders at the Extra-Ordinary General Meeting of the Company held on 2nd December, 1992 had accorded their consent to the Board of Directors borrowing upto Rs. 500 crores over the paid up capital of the Company and its free reserves.

Taking into consideration the requirements of additional funds to meet the cost of the Company's capital expenditure programmes as also additional working capital requirements of the Company, it is expected that the limit of Rs. 500 crores sanctioned by the shareholders is likely to be exceeded. The consent of the Shareholders is therefore, sought in accordance with the provisions of Section 293(1)(d) of the Act, to enable the Directors to borrow moneys to the extent of Rs. 1,500 crores. The Resolution at Item 8 is to obtain the consent of the shareholders for this purpose. Even with the proposed borrowings, the debt equity ratio of the Company will be within a reasonable limit.

The proposed borrowings of the Company may, if necessary, be secured by way of charge/ mortgage/ hypothecation on the Company's assets in favour of the secured lenders/trustees for the holders of the securities/debt instruments. As the documents to be executed between the secured lenders/trustees for the holders of the securities/debt instruments and the Company may contain the power to take over the management of business and concern of the Company in certain events, it is necessary to pass a resolution under Section 293(1)(a) of the Act, for creation of charges/mortgages/hypothecations for an amount not exceeding the borrowing limit of Rs. 1,500 crores in supersession of the Resolution passed on 2nd December, 1992.

The above proposals are in the interest of the Company and your Directors commend the Resolutions at Items 8 and 9 of the Notice for approval by the Members.

None of the Directors are interested in the Resolutions at Items 8 & 9 of the accompanying Notice.

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

P. GOVINDAN
Secretary

Mumbai, 24th May, 2007

Registered Office:
Neville House,
J. N. Heredia Marg,
Ballard Estate,
Mumbai 400 001.
Phone: 22618071



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10 YEARS' FINANCIAL REVIEW

(Rs. in Crores)

	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000	1998-1999	1997-1998
FINANCIAL POSITION										
Share capital	38.61	38.60	38.58	38.52	39.00	39.17	41.00	41.00	41.00	41.00
Reserves & Surplus	364.07	426.23	303.38	347.49	314.37	294.82	615.77	628.94	612.72	638.11
Net Worth :										
Total	402.68	464.83	341.96	386.01	353.37	333.99	656.77	669.94	653.72	679.11
Per Equity Share of Rs. 10	104.32	120.42	88.59	100.26	90.61	85.00	160.00	163.00	159.00	166.00
Borrowings	1052.40	558.37	354.46	362.60	380.90	292.45	597.87	602.35	667.58	655.12
Deferred Tax Liability	1.70	2.60	10.64	35.90	21.77	23.03	-	-	-	-
Debt Equity Ratio	1.35:1	0.78 : 1	0.25 : 1	-	0.01:1	0.20:1	0.10:1	0.03:1	0.37:1	0.30:1
Fixed Assets :										
Gross Block	1390.11	995.50	813.86	795.40	827.27	875.78	897.03	865.10	847.61	839.01
depreciation	512.86	596.19	622.38	573.15	573.23	578.99	550.55	507.42	456.20	405.31
Net Block	877.25	399.31	191.48	222.25	254.04	296.79	346.48	357.68	391.41	433.70
Investments and Other Assets	579.53	626.49	515.58	562.26	502.00	352.68	908.16	914.61	929.89	900.53
OPERATING RESULTS										
Sales and other										
Income	536.16	1143.64	1,172.41	1,072.51	1,005.37	932.04	1,042.41	1,048.71	952.09	1,024.14
Manufacturing and other Expenses	478.29	1,067.53	1,119.35	965.52	934.61	939.07	976.45	955.66	882.05	950.97
Depreciation	17.46	16.89	19.38	34.43	37.23	43.65	47.83	48.46	49.00	48.15
Profit before Tax	40.41	59.22	33.68	72.56	33.53	(50.68)	18.13	44.59	21.04	25.02
Current taxation	4.43	4.97	2.42	4.93	2.48	-	-	1.43	0.81	2.00
Deferred tax credit	(0.90)	(8.04)	4.70	14.13	(1.26)	21.62	-	-	-	-
Fringe benefit tax	0.95	0.95	-	-	-	-	-	-	-	-
Profit after Tax	35.93	61.34	26.56	53.50	32.31	(29.06)	18.13	43.16	20.23	23.02
Earnings per Equity										
Share of Rs. 10	9.31	16	7	14	8	(7)	4	11	5	6
Dividends :										
Amount	22.59	22.01	17.59	17.38	13.02	7.83	9.04	13.65	13.65	15.73
Percentage	50	50	40	40	30	20	20	30	30	35

Notes :

- Capital : Original Rs. 0.63 crore, Bonus Shares Rs. 21.02 crores, conversion of Debentures Rs. 0.83 crore, Global Depository 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, Equity shares bought back and extinguished upto 31st March, 2004 Rs. 2.55 crores, Equity shares issued under Employees' Stock Option Scheme Rs.0.16 crore. Average Share Capital for 2006-2007 - Rs. 38.61 crores.
- Reserves & surplus include revaluation reserve.
- Debt Equity ratio is on Long Term Debt.
- Sales and other Income include excise duty, sale of Assets etc.
- Dividend amount includes Corporate Dividend Tax on the proposed/interim dividend.
- Depreciation includes lease equalisation.

THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

SUMMARISED BALANCE SHEET

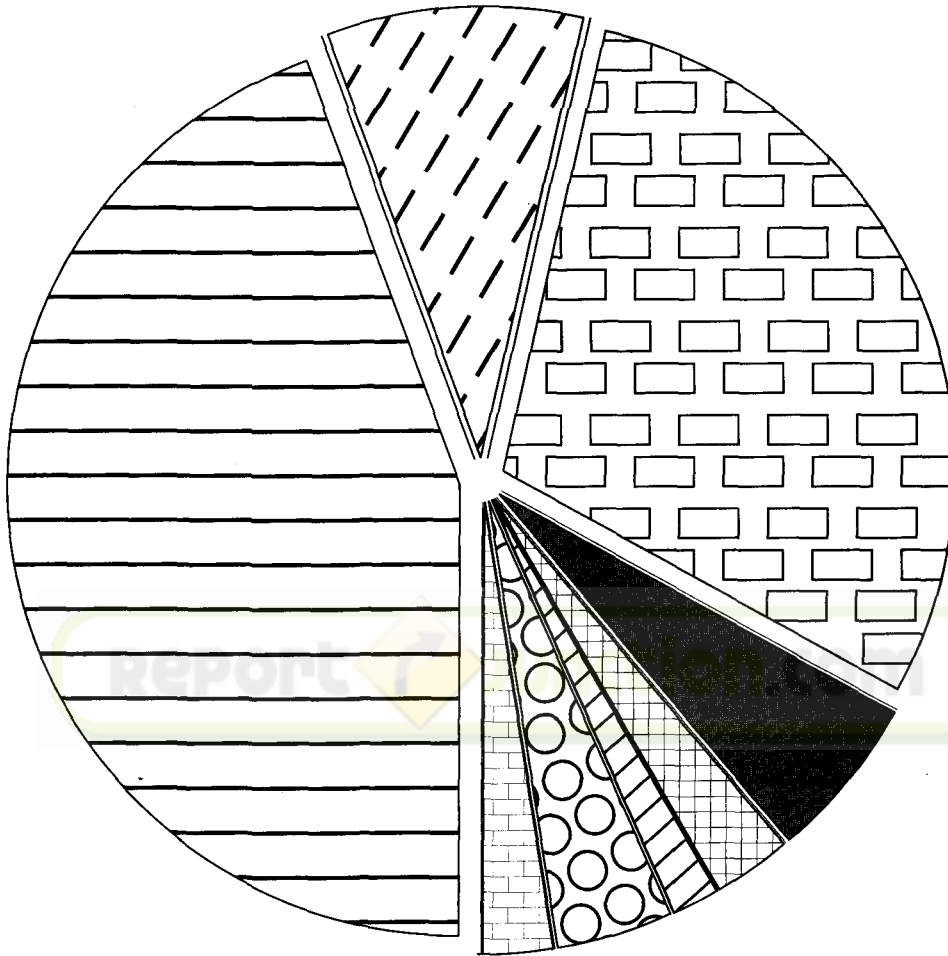
	31-03-2007	(Rupees in crores) 31-03-2006
WHAT THE COMPANY OWNED		
FIXED ASSETS		
Gross block	1,390.11	995.50
Less : Depreciation	512.86	596.19
Net block	877.25	399.31
INVESTMENTS		
In shares and securities	153.70	168.02
OTHER ASSETS		
Excess of "current assets, loans and advances" over "current liabilities and provisions" and deferred revenue expenditure.	425.83	458.47
TOTAL ASSETS	<u>1,456.78</u>	<u>1,025.80</u>
WHAT THE COMPANY OWED		
Secured and unsecured loans	1052.40	558.37
Deferred tax liability (Net)	1.70	2.60
SHAREHOLDERS' FUNDS		
Share capital - paid up	38.61	38.60
Reserves	364.07	426.23
	402.68	464.83
TOTAL (CAPITAL EMPLOYED)	<u>1,456.78</u>	<u>1,025.80</u>
SUMMARISED PROFIT AND LOSS ACCOUNT WE EARNED FROM .		
Sales of our products	502.54	1,118.33
Interest, dividends & other income	33.62	25.31
	<u>536.16</u>	<u>1,143.64</u>
WE PAID OR PROVIDED FOR		
Raw materials etc.	239.02	709.46
Payments to employees	48.85	54.73
Operating expenses	154.77	180.41
Finance charges	31.70	17.61
Depreciation	17.46	16.89
Excise duty and taxation	8.43	103.20
Dividend & corporate dividend tax	22.59	22.01
Retained earnings/	13.34	39.33
(excess of expenditure over income)		
	<u>536.16</u>	<u>1,143.64</u>

Note: Previous year's figures have been regrouped where necessary.



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DISTRIBUTION OF INCOME



	2006-2007 Amount (Rs. in crores)	%	2005-2006 Amount (Rs. in crores)	%
Raw materials etc.	239.02	44.58	709.46	62.04
Payments to employees	48.85	9.11	54.73	4.79
Operating expenses	154.77	29.27	180.41	15.77
Finance charges	31.70	5.91	17.61	1.54
Depreciation	17.46	2.86	16.89	1.48
Excise duty and taxation	8.43	1.57	103.20	9.02
Dividend & corporate dividend tax	22.59	4.21	22.01	1.92
Retained earnings	13.34	2.49	39.33	3.44
	<u>536.16</u>	<u>100.00</u>	<u>1,143.64</u>	<u>100.00</u>