

22<sup>nd</sup> June, 2020

**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001  
**BSE Scrip Code: 500020**

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

Dear Sirs,

**Sub: Annual Report for the Financial Year 2019-20 and Notice convening the 140<sup>th</sup> Annual General Meeting of the Company.**

**Ref: Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

In terms of Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the soft copy of the Annual Report which comprises of Directors' Report, Audited Standalone Financial Statements, Audited Consolidated Financial Statements and Auditor's Reports thereon, for the Financial Year ended 31<sup>st</sup> March, 2020, and the Notice convening the 140<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Wednesday, 15<sup>th</sup> July, 2020 at 11.00 a.m. through Video Conferencing (VC)/ Other Audio Visual Means (OAVM).

In compliance with Ministry of Corporate Affairs Circular no 20/2020 dated 5<sup>th</sup> May, 2020 read with Circular no. 14/2020 dated 8<sup>th</sup> April, 2020 and Circular no 17/2020 dated 13<sup>th</sup> April, 2020 respectively and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020, the Annual Report of the Company for Financial Year 2019-20 and Notice of 140<sup>th</sup> Annual General Meeting have been sent through email to all the Members whose Email Ids are registered with the Company/ Depository Participants.

You are requested to take the same on record.

Yours faithfully,

**For The Bombay Dyeing and Manufacturing Company Limited**



**Sanjive Arora**  
**Company Secretary**  
Encl. as above

. CC: National Securities Depository Ltd.,  
Trade World, 4<sup>th</sup> Floor, Kamala Mills Compound,  
S. Bapat Marg, Lower Parel,  
Mumbai - 400 013.

Central Depository Services (India) Ltd.,  
Phiroze Jeejeebhoy Towers, 16<sup>th</sup> Floor,  
Dalal Street,  
Mumbai- 400 023

Bourse de Luxembourg,  
Societe de La Bourse de Luxembourg,  
Societe Anonyme, R. C. 36222,  
BP 165, L- 2011,  
Luxembourg.

Citibank N.A.,  
DR Account Management,  
Citigroup Corporate & Investment Bank,  
14<sup>th</sup> Floor, 388, Greenwich Street,  
Newyork, NY (USA) 10013.

M/s KFin Technologies Pvt. Ltd.  
Selenium Building, Tower B,  
Plot 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad - 500 032



ARTIST'S IMPRESSION

**ANNUAL  
REPORT  
2019-20**



Bombay Dyeing is an iconic brand with deeply rooted aspirational values in each of its product offerings. Our endeavour would be to make our brand, products as well as the overall experience, 'Young, contemporary and ever-evolving' in the eyes of our consumers.

Besides strengthening our traditional core values of superior quality and unparalleled product range for consumers cutting across different social spectra, our focus will be to grow our consumer franchise. We will do so through product innovations, offerings that cater to diverse consumer preferences and by expanding product availability on multi-channel platforms.

With the economic outlook positive and lower interest rates, the real estate market too will witness improved demand. This year will see the completion of key milestones for our luxurious development in the heart of Mumbai.

We will continue our efforts with zeal and enthusiasm to create a better future and offer better value to all our stakeholders.





## CORPORATE INFORMATION

### DIRECTORS

**Nusli N. Wadia**, *Chairman*

**S. Ragothaman**

**Ness N. Wadia**

**V. K. Jairath**

**Keki M. Elavia**

**Minnie Bodhanwala**

**Sunil S. Lalbhai**

**Gauri Kirloskar**

**Jehangir N. Wadia**, *Managing Director*

### CHIEF EXECUTIVE OFFICERS

**Suresh Khurana** (*PSF*)

**Alokendra Banerjee** (*Retail*)

### CHIEF FINANCIAL OFFICER

**Hitesh Vora**

### COMPANY SECRETARY

**Sanjive Arora**

### REGISTERED OFFICE

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

### CORPORATE OFFICE:

C-1, Wadia International Center,  
Pandurang Budhkar Marg,  
Worli, Mumbai-400 025.

(CIN: L17120MH1879PLC000037)

Email: grievance\_redressal\_cell@  
bombaydyeing.com

Phone: (91) (22) 6662 0000

Fax: (91) (22) 6662 0069

Website: www.bombaydyeing.com

### AUDITORS

Messrs. Bansi S. Mehta & Co.

### ADVOCATES & SOLICITORS

Messrs. Crawford Bayley & Co.

Messrs. Royzz and Co.

Messrs. Negandhi Shah & Himayatullah

Messrs. Karanjawala & Co.

### REGISTRAR & TRANSFER AGENT

#### Corporate Office :

KFin Technologies Private Limited  
Unit: Bombay Dyeing  
Selenium Building, Tower B,  
Plot 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad, Telangana - 500 032, India.  
Telephone number: +91 40 6716 2222  
Fax number: +91 40 2342 0814  
E-mail: einward.ris@kfintech.com  
Website: www.kfintech.com

#### Mumbai Office:

KFin Technologies Private Limited  
Unit: Bombay Dyeing  
24-B, Raja Bahadur Mansion,  
Ground Floor, Ambalal Doshi Marg,  
Behind BSE, Fort,  
Mumbai 400 001  
Tel - 022 - 6623 5454/412/427

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**ISLAND CITY CENTER -**  
*International*  
**LIVING IN THE  
 HEART OF MUMBAI.**



Artist's Impression

*B*ombay Realty stems from a name of trust, sophistication, and a legacy of over 282 years. Iconic and innovative, we believe in being a responsible and green realtor, ensuring that all our developments embody the age-old values of our founders, the Wadia Group.

constructions of international standards, we have always made quality a priority.

Island City Center is a reflection of the lifestyle people have in sophisticated metropolises across the globe. The vast, landscaped open areas are sure to bring Hyde Park and Central Park to the minds of the residents. This is just a confirmation that Bombay Realty is a name which Indians have come to identify as the definition of refined living and sophistication.

disconnect from the chaos, the moment they step back in. As the East is set to become the new West with the proposed Navi Mumbai International Airport, ICC will become the new center of the city. With the Eastern Freeway, the upcoming MTHL, Monorail, and Coastal Road all easily reachable, one can get to every corner of the city within minutes from ICC.

Nestled amongst hundreds of trees, Island City Center is IGBC LEED gold-certified and built to the finest standards of 'Green-Design'. Here is where one can find a tranquil haven or an oasis of luxury in the heart of a bustling Mumbai.

Situated in Dadar (E), living at ICC ensures easy connectivity with the entire city while ensuring that its residents can



Actual shot on location

While living in Mumbai has its challenges and desirable homes which make for safe and well-connected abodes are hard to find, Bombay Realty has made it a priority to provide the elite of Mumbai an international lifestyle with ultra-spacious luxury residences in an oasis that is secure and green.

Bombay Realty has redefined the Mumbai skyline with projects such as Springs, AXIS Bank HQ, and now ICC. Across all these



Actual shot on location



Using cutting-edge technology, these glass facade towers are inspired by some of the world's most iconic towers, like the Burj Khalifa, Dubai, and The Ellipsis, Hong Kong. From energy-efficient glazing and lighting systems to organic waste converters, to highly eco-friendly landscaping and more, the 'green' features place ICC apart and make it the ideal space for a futuristic life in Mumbai.



Actual shot on location

wardrobes, and modular-kitchens; giving residents extravagantly appointed abodes with excellent panoramic views, while allowing for ample natural light.

The ventilation system also means that the air within the apartments is purified many times a day. This keeps up to 60% of pollutants out so that everybody living in these homes can breathe easy.

The extravagant clubhouse and welfare



Actual shot on location

center at ICC are also amongst the largest in the city. Over 140,000 sq. ft. of recreational and open areas to be shared by the residents of merely 500+ apartments, adds to the exclusive experience.

Catering to multiple preferences, we have over 45 indoor and outdoor privileges to choose from. One could favour a jog across our internationally-designed track or take a relaxing dip in the pool with the family. All these privileges are ready-to-use so that nothing comes between our residents and their enjoyment of life.

An esteemed list of international partners with unmatched expertise across construction and infrastructure allows us to implement unprecedented quality standards at Island City Center, ensuring that we set a benchmark for 'International Living' in Mumbai.



Actual shot on location

Safety is ensured by following international security standards from the entry gate point; the superstructures being under 24/7 surveillance. With just two or three apartments per lobby, we also offer the largest-in-class carpet areas across Mumbai. These VRV air-conditioned luxe living spaces feature the finest of international marble, elegant wooden flooring, expansive walk-in



Artist's Impression

**MahaRERA No.: P51900008726 | For more information, visit: <https://maharera.mahaonline.gov.in/>**

\*Conditions Apply. Representational images are not actual project images and are strictly for representational purpose only. \*\*No white goods and appliances included. The project "ONE ICC/TWO ICC" is registered as the Real Estate Phase Two Project under the provisions of the Real Estate (Regulation and Redevelopment) Act, 2016 and accordingly the authority has granted a Certificate of Registration bearing number P51900008726 dated 19.08.2017. Please note that Island City Center is developed in a phased-wise manner and consists of/shall consist of residential towers, commercial towers, recreational facilities, proposed commercial Food & Beverages, retail spaces and a proposed International school. "Elevation, sketch elevation, external spaces, common amenities and internal spaces are strictly for representational purposes only and are an artist impression of possible appearance and is/are not accurate and/or complete. The plans, designs, dimensions and elevations are as per current sanctioned plans and approvals, specifications, amenities and facilities will be set out in the agreements for sell and images are artistic impressions and purely for representational purposes. The Carpet area is subject to variance of +/-3%. The same may be subject to changes/revisions/alterations in terms of approvals, orders, directions and/or regulations of the concerned/relevant authorities, and/or for compliance with laws/regulations in force from time to time. The colours, shades of walls, tiles etc. are for representational purposes and will vary in planning and designing and upon actual construction. All features, landscaping, fixtures, fittings, goods, accessories and furniture reflected/displayed in this image(s) are strictly for illustrative and display purposes only and are not part of the standard final amenities and finishes. The Company reserves the right to change and modify the same, at its sole discretion without any notice or intimation. This does not constitute an offer and/or contract of any nature between the Company and the purchaser. All brand names and trademarks are the exclusive property of their respective owners. The terms and conditions of the Agreement for Sale between the Parties shall prevail and be binding Solely the amenities/ specifications, features mentioned in the agreement for sale (if any) shall be final." "Catalyst Trusteeship Limited ("CTL") acting in its capacity of a Trustee of India RE Opportunities Trust, is the lender on record for the Term Loan, and all rights, titles, interest and benefits in the Term Loan and the security created in connection with the Term Loan is held by CTL (on behalf of the India RE Opportunities Trust). The Apartment is a part of the security created by way of mortgage, and the receivables out of the Apartments are also hypothecated in each case, in favour of CTL for the repayment of the said Term loan. Accordingly, the concerned Apartment along with its receivables, booked/allotted / sold by this deed / letter is subject to the first and exclusive charge of CTL and valid execution of this letter/deed and any agreement in relation to the Apartment is subject to obtaining the prior written permission of CTL. The final transfer of the Apartment in favour of the purchaser/allottee shall be made only on receipt of the final no-objection certificate from CTL". The Allottee must refer the project details on RERA website '<https://maharera.mahaonline.gov.in/>' and/or the Agreement for Sell for actual details.



## NOTICE

### THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED

(CIN : L17120MH1879PLC000037)

Registered Office: Neville House, J. N. Heredia Marg,  
Ballard Estate, Mumbai – 400001.

Corporate Office: C-1, Wadia International Center,  
Pandurang Budhkar Marg,  
Worli, Mumbai – 400025.

Email: grievance\_redressal\_cell@bombaydyeing.com

Website: www.bombaydyeing.com

Phone: (91) (22) 66620000; Fax: (91) (22) 66620069

Notice is hereby given that the 140<sup>th</sup> Annual General Meeting of the Members of The Bombay Dyeing and Manufacturing Company Limited will be held on Wednesday, 15<sup>th</sup> July, 2020 at 11.00 a.m. through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the following business. The venue of the Meeting shall be deemed to be the Corporate Office of the Company at C-1, Wadia International Center, Pandurang Budhkar Marg, Worli, Mumbai - 400025.

#### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - a. the Audited Standalone Financial Statement of the Company for the Financial Year ended 31<sup>st</sup> March, 2020, together with the Reports of the Board of Directors and the Auditors thereon; and,
  - b. the Audited Consolidated Financial Statement of the Company for the Financial Year ended 31<sup>st</sup> March, 2020, together with the Report of the Auditors thereon.
2. To declare pro-rata dividend on Preference Shares for the financial year ended 31<sup>st</sup> March, 2020.
3. To declare dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2020.
4. To appoint a Director in place of Dr. (Mrs.) Minnie Bodhanwala (DIN: 00422067), a Non- Executive/Non Independent Director, who retires by rotation and being eligible, offers herself for re-appointment.

#### SPECIAL BUSINESS:

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 of the Companies Act, 2013 (“the Act”) and other applicable provisions of the Act and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Act and Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI (LODR) Regulations”) and pursuant to Articles 145 and 146 of the Articles of Association of the Company and such other approvals,

permissions and sanctions as may be required, the approval of the Company be and is hereby granted to the re-appointment of Mr. Jehangir N. Wadia (DIN:00088831), as Managing Director of the Company for a period of 5 years with effect from 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2026, on such terms and conditions including the terms of remuneration as approved by the Nomination and Remuneration Committee and by the Board of Directors at their respective Meetings held on 9<sup>th</sup> June, 2020, and as set out in the Explanatory Statement under Section 102 of the Act, annexed hereto and in the Agreement to be entered into between the Company and Mr. Jehangir N. Wadia, a draft whereof duly initialed by the Company Secretary for purposes of identification is submitted to this Meeting and which Agreement is hereby specifically sanctioned with liberty and power to the Board, in its discretion, to fix and to revise from time to time the actual remuneration of Mr. Jehangir N. Wadia within the ceilings stipulated in the Agreement and to alter/vary/modify/amend from time to time the terms and conditions of the said appointment and remuneration and/or Agreement in such manner as may be agreed to between the Board and Mr. Jehangir N. Wadia, provided that such alteration/variation/modification/amendment is in conformity with the applicable provisions of the Act, as amended from time to time.

**RESOLVED FURTHER THAT** where in any financial year during the currency of tenure of 5 years of Mr. Jehangir N. Wadia as Managing Director, the Company has no profits or its profits are inadequate, the Company may pay Mr. Jehangir N. Wadia for three financial years, the above remuneration as the minimum remuneration, in accordance with the provisions of Sections 197, 198, and other applicable provisions of the Act and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule-V to the Act and regulation 17(6)(e) of SEBI (LODR) Regulations.

**RESOLVED FURTHER THAT** any one of the Directors of the Company or Company Secretary or Chief Financial Officer of the Company, be and are hereby severally authorised to do all necessary acts, deeds, matters and things as may be considered necessary and desirable to give effect to this Resolution.”

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

**“RESOLVED THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, of the Companies Act, 2013, including any amendment(s), statutory modification(s) or re-enactment(s) thereof, for the time being in force, approval of the Members of the Company be and is hereby granted for continuation of holding office of Non-Executive Independent Director of the Company, by Mr. Keki Manchershia Elavia (DIN: 0003940) after his attaining the age of 75 (Seventy

Five) years on 9<sup>th</sup> April, 2021, for the remaining period of his tenure as a Non-Executive Independent Director of the Company upto 21<sup>st</sup> May, 2022, on the existing terms and conditions as approved by the Members through an ordinary resolution passed at Annual General Meeting of the Company held on 10<sup>th</sup> August, 2017.

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) or Chief Financial Officer or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and to take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 read with the Companies (Audit and Auditors) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, including any amendment(s), statutory modification(s) or re-enactment(s) thereof, the remuneration of ₹ 5,50,000/- (Rupees Five Lakh Fifty Thousand) plus applicable taxes and re-imbursment of actual travel and out-of-pocket expenses payable to M/s. D. C. Dave & Co., Cost Accountants, Mumbai, (Firm Registration No. 000611), the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2021, be and is hereby ratified.

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) and/or Company Secretary and/or Chief Financial Officer of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and to take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.”

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

“**RESOLVED THAT** in supersession of the resolution passed through postal ballot as on 11<sup>th</sup> May, 2017 and pursuant to the provisions of Section 180(1)(c) and all other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force, and in accordance with the Articles of Association of the Company, and subject to such other approvals, consents, sanctions and permissions, as may be necessary, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to borrow from time to time such sum or sums of money as they may deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with

the monies already borrowed by the Company (apart from cash credit arrangement, discounting of bills and other temporary loans obtained from Company's bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the paid-up share capital of the Company, free reserves and its securities premium, provided that the total amount up to which monies may be borrowed by the Board and which shall remain outstanding at any given point of time shall not exceed the sum of ₹ 5,500 Crore (Rupees Five Thousand Five Hundred Crore) apart from cash credit arrangement, discounting of bills and other temporary loans obtained from Company's bankers in the ordinary course of business.

**RESOLVED FURTHER THAT** any one of the Directors or Company Secretary or Chief Financial Officer of the Company be and are hereby severally authorised to do all necessary acts, deeds, matters and things, which may be required, expedient or proper to give effect to the above resolutions.”

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

“**RESOLVED THAT** in supersession of the resolution passed through postal ballot as on 11<sup>th</sup> May, 2017, and pursuant to the provision of Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force, and in accordance with the Articles of Association of the Company, and subject to such other approvals, consents, sanctions and permissions, as may be necessary, the consent of the Company be and is hereby accorded 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 which includes but not restricted to, Banks, Financial Institutions, Insurance Companies, Investment Institutions, other investing agencies, Housing Finance Companies, Bodies Corporate incorporated under any statute 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 ₹ 5,500 Crore (Rupees Five Thousand Five Hundred Crore) apart from cash credit arrangement, discounting of bills and other temporary loans obtained from Company's bankers in the ordinary course of business.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised 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.

**RESOLVED FURTHER THAT** any one of the Directors or Company Secretary or Chief Financial Officer of the Company be and are hereby severally authorised to do all necessary acts, deeds, matters and things, which may be required, expedient or proper to give effect to the above resolutions."

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

**SANJIVE ARORA**

Mumbai, 9<sup>th</sup> June, 2020

COMPANY SECRETARY  
FCS No. 3814

**Notes:**

1. In view of the outbreak of the Covid-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs ("MCA") allowed conducting Annual General Meeting ("AGM") through Video Conferencing ("VC") or

Other Audio Visual Means ("OAVM") and dispensed personal presence of the Members at the Meeting. Accordingly, the same with MCA issued Circular No. 20/2020 dated May 05, 2020 read with Circular No. 14/2020 dated April 08, 2020 and Circular No.17/2020 dated April 13, 2020 (hereinafter collectively referred to as "MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (hereinafter referred to as "SEBI Circular") prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. In terms of the said Circulars, the 140<sup>th</sup> AGM of the Members will be held through VC/OAVM mode. Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the Meeting through VC/OAVM is given herein below.

2. The Company has appointed National Securities Depository Limited ("NSDL"), to provide VC/OAVM facility for the AGM and the attendant enablers for conducting of the AGM.
3. Pursuant to the provisions of the MCA Circulars and SEBI Circular for conducting AGM through VC/OAVM:
  - i. Members can attend the Meeting using the remote e-Voting login credentials provided to them to connect to Video conference.
  - ii. Pursuant to the provisions of the Companies Act, 2013 ("the Act"), a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since, this AGM is being held pursuant to the MCA Circulars and SEBI Circular through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
  - iii. Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through remote e-voting or e-voting during the Meeting.
  - iv. In case of joint holders attending the AGM through video conferencing, only such joint holder who is higher in the order of names will be entitled to do the e-Voting.
4. Members are requested to participate on first come first serve basis, as participation through video conferencing is limited and will be closed on expiry of 15 minutes from the schedule time of the AGM. However, the participation of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and



Remuneration Committee, Stakeholders Relationship Committee and Auditors, etc. is not restricted on first come first serve basis. Members can login and join 15 (fifteen) minutes prior to the schedule time of meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time of the Meeting.

5. The attendance of the Members (members logins) attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. In line with the MCA Circulars and SEBI Circular, the Notice calling the AGM and Annual Report has been uploaded on the website of the Company at [www.bombaydyeing.com](http://www.bombaydyeing.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and is also available on the website of e-voting agency NSDL at the website address [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. Procedure for obtaining the Annual Report, AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the depositories or with Registrar & Transfer Agent on physical folios.

On account of threat posed by COVID-19 and in terms of the above mentioned MCA Circulars and SEBI Circular, the Company has sent the Annual Report, Notice of AGM and e-Voting instructions only in electronic form to the registered email addresses of the shareholders. Therefore, those shareholders who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

- i. Those shareholders who have registered/not registered their e-mail address or registered an incorrect email address and mobile numbers including address and bank details may please contact and validate/update their details with the Depository Participant in case of shares held in electronic form and with M/s KFin Technologies Private Limited, Registrar & Transfer Agent of the Company ("RTA") in case the shares are held in physical form.
- ii. Shareholders who have not registered their e-mail address or registered an incorrect email address and in consequence the Annual Report, Notice of AGM and e-voting notice could not be serviced, may also temporarily get their email address and mobile number provided with the Company's RTA, by clicking the link: [https://ris.kfintech.com/email\\_registration/emailreg](https://ris.kfintech.com/email_registration/emailreg) for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any query, please refer to the FAQs for Shareholders and e-voting user manual

for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

8. Instructions for the Members for attending the AGM through Video Conference:
  - i. Members will be provided with a facility to attend the AGM through video conferencing platform provided by NSDL. Members may access the same at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) under "shareholders/ members" login by using the remote e-Voting credentials. The link for AGM will be available in shareholder/members login where the EVENT and the name of the Company can be selected. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice. Further, Shareholders can also use the OTP based login for logging into the e-voting system of NSDL.
  - ii. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
  - iii. Further, Members will be required to allow camera, if any, and hence use Internet with a good speed to avoid any disturbance during the Meeting.
  - iv. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuations in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  - v. Due to limitations of transmission and coordination during the Q&A session, the Company may dispense with the speaker registration during the AGM.
9. An Explanatory Statement pursuant to Section 102 of the Act which sets out details relating to the Special Business at the Meeting, is annexed hereto and forms part of the Notice.
10. Brief resume of Directors proposed to be appointed/re-appointed, nature of their expertise in functional areas, names of companies in which they hold directorship and Membership/Chairmanship of Board Committees and shareholding, are hereto furnished in Annexure to the Notice.
11. The Register of Members and the Share Transfer Books of the Company will be closed from Friday, 10<sup>th</sup> July, 2020 to Wednesday, 15<sup>th</sup> July, 2020 both days inclusive for determining names of Members eligible for payment of dividend.
12. The dividend as recommended by the Board of Directors, if approved by the Members at the 140<sup>th</sup> AGM, shall be paid on or after Thursday, 16<sup>th</sup> July, 2020 to those Members whose names

appear on the Register of Members of the Company on Thursday, 9<sup>th</sup> July, 2020 in respect of shares held in physical form. In respect of shares held in electronic form, the dividend for the year ended 31<sup>st</sup> March, 2020 will be paid on or after Thursday, 16<sup>th</sup> July, 2020 to the beneficial owners of shares as at the closing hours of Thursday, 9<sup>th</sup> July, 2020 as per details furnished by NSDL and Central Depository Services (India) Ltd. ("CDSL") for this purpose.

In respect of 8% Redeemable Non-convertible Non-cumulative Preference Shares ("RNNP Shares") of ₹ 100/- each, which were allotted on 2<sup>nd</sup> May, 2019, dividend will be paid on pro-rata basis for the period 2<sup>nd</sup> May, 2019 to 31<sup>st</sup> March, 2020 to the holders of RNNP Shares whose name appeared on the Company's Register of Members on 31<sup>st</sup> March, 2020.

13. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1<sup>st</sup> April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by uploading the same with the Companies RTA at <https://ris.kfintech.com/form15> or email to the RTAs Registered Email address at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) by 11:59 p.m. IST on Thursday, 9<sup>th</sup> July, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by uploading the same with the Companies RTA at <https://ris.kfintech.com/form15> or sending an email to the RTAs Registered Email address at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on 9<sup>th</sup> July, 2020 in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate. No communication on the tax determination/deduction shall be entertained post 9<sup>th</sup> July, 2020. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from the shareholder, there would still be an option available with the shareholder to file the return of income and claim an appropriate refund, if eligible.

14. In view of the circular issued by SEBI, the Electronic Clearing Services ("ECS/NECS") facility should mandatorily be used by the companies for the distribution of dividend to its Members. In order to avail the facility of ECS/NECS, Members holding shares in physical form are requested to provide bank account details to the Company or its RTA.

Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

15. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA.
16. Pursuant to Section 124 of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules, 2016") dividends for the financial year ended 31<sup>st</sup> March, 2013 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	Date of transfer to the unpaid Dividend account	Due date for transfer to IEPF
2012-13	06.08.2013	11.09.2013	10.09.2020
2013-14	08.08.2014	13.09.2014	12.09.2021
2014-15	06.08.2015	12.09.2015	11.09.2022
2015-16	10.08.2016	15.09.2016	14.09.2023
2016-17	10.08.2017	15.09.2017	14.09.2024
2017-18	07.08.2018	13.09.2018	12.09.2025
2018-19	05.08.2019	12.09.2019	11.09.2026

The Company has been sending reminders to those members having unpaid/unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/unclaimed dividend(s) are also uploaded as per the requirements, on the Company's website [www.bombaydyeing.com](http://www.bombaydyeing.com).

Members who have so far not encashed the Dividend for the above years are advised to submit their claim to the Company's RTA at their Registered Address given below, immediately quoting their folio number/ DP ID & Client ID.

KFin Technologies Private Limited  
 (Unit: Bombay Dyeing)  
 Selenium Tower B, Plot 31-32, Gachibowli,  
 Financial District, Nanakramguda, Hyderabad,  
 Telangana – 500 032, India  
 Telephone number: +91 40 6716 2222  
 Fax number: +91 40 2342 0814  
 E-mail: einward.ris@kfintech.com  
 Website: www.kfintech.com

17. The MCA had notified the IEPF Rules, 2016 effective from 7<sup>th</sup> September, 2016. Further, the MCA had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 on 28<sup>th</sup> February, 2017 ("IEPF Rules, 2017").

The Rules, contain provisions for transfer of all those shares in respect of which dividend has not been encashed or claimed by shareholders for seven consecutive years or more in the account of the IEPF Authority.

In terms of the said Rules, the Company has already transferred to the IEPF Authority those shares in respect of which dividend has not been encashed or claimed by shareholders for seven consecutive years or more in Financial Year 2019-20.

Accordingly, the Company would be transferring every year to the IEPF Authority those shares in respect of which dividend has not been encashed or claimed by shareholders for seven consecutive years. Members who have so far not encashed the Dividend for seven consecutive years are advised to submit their claim to the Company's RTA at the aforesaid address immediately quoting their folio number/ DP ID & Client ID, to avoid of transfer of their shares to IEPF Authority.

18. Members holding shares in physical form may avail themselves of the facility of nomination in terms of Section 72 of the Act 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 Registered Office or at Company's Corporate Office at C-1, Wadia International Center (Bombay Dyeing), Pandurang Budhkar Marg, Worli, Mumbai - 400025 or from its RTA at their aforesaid address.
19. In accordance with the proviso to Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions.

20. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its RTA or the concerned Depository Participant, as the case may be:

- change in the residential status on return to India for permanent settlement.
- particulars of the NRE account with a Bank in India, if not furnished earlier.

21. **Procedure to raise questions/seek clarifications with respect to Annual Report:**

- As the AGM is being conducted through VC/OAVM, Members are encouraged to express their views/ send their queries in advance mentioning their name, DP Id and Client Id/Folio No., e-mail id, mobile number at grievance\_redressal\_cell@bombaydyeing.com to enable smooth conduct of proceedings at the AGM. Questions/Queries received by the Company on or before Thursday, 9<sup>th</sup> July, 2020 on the aforementioned e-mail id shall only be considered and responded to during the AGM.
- Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP Id and Client Id/Folio No., PAN, mobile number at grievance\_redressal\_cell@bombaydyeing.com on or before Thursday, 9<sup>th</sup> July, 2020. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. Speakers are requested to submit their questions at the time of registration, to enable the Company to respond appropriately.
- The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the AGM.

22. **The instructions for shareholders voting electronically are as under:**

In compliance with provisions of Section 108 of the Act, read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its Members, the facility to exercise their right to vote on resolutions proposed to be considered at the 140<sup>th</sup> AGM by electronic means and the business may be transacted through remote e-Voting Services. The facility of casting the votes by the Members using an electronic voting system will also be provided at the AGM by NSDL.

Members who have voted through remote e-Voting will be eligible to attend the AGM but will not be eligible to vote thereat.



- I. **The remote e-voting period commences on Sunday, 12<sup>th</sup> July, 2020 at 9.00 a.m. and ends on Tuesday, 14<sup>th</sup> July, 2020 at 5.00 p.m. During this period, the Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of Thursday, 9<sup>th</sup> July, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present at the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting, shall be eligible to vote through e-voting system during the AGM.**
- II. Once the vote on a resolution is cast by the Member, such Member will not be allowed to change it subsequently.
- III. A person who is not a Member as on cut-off date should treat this Notice for information purpose only.
- IV. A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date, viz., Thursday, 9<sup>th</sup> July, 2020 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through electronic voting system.
- V. Mr. P. N. Parikh (FCS 327, CP 1228), and failing him, Mr. Mitesh Dhabliwala (FCS 8331, CP 9511) from M/s. Parikh & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

The Results declared along with the report of the Scrutiniser will be placed on the website of the Company [www.bombaydyeing.com](http://www.bombaydyeing.com) and on the website of NSDL i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of result by the Chairman or Managing Director or any one Director of the Company. The results shall also be immediately forwarded to BSE Limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed.

- VI. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the AGM i.e. 15<sup>th</sup> July, 2020.

#### VII. How to vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

How to Log-in to NSDL e-voting website?

- I. Visit the e-voting website of NSDL. Open web browser by typing the following URL: [www.evoting.nsdl.com/](http://www.evoting.nsdl.com/) either on a Personal Computer or on a mobile.
- II. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- III. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at [www.eservices.nsdl.com/](http://www.eservices.nsdl.com/) with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.*

- IV. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID. For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- V. Your password details are given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password'

which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c. How to retrieve your 'initial password'?
  - i. If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - ii. If your Email ID is not registered, please follow the process as given in Notice.
- VI. If you are unable to retrieve or have not received the 'initial password' or you have forgotten your password:
  - a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nSDL.com](http://www.evoting.nSDL.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nSDL.com](http://www.evoting.nSDL.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nSDL.co.in](mailto:evoting@nSDL.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- VII. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- VIII. Now, you will have to click on "Login" button.
- IX. After you click on the "Login" button, Home page of e-Voting will open.

### **Step 2: Cast your vote electronically on NSDL e-voting system**

How to cast your vote electronically on NSDL e-voting system?

- I. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on "e-voting". Then, click on "Active Voting Cycles".
  - II. After clicking on "Active Voting Cycles", you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
  - III. Select "EVEN" of "The Bombay Dyeing and Manufacturing Company Ltd."
  - IV. Now you are ready for e-voting as the Voting page opens.
  - V. Cast your vote by selecting appropriate options i.e. "Assent" or "Dissent", verify/ modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
  - VI. Upon confirmation, the message "Vote cast successfully" will be displayed.
  - VII. You can also take the printout of the votes cast by you by clicking on the "print" option on the confirmation page.
  - VIII. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
23. **The instructions for Members for e-voting at the AGM:**
- I. The procedure for e-Voting at the AGM is same as the instructions mentioned above for remote e-voting.
  - II. As mentioned hereinabove, only those Shareholders, who will be present at the AGM through VC/ OAVM facility and who have not cast their vote by remote voting prior to the AGM and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.
  - III. Shareholders who have voted through remote e-voting will be eligible to attend the AGM and their presence shall be counted for the purpose of quorum, however such Shareholders shall not be entitled to cast their vote again at the AGM.
24. **General Guidelines for shareholders**
- I. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to [cs@parikhassociates.com](mailto:cs@parikhassociates.com) with a copy marked to [evoting@nSDL.co.in](mailto:evoting@nSDL.co.in).

- II. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
25. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred to in the Notice will be available for inspection in electronic mode on NSDL portal.
26. The Annual Report of the Company including the Notice convening the AGM circulated to the Members of the Company will be available on the Company's website at www.bombaydyeing.com.
27. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

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

**SANJIVE ARORA**

Mumbai, 9<sup>th</sup> June, 2020

COMPANY SECRETARY

#### **ANNEXURE TO THE NOTICE**

#### **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("the Act"):**

##### **Item 5**

At the AGM held on 10<sup>th</sup> August, 2016, Mr. Jehangir N. Wadia (hereinafter referred to as "Mr. Wadia") was re-appointed as the Managing Director ("MD") of the Company for a period of 5 years with effect from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2021.

Thereafter, the Members at its 138<sup>th</sup> AGM of the Company held on 7<sup>th</sup> August, 2018, approved the revision in his remuneration whereby the maximum remuneration payable to Mr. Wadia was revised w.e.f. 1<sup>st</sup> April, 2018 to the remainder of his term i.e. upto 31<sup>st</sup> March, 2021.

As the current term of Mr. Wadia is coming to expire on 31<sup>st</sup> March, 2021, the Board of Directors at its Meeting held on 9<sup>th</sup> June, 2020, has re-appointed Mr. Wadia as Managing Director of the Company pursuant to provisions of Sections 196, 197, 198 and 203, read with Schedule V of the Act and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable provisions of the Act, if any, for a further period of five years with effect from 1<sup>st</sup> April, 2021 upto 31<sup>st</sup> March, 2026 on his existing terms and conditions including remuneration as recommended by the Nomination

and Remuneration Committee and as set out in the Agreement to be entered into between the Company and Mr. Wadia.

The material terms of his appointment and payment of remuneration to him contained in the draft Agreement proposed to be entered into by the Company with Mr. Wadia are summarized below:

1. Mr. Wadia will serve the Company as Managing Director for a term of 5 years with effect from 1<sup>st</sup> April, 2021.
2. Mr. Wadia shall carry out such functions, exercise such powers and perform such duties as the Board shall, from time to time, in their absolute discretion determine and entrust to him.
3. Subject to the superintendence, direction and control of the Board, Mr. Wadia as MD shall (i) have the general control of the business of the Company and be vested with the Management and day to day affairs of the Company (ii) have the authority to enter into contracts on behalf of the Company in the ordinary course of business and (iii) have the authority to do and perform all other acts, deeds, matters and things which in the ordinary course of such business be considered necessary or proper in the best interests of the Company.
4. Mr. Wadia shall devote his whole time and attention to the business of the Company, exert his best endeavours to promote its interests and welfare and attend his place of employment at all proper times.
5. (i) Mr. Wadia shall undertake such travelling in and outside India as may be necessary in the interest of the Company's business or as may from time to time be required or directed by the Board in connection with or in relation to the business of the Company.  
(ii) Mr. Wadia shall be entitled to reimbursement of all expenses including travelling, entertainment/business promotion and other out-of pocket expenses incurred by him in connection with or in relation to the business of the Company.

6. In consideration of the performance of his duties, Mr. Wadia shall be paid the following remuneration:

Basic Salary upto a maximum of ₹ 18,75,000/- per month.

Other benefits, perquisites and allowances will be determined by the Nomination & Remuneration Committee or the Board of Directors from time to time, reimbursement of actual medical expenses incurred on self and family (wife and children).

Bonus as may be approved by the Board on the recommendation of the Nomination and Remuneration Committee based on performance criteria, The MD shall also be eligible and entitled for the following perquisites:



- (a) Contribution to provident fund, superannuation fund or annuity fund as per the rules of the Company and shall not be included in the computation of ceiling on remuneration to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- (b) Gratuity / Ex-gratia as per the rules of the Company and shall not be included in the computation of ceiling on the remuneration to the extent it is not taxable under the Income Tax Act, 1961; and
- (c) Encashment of leave at the end of the tenure as per the rules of the Company and shall not be included in the computation of ceiling on remuneration.

Entitled to leave in accordance with the policy of the Company.

Provision of car for use on Company's business, mobile phone and telephone at residence as per the Company's rules and policies, would not be considered as perquisites.

The value of the perquisites would be evaluated as per the Income Tax Rules, 1962 wherever applicable and at cost in absence of such Rule.

The Nomination and Remuneration Committee or the Board of Directors may, at its discretion, fix the actual remuneration of Mr. Wadia and revise the same from time to time, within the maximum limits specified hereinabove.

During the tenure of 5 years of his appointment, if the Company for any period of 3 financial years has no profits or its profits are inadequate, the Company may pay Mr. Wadia remuneration as set out herein as the minimum remuneration payable to Mr. Wadia in accordance to the provisions of Sections 197, 198, 203 and other applicable provisions of the Act and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- 7. The rules and policies of the Company which are applicable to other senior executives of the Company shall also apply to Mr. Wadia.
- 8. Mr. Wadia shall not be paid any sitting fees for attending Meetings of the Board or of any Committee thereof.
- 9. Mr. Wadia shall not, except in the proper course of his duties during the continuance of his employment with the Company or any time thereafter divulge or disclose to any persons whomsoever or make use whatsoever for his own purpose or for any purpose of any information or knowledge obtained by him during his employment as to the business and/or affairs of the Company and/or trade secrets or secret processes of the Company.

10. Mr. Wadia shall not in the event of his ceasing to be MD of the Company before the expiry of the term of 5 years, for the remainder of such period:

- (a) Either alone or jointly with or as an employee of any person, firm or company, directly or indirectly, carry on or engage in any activities or business which shall be in competition with the business of the Company; and
- (b) In connection with carrying on any business similar to or in competition with the business of the Company on his behalf or on behalf of any person, firm or company, directly or indirectly:
  - (i) Seek to procure orders or do business with any person, firm or company, who has at any time during the two years, immediately preceding such cessation of employment, done business with the Company; or
  - (ii) Endeavour to entice away from the Company any person who has at anytime during the two years immediately preceding such cessation of employment, done business with, or engaged by, the Company. Provided that nothing in this clause shall prohibit seeking or procuring of orders or doing of business not related or similar to the business/businesses of the Company.

- 11. The employment of Mr. Wadia shall forthwith determine if he becomes insolvent or cease to be a Director of the Company. He shall cease to be a Director if the Agreement is terminated and he ceases to be employed as MD.
- 12. If Mr. Wadia be guilty of any misconduct or any breach of the Agreement which in the opinion of the Board may render his retirement from the office of MD desirable, the Company may by not less than 30 days' notice in writing to him determine the Agreement and he shall cease to be MD of the Company upon the expiration of such notice.
- 13. Either party shall be entitled to terminate the Agreement by giving not less than six calendar months' prior notice in writing in that behalf to the other party; provided that the Company shall be entitled to terminate Mr. Wadia's employment at any time by payment to him of six months' basic salary in lieu of such notice.
- 14. If Mr. Wadia ceases to be MD of the Company, he shall be deemed to have resigned from the office of Director as and from the date of such cessation.

The Board will have the authority to vary/modify/amend any of the aforesaid terms and conditions provided such variation/modification/amendment is in conformity with the applicable provisions of the Act as amended from time to time and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Directors consider the aforesaid remuneration commensurate with the duties and responsibilities of Mr. Wadia.

Approval of the Members is being sought by way of special resolution for approving the appointment of Mr. Wadia for five years and approving the payment of remuneration in excess of the limits prescribed under the Act in accordance with the first and second proviso of section 197 read with the first proviso of Part A of Section II of Part II of the Schedule V of the Act and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Regulation 17(6)(e) of the SEBI Listing Regulations require the listed entity to obtain approval of the shareholders by way of special resolution for payment of annual remuneration to Promoter-Executive Director which exceeds ₹ 5 crores or 2.5% of the net profits of the listed entity, whichever is higher, or where there is more than one such Director, the aggregate annual remuneration to such Directors, exceeds 5% of the net profits of the listed entity.

Accordingly, the necessary special resolution for payment of remuneration to the Managing Director is set out herein.

The draft Agreement to be entered into by the Company with Mr. Wadia is available for inspection during the AGM in e-form.

This may also be treated as an abstract of the terms and conditions of the Agreement between the Company and Mr. Jehangir N. Wadia, when executed, and memorandum of interest pursuant to Section 190 of the Act.

Mr. Wadia being MD would not be liable to retire by rotation in terms of the Articles of Association of the Company.

The other information as required under Section II of Part II of Schedule V of the Act are given below:

#### I. GENERAL INFORMATION

1	Nature of Industry	Real Estate Business; Manufacturing of Polyester Staple Fibre; Textile Retail Business.																	
2	Date or expected date of commencement of commercial Production	Not Applicable (The Company is an existing company)																	
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable																	
4	Financial performance based on given indicators	<table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="3">(In ₹ crores) Financial years</th> </tr> <tr> <th>2019-20</th> <th>2018-19</th> <th>2017-18</th> </tr> </thead> <tbody> <tr> <td>Total Revenue</td> <td>1944.66</td> <td>4470.86</td> <td>2744.00</td> </tr> <tr> <td>Profit After Tax</td> <td>327.87</td> <td>1229.98</td> <td>34.41</td> </tr> </tbody> </table>			Particulars	(In ₹ crores) Financial years			2019-20	2018-19	2017-18	Total Revenue	1944.66	4470.86	2744.00	Profit After Tax	327.87	1229.98	34.41
Particulars	(In ₹ crores) Financial years																		
	2019-20	2018-19	2017-18																
Total Revenue	1944.66	4470.86	2744.00																
Profit After Tax	327.87	1229.98	34.41																
5	Foreign investments or Collaborators, if any	Nil																	

## II. INFORMATION ABOUT THE MANAGING DIRECTOR

### 1. Background details :

Mr. Jehangir N. Wadia, 46, is a Master in Science from the Warwick University in Coventry, UK. He is the co-author of the restructuring of the Wadia Group. The restructuring involved looking at new financial and strategic investments for the group. The investments concluded ranged from a Venture Fund for technology companies to Ports, Clinical research, Education, Real Estate and Aviation.

### 2. Past remuneration:

FINANCIAL YEAR	AMOUNT INCLUDING RETIRAL BENEFITS (in Cr.)*
2017-18	6.81
2018-19	8.13
2019-20	7.09

\*Includes the Company's contribution to Provident and Superannuation Funds, but excludes gratuity and re-imbursment of fuel and maintenance of car.

### 3. Recognition or awards:

The World Economic Forum elected him as a Young Global Leader in the year 2008.

### 4. Job profile and his suitability:

Over and above what is mentioned in background details in item II (i) above,

Mr. Wadia is a part of the Senior Management and Key Managerial Personnel, responsible for the operations and affairs of the Company. Taking into consideration his qualification and expertise in relevant fields, he is suited for the responsibilities assigned to him by the Board of Directors.

### 5. Remuneration proposed:

Please refer to paragraph 6 of the material terms of appointment summarized above.

### 6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

Taking into consideration the size of the Company, the profile of Mr. Wadia, the responsibilities of three divisions and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to senior level counterparts in other companies and has also been considered by the Nomination and Remuneration Committee of the Company at their meeting held on 9<sup>th</sup> June, 2020.

### 7. Mr. Jehangir N. Wadia has no pecuniary relationship directly or indirectly with the Company except to the extent of his remuneration and shareholdings in the Company.

### 8. Mr. Jehangir N. Wadia holds 2,87,525 number of shares in the Company.

## III. OTHER INFORMATION

### A. Reasons for loss or inadequacy of profits:

#### Bombay Realty:

The real estate segment which was already reeling under the impact of the economic slowdown and thereby weak sales had to face the brunt of the Covid-19 impact. The footfalls of customers have been severely impacted, which has created difficulties in selling inventories in the current scenario. The Company expects the economic activity to open up in a phased manner and gradually pick up pace in the coming months after normalcy sets in.

#### Home & You (Textiles Division):

There has been an economic slowdown leading to fewer footfalls in stores. E-commerce traffic is growing as shoppers prefer to order online.

Domestic Home Textile category continues to evolve rapidly in India. Increased penetration of organized retail is likely to drive demand for home textiles. The revenue decline was due to lesser demand from the General Trade's traditional customers as compared to the Modern Trade and E-commerce customers.

#### PSF Division:

The Polyester Division ("PSF Division") achieved a turnover of ₹ 1,114.58 crores during the year ended 31<sup>st</sup> March, 2020, as compared to ₹ 1,439.28 crore in the previous year. The fall in revenue was due to 8% drop in sales volume and significantly lower PSF prices resulting from weak raw material price. The raw material and PSF prices remained volatile during the year tracking the movement in petrochemicals and crude oil prices. The average capacity utilization was 87%, which was slightly lower than last year (89%), on account of overall depressed market. Capacity utilization was significantly better than the industry average capacity utilization of around 75%.

PSF industry saw a flat demand in the country. Continuing cheap imports from China and substantial surplus capacity built up in the country disrupted the domestic market resulting in negative impact on the Company's PSF business.

### B. Steps taken or proposed to be taken for improvement:

On an ongoing basis, the Company continues to take steps for cost reduction and improve the profitability. Following are some of the specific measures taken by it to control costs and improve its competitive position and performance of the Company:

Organisation structure for support services within the organization has been revised to reduce overhead cost. The management has identified areas of cost reductions, particularly in the areas of IT, finance, HR, and same are being implemented.

**Bombay Realty:**

The slew of measures announced by the government to revive the real estate sector in the last quarter of 2019 would repose some confidence in the real estate market. Also, the various measures taken by the government like implementation of RERA, GST & DCPR (2034), reduction of stamp duty to 5%, instalment schemes to developers for premium payments, etc. will help to revive the real estate market.

With ready to move in inventory of the Company's projects at ICC One & Two in Dadar, Mumbai, investors and end users may look into this as a suitable investment opportunity.

The Company enjoys the benefits of two large contiguous land parcels with clear titles, giving it a significant advantage over other real estate players. The strategic location of two sites, well connected with the commercial hub of Central Mumbai and equidistant from the commercial hubs of South Mumbai and Bandra-Kurla Complex, is expected to add value to the sites.

**Home & You (Textiles Division):**

E-Commerce and Modern Trade are two growing channels in the retail sector. Last year the brand attained a leadership position in a major modern Trade format and E-commerce site. It is further geared up to explore all emerging opportunities and re-invent the marketplace.

With its sale channels reinvented, the Company is attempting a makeover in the retail segment with a young team at the helm. Product packaging has long been an important aspect of the retail experience, because of the marketing, usability, and environmental dimensions and it seems like another facet is about to get a lot more attention than before viz. hygiene. As industry fore-runners, the Company would like to invest in developing sustainable packaging solutions that are more ecologically and environmentally friendly, while still being easy to clean and disinfect.

**PSF Division:**

The Division is continuing to pursue improved product mix with higher percentage of value added specialty products like black, optical white and micro products to improve sales realisations and margins. New overseas markets are being pursued, aiming to increase the customer base as well as identifying new opportunities for increased export volume and revenue. This will lead to improved capacity utilization.

The Division continues to drive cost reduction measures in the area of production such as substituting usage of material, reduction in process wastages, lower consumption of chemicals and catalyst etc. which will result in significant cost reduction over a period of time. Steps are being taken to reduce energy, power and packing costs to help improve margin.

**C. Expected increase in productivity and profits in measurable terms:**

The Company is expecting to derive the benefits of the steps initiated during the year, from the year 2021-22 onwards. Also the negative impact of Covid 19 pandemic is expected to wither out in a few months and the stalled economy is expected to witness the headwind in the near future.

The proposed remuneration is quite commensurate with Mr. Jehangir Wadia's qualification and experience and in line with the norms generally prevailing in the industry. It is only reasonable that his salary must be protected even when the Company has inadequate profits or loss in any financial year.

It may be noted that construction industry is highly technical and subject to several ever changing regulatory approvals and compliances. At the same time, customers expect completion of the project in time with the best quality of workmanship.

The industry wage structures are also high and Company has to pay aggressive remuneration to recruit and retain high performing managers. Considering this, remuneration paid to Mr. Jehangir N. Wadia is commensurate with the market and the Company practice.

Accordingly, the necessary special resolution for the re-appointment of Mr. Wadia as the Managing Director of the Company is set out at item no. 5 of the Notice.

Mr. Jehangir N. Wadia is not debarred or disqualified from continuing to act as a director of companies by SEBI, MCA or any other statutory authority.

Mr. Jehangir N. Wadia is interested in the resolution set out at Item No. 5 of the Notice. Mr. Nusli N. Wadia and Mr. Ness N. Wadia being related to Mr. Jehangir N. Wadia may be deemed to be interested in the said resolution. The other relatives of Mr. Jehangir N. Wadia may be deemed to be interested in the said resolution of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Special resolution set out at Item No. 5 of the Notice for approval by the Members.



**Item 6**

Pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a listed entity is required to avail approval of shareholders by way of special resolution to appoint or continue the directorship of Non-Executive Directors who have attained the age of 75 years.

Accordingly, a special resolution is being proposed to be passed by the members for continuation of holding office of Non-Executive Independent Director of the Company, by Mr. Keki M. Elavia (DIN:0003940) even after his attaining the age of 75 years as on 9<sup>th</sup> April, 2021 till his remaining tenure, on the existing terms and conditions as approved by the Members through an ordinary resolution passed at the Annual General Meeting of the Company held on 10<sup>th</sup> August, 2017.

Brief resume of Mr. Keki Elavia, nature of his expertise in functional areas and names of companies in which he holds Directorships and Memberships/Chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in Annexure I of the Notice.

This Statement may also be regarded as a disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Keki Elavia is not debarred or disqualified from continuing to act as a director of companies by SEBI, MCA or any other statutory authority.

Except Mr. Keki Elavia, none of the other Directors or Key Managerial Personnel of the Company or their relatives, are concerned or interested financially or otherwise in this resolution.

The Board recommends the Special resolution set out in Item No. 6 of the Notice for approval by the members.

**Item 7**

The Board of Directors on the recommendation of the Audit Committee have approved the appointment of M/s. D. C. Dave & Co., Cost Accountants, Mumbai, (Firm Registration No. 000611) as Cost Auditors at a remuneration of ₹ 5,50,000/- (Rupees Five Lakh Fifty Thousand only) plus applicable taxes and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit for the financial year 2020-21. A Certificate issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection during the AGM in e-form.

Accordingly, consent of the shareholders is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2021.

None of the Directors and Key Managerial Personnel of the Company, their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board recommends the Special resolution set out in Item No. 7 of the Notice for approval by the Members.

**Items 8 and 9**

The Members of the Company through postal ballot approval dated 11<sup>th</sup> May, 2017 had accorded by way of a Special Resolution, their consent to the Board of Directors of the Company and/or a Committee thereof for borrowing monies on behalf of the Company, from time to time, upto an aggregate amount (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) upto ₹ 4,500 Crore (Rupees Four Thousand Five Hundred Crore). As per Section 180(1)(c) of the Act, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid-up share capital of the Company, free reserves and its securities premium, requires approval of shareholders. To meet its fund requirements, the Company may require to borrow from time to time by way of loans and/or issue of Bonds, Debentures or other securities and the existing approved limit may likely to be exhausted in near future and it is therefore recommended to enhance the borrowing limits of the Company upto ₹ 5,500 Crore (Rupees Five Thousand Five Hundred Crore). This requires approval from the shareholders of the Company by way of a Special Resolution given at Item No. 8 of the Notice. The borrowings of the Company may, if necessary, be secured by way of charge/mortgage/pledge/hypothecation on the Company's assets comprising of the movable and/or immovable, tangible/intangible properties of the Company, present or future, in favour of the lender(s)/agent(s)/trustee(s) from time to time, in such form, manner and ranking as mentioned in the Resolution at Item No. 9. The documents relating to charge and/or mortgage and/or pledge and/or hypothecation in favour of the lender(s)/agent(s)/trustee(s) may contain the provisions to take over substantial assets of the Company in certain events with a power to take over the management of the business and concern of the Company, which may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 180(1) (a) of the Act. The Special Resolution under Item No.9 is therefore proposed to be passed to seek consent of shareholders for creation of charge/mortgage/pledge/ hypothecation to secure borrowings subject to the limits proposed in the said Resolution to be approved under Section 180(1)(a) of the Act and temporary loans obtained from the Company's Bankers in the ordinary course of business.

None of the Directors and the Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolutions.

The Board of Directors recommends the Special resolutions set out in Item Nos. 8 and 9 of the Notice for approval by the Members.

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

Mumbai, 9<sup>th</sup> June, 2020

**SANJIVE ARORA**  
COMPANY SECRETARY

## ANNEXURE I TO THE NOTICE

**Details of the Directors seeking re-appointment at the 140<sup>th</sup> Annual General Meeting**

(In pursuance of Regulation 26(4) & Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2))

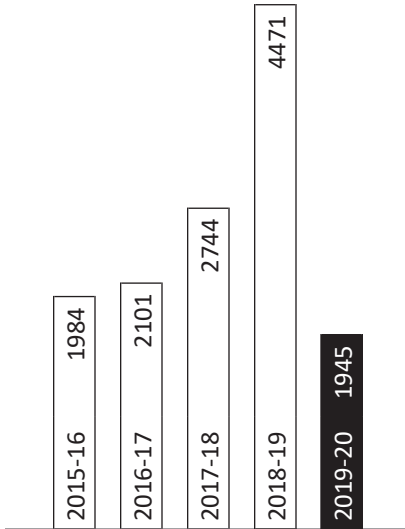
SN	Nature of Information	Item No. 4	Item No. 5	Item No. 6
1	Name of Director	Dr. (Mrs.) Minnie Bodhanwala	Mr. Jehangir N. Wadia	Mr. Keki Manchershla Elavia
2	Brief Profile	<p>Dr. (Mrs.) Minnie Bodhanwala, is presently working as Chief Executive Officer at Nowrosjee Wadia Maternity Hospital and Bai Jerbai Wadia Hospital for Children, Parel, Mumbai.</p> <p>Under her leadership the Wadia Hospitals have won 21 prestigious awards in a span of one year. Dr. Bodhanwala was honoured with more than 40 awards, which include various prestigious awards like the "International Award in Healthcare" by the Thai Chamber of Commerce, Bangkok; "Global Award for Sustainable Healthcare Models with Revenue Turnover", Dubai; "Leading Business Women of the Year" by iiGlobal, Mumbai; Life Time Achievement Award in Healthcare by National Excellence Awards 2015. She is highly motivated, pro-active passionate individual holding a rich enormous experience of over 30 years with exceptional liaison, teamwork, leadership and organisational abilities to thrive in a fast-paced, results-oriented business environment. With an entrepreneurial spirit to foresee potential growth with a strong background of crisis management in Healthcare for Brownfield and Greenfield projects and also a Six Sigma Green Belt Expert. She holds the following qualifications: BDS, MBA, MHA, TQM, FCR, PGQMAHO; FISQUA Green Belt - Six Sigma; Principal Assessor, NABH ISO Auditor 9001, 14001. Dr. Bodhanwala's vast experience in management and administration has so far and would be of immense benefit to the Company.</p>	Profile is already furnished in the explanatory statement attached to the Notice of the Annual General Meeting	<p>Mr. Keki M. Elavia, is a retired Senior Partner of M/s. Kalyaniwalla &amp; Mistry, Chartered Accountants. He was associated with M/s. Kalyaniwalla &amp; Mistry for more than 40 years and has also been a partner of S.R. Batliboi, Chartered Accountants for a brief period.</p> <p>Mr. Keki Elavia is a Member of the India UK Accountancy Task Force constituted by the Ministry of Commerce, Government of India and a member of the Investment Committee of Phoenix Asset Reconstruction Fund 1 of Phoenix ARC Private Limited. He is also a trustee of educational and medical trusts.</p> <p>The Reserve Bank of India appointed Mr. Keki Elavia as a Member of the Indian Advisory Committee of the Hong Kong and Shanghai Banking Corporation Limited where he was the Chairman of its Audit Committee and Corporate Governance Committee.</p> <p>The other positions that he held in the past are:</p> <p>i) Member of the Expert Group constituted by the Reserve Bank of India for designing a supervisory framework for Non-Banking Financial Companies.</p> <p>ii) Member of the Auditing Practices Committee, Research Committee and the Auditing and Assurances Standards Board of the Institute of Chartered Accountants of India.</p> <p>iii) Member of the Board of Governors, Bombay Chapter of The Institute of Internal Auditors.</p> <p>iv) Member of the Specialised Committees of Bombay Chamber of Commerce &amp; Industry, Governing Council, Indo-French Chamber of Commerce &amp; Industry etc.</p>
3	Date of Birth/ Age	57	46	74
4	Nationality	Indian	Indian	Indian
5	Date of First Appointment	29 <sup>th</sup> March, 2017.	1 <sup>st</sup> June, 2010.	22 <sup>nd</sup> May, 2017.
6	Qualification	BDS, MBA, MHA, TQM, FCR, PGQMAHO; FISQUA Green Belt - Six Sigma.	Master in Science from the Warwick University in Coventry, UK	Chartered Accountant (CA)
7	Directorship of other Boards	<ul style="list-style-type: none"> <li>• The Bombay Burmah Trading Corporation Ltd.</li> <li>• National Peroxide Ltd.</li> <li>• Axcel Polymers Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• The Bombay Burmah Trading Corporation Ltd.</li> <li>• Britannia Industries Ltd.</li> <li>• Go Airlines (India) Ltd.</li> <li>• Integrated Clinical Research Sciences Pvt. Ltd.</li> <li>• Virtual Education Network Pvt. Ltd.</li> <li>• Go Airways Pvt. Ltd.</li> <li>• Go Holdings Pvt. Ltd.</li> <li>• Go Cargo Pvt. Ltd.</li> <li>• Goground Aviation Services Pvt. Ltd.</li> <li>• Go Engineering Pvt. Ltd.</li> <li>• Go Investments &amp; Trading Pvt. Ltd.</li> <li>• Boyztoyz Trading Company Pvt. Ltd.</li> <li>• Naira Holdings Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• Britannia Industries Ltd.</li> <li>• Goa Carbon Ltd.</li> <li>• Dai-ichi Karkaria Ltd.</li> <li>• Godrej Industries Ltd.</li> <li>• Grindwell Norton Ltd.</li> <li>• Sterling &amp; Wilson Solar Ltd.</li> <li>• Godrej and Boyce Manufacturing Company Ltd.</li> <li>• Go Airlines (India) Ltd.</li> <li>• Tata Asset Management Ltd.</li> <li>• Phoenix ARC Pvt. Ltd.</li> <li>• Sterling and Wilson International Solar FZCO</li> </ul>

SN	Nature of Information	Item No. 4	Item No. 5	Item No. 6
8	Chairmanship/ Membership of Board Committees of the other companies	<p>The Bombay Burmah Trading Corporation Ltd.:</p> <ul style="list-style-type: none"> <li>Audit Committee-Member</li> <li>Stakeholders' Relationship Committee-Member</li> <li>Corporate Social Responsibility Committee-Member</li> </ul> <p>Axel Polymers Ltd.:</p> <ul style="list-style-type: none"> <li>Stakeholders' Relationship Committee-Member</li> <li>Nomination and Remuneration Committee-Member</li> </ul>	<p>Britannia Industries Ltd.:</p> <ul style="list-style-type: none"> <li>Stakeholder Relationship Committee-Member</li> </ul>	<p>Goa Carbon Ltd.:</p> <ul style="list-style-type: none"> <li>Nomination and Remuneration Committee-Chairman</li> <li>Audit Committee-Member</li> <li>Corporate Governance Committee-Member</li> <li>Project Committee-Member</li> <li>Resource Raising Committee-Member</li> </ul> <p>Dai-ichi Karkaria Ltd.:</p> <ul style="list-style-type: none"> <li>CSR Committee-Chairman</li> <li>Audit Committee-Member</li> <li>Nomination and Remuneration Committee-Member</li> </ul> <p>Godrej &amp; Boyce Mfg. Co. Ltd.:</p> <ul style="list-style-type: none"> <li>Audit Committee-Chairman</li> <li>Nomination and Remuneration Committee-Member</li> <li>CSR Committee-Member</li> <li>Stakeholders' Committee-Member</li> </ul> <p>Grindwell Norton Ltd.:</p> <ul style="list-style-type: none"> <li>Audit Committee-Chairman</li> <li>CSR Committee-Chairman</li> <li>Nomination and Remuneration Committee-Chairman</li> </ul> <p>Tata Asset Management Ltd.:</p> <ul style="list-style-type: none"> <li>Audit Committee-Member</li> <li>Nomination and Remuneration Committee-Member</li> <li>CSR Committee-Member</li> </ul> <p>Go Airlines (India) Ltd.:</p> <ul style="list-style-type: none"> <li>Audit Committee-Chairman</li> </ul> <p>Phoenix ARC Private Ltd.</p> <ul style="list-style-type: none"> <li>Share Allotment Committee-Member</li> <li>Audit Committee-Member</li> </ul> <p>Britannia Industries Ltd.:</p> <ul style="list-style-type: none"> <li>Audit Committee- Chairman</li> </ul> <p>Sterling &amp; Wilson Solar Ltd.:</p> <ul style="list-style-type: none"> <li>Nomination &amp; Remuneration Committee-Chairman</li> <li>CSR Committee-Chairman</li> <li>Audit Committee-Member</li> </ul>
9	Number of meetings of the Board attended during the year	Please refer report on Corporate Governance.	Please refer report on Corporate Governance.	Please refer report on Corporate Governance.
10	Shareholding in the Company	Nil	2,87,525 equity shares	Nil
11	Relationship with other Directors and Key Managerial Personnel of the Company	Not related to any other Directors/ Key Managerial Personnel of the Company.	Son of Mr. Nusli N. Wadia and Brother of Mr. Ness N. Wadia and not related to any other Directors/ Key Managerial Personnel of the Company.	Not related to any other Directors/Key Managerial Personnel of the Company.

## FINANCIAL PERFORMANCE

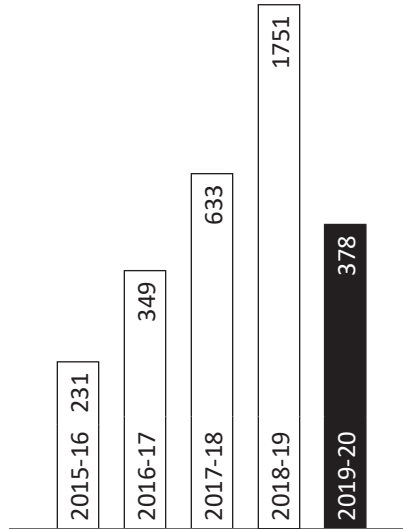
### TOTAL REVENUE

₹ in crores



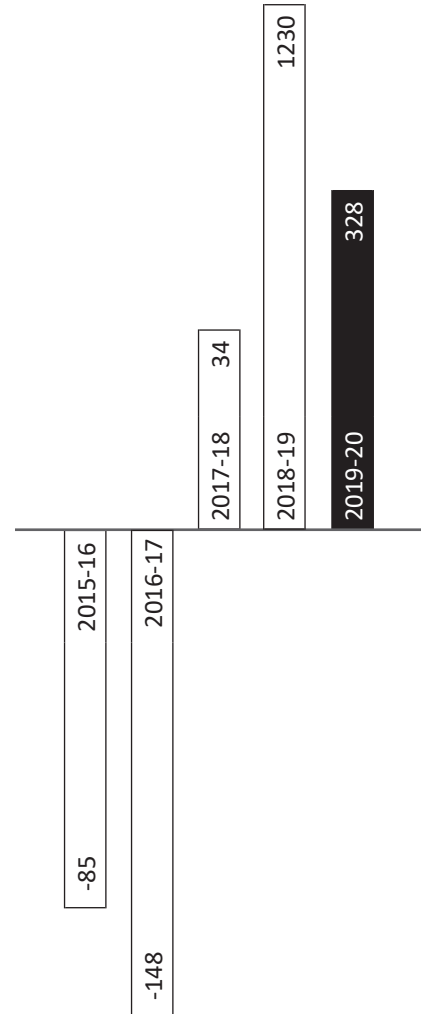
### EBITDA

₹ in crores



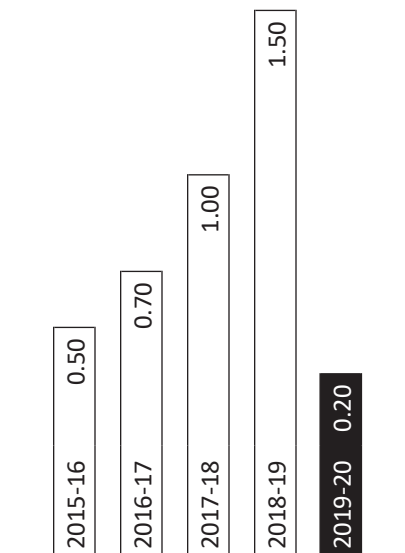
### PAT

₹ in crores

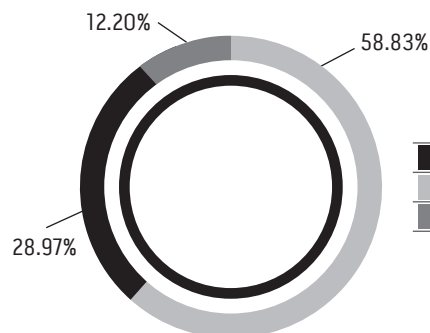


### DIVIDEND PER SHARE

₹



### SEGMENT WISE BREAK UP OF REVENUES, FY 2019-20 (%)



	₹ in crores	
BOMBAY REALTY	549	28.97%
PSF	1115	58.83%
TEXTILE/RETAIL	231	12.20%

Note: The equity shares of the Company were sub-divided from ₹ 10 per share to ₹ 2 per share effective November 1, 2012.



## 10 YEARS' FINANCIAL REVIEW

(₹ in crores)

FINANCIAL POSITION	2019-20 <sup>#</sup>	2018-19 <sup>#</sup>	2017-18 <sup>#</sup>	2016-17 <sup>#</sup>	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Equity Share Capital <sup>@</sup>	41.31	41.31	41.31	41.31	41.31	41.31	41.31	41.31	41.31	40.54
Share Warrants	-	-	-	-	-	-	-	-	-	26.75
Other Equity	17.85	139.31	595.34	293.57	1270.81	1530.97	1422.24	1645.77	1751.09	1060.90
Net Worth :										
<b>Total</b>	<b>59.16</b>	<b>180.62</b>	<b>636.65</b>	<b>334.88</b>	<b>1312.12</b>	<b>1572.28</b>	<b>1463.55</b>	<b>1687.08</b>	<b>1792.40</b>	<b>1128.19</b>
Per Equity Share of ₹ 2/-*	2.86	8.74	30.82	16.21	63.53	76.12	70.86	81.68	86.78	271.96
Borrowings	4147.45	3971.41	2720.96	2541.6	2431.49	1725.82	1435.25	1247.88	1295.30	1240.87
Debt Equity Ratio	56.40:1	18.68:1	3.5:1	2.81:1	0.93:1	0.58:1	0.38:1	0.33:1	0.28:1	0.44:1
Property, Plant and equipment, Investment property and Intangible assets(Including capital work-in-progress)	522.02	532.40	630.00	646.79	662.72	912.55	1011.14	1034.86	1031.46	1093.85
Investments & other Assets	4287.69	4645.48	3425.96	2990.90	3730.73	3080.14	2752.45	2749.77	2556.64	1581.80
<b>OPERATING RESULTS</b>										
Sales and other Income	1944.66	4470.86	2744.00	2100.60	1983.72	2566.75	2822.68	2501.37	2402.63	2014.11
Manufacturing and other expenses	2120.62	3209.17	2523.68	2120.13	2035.05	2484.99	2729.52	2341.53	2266.39	1925.66
Depreciation	33.11	29.79	29.88	31.66	33.91	46.82	60.02	62.03	61.39	62.08
Profit/(Loss) before exceptional items and tax	(209.07)	1231.90	190.44	(51.19)	(85.24)	34.94	33.14	97.81	74.85	26.37
Exceptional items	-	(3.87)	153.25	67.48	-	-	-	-	-	-
Current Taxation	-	(7.64)	2.78	29.57	-	10.38	8.80	22.11	15.50	5.26
Deferred Tax	531.59	-	-	-	-	-	-	-	-	-
Excess Provision of Tax of earlier years	5.35	1.85	-	-	-	-	-	-	-	(0.28)
Profit after Tax	327.87	1229.98	34.41	(148.24)	(85.24)	24.56	24.34	75.70	59.35	21.39
Earnings per Equity Share of ₹ 2/- (in ₹)*	15.87	59.55	1.67	(7.18)	(4.13)	1.19	1.18	3.67	2.92	5.54
Dividends :										
Amount	4.13	37.35	24.89	17.40	12.43	19.89	19.33	24.16	24.02	16.49
Percentage	10	75	50	35	25	40	40	50	50	35

# Figures for F.Y. 2019-20, F.Y.2018-19, F.Y. 2017-18 and F.Y. 2016-17 are as per Ind AS. Figures for earlier years are as per previous IGAAP.

\* Valued for current and immediately preceding 8 years only after sub-division of shares @ ₹ 2/- per share.

@ Preference Share Capital of the Company is not included.

Notes :

- Capital : Original ₹ 0.63 crore, Bonus Shares ₹ 21.02 crore, Conversion of Debentures ₹ 0.83 crore, Global Depository Receipts (GDRs) representing Equity Shares ₹ 5.51 crore, Conversion of Equity Warrants relating to NCD/SPN Issue ₹ 9.81 crore and conversion of Preferential Warrants to Promoters ₹ 3.20 crore, Equity Shares issued under Employee's Stock Option Scheme ₹ 0.16 crore. Equity Shares allotted on exercise of Warrants issued on Preferential Basis to Promoter/Promoter Group Company ₹ 2.70 crore. (Less) Equity Shares bought back and extinguished upto 31<sup>st</sup> March, 2004 ₹ 2.55 crore. Average Share Capital - ₹ 41.31 crore.

Share capital does not include Preference share capital, as it is classified under Non-current Borrowings in the financial statements, as per Ind AS.

- Debt Equity Ratio is on Long Term Debt.
- Dividend amount upto F.Y. 2018-19 includes Corporate Dividend Tax on the proposed/interim dividend. For comparison purpose, only dividend on Equity shares is disclosed in the above table. During the financial year 2019-20 the Company allotted 3,88,800, 8% Redeemable Non-Convertible Non-Cumulative Preference Shares of ₹ 100/- each and the Dividend on said Preference Share is not included in above table.
- Previous year's figures have been regrouped wherever necessary.

## DIRECTORS' REPORT to the Members

Your Directors present the One Hundred and Fortieth (140<sup>th</sup>) Annual Report on the business and operations of the Company along with the Audited Financial Statements (Standalone as well as Consolidated) for the Financial Year ("FY") ended 31<sup>st</sup> March, 2020.

### 1. FINANCIAL RESULTS

(₹ in crore)

Particulars	FY ended			
	Standalone		Consolidated	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
<b>GROSS TURNOVER AND OTHER INCOME</b>	1,944.66	4,470.86	1,944.66	4,470.86
Profit before Finance Cost, Depreciation, Amortization expenses and Exceptional Item	377.86	1,751.15	377.86	1,751.15
Less: Finance Costs	553.82	489.46	553.82	489.46
Profit/(Loss) before Depreciation, Amortization expenses and Exceptional Item	(175.96)	1,261.69	(175.96)	1,261.69
Less: Depreciation and Amortization expenses	33.11	29.79	33.11	29.79
<b>PROFIT/(LOSS) BEFORE TAX AND EXCEPTIONAL ITEM</b>	(209.07)	1,231.90	(209.07)	1,231.90
Add/(Less): Exceptional item	-	3.87	-	3.87
Add: Share of profit of equity accounted investees	-	-	0.98	0.13
<b>PROFIT/(LOSS) BEFORE TAX</b>	(209.07)	1,235.77	(208.09)	1,235.90
Less: Tax (net)	(536.94)	5.79	(536.94)	5.79
<b>PROFIT / (LOSS) FROM CONTINUING OPERATIONS AFTER TAX</b>	327.87	1,229.98	328.85	1,230.11
PROFIT / (LOSS) from DISCONTINUED OPERATIONS	-	-	(1.04)	(1.90)
Add: Other Comprehensive Income	(412.50)	111.19	(413.06)	110.02
<b>Total Comprehensive Income</b>	(84.63)	1,341.17	(85.25)	1,338.23
Add: Balance in Statement of Profit and Loss of Previous Year (Incl. OCI)	(180.90)	276.05	(183.61)	276.28
Ind AS 115 Adjustment	-	(1,773.23)	-	(1,773.23)
<b>SURPLUS AVAILABLE FOR APPROPRIATIONS</b>				
<b>Appropriations to:</b>				
Dividend	(30.98)	(20.65)	(30.98)	(20.65)
Dividend Distribution Tax	(6.37)	(4.24)	(6.37)	(4.24)
Balance carried to Balance Sheet (Incl. OCI)	(302.88)	(180.90)	(306.21)	(183.61)

Previous year figures have been regrouped where necessary and have been re-stated as per Ind AS.

### 2. COMPANY RESULTS AND DIVIDEND

Company's turnover and other income for the year was ₹ 1,944.66 Crore as against ₹ 4,470.86 Crore in the previous year. The profit after tax is ₹ 327.87 Crore as against a profit of ₹ 1,229.98 Crore in the previous year.

The Company's revenues from real estate activity as per Ind AS reporting for FY 2019-20 was ₹ 548.93 Crore as compared to ₹ 2,727.48 Crore in FY 2018-19. However, the revenues are not comparable due to one-time impact of first time adoption of Ind AS 115 reporting standards in FY 2018-19.

The construction of the two towers at Island City Center ("ICC"), Dadar, by Bombay Realty, is more or less completed and Company has received part Occupancy Certificates ("OC") for the project. The full OC is expected shortly which was delayed due to Covid-19 pandemic ("Covid-19"). The Company has handed over to the

customers most of the flats sold and hope to sell the balance inventory over a period of time.

The Polyester Division ("PSF Division") achieved a turnover of ₹ 1,114.58 Crore during the year ended 31<sup>st</sup> March, 2020, as compared to ₹ 1,439.28 Crore in the previous year. The average capacity utilization was 87%, which was slightly lower than last year (89%), on account of overall depressed market. Capacity utilization was significantly better than the industry average capacity utilization of around 75%.

Home & You, the Company's retail business achieved a turnover of ₹ 231.11 Crore during the year ended 31<sup>st</sup> March, 2020, as compared to ₹ 263.00 Crore in the previous year. With its earmarked initiatives in branding, innovative product launches as well as forays into new markets and channel expansions the retail business is expected to grow. The Division will now tread even more cautiously and take a re-look at its stocking and de-stocking and cost cutting initiatives.

The outbreak of Covid-19 pandemic had a moderate to high impact on the businesses of the Company. The Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business.

The real estate segment which was already reeling under the impact of the economic slowdown and thereby weak sales had to face the brunt of the Covid-19 impact. The footfalls of customers have been severely impacted, which has created difficulties in selling inventories in the current scenario. The Company expects the economic activity to open up in a phased manner and gradually pick up pace in the coming months after normalcy sets in.

PSF manufacturing operations at the Company's Patalganga Plant, in Maharashtra were shut down from 25<sup>th</sup> March, 2020 as per Government's direction for combating Covid-19 and especially for the safety of the workmen and employees at the plant. The plant re-started operations in a phased manner w.e.f. 4<sup>th</sup> June, 2020.

In the Retail Division, the retail stores all over India have also been shut since the 3<sup>rd</sup> week of March 2020 and there has been a concurrent negative impact on the e-commerce market. The business is now limping back to normalcy in phases across the country.

The Directors have recommended a dividend of ₹ 0.20 (i.e. 10%) on the Equity Shares of ₹ 2/- each of the Company for the year ended 31<sup>st</sup> March, 2020 subject to approval of the Members at the 140<sup>th</sup> Annual General Meeting ("AGM"). Further, the Board of Directors of the Company on 9<sup>th</sup> June, 2020 has approved payment of Dividend on 8% Redeemable Non-Convertible Non-Cumulative Preference Shares of ₹ 100/- each on a pro-rata basis. No transfer to Reserves has been proposed by the Board.

### 3. CONSOLIDATED FINANCIAL RESULTS

As stipulated by Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015"), the Company has prepared Consolidated Financial Statement in accordance with the applicable accounting standards as prescribed under the Companies (Accounts) Rules, 2014 of the Companies Act, 2013 ("the Act"). The Consolidated Financial Statement reflects the results of the Company and that of its subsidiary and associates. As required under Regulation 34 of Listing Regulations, 2015, the Audited Consolidated Financial Statement together with the Independent Auditors' Report thereon is annexed and forms part of this Report.

The summarized Consolidated Financial Statement is provided above in point No.1 of this Report.

### 4. BOMBAY REALTY

As mentioned above, the two towers at Island City Center are on the verge of completion and two part OCs have been received for

both the towers and the OC for the remaining small area which got delayed due to Covid-19 is expected in a short time. Full OC for both the towers are expected soon. All the apartments sold are ready for possession and are being handed over after due process.

The unprecedented global crisis, due to Covid-19 has grinded to halt all business activities and it will take a few months for the economic activities to revive and gain momentum. Due to economic slowdown and loss of job opportunities, home buying will be the last priority on the consumers list. Therefore, it will require the support of the Central and State Governments to bring in reforms and encourage investments and generate job opportunities to instill confidence among the people and revive the economy at a faster pace.

The government has taken various steps namely reducing the interest rates, dropping GST rates, reducing stamp duty etc. which will result in improving the sentiments of customers in the near future.

### 5. HOME & YOU

The retail business has been affected due to the Covid-19 pandemic for all stakeholders and customers.

The Division believes that the planned strategic thrust by the Company will steer the retail business to make a meaningful and positive difference to all its stakeholders across the value chain as the division moves proactively towards strengthening its business towards consumer connect.

### 6. POLYESTER DIVISION

Polyester Staple Fibre ("PSF") industry saw a flat demand in the country. Continuing cheap imports from China and substantial surplus capacity built up in the country disrupted the domestic market resulting in negative impact on the Company's PSF business.

The raw material and PSF prices remained volatile during the year due to the volatile movement in petrochemicals and crude oil prices. Increased volatility in raw material prices, has posed challenges to the Company's PSF business, which it has sought to counteract with innovative product mix and cost reduction initiatives.

Due to Covid-19 the manufacturing operations in the Plant were closed from 25<sup>th</sup> March, 2020 for combating with the pandemic effect and more so for the safety of its workmen and employees at the plant. The plant has re-started operations in a phased manner w.e.f. 4<sup>th</sup> June, 2020.

### 7. SUBSIDIARIES AND ASSOCIATES

Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing

salient features of the financial statements of the Company's subsidiary and associates (in Form AOC-1) is forming part of the Consolidated Financial Statements.

#### 8. FIXED DEPOSITS

During the year, the Company repaid the deposits aggregating to ₹ 1.14 Crore. Total deposits outstanding as on 31<sup>st</sup> March, 2020 amounted to ₹ 0.81 Crore out of which 79 deposits aggregating ₹ 0.55 Crore had matured, but remained unclaimed.

#### 9. CREDIT RATING

Brickwork Ratings India Pvt. Ltd has assigned the ratings of bank loan facilities and fixed deposit instrument of the Company as follows:

Facility	Tenure	Previous Ratings	Current Ratings
Fund Based Term Loan Cash Credit	Long Term	BWR A (Pronounced as BWR A) Outlook: Stable	BWR A (Pronounced as BWR A) Outlook: Stable
Non Fund Based Letter of Credit/ Bank Guarantee	Short Term	BWR A2+ (Pronounced as BWR A Two Plus)	BWR A2+ (Pronounced as BWR A Two Plus)
Non Fund Based Fixed Deposit	Long Term	BWR FA (Pronounced as BWR FA) Outlook: Stable	BWR FA (Pronounced as BWR FA) Outlook: Stable

#### 10. SHARE CAPITAL

The Mumbai Bench of Hon'ble National Company Law Tribunal (NCLT) vide its order dated 21<sup>st</sup> February, 2019, approved the Scheme of Arrangement between Scal Services Limited ("Demerged Company") and The Bombay Dyeing and Manufacturing Company Limited ("Resulting Company") and their respective Shareholders ("Scheme") with effect from the Appointed Date of 1<sup>st</sup> July, 2018, pursuant to Sections 230 to 232 and other applicable provisions of the Act. As per the Scheme of Arrangement 3 (Three) fully paid up 8% Redeemable Non-convertible Non-Cumulative Preference Share of ₹ 100/- each of the Resulting Company were issued and allotted for every 1 (One) equity share of ₹ 100/- each held in the Demerged Company (other than the Resulting Company being a Member in the Demerged Company) as consideration. Accordingly, 3,88,800, 8% Redeemable Non-Convertible Non-Cumulative Preference Shares of ₹ 100/- each fully paid up were issued and allotted to the shareholders of the Demerged Company during the year. The Board also approved the dividend of 8% on Preference Shares for FY 2019-20.

The total Paid-up Share Capital as on 31<sup>st</sup> March, 2020 was ₹ 45.19 Crore comprising of 20,65,34,900 Equity Shares of ₹ 2/- each aggregating to ₹ 41.31 Crore and 3,88,800, 8%

Redeemable Non-convertible Non-Cumulative Preference Shares of ₹ 100/- each aggregating to ₹ 3.89 Crore.

#### 11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure - A**.

#### 12. RELATED PARTY TRANSACTIONS

There were no materially significant transactions with related parties during the FY under review, which were in conflict with the interest of the Company. All the transactions entered into by the Company with Related Parties during year under review were at arms-length basis. Disclosure required under the Accounting Standard (IndAS 24) have been made in the notes to the Financial Statement.

As required under Regulation 23 of Listing Regulations, 2015, the Company has formulated a Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions which is available on the website of the Company <https://bombaydyeing.com/pdfs/corporate/RPT%20Policy.pdf>

#### 13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statement.

#### 14. INSURANCE

All the properties including buildings, plant and machinery and stocks have been adequately insured.

#### 15. ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 Annual Return of the Company as at 31<sup>st</sup> March, 2020 is uploaded on the website of the Company at [www.bombaydyeing.com](http://www.bombaydyeing.com)

#### 16. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year Mr. R. A. Shah and Mr. A. K. Hirjee stepped down from the Board of the Company w.e.f. 8<sup>th</sup> August, 2019 on completion of their term as Independent Directors. The Board places on record its appreciation towards the valuable contribution made by them during their long tenure as Directors of the Company. In accordance with the provisions of the Act and the Articles of Association of the Company, Dr. (Mrs.) Minnie Bodhanwala retires by rotation and is eligible for re-appointment.

Mr. Jehangir N. Wadia's current term as the Managing Director of the Company is upto 31<sup>st</sup> March, 2021. The Board of Directors at its Meeting held on 9<sup>th</sup> June, 2020, have re-appointed him as the Managing Director of the Company for a further period of five years from 1<sup>st</sup> April, 2021, subject to the approval of the Members of the Company at the 140<sup>th</sup> AGM.



By a Notification dated 9<sup>th</sup> May, 2018, Securities and Exchange Board of India ("SEBI") amended the Listing Regulations, 2015 by incorporating Regulation 17(1A) in the Listing Regulations, 2015 to be effective from 1<sup>st</sup> April, 2019. According to the said Regulation, no listed company shall appoint or continue the directorship of a person who has attained age of 75 years unless special resolution is passed to that effect.

Mr. Keki M. Elavia is 74 years as on date and therefore, a special resolution is proposed to be passed in the ensuing AGM for continuation of holding office of Non-Executive Independent Director of the Company, by Mr. Keki M. Elavia, who will be above the age of 75 years as on 9<sup>th</sup> April, 2021 to comply with the above amendment.

Necessary resolutions for the re-appointment of the aforesaid Directors have been included in the Notice convening the ensuing AGM and requisite details have been provided in the explanatory statement of the Notice. The Board recommends their re-appointment.

All the Independent Directors have given a declaration that they meet the criteria of independence as laid down under Section 149 of the Act and affirmed compliance with Wadia Code of Ethics and Business Principles as required under Regulation 26(3) of SEBI (LODR) Regulations, 2015.

In the opinion of the Board, all the Independent Directors possess the integrity, expertise and experience including the proficiency required to be Independent Directors of the Company, fulfil the conditions of independence as specified in the Act and SEBI (LODR) Regulations, 2015 and are independent of the management and have also complied with the Code for Independent Directors as prescribed in Schedule IV of the Act.

For the Non-Executive Directors apart from reimbursement of expenses incurred in the discharge of their duties, the remuneration that these Directors were entitled to under the Act as Non-Executive Directors and the fee that a Non-Executive Director may receive for professional services rendered to the Company through a firm in which he is a partner, none of these Directors have any other pecuniary relationships with the Company.

Five Board Meetings were duly convened and held during the year and the details of Board/Committee meetings held are provided in the Corporate Governance Report. The gap between meetings was within the period prescribed under the Act and Listing Regulations, 2015.

#### Key Managerial Personnel

During the year under review, Mr. Vishnu Sundararajan Peruvemba, Chief Financial Officer of the Company resigned with effect from 31<sup>st</sup> August, 2019 due to personal reason.

Mr. Hitesh Vora, was appointed as the Chief Financial Officer of the Company with effect from 11<sup>th</sup> November, 2019.

#### Board Evaluation

Pursuant to the provisions of the Act and Regulation 17 of Listing Regulations, 2015, the Board has carried out an annual

performance evaluation of its own performance and that of its statutory committee's viz. Audit Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee and that of the individual Directors. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

#### Nomination and Remuneration Policy

The Board of Directors of the Company has adopted, on recommendation of the Nomination and Remuneration Committee, a Policy for Selection and Appointment of Directors, Senior Management and their Remuneration.

A brief detail of the policy is given in the Corporate Governance Report and also posted on the website of the Company: <http://www.bombaydyeing.com/pdfs/corporate/corporatepdf09.pdf>

### 17. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;
- b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the Annual Accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external consultant(s) and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the FY 2019-20.

## 18. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34(2)(e) of Listing Regulations, 2015, Management Discussion and Analysis Report is given in **Annexure B** to this Report.

## 19. CORPORATE GOVERNANCE

A separate report on Corporate Governance pursuant to Regulation 34(3) of Listing Regulations, 2015, read with Part C of Schedule V thereof, along with a certificate from the Statutory Auditors of the Company regarding compliance of the conditions of Corporate Governance are annexed to this Report as **Annexure C**.

## 20. BUSINESS RESPONSIBILITY REPORT

In terms of Regulation 34(2)(f) of the Listing Regulations, 2015 the Business Responsibility Report ("BRR") of the Company for FY 2019-20 is forming part of the Report as **Annexure D**.

## 21. PARTICULARS OF EMPLOYEES

Details of remuneration of Directors, KMPs and employees as per Section 197 of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report as **Annexure E**. However, as per the provisions of Section 136 of the Act, the Annual Report is being sent to the Members and others entitled thereto, excluding the information on employees' remuneration particulars as required under Rule 5 (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Shareholders interested in obtaining this information may access the same from the Company website. In accordance with Section 136 of the Act, 2013, this exhibit is available for inspection by shareholders through electronic mode.

## 22. AUDITORS

### Statutory Auditors

Pursuant to Section 139 of the Act and Rules made thereunder, the Company at its 138<sup>th</sup> AGM appointed M/s. Bansi S. Mehta & Co. (Firm Registration No. 100991W) as the Statutory Auditors of the Company for a period of 5 years from the conclusion of 138<sup>th</sup> AGM until the conclusion of 143<sup>rd</sup> AGM of the Company.

Pursuant to amendments in Section 139 of the Act, the requirements to place the matter relating to such appointment for ratification by Members at every AGM has been done away with.

The Reports given by M/s. Bansi S. Mehta & Co., Chartered Accountants on the standalone and consolidated financial statements of the Company for FY 2019-20 are part of the Annual Report.

### Cost Auditors

Pursuant to Section 148 of the Act read with Rule 14 of the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records of the Company are required to be audited. The Directors, on the recommendation of the Audit Committee, appointed M/s. D. C. Dave & Co., (Firm Registration No. 000611)

Cost Accountants, to audit the cost accounts of the Company for the FY ending 31<sup>st</sup> March, 2020 on a remuneration of ₹ 5,50,000/- (Rupees Five Lakh Fifty Thousand) plus out of pocket expenses and applicable taxes. The remuneration payable to the Cost Auditor is required to be ratified by the shareholders at the ensuing AGM.

### Secretarial Audit

Pursuant to the provisions of Section 204 of the Act read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of Listing Regulations, 2015, the Company has appointed Parikh & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed herewith as **Annexure F**.

### Internal Auditors

At the Board Meeting held on 9<sup>th</sup> June, 2020, M/s. Ernst and Young, LLP, Chartered Accountants, were re-appointed as the Internal Auditors of the Company for FY 2020-21.

## 23. REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Act, details of which needs to be mentioned in Director's Report.

## 24. SIGNIFICANT OR MATERIAL ORDERS

There were no significant and material orders passed by the regulators or courts or tribunals, which would impact the going concern status and the Company's operations in future.

## 25. SEBI SETTLEMENT ORDER

During the year, the Company had received a show cause notice (SCN) from the Securities and Exchange Board of India (SEBI) in relation to the failure of the Company to make a timely public announcement to the Stock Exchanges regarding the suspended sentence pronounced by the Japanese court to one of its Promoter and Non-Executive Director of the Company. In response to the SCN, the Company without admitting the findings of facts and conclusions of law submitted a settlement application on 13<sup>th</sup> December, 2019 to SEBI in accordance with the provisions of Section 15JB of the SEBI Act, 1992 read with Regulation 3 of the SEBI (Settlement Proceedings) Regulations, 2018 ("Settlement Application"). Pursuant to the settlement application, the Company paid the settlement amount of ₹ 21,67,500/- and SEBI passed a settlement order dated 29<sup>th</sup> April, 2020 ("the Settlement Order"). Pursuant to the Settlement Order, the instant adjudication proceedings under the SCN against the Company were disposed off and stand settled.

## 26. MATERIAL CHANGES

There was no reportable material event in the Company during the year.

**27. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Internal Audit plays a key role in providing an assurance to the Board of Directors with respect to the Company having adequate Internal Financial Control Systems. The Internal Financial Control systems provide, among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company's assets. Details about the adequacy of Internal Financial Controls are provided in the Management Discussion and Analysis Report.

**28. CORPORATE SOCIAL RESPONSIBILITY**

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Act, comprising of three Directors including Independent Director. The composition and report on Corporate Social Responsibility is attached herewith as Annexure – G.

**29. AUDITORS QUALIFICATIONS**

Statutory Auditors' Report and Secretarial Auditors' Report do not contain any qualification, reservation or adverse remarks.

**30. RISK MANAGEMENT**

The Company has constituted a Risk Management Committee in terms of the requirements of Regulation 21 of the Listing Regulations, 2015. The details of the same are disclosed in the Corporate Governance Report.

**31. AUDIT COMMITTEE**

The Company has constituted an Audit Committee in terms of the requirements of the Act, Regulation 18 of the Listing Regulations, 2015. The details of the same are disclosed in the Corporate Governance Report.

**32. VIGIL MECHANISM**

Pursuant to Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 read with Section 177(9) of the Act and as per Regulation 22 of the Listing Regulations, 2015 (as amended from time to time), the Company has framed Vigil Mechanism/Whistle Blower Policy ("Policy") to enable Directors

and employees to report genuine concerns or grievances, significant deviations from key management policies and reports on any non-compliance and wrong practices, e.g., unethical behavior, fraud, violation of law, inappropriate behavior/conduct, etc.

The Audit Committee monitored and reviewed investigations of the whistleblower complaint received during the year.

The functioning of the Vigil Mechanism is reviewed by the Audit Committee from time to time. None of the Directors or employees have been denied access to the Audit Committee of the Board.

The objective of this mechanism is to maintain a redressal system which can process all complaints concerning questionable accounting practices, internal controls, or fraudulent reporting of financial information.

The Policy framed by the Company is in compliance with the requirements of the Act and Listing Regulations, 2015 and is available on the website.

**33. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS.**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

**34. APPRECIATION**

The Directors express their appreciation to all employees of the various divisions for their diligence and contribution to performance. The Directors also record their appreciation for the support and co-operation received from franchisees, dealers, agents, suppliers, bankers and all other stakeholders. Last but not the least, the Directors wish to thank all shareholders for their continued support.

On behalf of the Board of Directors

Place: Mumbai  
Date: 9<sup>th</sup> June 2020.

**NUSLI N.WADIA**  
Chairman

## ANNEXURE A to Directors' Report

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

#### A. CONSERVATION OF ENERGY

##### (a) Energy Conservation measures taken

###### PSF operations

- Installation of steam turbine in place of PRDS for power generation.
- Usage of unutilized MP steam in Draw bath, to reduce HP steam consumption.
- Installation of energy efficient cooling water pump for utility services.
- Usage of LP steam in esterification area, for energy saving.
- Chiller operation philosophy & temp setting optimized as per climatic condition.
- Increase in rain water harvesting with additional storage capacity.
- Modified nip roll was provided in Draw module to reduce steam consumption.
- Distribution transformer load reorganization to reduce energy consumption.
- ETP upgradation to use treated effluent as cooling water make up.
- Installation of solar project at canteen roof top.
- Micro motion provision to reduce DM water consumption in Draw lines.

##### (b) Additional Investments & proposals, if any, being implemented for reduction of consumption of energy

###### PSF operations

- Organic stripping column is erected, to reduce ETP load.
- Installation of solar cells in remaining roof tops.
- Provision of booster compressor in spinning to reduce power consumption.
- Energy efficient & environment friendly pack cleaning system.
- Modified Diffusers to reduce air consumption.
- Increase in rain water harvesting capacity.
- Installation of Mixed Bed stream to improve steam turbine efficiency & reliability.
- Energy Conservation by various process improvement projects.

##### (c) Impact of measures at (a) & (b) for reduction of energy consumption and consequent impact on the cost of production of goods.

###### PSF operations

- Improvement in specific energy consumption & cost per MT of PSF production.

##### (d) Total energy consumption and energy consumption per unit of production in prescribed Form A.

- As per 'Form A' attached.

#### B. TECHNOLOGY ABSORPTION

Research and development (R&D).

##### 1. Specific areas in which R&D carried out by the Company

###### PSF operations

- SD & Black Super Micro Fibres and other functional fibres developed and produced successfully by process optimization.
- Provision of pressure transmitter & control valve in esterification system.
- Hardware modification in coal fired boiler to improve efficiency.
- Recycle EG tank jacket provision with waste heat utilisation to reduce heat load.
- SOP optimised for Vortex spinning & improvement in CSP.
- Hardware modification for T-10 improvement.
- Development of Antimicrobial, FR (SD/BLK) & Coloured Master Batches.
- Alternate arrangement developed to facilitate IG plant PSA tower idling.

##### 2. Benefits derived as a result of the above R&D

###### PSF operations

- Diversity of product mix & availability of value-added products.
- Improved customer base & market share.
- Quality consistency with improved operational performance at customer end.
- Risk mitigation against up-coming new competitors in the market.
- Energy conservation with improved operational reliability.

##### 3. Future plan of action

###### PSF operations

- Key focus is to produce various value-added specialty products.
- Increase in volume of products for nonwoven & technical textile end use.
- Investment for improvement in Energy & Operational efficiency.

##### 4. Expenditure on R & D

- Expenditure reported on R&D during the year under report: ₹ 0.90 Cr. (previous year ₹ 0.80 Cr.).

#### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

##### 1. Efforts in brief, made towards technology absorption, adaptation and innovation:

###### PSF operations

- Use of modified design bearing with new MOC for Polymer pumps.



- Process optimisation to improve coal boiler efficiency.
- Installation of steam turbine in place of PRDS.
- Hardware change for Product quality improvement.
- Process optimisation & design change for energy conservation.
- Improvement achieved in production of MICRO fibres.

**2. Benefits derived as a result of the above efforts:**

**PSF operations**

- Better yield & productivity.
- Increased volume of value-added products.
- Increased market share with diversified product mix.
- Improved customer satisfaction.
- Reduction in cost of production.

**3. Information regarding technology imported during the last 5 years:**

- Technology imported: – Nil
- Year of import: – N/A
- Has technology been fully absorbed? – N/A

- If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action: – N/A

**4. Foreign Exchange Earnings & Outgo:**

**(i) Total foreign exchange used and earned:**

	₹ in crore
Total foreign exchange used	550.60
Total foreign exchange earnings	369.94

**(ii) Activities relating to exports, initiatives taken to increase exports, development of export markets for products and services and export plans:**

PSF export volume increased by 26% over previous year. Export market was expanded both in terms of volume & new markets.

On behalf of the Board of Directors

Place: Mumbai  
Date: 9<sup>th</sup> June, 2020

**NUSLI N.WADIA**  
Chairman

## FORM 'A'

Form for disclosure of particulars with respect to conservation of energy

	Production Unit	2019-20 Current Year	2018-19 Previous Year
<b>A. POWER AND FUEL CONSUMPTION</b>			
<b>1 Electricity</b>			
(a) Purchased			
Unit (KWH in lakhs)		478.55	504.76
Total Amount (Rupees in crores)		41.10	39.94
Rate/Unit (Rupees)		8.59	7.91
(b) Own Generation		-	-
(Through Diesel Generator)		-	-
Unit (KWH in lakhs)		-	-
Units per Ltr. of Diesel		-	-
Cost/Unit (Rupees)		-	-
<b>2 Furnace Oil/L.S.H.S.</b>			
Quantity (in M. Tons)		42.92	-
Total Cost (Rupees in crores)		0.12	-
Average Rate (in Rupees per M.T.)		27,392.74	-
<b>3 RLN GAS</b>			
Quantity in (MMBTU)		3,58,579.65	3,75,067.06
Total Cost (Rupees in crores)		28.64	32.98
Average Rate (in Rupees per MMBTU)		798.73	879.25
<b>4 Coal</b>			
Quantity (in M. Tons)		28,937.00	26,782.00
Total Cost (Rupees in crores)		16.22	16.26
Average Rate (in Rupees per M.T.)		5,606.62	6,070.85
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>			
<b>1 Electricity (KWH)</b>			
PSF	per M.T.	335.57	343.63
<b>2 Furnace Oil/L.S.H.S.(M.T.)</b>			
PSF	M.T.	0.00	0.00
<b>3 RLN GAS</b>			
PSF	per MMBTU	2.51	2.55
<b>4 Coal (M.T.)</b>			
PSF	M.T.	0.203	0.182

## ANNEXURE B to Directors' Report MANAGEMENT DISCUSSION AND ANALYSIS

The Reserve Bank of India (RBI) has stated that India's gross domestic product (GDP) growth will be in negative territory in 2020-21 as the outbreak of Covid-19 pandemic ("Covid-19") has disrupted economic activities. RBI is also of the opinion that the global economy is heading into recession.

### BOMBAY REALTY

#### Industry Structure and Developments

The overall economy and specially the real estate sector had been in the downward curve in the whole of the FY 2019-20 because of liquidity crisis due to overall economic slowdown.

The ongoing Covid-19 outbreak and its impact on economy have pushed sentiment in real estate to its all-time lowest level in the quarter ended March and the first quarter of FY 2020-21. Both residential and commercial real estate sectors are expected to be hit in short term.

#### Opportunities and Threats

Select micro markets with good infrastructure and easy connectivity as well as mixed-use development propositions expects to do well. In the wake of the Covid-19, depreciating rupee coupled with lower returns from stocks and mutual funds and economic uncertainty will make buyers/investors prefer ready to move in apartments over under-construction projects. With ready to move in Inventory of the Company's projects at ICC One & Two in Dadar, Mumbai, investors and end users may look into this as a suitable investment opportunity.

Due to economic collapse on account of Covid-19 and loss of job opportunities, Real Estate investments will be the last priority on the consumer's list. However, some experts are of the opinion that the Real Estate sector may see an upswing in demand in the next 12 to 18 months.

Additionally, the Government also gave developers a suo-moto extension on completion date by 6 months for all registered projects expiring on or after 25<sup>th</sup> March, 2020 without individual applications. There is apprehension among the investors that this may delay completion of various ongoing real estate projects, whereby investors would prefer investing in ready to move in projects with OC like the Company's Project.

#### Outlook

Your Company enjoys the benefits of two large contiguous land parcels with clear titles, giving it a significant advantage over other real estate players. The strategic location of two sites, well connected with the commercial hub of Central Mumbai and equidistant from the commercial hubs of South Mumbai and Bandra-Kurla Complex, is expected to add value to the sites.

#### Risks and Concerns

With uncertainty about the economy, and shortage of liquidity with developers, many projects would now be delayed due to Covid-19. The

Union Ministry of Housing and Urban Affairs have issued an advisory to states and Union Territories to declare Covid-19 situation as a force majeure under RERA.

### HOME & YOU

#### Industry Structure and Developments

The year has been not without turbulence. There has been an economic slowdown leading to fewer footfalls in stores. E-commerce traffic is growing as shoppers prefer to order online.

Domestic Home Textile category continues to evolve rapidly in India. Increased penetration of organized retail is likely to drive demand for home textiles. GST implementation has helped the organized retailers by reducing the influx of cheap alternatives from abroad and the domestic unorganized industry.

While on one hand, the influence of competitively priced private labels in Modern Trade and E-com market places is bringing in new value-conscious consumers to the industry; on other hand, fashion-led premium consumer's preferences are switching over to product made from high-end fabrics and innovative designs. Today's consumer is clearly drawing a distinction between the value-led and the fashion-focused goods.

#### Opportunities & Threats

Our brand sees enormous opportunity in product and design innovations to address the changing preferences of young vibrant India. E-commerce will lead the way for growth.

While the industry continues to be influenced by swinging commodity prices, it is also facing major challenges in the form of rising production costs from increasing wages. Key threats for the brand continue to be the constant inflow of cheaper alternatives from the unorganized sector as well as inflow from neighboring countries. Launch of new brands and increased competition have led to existing players to adopt competitive pricing.

#### Brand Outlook

Even before the onset of Covid-19, the global economy was confronting turbulence on account of disruptions in trade flows and attenuated growth. The situation has now been aggravated by the demand, supply and liquidity shocks that Covid-19 has inflicted. Once the pandemic is in control, the shape and speed of the recovery in India will be key factor determining the nature and traction of the Indian economic recovery. It is expected that the course of economic recovery in India will be smoother and faster than that of many other advanced countries.

E-Commerce and Modern Trade are two growing channels in the retail sector. Last year the brand attained a leadership position in a major modern Trade format and E-commerce site. It is further geared up to explore all emerging opportunities and re-invent the marketplace.

With its sales channels reinvented, the Company is attempting a makeover in the retail segment with a young team at the helm. Product packaging has long been an important aspect of the retail experience, because of the marketing, usability, and environmental dimensions and it seems like another facet is about to get a lot more attention than before viz. hygiene. As industry fore-runners, the Company would like to invest in developing sustainable packaging solutions that are more ecologically and environmentally friendly, while still being easy to clean and disinfect.

### Risks and Concerns

Post pandemic, rise in commodity prices would lead to sourcing and thereby selling difficulties.

Also, there will be a growing demand for online purchase than the earlier form of touch-n-feel shopping. The consumer will expect a safer shopping environment and at the same time products that assure a legacy of quality and appropriate pricing.

There are already signs of changing consumer habits from retail shopping to online shopping. This may result in declining in demand at the retail level. This coupled with the intense competition from the existing players and new players and sluggish consumer demand will be a major challenge.

## POLYESTER BUSINESS

### Industry Structure and Developments

Your Company is one of the seven producers of Polyester Staple Fibre (PSF) in the country with a market share of about 13%. While the market leader is fully vertically integrated, the other producers, including the Company are stand-alone PSF manufacturers. New capacities added during last three years have resulted in substantial surplus capacity in the country and increased competition for the Company.

PSF industry saw flat domestic sales volume during the year. The overall polyester industry's capacity utilisation remained around 75%, but the Company's utilisation remained comparatively stable at 87%, as compared to 89% in the previous year.

Raw Materials, PTA and MEG prices were volatile during the year. Though the prices remained volatile, the availability of raw materials in the domestic market remained stable.

Recycled polyester has been gaining market share due to price differential and improved product quality. However, fibre produced by your Company is of superior quality and has wider usage compared to such recycled fibre. Therefore, despite competition from such cheaper fibre, your Company is able to maintain the market share and capacity utilisation rate.

### Opportunities and threats

The opportunity for PSF is driven by its durability, versatility of end usage and lower prices as compared to cotton and other substitute fibres,

natural or man-made. Polyester is used in apparels, sportswear, home furnishing, automotive and industrial textiles. India has an enormous market potential, with per capita consumption of all fibres being less than 50% of global per capita consumption. The Government of India's push to substantially increase the size of the textile industry output will pave the way for larger man-made fibre consumption due to limited availability of cotton, benefitting the polyester industry at large.

China continues to have a dominant influence on polyester, fibre intermediaries and downstream textile industries. Any significant developments in the Chinese polyester chain could impact your Company's business dynamics.

### Outlook

Polyester business performance during the year 2019-20 was impacted due to depressed demand and volatility in petrochemicals and crude oil prices. Increasing demand from nonwoven and technical textiles, Company's increased focus on exports and shift of demand out of China should help improvement in volumes.

### Risks and Concerns

Prices of raw materials as well as energy costs, the two major input costs for PSF division are significantly dependent on crude oil price. Changes in oil prices could lead to impact on margins and profitability. With the main input costs based in US\$, fluctuations in the Indian Rupee/ US\$ exchange rate could impact the business and margin. Supply and price of cotton crop in India and globally could have an impact on the demand of PSF. Increased competition due to surplus capacity in the country has resulted in pressure on margins due to price undercutting in the market.

### SEGMENT-WISE PERFORMANCE

Segment wise performance together with a discussion on operational and financial performance has been covered in the Directors' Report which should be treated as forming part of this Management Discussion and Analysis Report.

### GENERAL INTERNAL CONTROLS

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

M/s. Ernst and Young, LLP, Chartered Accountants, are the Internal Auditors of the Company. The reports and findings of the internal auditors and the internal control system are periodically reviewed by the Audit Committee. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiary. Based on the report of internal

audit function, process owners undertake corrective action in the respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

#### HUMAN RESOURCES

At Bombay Dyeing, employees are its prime assets & a vital key to its success. Company is committed to creating a professional culture to nurture and enable people to grow in their careers alongside Company's success. Company constantly strives to strengthen its manpower in alignment with the business needs and continue to engage them through various initiatives in the realm of learning & development opportunities, reward & recognition, employee engagement activities & career growth.

#### KEY FINANCIAL RATIOS

The Company has identified the following ratios as key financial ratios:

Sr. No.	Particulars	2019-20	2018 -19	Explanation for Significant Change
1	Debtors Turnover Ratio (times)	2.08	6.79	Debtors Turnover ratio has reduced due to lower turnover.
2	Inventory Turnover Ratio( times)	0.67	2.08	Inventory Turnover Ratio has come down on account of requirements of Ind AS 115 for recognition of revenue, based on Project Completion Method, due to which average inventory is high.
3	Interest Coverage Ratio (times)	0.62	3.52	Interest Coverage Ratio has reduced due to lower EBIT, which is on account of lower turnover.
4	Current Ratio (times)	2.39	2.17	No major change
5	Debt Equity Ratio (times)	56.40	18.68	Debt Equity Ratio is calculated on Long Term Debt. The ratio has increased due to lower net worth, on account of OCI Loss on Fair Value changes of investments in equity shares.
6	Operating Profit Margin (%)	18.20	38.86	Operating Profit Margin has decreased due to reduced Bombay Realty revenue as a % of overall revenue.
7	Net Profit Margin (%)	17.31	27.77	Net Profit Margin has decreased due to lower revenue as well as reduced Bombay Realty revenue as a % of overall revenue.
8	Return on Net Worth (%)	554.18	680.98	Return on Net Worth has decreased due to lower profits.

#### Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulation, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

#### RESOURCES & LIQUIDITY

The construction of the two towers at Island City Center ("ICC"), Dadar, is nearing completion and the Company has received part Occupancy Certificate ("OC"), whereby the majority of the project cost is incurred and will require less incremental investment. Further, the customer payments towards agreed milestones of OC will generate net cash flows. Also, improved sale of flats and disinvestment of its non-core assets and other investments will provide higher liquidity to the Company helping reduce the overall debt burden.

The working capital requirement of the Company is being funded through working capital limits which were restructured and consolidated during the last two years.



## ANNEXURE C to Directors' Report REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

In keeping with its commitment to the principles of good corporate governance, which it has always believed leads to efficiency and excellence in the operations of a company, your Company has been upholding fair and ethical business and corporate practices and transparency in its dealings. The Company continuously endeavours to review, strengthen and upgrade its systems and processes so as to bring in transparency and efficiency in its various business segments.

### 2. BOARD OF DIRECTORS

The Board is composed of eminent persons with considerable professional experience in diverse fields and comprises a majority of Non-Executive Directors. Over two thirds of the Board consists of Non-Executive Directors and of these, the majority are Independent Directors. Mr. Nusli N. Wadia is the Chairman of the Board. The composition of the Board is in conformity with the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (hereinafter collectively referred to as "SEBI (LODR) Regulations") and the Companies Act, 2013 (hereinafter referred to as "the Act").

Further, disclosures have been made by the Directors regarding their Chairmanships/Memberships of the mandatory Committees of the Board and that the same are within the maximum permissible limit as stipulated under SEBI (LODR) Regulations.

Composition of the Board as on 31<sup>st</sup> March, 2020 is as follows:

Category	No. of Directors	% to total number of Directors
Executive Director	1	11.11
Non-Executive - Non-Independent Directors	3	33.33
Independent Directors (including woman director)	5	55.55

Directorships in Listed Entities as on 31<sup>st</sup> March, 2020:

Name of the Director	Category	List and category of Directorship in other Listed Companies
Mr. Nusli N. Wadia (Chairman) (DIN:00015731)	Non-Executive/ Promoter Director	<ul style="list-style-type: none"> <li>▪ The Bombay Burmah Trading Corporation Limited (Non-Executive Promoter Director-Chairman)</li> <li>▪ Britannia Industries Limited (Non-Executive Promoter Director-Chairman)</li> </ul>
Mr. S. Ragothaman (DIN: 00042395)	Non-Executive Independent Director	<ul style="list-style-type: none"> <li>▪ Xpro India Limited (Independent Director)</li> <li>▪ Shreyas Shipping and Logistics Limited (Independent Director)</li> <li>▪ National Peroxide Limited (Independent Director)</li> <li>▪ DIGJAM Limited (Independent Director)</li> </ul>
Mr. V. K. Jairath (DIN: 00391684)	-do-	<ul style="list-style-type: none"> <li>▪ Kirloskar Industries Limited (Non –Executive Non- Independent Director)</li> <li>▪ Kirloskar Oil Engine Limited (Non –Executive Non Independent Director)</li> <li>▪ Wockhardt Limited (Independent Director)</li> <li>▪ The Bombay Burmah Trading Corp. Ltd. (Independent Director)</li> </ul>
Mr. Keki M. Elavia (DIN: 00003940)	-do-	<ul style="list-style-type: none"> <li>▪ Goa Carbon Limited (Independent Director)</li> <li>▪ Dai-ichi Karkaria Limited (Independent Director)</li> <li>▪ Grindwell Norton Limited (Independent Director)</li> <li>▪ Godrej Industries Limited (Independent Director)</li> <li>▪ Britannia Industries Limited (Independent Director)</li> <li>▪ Sterling &amp; Wilson Solar Limited (Independent Director)</li> </ul>

Name of the Director	Category	List and category of Directorship in other Listed Companies
Mr. Sunil S. Lalbhai (DIN: 00045590)	-do-	<ul style="list-style-type: none"> <li>▪ Amal Limited (Chairman/Non –Executive Non- Independent Director)</li> <li>▪ Atul Limited (Chairman and Managing Director)</li> <li>▪ Navin Fluorine International Limited (Independent Director)</li> <li>▪ Pfizer Limited (Independent Director)</li> </ul>
Ms. Gauri Kirloskar (DIN:03366274)	-do-	<ul style="list-style-type: none"> <li>▪ Kirloskar Oil Engine Limited (Non –Executive Non- Independent Director)</li> <li>▪ The Bombay Burmah Trading Corp. Ltd. (Independent Director)</li> </ul>
Dr. (Mrs.) Minnie Bodhanwala (DIN: 00422067)	Non-Executive, Non-Independent Director	<ul style="list-style-type: none"> <li>▪ The Bombay Burmah Trading Corp. Ltd (Non –Executive Non- Independent Director)</li> <li>▪ National Peroxide Limited (Non –Executive Non- Independent Director)</li> <li>▪ Axel Polymers Limited (Non –Executive Non- Independent Director)</li> </ul>
Mr. Ness N. Wadia (DIN: 00036049)	Non-Executive/ Promoter Director	<ul style="list-style-type: none"> <li>▪ The Bombay Burmah Trading Corp. Ltd. (Managing Director)</li> <li>▪ National Peroxide Limited (Non-Executive Promoter Director-Chairman)</li> <li>▪ Britannia Industries Limited (Non-Executive Promoter Director)</li> </ul>
Mr. Jehangir N. Wadia (DIN: 00088831)	Managing Director/ Promoter Director	<ul style="list-style-type: none"> <li>▪ The Bombay Burmah Trading Corp. Ltd. (Non-Executive Promoter Director)</li> <li>▪ Britannia Industries Limited (Non-Executive Promoter Director)</li> </ul>

Note: Other than Mr. Nusli N. Wadia, Mr. Ness N. Wadia and Mr. Jehangir N. Wadia who are related to each other, no Director is related to any other Director.

#### Matrix setting out the skills/expertise/competence of the Board

The Board of Directors have identified the following Core Skills/ Expertise/Competencies as required in the context of its business(es) and sector(s) for it to function effectively:

Skills/ Expertise/ Competencies identified by the Board	Mr. Nusli Wadia	Mr. S. Ragothaman	Mr. Ness N. Wadia	Mr. V. K. Jairath	Mr. K. M. Elavia	Dr. (Mrs.) Minnie Bodhanwala	Mr. Sunil S. Lalbhai	Ms. Gauri Kirloskar	Mr. Jehangir N. Wadia
Leadership experience of running large enterprise. Experience of leading operations of large organizations with deep understanding of complex business processes, regulatory and governance environment, risk management and ability to visualize and manage change.	✓		✓	✓		✓	✓	✓	✓
Business Strategies and innovations. Expertise in developing and implementing strategies for sustainable and profitable growth of the Company in various segments	✓	✓	✓	✓			✓		✓
Understanding of Consumer behavior in diverse environments and conditions pertaining to core business areas of Company viz. Real Estate, PSF and Retail.	✓		✓			✓			✓

Skills/ Expertise/ Competencies identified by the Board	Mr. Nusli Wadia	Mr. S. Ragothaman	Mr. Ness N. Wadia	Mr. V. K. Jairath	Mr. K. M. Elavia	Dr. (Mrs.) Minnie Bodhanwala	Mr. Sunil S. Lalbhai	Ms. Gauri Kirloskar	Mr. Jehangir N. Wadia
Understanding of the changing legal and regulatory landscape of the Country from time to time.	✓	✓	✓	✓	✓		✓	✓	✓
Financial Management and Accounting. Expertise in understanding and management of complex financial functions and processes of large organisations, deep knowledge of accounting, finance and treasury for financial health of the Company.	✓	✓	✓	✓	✓		✓	✓	✓
Knowledge and expertise of Trade and Economic Policies Possessing knowledge and expertise of various trade and economic policies, ability to analyse their impact on the business of the Company and devise revised strategies.	✓	✓		✓	✓		✓		✓
Governance and Regulatory requirements of large Companies. Knowledge and experience in regulatory and governance requirements and ability to identify key risks affecting the governance of the Company	✓	✓		✓	✓		✓		

### Board Meetings

During the year under review, 5 Board Meetings were held, the dates being, 2<sup>nd</sup> May, 2019, 27<sup>th</sup> June, 2019, 5<sup>th</sup> August, 2019, 11<sup>th</sup> November, 2019 and 10<sup>th</sup> February, 2020.

Attendance of each Director at the Meetings of Board and the last Annual General Meetings, number of other Directorship and Committee membership/Chairmanship are as under:

Name	Category	No. of Board Meetings attended during 2019-20		Whether attended AGM held on 5 <sup>th</sup> August, 2019	No. of Directorships in other public companies as on 31.3.2020*		No. of Committee positions held in other public companies** as on 31.3.2020	
		held	Attended		Chairman	Member	Chairman	Member
Mr. Nusli N. Wadia (Chairman) (DIN:00015731)	Non-Executive/ Promoter Director	5	5	Yes	3	-	-	-
Mr. R. A. Shah (DIN: 00009851) (Retired as director w.e.f. 8 <sup>th</sup> August, 2019)	Non-Executive Independent Director	5	3	Yes	-	-	-	-
Mr. S. Ragothaman (DIN: 00042395)	-do-	5	5	No	-	6	4	1
Mr. A. K. Hirjee (DIN: 00044765) (Retired as director w.e.f. 8 <sup>th</sup> August, 2019)	-do-	5	3	Yes	-	-	-	-

Name	Category	No. of Board Meetings attended during 2019-20		Whether attended AGM held on 5 <sup>th</sup> August, 2019	No. of Directorships in other public companies as on 31.3.2020*		No. of Committee positions held in other public companies** as on 31.3.2020	
		held	Attended		Chairman	Member	Chairman	Member
Mr. V. K. Jairath (DIN: 00391684)	-do-	5	5	Yes	-	5	-	6
Mr. Keki M. Elavia (DIN: 00003940)	-do-	5	5	Yes	-	9	4	5
Mr. Sunil S. Lalbhai (DIN: 00045590)	-do-	5	5	Yes	3	3	-	3
Ms. Gauri Kirloskar (DIN:03366274)	-do-	5	5	Yes	-	3	-	2
Dr. (Mrs.) Minnie Bodhanwala (DIN: 00422067)	Non-Executive, Non-Independent Director	5	3	Yes	-	3	-	3
Mr. Ness N. Wadia (DIN: 00036049)	Non-Executive/ Promoter Director	5	4	Yes	1	3	-	3
Mr. Jehangir N. Wadia (DIN: 00088831)	Managing Director/ Promoter Director	5	5	Yes	-	3	-	1

\* Excludes directorship in foreign companies, private companies and companies governed by Section 8 of the Act.

\*\* Includes only Audit Committee and Stakeholders Relationship Committee in public limited companies.

### Independence of Directors

Company's definition of 'Independence' of Directors is derived from Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations. The Independent Directors provide an annual confirmation that they meet the criteria of independence. Based on the confirmations/disclosures received from the Directors the Board confirms, that the Independent Directors fulfill the conditions as specified under SEBI (LODR) Regulations and are independent of the management.

The Board members are provided with necessary documents/ brochures and reports to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, business strategy and risks involved. Site visits are also arranged.

Quarterly updates on relevant statutory changes encompassing important laws are regularly circulated to the Directors. The policy of such familiarization programmes for Independent Directors is posted on the website of the Company and can be accessed at <https://bombaydyeing.com/pdfs/board/DirectorsFamiliarisationPolicy.pdf>.

### 3. BOARD COMMITTEES

The Board has constituted the following Committees of Directors:

#### (a) Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Act read with the rules made thereunder and Regulation 18 read with Part C of Schedule II of SEBI (LODR) Regulations. The Committee comprises of members who possess financial and accounting expertise/exposure.

During the year under review, 8 Meetings of the Audit Committee were held, the dates being 12<sup>th</sup> April, 2019, 2<sup>nd</sup> May, 2019, 4<sup>th</sup> July, 2019, 5<sup>th</sup> August, 2019, 17<sup>th</sup> October, 2019, 11<sup>th</sup> November, 2019, 20<sup>th</sup> January, 2020 and 10<sup>th</sup> February, 2020.

Composition of the Committee and details of attendance of each Member at the Audit Committee Meetings are as follows:



Name of the Member	Category	No. Meetings attended
Mr. Keki. M. Elavia, Chairman	Non-Executive, Independent Director	8
Mr. S. Ragothaman	Non-Executive, Independent Director	8
Mr. R. A. Shah (Upto 7 <sup>th</sup> August, 2019)	Non-Executive, Independent Director	4
Mr. V. K. Jairath	Non-Executive, Independent Director	8
Ms. Gauri Kirloskar (w.e.f. 2 <sup>nd</sup> May, 2019)	Non-Executive, Independent Director	6
Mr. Ness N. Wadia (w.e.f. 11 <sup>th</sup> November, 2019)	Non-Executive, Non- Independent Director	1
Dr. (Mrs.) Minnie Bodhanwala (w.e.f. 11 <sup>th</sup> November, 2019)	Non-Executive, Non- Independent Director	0

The Managing Director, Chief Financial Officer, Internal Auditors, Cost Auditors, Statutory Auditors and other senior executives of the Company attend the Audit Committee Meetings as invitees. The Company Secretary acts as the Secretary to the Audit Committee.

The role of the Audit Committee flows directly from the Board of Director's overview function on corporate governance, which holds the Management accountable to the Board and the Board accountable to the stakeholders. The term of reference of the Audit Committee broadly includes acting as a catalyst, in helping the organization achieve its objectives. The Audit Committee's primary role is to review the Company's financial statements, internal financial reporting process, internal financial controls, the audit process, adequacy, reliability and effectiveness of the internal control systems, vigil mechanism, related party transactions, monitoring process for compliance with laws and regulations and the code of conduct.

#### Internal Audit and Control:

M/s. Ernst and Young, LLP, Internal Auditors of the Company have carried out the internal audit for the financial year 2019-20. The reports and findings of the Internal Auditor and the internal control systems are periodically reviewed by the Committee.

#### (b) Nomination and Remuneration Committee ("NRC")

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI (LODR) Regulations. Apart from the above, the Committee also carries out such functions/responsibilities entrusted on it by the Board of Directors from time to time.

During the year under review, the Committee met 4 times on 2<sup>nd</sup> May, 2019, 27<sup>th</sup> June, 2019, 11<sup>th</sup> November, 2019 and 10<sup>th</sup> February, 2020.

Composition of NRC and details of attendance of the Members at Meetings of the Committee are as follows:

Name of the Member	Category	No. of Meetings attended
Mr. V. K. Jairath, Chairman	Non-Executive, Independent Director	4
Mr. Nusli N. Wadia	Non-Executive, Non- Independent Director	4
Mr. R. A. Shah (Upto 7 <sup>th</sup> August, 2019)	Non-Executive, Independent Director	2
Mr. S. Ragothaman	Non-Executive, Independent Director	3
Mr. A. K. Hirjee (Upto 7 <sup>th</sup> August, 2019)	Non-Executive, Independent Director	2
Mr. Sunil S. Lalbhai (w.e.f. 2 <sup>nd</sup> May, 2019)	Non-Executive, Independent Director	3

The broad terms of reference of the NRC includes:

- Setup and composition of the Board, its Committees, and Senior Management/Executive team of the Company including Key Managerial Personnel ("KMP" as defined under the Act).
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board of Directors, their appointment and removal. Senior Management shall have the same meaning as defined in the SEBI (LODR) Regulations.

- Evaluation of performance of the Board, its Committees and individual Directors.
- Remuneration to Directors, KMPs, Senior Management/ executive team and other employees.
- Oversight of the familiarisation programme of Directors.
- Oversight of the Human Resource ("HR") philosophy, HR and People strategy and key HR practices.

### Performance Evaluation

Pursuant to the provisions of the Act read with the rules made thereunder, SEBI (LODR) Regulations and Guidance Note on Board Evaluation issued by SEBI vide its Circular dated 5<sup>th</sup> January, 2017, the Board of Directors ("Board") has carried out an annual evaluation of its own performance and that of its Committees and individual Directors.

The performance of the Board and individual Directors was evaluated by the Board seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members. The NRC reviewed the performance of the individual Directors. A separate Meeting of Independent Directors was also held to review the performance of Non-Independent Directors; performance of the Board as a whole and performance of the Chairperson of the Company, taking into account the

views of Managing Director and Non-Executive Directors. This was followed by a Board Meeting that discussed the performance of the Board, its Committees and of individual Directors.

The criteria for performance evaluation of the Board included aspects like Board composition and structure; effectiveness of Board processes, information and functioning etc. The criteria for performance evaluation of Committees of the Board included aspects like composition of committees, effectiveness of committee meetings, etc. The criteria for performance evaluation of the individual Directors includes aspects on contribution to the Board and Committee Meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in Meetings etc. In addition, the Chairman was also evaluated on the key aspects of his role.

### Remuneration of Directors

Payment of remuneration to the Managing Director is governed by the Agreement executed between him and the Company. His Agreement is approved by the Board and by the shareholders. His remuneration structure comprises salary, incentive, bonus, benefits, perquisites and allowances, contribution to provident fund, superannuation and gratuity. The Non-Executive Directors do not draw any remuneration from the Company other than sitting fees and such commission as may be determined by the Board from time to time.

- (i) Details of remuneration paid to the Managing Director during the financial year 2019-20 are given below: -

( ₹ in Crore)

Name	Salary	Benefits**	Bonus***	Total#
*Mr. Jehangir. N. Wadia, Managing Director	1.82	5.27	Nil	7.09

\* On the recommendation of the NRC, the Board at its Meeting held on 31<sup>st</sup> March, 2016 re-appointed Mr. Jehangir N. Wadia as Managing Director for a period of 5 years from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2021. The shareholders' approved his appointment and his remuneration as a Managing Director at the AGM held on 10<sup>th</sup> August, 2016 and the remuneration payable to him was subsequently revised at the AGM held on 7<sup>th</sup> August, 2018. Since, his term as Managing Director is expiring on 31<sup>st</sup> March, 2021, on the recommendation of the NRC, the Board of Directors at its Meeting held on 9<sup>th</sup> June, 2020, proposed to re-appoint him as Managing Director for a period of five years with effect from 1<sup>st</sup> April, 2021 upto 31<sup>st</sup> March, 2026, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

\*\* Includes the Company's contribution to Provident and Superannuation Funds, but excludes gratuity and re-imbursement of Fuel and Maintenance of Car.

\*\*\* No Bonus is paid to MD for FY 2019-20.

# The total remuneration to the Managing Director, amounting to ₹ 8.84 Crores for the year ended March 31, 2020, includes bonus of ₹ 1.75 Crores pertaining to FY 2018-19, paid in FY 2019-20. Therefore, the actual remuneration to MD for FY 2019-20 is ₹ 7.09 Crores, which is within the overall limits of the special resolution passed by the shareholders at the Annual General Meeting of the Company held on 7<sup>th</sup> August 2018.

# Includes Leave Travel Allowance of ₹ 6.60 Lakhs for FY 2019-20, paid in FY 2020-21.

Note:

The Agreement with the Managing Director is for a period of five years. Either party to the Agreement is entitled to terminate the Agreement by giving not less than six calendar months' prior notice in writing to the other party; provided that the Company shall be entitled to terminate the incumbent's employment at any time by payment to him of six months' salary in lieu of such notice.

- (ii) Details of payments made to Non-Executive Directors during the year 2018-19 and the number of shares held by them are given below:

Name	Sitting Fees** (₹ in Crore)	Commission (₹ in Crore)	Total No. of Shares held in the Company as on 31 <sup>st</sup> March, 2020
Mr. Nusli N. Wadia	0.10	Nil	Nil
Mr. R. A. Shah*	0.05	Nil	7,100
Mr. S. Ragothaman	0.10	Nil	35,000
Mr. A. K. Hirjee#	0.04	Nil	3,800
Mr. Ness N. Wadia	0.03	Nil	12,19,418
Mr. V. K. Jairath	0.16	Nil	Nil
Mr. Keki M. Elavia	0.09	Nil	Nil
Dr. (Mrs.) Minnie Bodhanwala	0.02	Nil	Nil
Mr. Sunil S. Lalbhai	0.06	Nil	Nil
Ms. Gauri Kirloskar	0.07	Nil	Nil

\* In the opinion of NRC, Mr. R. A. Shah, Director in the Company (Upto 7<sup>th</sup> August, 2019) and also a partner of Crawford Bayley & Co., a solicitor firm, possesses the requisite qualification for the practice of legal professional and has rendered services of a professional nature to the Company. The quantum of professional fees received by Crawford Bayley & Co. from the Company constitutes less than 10% of the gross turnover of the legal firm. Mr. R. A. Shah stepped down as director of the Company on completion of his term as Independent Director w.e.f. 8<sup>th</sup> August, 2019.

\*\* Includes sitting fees paid for Board and Committee Meetings.

# Mr. A. K. Hirjee stepped down as director of the Company on completion of his term as Independent Director w.e.f. 8<sup>th</sup> August, 2019.

Non-Executive Directors are paid sitting fees at the rate of ₹ 60,000/- per meeting for attending the meetings of the Board of Directors. Sitting fees for Meetings of Audit Committee, NRC, Strategic Committee and Meeting of Independent Directors is ₹ 60,000/- per meeting. Sitting fees for meetings of CSR Committee and Risk Management Committee is ₹ 40,000/- and Stakeholders Relationship Committee is ₹ 15,000/- per meeting. No stock options have been granted to Non-Executive Directors.

#### Remuneration Policy

The Company has adopted the Remuneration Policy as required under the provisions of the Act and Regulation 19 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015. The policy is available at Company's website at: <https://bombaydyeing.com/pdfs/corporate/corporatepdf09.pdf>

#### Board Diversity

The Company has adopted the Policy on Board Diversity as required under Regulation 19 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015. The policy is available at Company's website at: <https://bombaydyeing.com/pdfs/corporate/corporatepdf05.pdf>

#### (c) Stakeholders Relationship Committee ("SRC")

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Act and Regulation 20 read with Part D of Schedule II of SEBI (LODR) Regulations.

The broad terms of reference of the said Committee are as follows:

- To resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends/interest/refund order/redemption of debt securities, issue of new/duplicate certificates, general meetings etc.

- ii. To review the measures taken for effective exercise of voting rights by shareholders.
- iii. To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- iv. To review the performance of the Registrar & Share Transfer Agent and recommend the measures for overall improvement in the quality of investor services.
- v. To approve and monitor transfer, transmission, split, consolidation and dematerialization, rematerialization of shares and/or securities and issue of duplicate share and/or security certificates of the Company over and above the delegated power;
- vi. To review the various measures/initiatives taken by the Company inter-alia for reducing the quantum of unclaimed dividends, ensuring timely receipt of dividend warrant/annual report/statutory notices by the security holders of the Company and recommend measures to further enhance the service standards for the benefit of the security holders of the Company.
- vii. To review the status of compliance by the Company under applicable Corporate and Securities laws.
- viii. To consider and review such other matters, as the Committee may deem fit, from time to time.

During the year under review, the Committee met once on 23<sup>rd</sup> March, 2020.

Composition of the Stakeholders Relationship Committee and details of attendance of each Member at the Meeting of the Committee are as follows:

Name of the Member	Category	Meeting attended
Mr. Sunil S. Lalbhai Chairman (w.e.f. 2 <sup>nd</sup> May, 2019)	Non-Executive, Independent Director	1
Mr. A. K. Hirjee (Upto 7 <sup>th</sup> August, 2019)	Non-Executive, Independent Director	-
Mr. Jehangir N. Wadia	Managing Director	1
Dr. (Mrs.) Minnie Bodhanwala	Non-Executive, Non- Independent Director	1

The Stakeholders Relationship Committee's role is to assist the Board and the Company to oversee the redressal mechanism of requests or complaints or grievances pertaining to various aspects of interest of the shareholders, debenture holders, deposit holders and any other securities holders (herein after referred to as the Securities holders), review the initiatives taken by the Company to provide the better service to the securities holders and review the status of compliance under the applicable Corporate and Securities Laws.

The Board at its Meeting held on 20<sup>th</sup> October, 2010 and as modified by the Board at its Meeting held on 28<sup>th</sup> May, 2013, had delegated the powers to approve transfer and transmission of securities, to issue consolidated/new certificates etc. subject to certain guidelines and limits laid down, severally to the Managing Director, Chief Financial Officer and the Company Secretary. Accordingly, the transfer and transmission of shares, issue of consolidated/new certificates, etc. upto the limits laid down are approved on a weekly basis by any of the above delegates. As per Rule 6(2)(a) of the Companies (Share Capital and Debentures) Rules, 2014 the duplicate share certificate is to be issued in lieu of those lost or destroyed, only with the prior consent of the Board or Committee thereof. Duplicate share certificates are therefore issued with the prior approval of the Committee.

#### **Name and designation of Compliance Officer**

Mr. Sanjive Arora  
Company Secretary

#### **Shareholders Complaints**

No. of shareholders' complaints received : 08  
during the year

No. of complaints not resolved to the : Nil  
satisfaction of shareholders

No. of pending complaints : Nil

#### **(d) Corporate Social Responsibility (CSR) Committee**

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 135 of the Act.

The Committee has not met during the year under review. The Committee passed a Circular resolution dated March 20, 2020 for contribution towards CSR activities during the financial year 2019-20. The said circular was passed by all the CSR Members. The Composition of the CSR Committee is as follows:



Name of the Member	Category
Mr. Ness N. Wadia, Chairman	Non-Executive, Non-Independent Director
Dr. (Mrs.) Minnie Bodhanwala	Non-Executive, Non-Independent Director
Mr. V. K. Jairath	Non-Executive, Independent Director

The CSR Committee:

- (i) reviews the existing CSR Policy from time to time and the activities to be undertaken by the Company towards CSR activities;
- (ii) recommends the project/programme to be undertaken, amount of expenditure to be incurred, roles and responsibilities of various stakeholders, etc. in respect of CSR activities; and
- (iii) monitors for ensuring implementation of the projects/programmes undertaken or the end use of the amount spent by the Company towards CSR activities.

Report on CSR activities has been provided as **Annexure – G** to the Directors' Report.

#### (e) Independent Directors' Meeting

During the year under review, the Independent Directors met on 10<sup>th</sup> February, 2020, inter-alia, to discuss:

- Evaluation of the performance of the Board as a whole;
- Evaluation of performance of the Non-Independent Non-Executive Directors and Chairman of the Board.
- To assess the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting.

#### (f) Strategic Committee

Strategic Committee was formed to deliberate and take all strategic decisions for the Company.

During the year under review, the Committee met 8 times on 26<sup>th</sup> April, 2019, 26<sup>th</sup> June, 2019, 3<sup>rd</sup> August, 2019, 13<sup>th</sup> August, 2019, 10<sup>th</sup> October, 2019, 11<sup>th</sup> January, 2020, 3<sup>rd</sup> February, 2020 and 9<sup>th</sup> March, 2020.

Composition of Strategic Committee and details of attendance of each Member at the Strategic Committee Meetings are as follows:

Name of the Member	Category	No. Meeting attended
Mr. Nusli N. Wadia, Chairman	Non-Executive, Non-Independent Director	8
Mr. A. K. Hirjee (Upto 7 <sup>th</sup> August, 2019)	Non-Executive, Independent Director	2
Mr. V. K. Jairath	Non-Executive, Independent Director	8

The Managing Director attends the Strategic Committee Meetings as a permanent invitee.

#### (g) Risk Management Committee

In compliance with the requirement of SEBI (LODR) Regulations, the Board has constituted Risk Management Committee at its Meeting held on 13<sup>th</sup> November, 2018. During the year under review, the Committee met once on 12<sup>th</sup> April, 2019, all the Members were present at the Meeting.

Composition of Risk Management Committee and details of attendance of each Member at the Committee Meeting are as follows:

Name of the Member	Category	Meeting attended
Mr. V. K. Jairath, Chairman	Non-Executive Independent Director	1
Mr. Keki M. Elavia	Non-Executive, Independent Director	1
Mr. Jehangir N. Wadia	Managing Director	1
Mr. Vishnu Peruvemba *	Chief Financial Officer	1
Mr. Hitesh Vora **	Chief Financial Officer	-

\*Mr. Vishnu Peruvemba, ex-Chief Financial Officer, was Member of the Committee till his resignation i.e. upto 31<sup>st</sup> August, 2019.

\*\* Mr. Hitesh Vora, Chief Financial Officer, became Member of the Committee w.e.f. 11<sup>th</sup> November, 2019.

#### 4. GENERAL BODY MEETINGS

(a) Location and time where last three AGMs and National Company Law Tribunal (NCLT) Convened Meeting were held.

**Annual General Meetings:**

Date & Time	Location	Special Resolutions Passed
5 <sup>th</sup> August, 2019 at 3.45 p.m.	4 <sup>th</sup> Floor, Swatantryaveer Savarkar Rashtriya Smarak Auditorium, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai - 400028	(i) Approval for re-appointment of Mr. S. Ragothaman (DIN: 00042395) as Non-Executive Independent Director of the Company for a second term of three years.  (ii) Approval of remuneration of Managing Director for FY 2016-17 pursuant to the amended Section 197 of the Act.
7 <sup>th</sup> August, 2018 at 3.45 p.m.	Yashwantrao Chavan Center Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai – 400021	(i) Approval for continuation of holding office of Non-Executive Director of the Company, by Mr. Nusli N. Wadia (DIN: 00015731) under Regulation 17(1A) of the SEBI (LODR) Regulations, 2015.  (ii) Approval for continuation of holding office of Non-Executive Director of the Company, by Mr. R. A. Shah (DIN- 00009851) under Regulation 17(1A) of the SEBI (LODR) Regulations, 2015.  (iii) Approval for continuation of holding office of Non-Executive Director of the Company, by Mr. A. K. Hirjee (DIN: 00044765) under Regulation 17(1A) of the SEBI (LODR) Regulations, 2015.  (iv) Approval for revision in remuneration payable to Mr. Jehangir N. Wadia (DIN: 00088831), Managing Director.
10 <sup>th</sup> August, 2017 at 3.45 p.m.	Yashwantrao Chavan Center, Auditorium, General Jagannathrao, Bhonsle Marg, Nariman Point, Mumbai – 400021	Nil

**NCLT Convened Meeting:**

Date & Time	Location	Special Resolutions Passed
3 <sup>rd</sup> January, 2019 at 11:00 a.m.	“Rangaswar” Hall, 4 <sup>th</sup> Floor, Yashwantrao Chavan Center, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai – 400 021	Approval of Scheme of Arrangement between Scal Services Limited and The Bombay Dyeing and Manufacturing Company Limited for demerger of Real Estate Business Undertaking of Scal Services Limited (“Demerged Company”) vesting into The Bombay Dyeing and Manufacturing Company Limited (“Resulting Company”).

(b) Whether any Special Resolutions were passed last year through postal ballot:

Last year no resolution was passed through postal ballot:

#### 5. MEANS OF COMMUNICATION:

Annual Reports, notice of the meetings and other communications to the Members are sent through e-mail, post or courier.

However, this year in view of the outbreak of COVID-19 pandemic and owing to the difficulties involved in dispatching of physical copies of Annual Report, the MCA has vide its Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 directed the companies to send the Annual Report only by e-mail to all the Members of the company. Therefore, the Annual Report for FY 2019-20 and Notice of

140<sup>th</sup> AGM of the Company is being sent to the Members at their registered e-mail addresses in accordance with MCA and SEBI Circulars.

Quarterly, half-yearly and yearly financial results of the Company are published as per the requirements of Regulation 33 & 47 of the SEBI Listing Regulations, 2015 in leading newspapers i.e., Financial Express (all editions) & Mumbai Lakshadeep (Mumbai). The financial results, press releases and other reports/intimations required under the SEBI (LODR) Regulations, 2015 are filed electronically with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) and also uploaded on the Company's website- <https://bombaydyeing.com>.

During the year no presentations were made to analysts/institutional investors.

## 6. GENERAL SHAREHOLDER INFORMATION

### (a) AGM: Date, time and venue:

To be held on Wednesday, 15<sup>th</sup> July, 2020 at 11.00 a.m. through Video Conferencing (VC)/Other Audio Visual Means (OAVM) and the venue shall be deemed to be the Corporate Office of the Company at C-1, Wadia International Center, Pandurang Budhkar Marg, Worli, Mumbai - 400025.

### (b) Financial Year: 1<sup>st</sup> April to 31<sup>st</sup> March.

### (c) Book closure period: Friday, 10<sup>th</sup> July, 2020 to Wednesday, 15<sup>th</sup> July, 2020 both days inclusive.

### (d) Dividend payment date: On or from 16<sup>th</sup> July, 2020.

### (e) Listing on Stock Exchanges: Currently, the Company's securities are listed at:

1. BSE Limited, Mumbai.
2. National Stock Exchange of India Ltd. (NSE), Mumbai.

The Global Depository Receipts are listed at: Societe de la Bourse de Luxembourg.

Annual Listing Fees for the year 2020-21 have been paid to BSE Limited and National Stock Exchange of India Ltd.

Listing fee to the Societe de la Bourse de Luxembourg for listing of GDRs has been paid for the calendar year 2020.

### (f) Stock Code:

BSE Limited (BSE): 500020

National Stock Exchange of India Ltd. (NSE): BOMDYEING

### (g) Stock Market Data: Please see Annexure 1

### (h) Stock Performance: Please see Annexure 2

### (i) Registrars and Transfer Agents ("RTA") - M/s KFin Technologies Private Limited (erstwhile known as Karvy Fintech Private Limited):

M/s KFin Technologies Private Limited, Hyderabad, the Company's Registrar and Transfer Agent (RTA) handle the entire share registry work, both physical and electronic. Accordingly, all documents, transfer deeds, demat requests and other communications in relation thereto including dividend should be addressed to the RTA at its following offices:

#### 1) Corporate office:

KFin Technologies Private Limited  
(Unit: Bombay Dyeing)  
Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad,  
Telangana – 500 032, India  
Telephone number: +91 40 6716 2222  
Fax number: +91 40 2342 0814  
E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com)

### 2) Mumbai front office address where investor requests/complaints/queries are entertained:

KFin Technologies Private Limited  
(Unit: Bombay Dyeing)  
24-B, Raja Bahadur Mansion, Ground Floor,  
Ambalal Doshi Marg, Behind BSE, Fort.  
Mumbai - 400 001.  
Tel: 022 6623 5454/412/427

### (j) Share Transfer Details:

Share transfers in physical form are registered within a period of 15 days from the date of receipt in case documents are complete in all respects. The number of shares transferred/transmitted during the year is as under:

Category	No. of Applications	No. of Shares
Transfers	88	14,540
Transmissions	48	12,645
<b>TOTAL</b>	<b>136</b>	<b>27,185</b>

### (k) Dematerialisation of shares and liquidity:

98.75% of the outstanding Equity Shares have been dematerialised up to 31<sup>st</sup> March, 2020. All shares held by Promoters/Promoter Group Companies have been dematerialised. Trading in Equity Shares of the Company on the stock exchanges is permitted only in dematerialized form effective from 29<sup>th</sup> November, 1999, as per Notification issued by the Securities & Exchange Board of India (SEBI).

### (l) Secretarial Audit:

M/s Parikh & Associates, Practicing Company Secretaries, have carried out the Secretarial Audit of the Company for the Financial Year 2019-20 and as per the provisions of Section 204 of the Act a Secretarial Audit Report in the prescribed format given by M/s. Parikh & Associates is attached as Annexure F to the Director's Report. Regulation 24 A of SEBI (LODR) Regulations read with SEBI circular no. CIR/CFD/CMD 1/27/2019 mandated all listed entities to obtain annual secretarial compliance Reports on compliance with SEBI Regulations and circulars/guidelines issued thereunder from a company secretary in practice.

Accordingly, the Company has obtained and filed with stock exchanges a Secretarial Compliance Audit Report for FY 2019-20 from Parikh & Associates, Practicing Company Secretaries.

### (m) Share Capital Audit:

As stipulated by Securities and Exchange Board of India (SEBI), a qualified practising Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL)

and Central Depository Services (India) Limited (CDSL), shares held physically as per the Register of Members of the Company and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges, NSDL and CDSL and is also placed before the Board of Directors.

**(n) Outstanding GDRs/Warrants, Convertible Bonds, conversion date and likely impact on equity:**

- (i) 27,78,775 (1.35%) GDRs were outstanding as at 31<sup>st</sup> March, 2020, each GDR representing one underlying equity share of ₹ 2/- each.
- (ii) 928 (2018-19: 928) Warrants as part of the rights entitlement kept in abeyance out of the rights issue of non-convertible debentures (NCDs)/secured premium notes (SPNs) with two detachable warrants attached to each NCD/SPN entitling the warrant-holder to apply for and be allotted five equity shares of the Company for each warrant at a price of ₹ 12/- per share. Likely impact on full conversion will be ₹ 0.09 lakh on share capital and ₹ 0.46 lakh on share premium.

**(o) Commodity price risk or foreign exchange risk and hedging activities:**

The Company has robust mechanisms to manage commodity price risk and foreign risk through strategic forward contracts.

**(p) Shareholding:**

**(i) Distribution of Shareholding as on 31<sup>st</sup> March, 2020:**

Category (Shares)	No. of shareholders	% to total shareholders	No. of Shares	% To Equity capital
1 – 50	46,137	33.53	11,30,102	0.55
51 – 100	24,638	17.91	22,34,733	1.08
101 – 250	27,719	20.14	51,61,995	2.50
251 – 500	18,669	13.57	75,41,350	3.65
501 – 1000	10,350	7.52	83,00,697	4.02
1001 – 5000	8,267	6.01	1,81,21,083	8.77
5001 & Above	1,819	1.32	16,40,44,940	79.43
<b>Total</b>	<b>1,37,599</b>	<b>100.00</b>	<b>20,65,34,900</b>	<b>100.00</b>

**(ii) Shareholding Pattern as on 31<sup>st</sup> March, 2020:**

Category	No. of Shares	% To Equity capital
Promoter Group	10,80,68,618	52.32
Insurance Companies	76,65,349	3.71
Nationalised Banks	8,60,973	0.42
Mutual Funds	16,468	0.01
FII's	22,07,464	1.07
GDR Holders	27,78,775	1.35
Others	8,49,37,253	41.12
<b>Total</b>	<b>20,65,34,900</b>	<b>100.00</b>

- (q) During the financial year 2019-20, the Company has transferred ₹ 32,94,291 to Investor Education and Protection Fund in accordance with the provisions of Section 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.
- (r) The Ministry of Corporate Affairs ("MCA") had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from 7<sup>th</sup> September, 2016 ("IEPF Rules 2016"). Further, the MCA had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) (Amendment) Rules, 2017 on 28<sup>th</sup> February, 2017 ("IEPF Rules 2017").

The Rules, contain provisions for transfer of all those shares in respect of which dividend has not been encashed or claimed by shareholders for seven consecutive years or more in the account of the Investor Education and Protection Fund ("IEPF") Authority.

In terms of the said Rules, the Company has already transferred to the IEPF Authority following shares in respect of which dividend has not been encashed or claimed by shareholders for seven consecutive years or more:

Financial year	Number of shareholders	Number of shares
2017-18	4,243	7,91,907
2018-19	483	99,462
2019-20	565	1,36,944

**(s) Plant Location:**

PSF Plant  
A/1, M.I.D.C. Industrial Area  
P.O. Patalganga, Dist.Raigad,  
Maharashtra - 410220 (India)  
T.: (+912192)258301  
F.: (+912192)250263

**(u) Credit Rating**

Brickwork Ratings India Pvt. Ltd has assigned and upgraded the ratings of bank loan facilities and fixed deposit instrument of the Company as follows:

Facility	Tenure	Previous Ratings	Current Ratings
<b>Fund Based Term Loan Cash Credit</b>	Long Term	BWR A (Pronounced as BWR A) Outlook: Stable	BWR A (Pronounced as BWR A) Outlook: Stable
<b>Non Fund Based Letter of Credit/ Bank Guarantee</b>	Short Term	BWR A2+ (Pronounced as BWR A Two Plus)	BWR A2+ (Pronounced as BWR A Two Plus)
<b>Non Fund Based Fixed Deposit</b>	Long Term	BWR FA (Pronounced as BWR FA) Outlook: Stable	BWR FA (Pronounced as BWR FA) Outlook: Stable

**(v) Green Initiative:**

By virtue of MCA Circular Nos. 17/2011 and 18/2011 dated 21<sup>st</sup> April, 2011 and 29<sup>th</sup> April, 2011 respectively, read with Rule 11 of the Companies (Accounts) Rules, 2014, service of documents may be made to Members through electronic mode.

We therefore appeal to the Members to be a part of the said 'Green Initiative' and request the Members to register their name in getting the said documents in electronic mode by sending an email giving their Registered Folio Number and/or DP Id/Client ID at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).

Those Members who want the above documents in physical form, must indicate their option by sending a letter or an email to the Registrar's address or at the e-mail ID [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) giving their Registered Folio Number and/or DP Id/Client ID.

**(t) Address for correspondence:**

For share transfer/dematerialisation of shares/payment of dividend/other queries relating to shares:

Contact M/s KFin Technologies Private Limited at the addresses printed in Sr. No. 6(i) above.

For any queries on Annual Report or investors' assistance:

The Company Secretary OR

The Manager (Secretarial),  
at C-1, Wadia International Center (Bombay Dyeing),  
Pandurang Budhkar Marg, Worli, Mumbai-400 025.  
Tel: (91) (22) 66620000 Fax: (91) (22) 66620069.

Note: As required in terms of Regulation 13 of SEBI (LODR) Regulations, the Company has designated an e-mail ID exclusively for the purpose of registering complaints by investors. The e-mail ID is: [grievance\\_redressal\\_cell@bombaydyeing.com](mailto:grievance_redressal_cell@bombaydyeing.com)

**(w) Corporate Identity Number (CIN):**

CIN of the Company as allotted by the Ministry of Corporate Affairs, Government of India is L17120MH1879PLC000037.

**(x) Information flow to the Board Members:**

As required under Regulation 17(7), Part A of Schedule II of SEBI (LODR) Regulations, information is provided to the Board Members for their information, review, inputs and approval from time to time.

**7. OTHER DISCLOSURES**

**(a) Related Party Transactions**

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable



disclosure as required by applicable Accounting Standards (IND AS 24) has been made in the notes to the Financial Statements.

As required under Regulation 23(1) of SEBI (LODR) Regulations, the Company has formulated a policy on Related Party Transactions which has been put up on the website of the Company: <https://bombaydyeing.com/pdfs/corporate/RPT%20Policy.pdf>

**(b) Details of non-compliance**

No penalty and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority nor has there been any instance of non-compliance with any legal requirements on any matter related to capital markets, during the last three years.

**(c) Whistle Blower policy / Vigil Mechanism**

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour. Towards this end, the Company has implemented a Whistle Blower Policy, with a view to provide a mechanism for employees and Directors of the Company to approach the Ethics Committee or Chairman of the Audit Committee of the Company to report instances of violations of laws, rules and regulations, unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The vigil mechanism also provides adequate safeguards against victimisation of persons who use such mechanisms and also to ensure direct access to the Ethics Committee or Chairman of the Audit Committee in appropriate or exceptional cases. No personnel have been denied access to the Audit Committee, if he/she wished to lodge a complaint under the Whistle Blower Policy.

In compliance with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, ("Amendment Regulations") Company has amended its Whistle-Blower Policy to enable employees to report instances of leak of unpublished price sensitive information.

As required under Listing Regulations Whistle Blower Policy is available on the Company's website at [https://bombaydyeing.com/pdfs/corporate/Whistle\\_Blower\\_Policy.pdf](https://bombaydyeing.com/pdfs/corporate/Whistle_Blower_Policy.pdf).

The Audit Committee of the Company monitored and reviewed investigations of the whistleblower complaint received during the year.

**(d) Risk Management**

The Company has adopted a Risk Assessment & Management Policy, which is also available at Company's website under the weblink: <https://bombaydyeing.com/pdfs/corporate/corporatepdf10.pdf>

**(e) CEO/CFO Certification**

Mr. Jehangir N. Wadia, Managing Director and Mr. Hitesh Vora, Chief Financial Officer, have certified to the Board in accordance with Regulation 17(8) of SEBI (Listing Obligations and Disclosures) Regulations, pertaining to CEO/CFO certification for the financial year ended 31<sup>st</sup> March, 2020.

**(f) Code of Conduct**

The Board of Directors has adopted the Code of Ethics and Business Principles for Non-Executive Directors as also for the employees including Whole-Time Directors and other Members of Senior Management. All Members of the Board and senior management personnel have affirmed compliance with the Code. The said Code has been communicated to all the Directors and Members of the Senior Management. The Code has also been posted on the Company's website: <https://bombaydyeing.com/pdfs/corporate/corporatepdf01.pdf>

**(g) Prevention of Insider Trading Code**

The Company has adopted a Code of Conduct to regulate, monitor and report trading by Designated Persons and code of practices and procedures for fair disclosures of unpublished price sensitive information ("Code") in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015 and any statutory amendment (s)/ modification(s) thereof.

In compliance with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, ("Amendment Regulations"), Company has amended the Code.

The Code is applicable to Directors, Employees, Designated Persons and other Connected Persons of the Company.

**(h) Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder and same is posted on the website of the Company and can be

accessed at <https://bombaydyeing.com/pdfs/corporate/corporatepdf08.pdf>

No complaint under above said policy has been received during the financial year 2019-20.

**(i) Certificate from Practicing Company Secretaries**

A certificate from Parikh and Associates, Practicing Company secretaries in practice has been obtained that none of the directors on the Board of the Company for financial year ending on 31<sup>st</sup> March, 2020, have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/MCA or any such other statutory authority. The said certificate is part of this report.

**(j) Fees paid to Statutory Auditors**

Company has paid/to be paid aggregate fees of ₹ 1.36 crore to Statutory Auditors for all services.

**8. COMPLIANCE WITH MANDATORY REQUIREMENTS**

The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the SEBI (LODR) Regulations.

**9. NON-MANDATORY REQUIREMENTS**

**(a) Office of the Chairman of the Board**

The Company defrays the secretarial and travel expenses of the Chairman's Office.

**(b) Shareholder rights – furnishing of half yearly results**

The Company's half yearly results are published in the newspapers and also posted on its website and are, therefore, not sent to the shareholders. However, the Company furnishes the quarterly and half yearly results on receipt of a request from the shareholders.

**(c) Unqualified Financial Statements**

There are no qualifications in the Auditor's Report on the accounts for the financial year 2019-20.

**(d) Separate posts of Chairman and Managing Director**

As on date, the positions of Chairman and the Managing Director are separate.

**(e) Reporting of Internal Auditor**

The Internal Auditor of the Company directly reports to the Audit Committee.

Mumbai, 9<sup>th</sup> June, 2020

## DECLARATION

As required under SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, this is to confirm that all the Members of the Board and the Senior Management Personnel have affirmed compliance with the "Wadia Code of Ethics and Business Principles" (Code of Conduct) for the year ended 31<sup>st</sup> March, 2020.

For The Bombay Dyeing & Mfg. Co. Ltd.

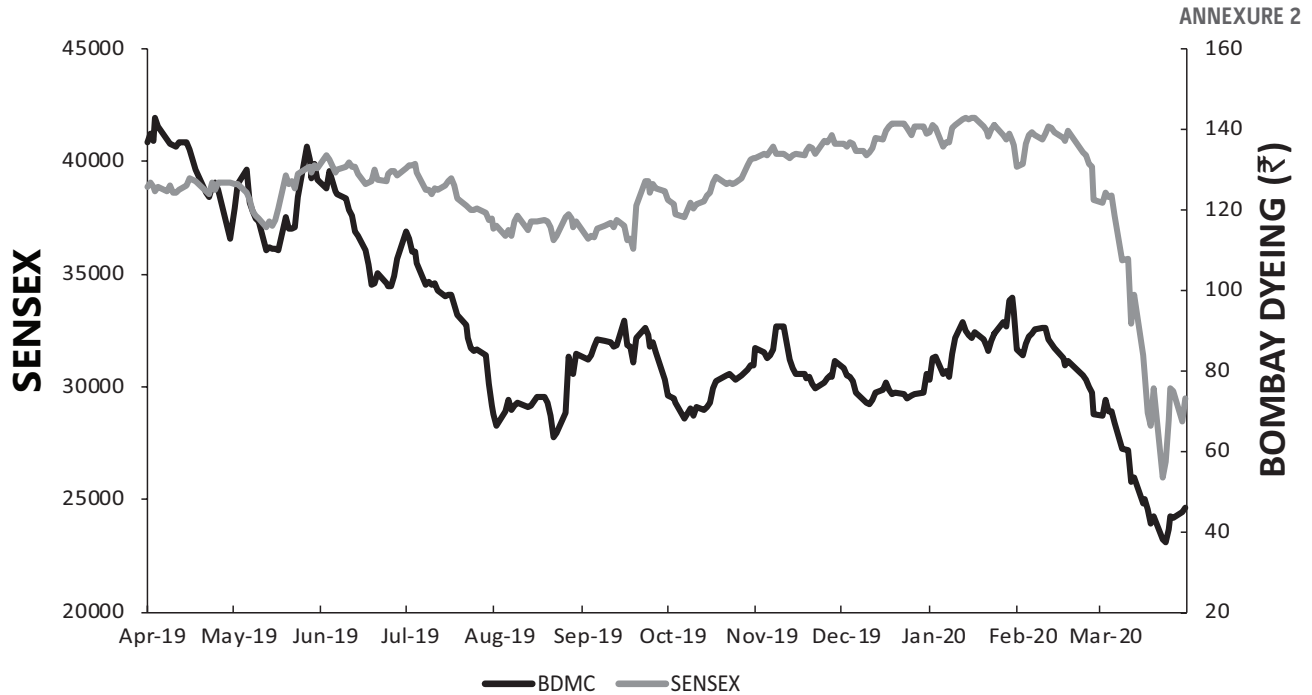
**Jehangir N. Wadia**  
Managing Director

Mumbai, 9<sup>th</sup> June, 2020.

## ANNEXURE -1

## STOCK MARKET DATA

Month	Month's High Price (₹)		Month's Low Price (₹)		No. of shares Traded		No. of Trades		Turnover (₹ in Crores)	
	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE
Apr-19	146.80	146.65	103.05	102.85	61,12,206	353,35,144	64,768	2,75,249	80.53	469.63
May-19	138.40	138.70	105.90	106.20	70,69,436	394,52,073	77,612	3,27,376	87.13	487.65
Jun-19	132.15	132.00	97.15	97.25	41,23,502	231,43,051	44,035	1,91,548	45.96	256.92
Jul-19	117.75	117.90	65.55	65.60	50,16,834	283,85,167	51,055	2,24,321	48.17	279.47
Aug-19	86.25	86.30	60.75	60.70	70,98,580	374,34,607	68,765	2,73,524	53.58	282.58
Sep-19	95.90	96.00	76.50	76.40	84,40,764	507,39,345	76,512	3,09,998	74.07	445.04
Oct-19	84.00	84.00	66.85	66.90	56,05,775	354,95,262	51,428	2,25,539	42.75	270.36
Nov-19	97.60	97.50	75.30	75.30	91,10,827	531,71,953	75,061	3,13,773	77.51	452.37
Dec-19	83.30	83.40	70.30	70.30	36,99,901	242,89,203	33,066	1,59,958	28.28	185.82
Jan-20	101.75	101.75	76.40	76.35	131,54,700	1097,33,217	1,15,631	5,96,605	117.91	991.21
Feb-20	95.65	95.80	68.70	68.75	64,85,546	452,52,150	55,300	2,91,947	55.92	393.12
Mar-20	73.85	73.90	36.20	36.00	55,21,118	310,15,696	55,933	2,74,947	29.83	168.01



**CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE**

[Pursuant to Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members of  
The Bombay Dyeing and Manufacturing Company Limited  
Neville House, J. N. Heredia Marg,  
Ballard Estate, Mumbai-400001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of The Bombay Dyeing and Manufacturing Company Limited having CIN L17120MH1879PLC000037 and having registered office at Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai-400001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and the Securities and Exchange Board of India, due to the spread of the COVID-19 pandemic, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company *
1.	Mr. Nusli N. Wadia	00015731	04/04/1968
2.	Mr. S. Ragothaman	00042395	08/09/1995
3.	Mr. Ness N. Wadia	00036049	01/04/2011
4.	Mr. V. K. Jairath	00391684	09/02/2017
5.	Mr. Keki M. Elavia	00003940	22/05/2017
6.	Dr. (Mrs.) Minnie Bodhanwala	00422067	29/03/2017
7.	Mr. Sunil S. Lalbhai	00045590	05/02/2019
8.	Ms. Gauri Kirloskar	03366274	05/02/2019
9.	Mr. Jehangir N. Wadia	00088831	01/06/2010

\*the date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on this based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates**  
Practising Company Secretaries

**Shalini Bhat**  
Partner

Place : Mumbai  
Date : 9<sup>th</sup> June, 2020

FCS No: 6484 CP No.: 6994  
UDIN: F006484B00032772

**INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,

**The Members of**

**The Bombay Dyeing and Manufacturing Company Limited**

1. We, Bansi S. Mehta & Co., Chartered Accountants, the Statutory Auditors of **The Bombay Dyeing and Manufacturing Company Limited** ("the Company"), have examined the compliance of conditions of Corporate Governance, for the year ended March 31, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations").

**Management's Responsibility**

2. The compliance of conditions of Corporate Governance is the responsibility of the Company's Management, including the preparation and maintenance of all relevant supporting records and documents.

**Auditor's Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("the ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purpose issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

7. Based on our examination of the relevant records and according to the information and explanations provided to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2020.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**Restricted on use**

9. The certificate is issued solely for the purpose of complying with the aforesaid SEBI Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

**For BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 100991W

**PARESH H. CLERK**  
Partner  
Membership No. 36148  
UDIN : 20036148AAAABK1520

Place : Mumbai  
Date : June 9, 2020



## ANNEXURE D to Directors' Report BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015, the Directors present the "Business Responsibility Report" (BRR) of the Company for FY 2019-20.

The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of the 9 Principles.

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company: L17120MH1879PLC000037
- Name of the Company: The Bombay Dyeing And Manufacturing Company Limited
- Registered Office Address: Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai – 400001.
- Website : www.bombaydyeing.com
- E-mail Id : grievance\_redressal\_cell@bombaydyeing.com
- Financial Year reported : 2019-20
- Sector(s) that the Company is engaged :  
Real Estate activities – NIC Code: 6810  
Polyester Staple Fibre – NIC Code: 20302  
Retail Home Textiles – NIC Code: 4751
- List three key products/services that the Company manufactures/ provides (as in balance sheet): Real Estate, Polyester Staple Fibre & Retail Home Textiles.
- Total number of locations where business activity is undertaken by the Company:
  - Number of International Locations: None.
  - Number of National Locations: Real Estate Business is concentrated at a single location i.e. Mumbai, the Retail Home Textiles Business of the Company is spread across the country. The Polyester Staple Fibre is manufactured at its plant at Patalganga, Dist. Raigad, Maharashtra. Details of Plant Locations of the Company are provided under the head 'General Shareholders Information' in the Corporate Governance Report.
- Markets served by the Company: Bombay Dyeing textile products have national presence.

### SECTION B: FINANCIAL DETAILS OF THE COMPANY (Standalone)

- Paid up Capital (INR): ₹ 45.19 Crore (including ₹ 3.89 Crore of Preference share capital)

- Total Turnover (INR) : ₹ 1944.66 Crore
- Total Profit/(Loss) After Taxes (INR): ₹ 327.87 Crore
- Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 2% of average net profit of last 3 financial years i.e., for the current financial year 2019-20, the average profit for the last three years is ₹ 2.94 Crore. The Company has decided not to spend any amount on CSR, the reason of the same is mentioned in Annexure G - Corporate Social Responsibility Policy.
- List of activities in which expenditure in 4 above has been incurred: Nil

### SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies?**  
Yes.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s) :**  
No.
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company?**  
No

### SECTION D: BR INFORMATION

#### 1. Details of Director/Directors responsible for BR

- Details of the Director responsible for implementation of the BR policy/policies:

Sr. No.	Particulars	Details
1	DIN Number	00088831
2	Name	Mr. Jehangir N. Wadia
3	Designation	Managing Director

- Details of the BR head:

Sr. No.	Particulars	Details
1	DIN Number (if applicable)	N/A
2	Name	Mr. Hitesh Vora
3	Designation	Chief Financial Officer
4	Telephone number	022 – 66620000
5	E-mail Id	grievance_redressal_cell@bombaydyeing.com

## 2. Principle-wise (as per NVGs) BR Policy/Policies

(a) Details of compliance - Reply in Yes (Y)/ No (N)

Sr. No.	Questions	Principles (as defined under Section E)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for the Principles	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Yes								
3	Does the policy conform to any National/ International standards?	Policies are prepared ensuring adherence to applicable laws and in line with international standards such as ISO, GRI, ILO.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policies mandated under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 are approved by the Board and other applicable policies are approved by the Managing Director or Functional Heads of the Company as appropriate.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company has Ethics Committee, Audit Committee, Stakeholders Relationship Committee, CSR Committee, Risk Management Committee and also adequate internal control systems to oversee the implementation of policies.								
6	Indicate the link for the policy to be viewed online?	The links to view the public policies online are given herein below*.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, wherever appropriate.								
8	Does the Company have in-house structure to implement the policy/ policies.	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, wherever appropriate.								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, wherever appropriate.								

\*Links to Company's Policies:

- Code of Business Conduct for employees - <http://www.bombaydyeing.com/media/bd/corporate/corporatepdf12.pdf> and <http://www.bombaydyeing.com/media/bd/corporate/corporatepdf01.pdf>
- CSR Policy - <http://www.bombaydyeing.com/media/bd/corporate/corporatepdf06.pdf>
- Whistle Blower Policy - [http://www.bombaydyeing.com/media/bd/corporate/Whistle\\_Blower\\_Policy.pdf](http://www.bombaydyeing.com/media/bd/corporate/Whistle_Blower_Policy.pdf)
- Policy for prevention of sexual harassment - <http://www.bombaydyeing.com/pdfs/corporate/corporatepdf08.pdf>

(b) If answer to the question at serial number 1 against any principle is 'No', please explain why: Not Applicable

## 3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year :

Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company started publishing the BR report from Financial year 2017-18 and can be accessed at [https://bombaydyeing.com/financial\\_updates.html](https://bombaydyeing.com/financial_updates.html) in Annual Reports.

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

#### 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs

The Company has defined the Code of Conduct for its Directors and employees that cover issues related to ethics, workplace responsibilities and conflict of interest. It also covers all dealings with suppliers, customers and other business associates.

Further, the Company has adopted a Whistle Blower Policy to provide a mechanism for employees and Directors of the Company to approach the Ethics Committee or Chairman of the Audit Committee of the Company for reporting unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct. In compliance with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, Company has amended its Whistle Blower Policy to enable employees to report instances of leak of unpublished price sensitive information.

The Company has also in place Anti-Sexual Harassment Policy to maintain a work environment free from any form of conduct which can be considered as harassing, coercive or disruptive.

#### 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

The Audit Committee monitored and reviewed the investigation of the whistle blower complaint received during the year.

### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Company is into Real Estate Business, Manufacture of Polyester Staple Fibre and Retail-Textiles. Our robust commitment to ensure compliance with relevant standards of health and safety commences at the design stage, wherein appropriate health and safety elements across manufacturing/construction activities, delivery and consumption are identified and evaluated. Environment, Health and Safety continue to be key focus areas and the Company strives to reduce its environmental impact through various initiatives in the field of Energy Efficiency and Conservation.

#### 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities

As an environmentally conscious Company, the Company continues to innovate and use efficient technologies to bring down strain on ecology.

For example- the Retail-Textile Division the Company has phased out polybags in the Company-owned stores, and also encouraging its retail partners to do the same.

PSF Division has incorporated following initiatives:

- Increase in rain water harvesting capacity.
- Power generation from waste steam through steam turbine.
- In-house solar power generation for canteen/office use.
- Improvement in Effluent Treatment Plant (ETP) for waste water.
- Recycling and substantially reduced discharge.
- Ensuring energy efficient operations.

#### 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional).

Details of conservation of energy are given in Annexure-A of the Directors' Report.

#### 3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

The Company strives to integrate social, ethical and environmental factors across the entire supply chain.

#### 4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Retail-Textile Division sources most of the raw materials from areas near by factories and works with vendors extensively to improve capacities and capabilities. Preference is also given to micro, small and medium enterprises (MSME) for business opportunity and upliftment of lower middle class.

In PSF Division, major part of the spares & consumables are procured from local suppliers. The Company also extensively works with local suppliers to develop vendors' capabilities for import substitutions on an ongoing basis. More than 50% of raw materials are procured locally.

#### 5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)?

In Retail - Textiles the Company has launched digital printed bed sheets to minimize wastage of water and harmful chemicals, a step towards clean environment.

In PSF Division the Company has a mechanism to recycle products and waste. Waste heat and waste water generated during the production process is recycled within the plant. Product waste

and scrap, generated is relatively low and is fully recycled either in house or through recycle industry.

**Principle 3: Businesses should promote the wellbeing of all employees**

Bombay Dyeing, as a Company ensures its development & growth by investing in the satisfaction and well-being of its employees. The Company takes seriously its responsibility to provide a safe working environment and recognize that employees are more productive when they are healthy, feel good & work safely, and the Company's wellness programs raise awareness of health issues by encouraging its employees to adopt a healthy lifestyle. The Company also tailors its safety programs to minimize hazards at workplace.

1. Total number of employees : 642
2. Total number of employees hired on temporary/contractual/casual basis : 118
3. Number of permanent women employees : 60
4. Number of permanent employees with disabilities : 1
5. Do you have an employee association that is recognized by management: Yes in PSF Plant.
6. What percentage of your permanent employees is members of this recognized employee association?  
100% of PSF Plant workers
7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year: Nil
8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
  - a. Permanent Employees : 100%
  - b. Permanent Women Employees : 100%
  - c. Casual/Temporary/Contractual Employees : 100%
  - d. Employees with Disabilities : 100%

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

The Company aims to meet the expectations of its stakeholders that include shareholders, consumers, employees, suppliers and various service providers. The Company understands the needs of its stakeholders and develops action plans to fulfill them while achieving its business goals.

The Company also has in place investor grievance redressal system, consumer complaint redressal system and various other committees to protect the interest of all the stakeholders. It discloses all the relevant information about its products, business, financial performance and

other statutory information on the website of the Company to ensure effective stakeholders engagement.

**1. Has the Company mapped its internal and external stakeholders?**

Yes. The Company has mapped its internal and external stakeholders.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.**

The Company is committed towards proactively engaging with all the employees, business associates, customers and communities who may be disadvantaged, vulnerable and marginalized.

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders.**

The Company and the Wadia Group as a whole think beyond business and undertakes various initiatives to improve the lives of the lower socio-economic sections of the society and also through Wadia Group Children and Maternity Hospitals and Wadia Trusts which mostly caters to the lowest strata of the Society.

**Principle 5: Businesses should respect and promote human rights**

The Company firmly believes in upholding and promoting human rights. Human Rights are protected under Code of Business Conduct, Whistle Blower Policy, Anti - Sexual Harassment Policy, Labour and Employee Welfare Policies.

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**

Code of Business Conduct extends not only to employees of the Company but also others who work with, or represent the Company directly or indirectly. The Company's Anti-Sexual Harassment Policy is applicable to all the employees including contractual and also covers trainees, consultants, contractors and vendors.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

During the financial year 2019-20, the Company did not receive any complaint with regard to violation of human rights.

**Principle 6: Business should respect, protect and make efforts to restore the environment.**

The Company understands its responsibility towards environment and has taken various initiatives to reduce its environmental impact. Energy conservation and use of clean fuels continue to be a priority area of the Company. A focused energy program has been established with

a view to carry out specific initiatives in the field of Energy Efficiency and Conservation.

During FY 2019-20, the Company has taken various initiatives for conservation of energy and reducing its environmental impact as given in Annexure A of the Directors' Report.

**1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/others.**

The Company adheres to all statutory compliances with respect to environment, health and safety requirements.

**2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Climate change, global warming and environmental degradation pose unique challenges as well as opportunities for the Company. The Company is continuously implementing process improvements to reduce emissions and wastes.

The Company's passion to incorporate sustainability in design, has taken the extra efforts to get its property certified under the LEED certification programme by the U.S. Green Building Council. The Company has IGBC green building in gold rating for its Island City Centre Project at Dadar.

**3. Does the Company identify and assess potential environmental risks?**

Sustainable development is at the core of the Company's operations which is also outlined in the Environment, Health and Safety Practices. The Company follows sound environmental management practices at its manufacturing unit to assess and address potential environmental risks.

We understand that environmental risks may affect business operations and also pose potential threat. The Company has its own ways to identify and assess the potential environmental risks at the design stage itself.

**4. Does the Company have any project related to Clean Development Mechanism?**

While the Company has so far no project related to Clean Development Mechanism, it is continuously endeavoring to identify opportunities to contribute in this regard.

**5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

The Company strives to adopt process improvement measures and invest in efficient technologies to reduce its impact on the environment.

The details of initiatives taken for conservation of energy are given in Annexure-A to the Directors' Report and the same is available on the website of the Company.

**6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

As per the Company's monitoring and measurement, all applicable statutory requirements with respect to emissions/ waste are complied with.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

**1. Is your Company a member of any trade and chamber or association?**

Yes, the Company is the member of associations like NAREDCO.

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No**

The Company prefers to be part of the broader policy development process and do not practice lobbying on any specific issue.

**Principle 8: Businesses should support inclusive growth and equitable development**

The Company supports the principle of inclusive growth and equitable development through its Corporate Social Responsibility initiatives and also through its core business. The Company acknowledges the impact of its activities on social and economic development and strives to create positive environment.

**1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company executes its CSR initiatives through various programs/initiatives, the details of which are given in Annexure-G-CSR Report forming part of the Director's Report.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?**

The CSR Committee of the Board of Directors undertake CSR projects, through recognised foundations.

**3. Have you done any impact assessment of your initiative?**

Yes, the impact assessment is done by the implementing organisations.



**4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

For the current financial year 2019-20, the Company has not spend any amount on CSR, the reason of which is given in Annexure-G- CSR Report forming part of the Director's Report.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes, the Company works towards ensuring successful implementation of community development initiatives through the implementing agencies partner NGOs and like-minded organisations. The Company facilitates in supporting community members by community development management for disaster relief, making best efforts to complement and support the priorities at local and national levels, and assuring appropriate aid to communities who seek disaster relief.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

The Company's commitment to provide high quality products to consumers have made it one of the most trusted and popular brands among Indian consumers.

In Retail –Textiles, the Company has been providing great value to its customers. To keep the customers satisfaction levels high, the Company not only maintains high quality standards but also has efficient customer redressal system.

Polyester division makes consistent efforts to offer differentiated, specialty and value added PSF products at most competitive prices, thus creating value for the customers. The Company provides the necessary information of its products to promote consumer awareness & handle customer feedback on all products in rational manner and exercise due care in utilization of natural resources. By this initiative, the Company has positioned itself as one of the most trusted, valuable and popular brands among its customers.

In Realty Division, the Company has been providing Quality, Value and Services to its customers and has been receiving appreciation from its customers in domestic and overseas markets. To ensure effective customer complaints redressal system, there is a dedicated Customer Technical Service Department to provide support to its valued customers. The Company provides the necessary information of its products to promote consumer awareness and handle customer feedback on all products in rational manner and exercise due care in utilization of natural resources.

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

In Retail-Textile the Company has solution ratio of 100% during the financial year ended 31<sup>st</sup> March, 2020.

In PSF Division the Company has successfully resolved 99% of the complaints received during the financial year ended 31<sup>st</sup> March, 2020.

In Bombay Realty 65 complaints were pending as on 31<sup>st</sup> March 2020.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information)**

The Company displays sufficient information on the textile product label/ shew. Over and above the mandatory and legal information the Company also provides wash care tips which varies from product to product.

PSF Division products being industrial products do not require any mandated display of product information. Nevertheless, all basic product information is displayed on the product label.

In Real Estate it is not applicable. However, project information's are available in MahaRera website.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.**

As on 31<sup>st</sup> March, 2020, there are no cases pending under Competition Act.

**4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

As a process, Company stores collect customer feedback on regular basis. Reports of the same are shared with the stakeholders for necessary action to improve the products/ services.

In PSF Division, as part of the customer complaint handling process, the Company carries out customer satisfaction survey by the Customer Technical Service team on monthly basis against certain defined attributes. Results are shared with the stakeholders for necessary action to improve the process.

## ANNEXURE E to Directors' Report

### DETAILS OF THE REMUNERATION OF DIRECTORS, KMPs AND EMPLOYEES

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial Year 2019-20 (₹ in crore)	% increase in Remuneration in the Financial Year 2019-20	Ratio of remuneration of each Director/ to median remuneration of employees
1	Mr. Nusli N. Wadia, Chairman	0.10	(90.64)	1.47
2	Mr. Jehangir N. Wadia, Managing Director	7.09	(12.82)	104.11
3	Mr. Ness N. Wadia, Promoter and Non-Executive Director	0.03	(59.99)	0.44
4	Mr. V.K. Jairath, Non-Executive and Independent Director	0.16	(59.22)	2.35
5	Mr. S. Ragothaman, Non-Executive and Independent Director	0.10	(43.21)	1.47
6	"Dr. (Mrs.) Minnie Bodhanwala, Non-Executive Non -Independent Director"	0.02	(81.79)	0.29
7	Mr. Keki M. Elavia, Non-Executive and Independent Director	0.09	(62.39)	1.32
8	Mr. Sunil S. Lalbhai, Non-Executive and Independent Director (w.e.f. 05.02.2019)	0.06	#	0.88
9	Mr. R. A. Shah, Non-Executive and Independent Director (upto 07.08.2019)	0.05	*	0.73
10	Mr. A. K. Hirjee, Non-Executive and Independent Director (upto 07.08.2019)	0.04	*	0.59
11	Ms. Gauri Kisloskar, Non-Executive and Independent Director (w.e.f. 05.02.2019)	0.07	#	1.03
12	Mr. Sanjive Arora, Company Secretary	0.49	6.52	7.25
13	Mr. Vishnu Peruvemba, CFO (Upto 31.08.2019)	0.34	*	4.99
14	Mr. Hitesh Vora, CFO (w.e.f. 11.11.2019)	0.26	*	3.82

Note: (i) \* Not applicable as they were Director/Employee only for part of the financial year 2019-20.

(ii) # Not applicable as they were Director only for part of the financial year 2018-19.

**1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year:**

The median remuneration of employees of the Company during the Financial Year 2019-20 was ₹ 0.0681 crore and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the said Financial Year is provided in the above table.

**2. The percentage increase in the median remuneration of employees in the financial year:** In the Financial Year 2019-20, there was a decrease of 4.6% in the median remuneration of employees.

**3. The number of permanent employees on the rolls of company:** There were 612 number of permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2020.

**4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** Average percentage decrease in the salaries of employees other than Managerial Personnel in FY 2019-20 on comparable basis was negative 4.6% over previous year due to sluggish economy and restructuring and cost cutting measures undertaken by the Company and also from the table above it can be seen that the percentage increase Remuneration to Directors are also negative in FY 2019-20.

**5. Affirmation that the remuneration is as per the remuneration policy of the company:** It is hereby affirmed that the remuneration paid is as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.

On Behalf of the Board of Directors

**Nusli N. Wadia**  
Chairman

Mumbai, 9<sup>th</sup> June, 2020

## ANNEXURE F to Directors' Report

### FORM No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members,  
The Bombay Dyeing and Manufacturing Company Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Bombay Dyeing and Manufacturing Company Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information to the extent provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by The Ministry of Corporate Affairs and The Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period).
- (vi) Other laws applicable specifically to the Company, namely:
  1. Contract Labour (R&A) Act, 1970 & Maharashtra Rules, 1971;
  2. Inter State Migrant Workers (Regulation of Employment & Condition of Service) Act, 1979;
  3. Air, Water & Environment (Prevention & Control of Pollution) Act, 1974;
  4. Air (Prevention & Control of Pollution) Act, 1974;
  5. Building & Other Construction Workers-BOCW (Regulation of Employment & Conditions of Service) Act, 1996 with Maharashtra Rules, 2007;
  6. Maharashtra Real Estate Regulatory Authority;
  7. Labour Welfare Cess under Building & Other Construction Workers Welfare Cess Act, 1996, Cess Rules, 1998 with Maharashtra Govt. Latest Notification;
  8. Copyright Act, 1957 and the Rules thereunder;
  9. Designs Act, 2000 and the Rules thereunder;
  10. Legal Metrology Act, 2009 and Rules thereunder

We have also examined compliance with the applicable clauses of the following which have been generally complied:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above. However, The Company has not spent an amount of ₹ 2.94 Crore, towards Corporate Social Responsibility during the year.

During the year, the Company received the Show Cause Notice (SCN) dated 15<sup>th</sup> October, 2019 for violation of regulation 30 and other related provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of one of its Director. In response to the SCN, the Company without admitting the findings of facts and conclusions of law submitted a settlement application on 13<sup>th</sup> December, 2019 to SEBI in accordance with the provisions of Section 15JB of the SEBI Act, 1992 read with Regulation 3 of the SEBI (Settlement Proceedings) Regulations, 2018.

SEBI passed a settlement order dated 29<sup>th</sup> April, 2020, pursuant to which the Company has paid the settlement amount of Rs. 21,67,500/- and the Director also paid the settlement amount as communicated by SEBI. Pursuant to this Settlement Order, the adjudication proceedings under the aforementioned SCN against the Company and the Director stands settled.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors

and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

We further report that during the audit period, the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

During the year the Company allotted 3,88,800 8% Redeemable Non-Convertible Non-Cumulative Preference Shares of ₹ 100/- each.

**For Parikh & Associates**  
Company Secretaries

Place: Mumbai  
Date: 9<sup>th</sup> June, 2020

**Shalini Bhat**  
Partner

FCS No: 6484 CP No: 69941228  
UDIN: F006484B000327706

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

## 'ANNEXURE A'

To,  
The Members  
**The Bombay Dyeing and Manufacturing Company Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates**  
Company Secretaries

Place: Mumbai  
Date: 9<sup>th</sup> June, 2020

**Shalini Bhat**  
Partner  
FCS No: 6484CP No: 69941228  
UDIN: FO06484B000327706



## ANNEXURE G to Directors' Report

## CORPORATE SOCIAL RESPONSIBILITY POLICY

The Company has already constituted a Corporate Social Responsibility ("CSR") Committee, and has aligned its CSR Policy in accordance with the Companies Act, 2013 ('the Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 to make it compliant with the provisions of the Act and the Rules and to undertake the admissible CSR activities notified by the Ministry of Corporate Affairs in Schedule VII to the Act.

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

As prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

**1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

The CSR Policy of the Company has been formulated and adopted in terms of Section 135 of the Companies Act, 2013 and the Rules made thereunder. The Company undertakes CSR activities specified in Schedule VII to the Companies Act, 2013.

The Company has contributed towards projects like restoration of hospitals for children, Community Development Management for Disaster Relief, donation of textile products to areas affected adversely due to natural calamities like floods, landslides, earthquake, etc. Please refer the Corporate Social Responsibility Policy on the Company's website: <https://bombaydyeing.com/pdfs/corporate/corporatepdf06.pdf>

**2. The Composition of the CSR Committee:**

Mr. Ness N. Wadia (Chairman)

Dr. (Mrs.) Minnie Bodhanwala

Mr. Vinesh Kumar Jairath.

**3. Average Net Profit of the Company for last three financial years (2016-17, 2017-18 & 2018-19): ₹ 147.12 crore.**

**4. Prescribed CSR expenditure (two percent of the Amount as in item 3 above) (2019-2020): ₹ 2.94 crore.**

**5. Details of CSR spend during the financial Year 2019-20:**

(a) Total amount spent during the Financial Year 2019-20: Nil

(b) Amount unspent, if any: ₹ 2.94 crore

(c) Manner in which the Amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programmes [1] Local area or other [2] Specify the state and district where projects or programmes were undertaken	Amount outlay (Budget) projects or programmes wise (₹)	Amount spent on the projects or programmes		Cumulative expenditure up to the reporting period (₹)	Amount spent: directly or through implementing agency (₹)
					Direct expenditure on programme or projects (₹)	Overheads (₹)		
NIL								

**6. In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:**

Due to the economic meltdown and the resultant downturn in Real Estate Industry, the Company's businesses were affected adversely. Therefore, the Company could not spend any amount on CSR activities during this financial year.

**7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.**

For and on behalf of the  
Corporate Social Responsibility Committee of  
The Bombay Dyeing and Mfg. Co. Limited

**Jehangir N. Wadia**  
Managing Director

**Ness N. Wadia**  
Chairman,  
Corporate Social Responsibility Committee

Place: Mumbai  
Date: 9<sup>th</sup> June, 2020

# INDEPENDENT AUDITOR'S REPORT

**To the Members of The Bombay Dyeing and Manufacturing Company Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **The Bombay Dyeing and Manufacturing Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the "Code of Ethics" issued by The Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, for the year ended March 31, 2020 and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matters	How was the matter addressed in our audit
<p><b>Revenue Recognition for Real Estate Development activity</b></p> <p>Ind AS 115 on "Revenue from Contracts with Customers", inter alia, could have the significant impact on the manner in which an entity in real estate industry recognises its revenue. Under Ind AS 115, revenue is recognised over a period (as known as Percentage of Completion Method – POCM) or at a point in time (as known as Project Completion Method - PCM).</p> <p>To determine the revenue to be recognised under Ind AS 115 and the impact thereof, the management undertook assessment of its contracts with customers that were not completed and more particularly, for its ongoing Real Estate Development Project ("the ongoing project"). On assessment, the management considered to recognise revenue from the ongoing project at a point in time (PCM), that is, upon receipt of Occupation Certificate ("OC").</p> <p>For its ongoing project, the Company received OC for the first phase and second phase during the year ended March 31, 2019 and March 31, 2020, respectively. Accordingly, on satisfying performance obligations under contracts, the Company has recognised revenue as per PCM, that is, at a point in time. For the part of the project for which Occupancy Certificate is yet to be received, the amount is carried as Work-in-progress.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the design of the internal controls in terms of the requirements of Ind AS 115 for the manner of recognising revenue;</li> <li>• Evaluated the accounting policy of recognising revenue;</li> <li>• Evaluated its existing contracts with customers and the analysis performed by management for each contract by selecting samples for such contracts with customers;</li> <li>• Based on the evaluation of contracts, assessed the appropriateness to adopt PCM as policy for revenue recognition for the ongoing project;</li> <li>• Examined the process and related documents (like phase wise OC, possession letters) to determine the satisfaction of performance obligations of contracts under ongoing project during the year;</li> <li>• Evaluated the appropriateness and assessed the completeness of disclosures in accordance with the requirements of Ind AS 115.</li> </ul>

Key Audit Matters	How was the matter addressed in our audit
<b>Revenue Recognition for Real Estate Development activity</b>	
<p>The application of Ind AS 115 is complex and involve certain key judgements relating to appropriateness of the basis used to recognise revenue and more particularly, for its ongoing project and hence, the same is considered to be a key audit matter.</p> <p>[Refer Note “o” to significant accounting policy and Notes 11 and 34 to the standalone financial statements]</p>	
<b>Deferred Tax Assets (“DTA”) on Unabsorbed Depreciation and Brought Forward Business Losses</b>	
<p>The Company has recognised DTA for the carryforward of unused tax losses in the form of unabsorbed depreciation and brought forward business losses to the extent it is probable that the future taxable profits will be available against which such unused tax losses can be utilised (before the expiry period thereof for its utilisation). The recognition is based on the projected profitability. The Company has recognised DTA based on the revised rate of tax as per Section 115BAA of the Income-tax Act, 1961.</p> <p>Such recognition of DTA is a key audit matter as the recoverability of tax losses within the time frame allowed, involves significant estimate of the financial projections, availability of sufficient taxable income in the future and significant judgements in the interpretation of tax regulations and tax positions adopted by the Company.</p> <p>[Refer Note “x” to significant accounting policy and Note 17 to standalone financial statements]</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Considered the Company's accounting policies with respect to recognition of tax credits in accordance with Ind AS 12 on “Income Taxes”;</li> <li>• Evaluated the Company's tax positions by comparing it with prior years and past precedents;</li> <li>• Obtained the projected profitability statements of the Company;</li> <li>• Evaluated the estimates of profitability made by the management on the basis of which it is considered probable that the Company will have sufficient taxable income against which the unused tax losses will be utilised and also within the expected timing of utilisation;</li> <li>• Discussed with the management the future business plans and financial projections and underlying assumptions used based on which the estimate of profitability is made;</li> <li>• Assessed the disclosures in accordance with the requirements of Ind AS 12.</li> </ul>
<b>Transferable Development Rights (TDR) / Floor Space Index (FSI)</b>	
<p>During the year ended March 31, 2019, on entering the agreement with Municipal Corporation of Greater Mumbai (MCGM), the Company received partial (i.e. 1.33 times) entitlement of Floor Space Index (FSI) in lieu of lands earmarked and handed over to MCGM under the Integrated Development Scheme as per the provisions of Development Control Regulatory (DCR) 58.</p> <p>Further, in lieu of lands earmarked and handed over to MCGM under the Integrated Development Scheme earlier, as per the amended Development Control and Promotion Regulation (DCPR) 2034, as supported by the certificate from an architect, the Company is entitled to additional FSI (i.e 1.17 times).</p> <p>Based on Valuation of Reports of Registered Valuers, the value of entitlement of FSI has been recognised as Revenue from Real Estate Development activity and added to inventories.</p> <p>During the year, since the Net Realisable Value of Transferable Development Rights (TDR) was lower than the amount at which it was valued and carried, the carrying value of TDR lying as inventory was written down.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the details of entitlement by way additional FSI;</li> <li>• Evaluated the management's review of valuations for additional FSI provided by external experts, that is, independent valuers as also their competence;</li> <li>• Evaluated the valuation reports of external experts for the basis adopted for fair valuation of additional FSI, benchmarks used, the assumptions applied;</li> <li>• Evaluated the accounting treatment of Additional FSI as also valuation of TDR, whether the same is in compliance with the related Ind AS;</li> <li>• Assessed whether the disclosures in relation to TDR/FSI are in accordance with the related Ind AS.</li> </ul>

Key Audit Matters	How was the matter addressed in our audit
<p>Considering the materiality of the amounts as also the valuation of TDR/FSI involve significant judgements and assumptions and the accounting thereof, this matter is considered to be key audit matter.</p> <p>[Refer Note 11 and 47 to the standalone financial statements]</p>	
<b>Uncertain tax positions Direct and Indirect Taxes</b>	
<p>The Company has uncertain tax matters pending litigations under direct tax and various indirect tax laws. The litigation involves significant judgement to determine the possible outcome based on which accounting treatment is given to the disputed amount.</p> <p>These matters are considered to be key audit matter given the magnitude of potential outflow of economic resources and uncertainty of potential outcome.</p> <p>[Refer Notes 17, 29 and 41 to the standalone financial statements]</p>	<p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> <li>• Obtained details of uncertain tax position and gained understanding thereof;</li> <li>• Obtained details of completed tax assessments and also demands raised;</li> <li>• Read and analysed relevant communication with the authorities and legal consultants;</li> <li>• Considered the legal advice obtained by the management on possible outcome of the litigation;</li> <li>• Discussed with senior management and evaluated management's assumptions regarding provisions made;</li> <li>• Assessed the disclosures in accordance with the requirements of Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Assets".</li> </ul>
<b>Physical Verification of Inventories</b>	
<p>The Company's inventories include raw materials, work-in-progress, finished goods, stock-in-trade, stores, spares and catalysts. PSF Division has its inventories at one location, that is, at its manufacturing operations at Patalganga. Retail Division has its Stock-in-trade located at warehouse as well as stores located across India.</p> <p>The Company has adequate inventory records and system as also internal controls over inventory movements and records. The Company has established procedures to carry out physical inventories during the year as also at the year-end for Retail Division and at the year-end for PSF Division. Accordingly, physical verification of inventories of Retail Division was carried out during the year and details thereof were provided to us auditors. Due to various restrictions imposed under COVID-19 outbreak, physical verification could not be carried out at the year-end, but the same was carried out subsequent to the year-end. At the time of such subsequent verification, it was impracticable for us auditors to physically attend the inventory counting and hence, alternative audit procedures were performed.</p> <p>This matter is considered to be key audit matter given the circumstances of physical verification of inventories under COVID-19 vis-à-vis non-COVID-19 scenario.</p> <p>[Refer Note "j" to significant accounting policy and Note 11 of the standalone financial statements]</p>	<p>Since it was impracticable for us as auditors to attend in the physical verification of inventories, our alternative audit procedures to obtain sufficient appropriate audit evidence regarding the existence and condition of inventories include the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the control design in respect of inventory process and testing (encompass the processes around inventory movements) whether such controls have operated effectively during the period of audit;</li> <li>• Obtained details/documents of existence and condition of physical inventories as carried out by the management during the year and subsequent to the year-end, as the case may be;</li> <li>• Observed the inventory counting remotely subsequent to the year-end via video call; considered the related practical constraints while counting remotely;</li> <li>• For verification of stock-in-trade subsequent to the year-end, where physical verification was attended by other firm of Chartered Accountants, remote access technologies, such as mobile based video conferencing, were used for supervision and review of the work so performed;</li> <li>• The count was carried for all items of inventories on sample basis and in some cases of on the best judgement basis as also on the basis of previous experience of conducting inventory count;</li> <li>• Rollback procedures were applied to arrive at the inventories as verified by the Company as at the year-end;</li> </ul>

Key Audit Matters	How was the matter addressed in our audit
	<ul style="list-style-type: none"> <li>• Related documents were verified that indirectly support and corroborate the existence of inventories at the year-end;</li> <li>• Obtained direct confirmation from third party warehouses for the existence of inventories held by them as at the year end;</li> <li>• Employed appropriate cut-off procedures as also verified documentary records for inventories in-transit.</li> </ul>
External Confirmations	
<p>COVID-19 has impacted the procedure of external confirmation request to vendors and customers at the year-end and therefore, positive external confirmation request was sent through electronic mode. However, due to suspension of business activities of the many confirming parties, most confirmations were not received.</p> <p>The Company seeks and had sought confirmations from vendors and customers during the year.</p> <p>In such events, we auditors performed alternative audit procedures.</p> <p>This matter is considered to be key audit matter given the circumstances of the year-end confirmations under COVID-19 vis-à-vis non-COVID-19 scenario.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• Revised assessed risk and modify our audit procedures to mitigate these risks;</li> <li>• Obtained a reliable assurance pertaining to transactions with confirming parties, in sense for accurate and complete process of routine and significant classes of transactions such as revenue, purchases, etc.;</li> <li>• Selected samples and tested the effectiveness of controls related to accuracy and completeness of transactions in totality considering the frequency and regularity of transactions;</li> <li>• Performed alternative audit procedures like <ul style="list-style-type: none"> <li>- For accounts receivable balances : scrutiny of ledger accounts and verification of subsequent receipts;</li> <li>- For accounts payable balances : scrutiny of ledger accounts and other documents/records, such as bills from vendors supported by goods received notes.</li> </ul> </li> </ul>

#### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Corporate Governance and Shareholder's Information and Business Responsibility Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we

conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



- c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows and notes to the standalone financial statements dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
- f. With respect to the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
- g. With respect to the matters to be included in the Auditor's Report in accordance with requirement of Section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid during the current year by the Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the

Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 41 to the standalone financial statements;
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses as required under the applicable law or accounting standards;
  - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we enclose in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For **BANSI S. MEHTA & CO.**

Chartered Accountants

Firm Registration No.100991W

**PARESH H. CLERK**

Partner

**PLACE** : Mumbai

Membership No. 36148

**DATED** : June 9, 2020

UDIN : 20036148AAAABI4404

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 (f) under the heading of "Report on Other Legal and Regulatory Requirements" in our Independent Auditor's Report of even date on the Standalone Financial Statements for the year ended March 31, 2020.

### Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of **The Bombay Dyeing and Manufacturing Company Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

### Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, internal financial controls with reference to the standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2020, based on the internal controls over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note.

For **BANSI S. MEHTA & CO.**

Chartered Accountants

Firm Registration No. 100991W

**PARESH H. CLERK**

Partner

**PLACE** : Mumbai

Membership No. 36148

**DATED** : June 9, 2020

UDIN : 20036148AAAABI4404

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date on the Standalone Financial Statements for the year ended March 31, 2020.

**Report on the Companies (Auditor's Report) Order, 2016, issued in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of The Bombay Dyeing and Manufacturing Company Limited ("the Company"):**

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment ("PPE"). The records of certain assets need to be assimilated to make identification possible.
- b. PPE have been physically verified by the management according to a phased programme designed to cover all the PPE over a period of three years, which, in our opinion, provides for physical verification of all the items of PPE at reasonable intervals. The discrepancies reported on such verification are not material and have been properly dealt with in the books of account.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as included in Note 3 to the standalone financial statements, are held in the name of the Company.
- ii. Inventories (excluding stocks lying with third parties) have been physically verified by the management during the year. In respect of inventories lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between physical stock and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- iii. The Company has granted unsecured loans and an interest-free shareholders' deposit to its Subsidiary Company covered in the register maintained under Section 189 of the Act.
  - a. The terms and conditions of the grant of such loans are not prima facie prejudicial to the interest of the Company;
  - b. The principal amount of the loans and shareholders' deposit and interest thereon was not repaid as due, against which the adequate provision has been made.
  - c. The loans and shareholder's deposit and interest aggregating to ₹ 54.29 Crore are overdue for more than ninety days.
- iv. The Company has obtained a legal opinion that it can avail the exemption provided in Section 186 (11) of the Act and that by virtue of such exemption the provisions of Section 186 (2) of the Act are not applicable to the Company. Based on the legal opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to grant of loans, investments made, guarantees given and securities provided.
- v. In our opinion and according to the information and explanations given to us, the Company has complied with directives issued by Reserve Bank of India and the provision of Sections 73 to 76, or any other relevant provisions of the Act and the Companies (Acceptance and Deposits) Rules, 2014, as amended, with regard to deposit accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi. We have broadly reviewed the books of account and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as specified by the Central Government for maintenance of cost records under Section 148(1) of the Act, in respect of the products manufactured by the Company and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the said accounts and records with a view to determine whether they are accurate or complete.
- vii. a. According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Goods and Service Tax, Duty of Customs, Employees' State Insurance, Cess and other material statutory dues as applicable to it with the appropriate authorities. There are no arrears of outstanding statutory dues on the last day of the financial year, for a period of more than six months from the date they become payable.
- b. According to the information and explanations given to us and on the basis of the books and records of the Company examined by us, as may be applicable, given herein below are the details of dues of Income-tax, Goods and Service

Tax, Sales-tax, Duty of Customs, Duty of Excise, Value Added Tax which have not been deposited on account of disputes and the forum where the dispute is pending:

Sr. No.	Name of statute	Nature of the dues	Amount (₹ in Crores)	Period to which the Amount relates	Forum where dispute is pending
1.	Sales Tax and Value Added Tax	Sales Tax	0.09	1999-2000	Maharashtra Sales Tax Tribunal
		MVAT	0.38	2009-10	Maharashtra Sales Tax Tribunal
		CST	1.80 (*0.35)	2009-10	Maharashtra Sales Tax Tribunal
		CST	1.52	2009-10	Assistant Commissioner of Sales Tax, New Delhi
		CST	0.63	2012-13	Joint Commissioner of Sales Tax (Appeals), New Delhi
		CST	0.18 (*0.03)	2013-14	Joint Commissioner of Sales Tax (Appeals), Kerala
		CST	4.41	2013-14	Assistant Commissioner of Sales Tax (Appeals), New Delhi
		CST	0.16 (*0.02)	2014-15	Joint Commissioner of Sales Tax (Appeals), West Bengal
		CST	2.07	2014-15	Joint Commissioner of Sales Tax (Appeals), New Delhi
		VAT	4.12	2014-15	Joint Commissioner of Sales Tax (Appeals), Haryana
		VAT	1.07	2015-16	The Joint Commissioner of Sales Taxes , Haryana
		VAT	0.78	2015-16	Deputy Commissioner of Sales Tax, Maharashtra
		CST	0.27	2015-16	Deputy Commissioner of Sales Tax, Maharashtra
		CST	0.02	2016-17	The Joint Commissioner of Sales Taxes, West Bengal
2.	The Income-tax Act, 1961	Income Tax	4.76 (*4.76)	1989-90	High Court
		Income Tax	0.13 (*0.13)	2009-10	Income Tax Appellate Tribunal
		Income Tax	0.27 (*0.27)	2010-11	Commissioner of Income Tax (Appeal)
		Income Tax	4.63	2011-12	Commissioner of Income Tax (Appeal)
		Income Tax	0.22	2011-12	Income Tax Appellate Tribunal
		Income Tax	0.40	2013-14	Income Tax Appellate Tribunal
		Income Tax	17.68 (*17.68)	2013-14	Income Tax Appellate Tribunal
		Income Tax	25.44 (*25.44)	2014-15	Income Tax Appellate Tribunal
3.	The Customs Act, 1962	Customs duty	1.90 (*0.95)	1995-2012	Commissioner of Customs (Appeals), Mumbai
4.	The Central Excise Act, 1944	Excise Duty	0.16 (*0.06)	1989-90 to 1995-96	Commissioner of Central Excise (Appeals), Mumbai
		Excise Duty	0.62	1995-96 to 1996-97	Deputy Commissioner of Central Excise
		Excise Duty	0.03	1997-98	Deputy Commissioner of Central Excise
		Service Tax	0.76	2003-04 to 2005-06	Commissioner of Service Tax, Mumbai Tribunal

\*indicates amount deposited or paid under dispute

- viii. According to the information and explanations given to us, as also on the basis of the books and records examined by us, the Company has not defaulted in repayment of dues to financial institutions or banks. The Company has not taken any loan or borrowing from Government and has not issued any debenture during the year.
- ix. According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (ix) of the Order in respect thereof is not applicable. Moneys raised by way of term loans were applied for the purposes for which those are raised.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year in the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration during the financial year 2019-20, in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under paragraph 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **BANSI S. MEHTA & CO.**

Chartered Accountants

Firm Registration No. 100991W

**PARESH H. CLERK**

Partner

Membership No. 36148

UDIN : 20036148AAAABI4404

**PLACE** : Mumbai

**DATED** : June 9, 2020

# STANDALONE BALANCE SHEET as at March 31, 2020

Particulars	NOTES	(₹ in Crores)	
		As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current Assets</b>			
a. Property, Plant and Equipment .....	3	510.48	523.75
b. Capital Work-in-progress .....	4	1.23	4.81
c. Right-of-Use Assets .....	3.1	6.06	-
d. Investment Property .....	5	3.59	3.63
e. Other Intangible Assets .....	6	0.66	0.21
<b>Financial Assets</b>			
i. Investments .....	7	376.43	1,061.61
ii. Loans .....	8	5.74	7.26
iii. Others .....	9	0.01	-
g. Deferred Tax Assets (Net) .....	17	532.10	-
h. Other Non-current Assets .....	10	55.20	104.19
<b>Total Non-current Assets</b>		<b>1,491.50</b>	<b>1,705.46</b>
<b>Current Assets</b>			
a. Inventories .....	11	2,423.77	2,200.52
<b>Financial Assets</b>			
i. Trade Receivables .....	12	728.24	1,092.22
ii. Cash and Cash Equivalents .....	13	1.36	28.49
iii. Bank Balances other than (ii) above .....	14	44.17	45.97
iv. Loans .....	15	0.47	0.65
v. Others .....	16	3.92	1.49
c. Current Tax Assets (Net) .....	17	65.71	61.80
d. Other Current Assets .....	18	50.57	41.28
<b>Total Current Assets</b>		<b>3,318.21</b>	<b>3,472.42</b>
<b>TOTAL ASSETS</b>		<b>4,809.71</b>	<b>5,177.88</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity Share Capital .....	19	41.31	41.31
b. Other Equity .....	20	17.85	139.31
<b>Total Equity</b>		<b>59.16</b>	<b>180.62</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
<b>Financial Liabilities</b>			
i. Borrowings .....	21	3,336.59	3,373.38
ii. Lease Liabilities .....	52	2.85	-
iii. Other Financial Liabilities .....	22	6.70	7.97
b. Provisions .....	23	14.48	13.08
<b>Total Non-current Liabilities</b>		<b>3,360.62</b>	<b>3,394.43</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
i. Borrowings .....	24	784.08	574.39
ii. Trade Payables .....	25	36.45	20.71
A. total outstanding dues of micro enterprises and small enterprises .....			
B. total outstanding dues of creditors other than micro enterprises and small enterprises .....		272.23	502.30
iii. Lease Liabilities .....	52	2.45	-
iv. Other Financial Liabilities .....	26	165.53	127.76
b. Other Current Liabilities .....	27	69.06	309.20
c. Provisions .....	28	60.09	61.72
d. Current Tax Liabilities (Net) .....	29	0.04	6.75
<b>Total Current Liabilities</b>		<b>1,389.93</b>	<b>1,602.83</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,809.71</b>	<b>5,177.88</b>
NOTES (Including Significant Accounting Policies)	1-60		

FORMING PART OF THE FINANCIAL STATEMENTS

The accompanying Notes are an integral part of the Standalone Financial Statements

As per our attached report of even date

For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No.100991W

Nusli N. Wadia  
Jehangir N. Wadia

Hitesh Vora  
Sanjive Arora

For and on behalf of the Board of Directors of  
**THE BOMBAY DYEING & MANUFACTURING CO. LTD.**

Chairman  
Managing Director

Chief Financial Officer  
Company Secretary

S. Ragothaman  
Ness N. Wadia  
V. K. Jairath  
Keki M. Elavia  
Minnie Bodhanwala  
Sunil S. Lalbhai  
Gauri Kirloskar

Directors

**PARESH H. CLERK**  
Partner  
Membership No.36148  
Place: Mumbai  
Date: June 9, 2020

Place: Mumbai  
Date: June 9, 2020



## STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2020

(₹ in Crores)

Particulars	NOTES	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>INCOME</b>			
I Revenue from Operations .....	30	1,894.62	4,429.76
II Other Income .....	31	50.04	41.10
III <b>Total Income (I + II)</b> .....		<b>1,944.66</b>	<b>4,470.86</b>
<b>IV EXPENSES</b>			
a. Cost of Materials Consumed .....	32	910.98	1,177.03
b. Purchases of Stock-in-Trade.....	33	160.92	220.90
c. Changes in inventories of Finished Goods, Stock-in-trade and Work-in-progress.....	34	(54.61)	494.40
d. Employee Benefits Expense .....	35	89.85	94.66
e. Finance Costs .....	36	553.82	489.46
f. Depreciation and Amortisation Expense .....	37	33.11	29.79
g. Other Expenses.....	38	459.66	732.72
<b>Total Expenses (IV)</b> .....		<b>2,153.73</b>	<b>3,238.96</b>
V <b>Profit /(Loss) before exceptional items and tax (III-IV)</b> .....		<b>(209.07)</b>	<b>1,231.90</b>
VI Exceptional items .....	39	-	3.87
VII <b>Profit /(Loss) before tax (V+VI)</b> .....		<b>(209.07)</b>	<b>1,235.77</b>
VIII Tax expense:			
i. Current tax .....		-	7.64
ii. Deferred Tax .....	17	(531.59)	-
iii. (Excess)/Short provision of tax of earlier years.....		(5.35)	(1.85)
<b>Total Tax Expense (VIII)</b> .....		<b>(536.94)</b>	<b>5.79</b>
IX <b>Profit /(Loss) for the year (VII-VIII)</b> .....		<b>327.87</b>	<b>1,229.98</b>
X <b>Other Comprehensive Income</b>			
i. Items that will not be reclassified to profit or loss			
- Actuarial (loss)/gain on defined benefit obligation .....		(2.70)	(0.26)
- Fair Value changes of investments in equity shares.....		(410.59)	111.36
ii. Income tax relating to above .....		0.79	0.09
Total Other Comprehensive Income for the year (X= i+ii).....		<b>(412.50)</b>	<b>111.19</b>
XI <b>Total Comprehensive Income for the year (IX+X)</b> .....		<b>(84.63)</b>	<b>1,341.17</b>
XII Earnings per equity share of nominal value ₹ 2 each	51		
i. Basic (in ₹) .....		15.87	59.55
ii. Diluted (in ₹) .....		15.87	59.55
NOTES (Including Significant Accounting Policies) FORMING PART OF THE FINANCIAL STATEMENTS	1-60		

The accompanying Notes are an integral part of the Standalone Financial Statements

As per our attached report of even date

For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No.100991W

Nusli N. Wadia  
Jehangir N. Wadia

Hitesh Vora  
Sanjive Arora

For and on behalf of the Board of Directors of  
**THE BOMBAY DYEING & MANUFACTURING CO. LTD.**

Chairman  
Managing Director

Chief Financial Officer  
Company Secretary

S. Ragothaman  
Ness N. Wadia  
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Keki M. Elavia  
Minnie Bodhanwala  
Sunil S. Lalbhai  
Gauri Kirloskar

Directors

**PARESH H. CLERK**  
Partner  
Membership No.36148  
Place: Mumbai  
Date: June 9, 2020

Place: Mumbai  
Date: June 9, 2020

# STANDALONE STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2020

## A. Equity Share Capital

Particulars	Number of Shares	Balance
As at April 1, 2018	206,534,900	41.31
Changes during the year	-	-
As at March 31, 2019	206,534,900	41.31
Changes during the year	-	-
As at March 31, 2020	206,534,900	41.31

## B. Other Equity (Refer Note 20)

Particulars	Reserves and Surplus			Equity Component of Compound Financial Instruments	Equity Instruments through Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Investment Reserve			
Balance as at April 1, 2018	28.60	133.57	1.31	155.81	(641.19)	595.34
Profit for the year	-	-	-	-	1,229.98	1,229.98
Capital Reserve on Demerger of SCAL Services Limited	0.91	-	-	-	-	0.91
Ind AS Implication of Real estate transactions	-	-	-	-	(1,773.23)	(1,773.23)
Other Comprehensive Income for the year, net of income tax	-	-	-	-	(0.16)	(0.16)
- Remeasurement of net defined benefit plans	-	-	-	-	111.36	111.36
- Net fair value gain / (loss) on investment in equity instrument through OCI	0.91	-	-	-	(543.41)	(431.14)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	(20.65)	(20.65)
Dividend on Equity Shares	-	-	-	-	(4.24)	(4.24)
Dividend Distribution Tax	-	-	-	-	-	-
Balance as at March 31, 2019	29.51	133.57	1.31	155.81	(1,209.49)	139.31
Profit for the year	-	-	-	-	327.87	327.87
Other Comprehensive Income for the year, net of income tax	-	-	-	-	(1.91)	(1.91)
- Remeasurement of net defined benefit plans	-	-	-	-	-	-
- Net fair value gain / (loss) on investment in equity instrument through OCI	-	-	-	-	(410.59)	(410.59)
- Realised Gain on sale of equity shares reclassified to Retained Earnings	-	-	-	-	263.66	263.66
Equity Component of 8% Non-Redeemable Non-convertible Preference Shares (net of DTL)	-	-	-	-	(263.66)	-
<b>Total Comprehensive Income for the year</b>	-	-	-	-	589.62	(84.11)
Dividend on Equity Shares	-	-	-	-	(30.98)	(30.98)
Dividend Distribution Tax	-	-	-	-	(6.37)	(6.37)
Balance as at March 31, 2020	29.51	133.57	1.31	155.81	(657.22)	354.35

The accompanying Notes are an integral part of the Standalone Financial Statements

As per our attached report of even date

For and on behalf of the Board of Directors of  
**THE BOMBAY DYEING & MANUFACTURING CO. LTD.**

**FOR BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No.100991W

Nusli N. Wadia  
Jehangir N. Wadia  
Hitesh Vora  
Sanjive Arora

Chairman  
Managing Director  
Chief Financial Officer  
Company Secretary

S. Ragothaman  
Ness N. Wadia  
V. K. Jairath  
Keki M. Elavia  
Minnie Bodhanwala  
Sunil S. Lalbhai  
Gauri Kirloskar

Directors

**PARESH H. CLERK**

Partner  
Membership No.36148  
Place: Mumbai  
Date: June 9, 2020

Place: Mumbai  
Date: June 9, 2020

## STANDALONE STATEMENT OF CASH FLOWS for the year ended March 31, 2020

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>A. Cash Flow from Operating Activities:</b>		
Profit / (Loss) before Exceptional Item and Tax .....	(209.07)	1,231.90
<b>Adjustments for :</b>		
Depreciation and Amortisation Expense .....	33.11	29.79
Unrealised Foreign exchange loss/(gain) (Net) .....	1.35	(0.40)
Allowance for doubtful advances / debts /(Sundry balances / excess provisions written back) .....	(7.31)	(3.46)
Provision for doubtful debts / advances .....	0.93	-
Interest Income .....	(4.13)	(7.64)
Loss/(Profit) on sale of Property, Plant and Equipment .....	0.50	(4.48)
Dividend Income .....	(2.61)	(2.61)
Finance Costs .....	553.82	489.45
Capital Work-in-progress Written-off .....	-	71.04
<b>Operating Profit before Working Capital Changes .....</b>	<b>366.59</b>	<b>1,803.59</b>
<b>Working Capital Changes</b>		
(Increase) / decrease in Inventories .....	(223.25)	(597.09)
(Increase) / decrease in Trade Receivables .....	365.55	(877.85)
(Increase) / decrease in Other Current and Non-current Financial Assets .....	(2.16)	1,304.89
(Increase) / decrease in in Other Current and Non-current Assets .....	35.15	80.32
Increase / (decrease) in Trade Payables .....	(218.60)	176.26
Increase / (decrease) in Other Current and Non-current Financial Liabilities .....	15.14	77.52
Increase / (decrease) in Other Current and Non-current Liabilities .....	(240.14)	(2,711.05)
Increase / (decrease) in Current and Non-current Provisions .....	7.11	11.81
<b>Cash (Used) / Generated from Operations .....</b>	<b>105.39</b>	<b>(731.60)</b>
Income Taxes paid (net) .....	(5.28)	(5.99)
<b>Net Cash (Used) / Generated from Operating Activities .....</b>	<b>(A) 100.11</b>	<b>(737.59)</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Property, Plant and Equipment .....	(11.31)	(20.10)
Proceeds from disposal of Property, Plant and Equipment .....	0.08	18.29
Inter-corporate Deposits received back .....	-	1.03
Bank Deposits with maturity greater than three months .....	0.71	11.55
Deposit under lien and in Escrow accounts .....	(22.55)	87.70
Earmarked Balances with Banks .....	23.65	(21.89)
Dividend received from Non-current Investments .....	2.61	2.61
Interest received .....	2.78	8.87
Proceeds from Sale of Immoveable Property .....	-	9.55
Proceeds from Sale of Non-current Investments .....	274.58	-
<b>Net Cash (Used) / Generated from Investing Activities .....</b>	<b>(B) 270.55</b>	<b>97.61</b>
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds from Borrowings .....	67.85	1,796.89
Repayment of Borrowings .....	(102.06)	(778.64)
Proceeds from Inter-corporate Borrowings .....	762.00	135.00
Repayment of Matured Inter-corporate Borrowings .....	(658.00)	-
Proceeds from demand loan, cash credit from bank, bills Discounted .....	872.67	12.15
Repayment of demand loan, cash credit from bank, bills Discounted .....	(766.98)	-
Adjustment on account of Demerger of Real Estate Undertaking of Scal Services Limited .....	-	4.80
Interest and other finance charges paid .....	(533.11)	(490.98)
Payment of Principal portion of the Lease Liabilities .....	(2.10)	-
Payment of Interest portion of the Lease Liabilities .....	(0.71)	-
Dividend paid (including corporate dividend tax) .....	(37.35)	(24.90)
<b>Net Cash (Used) / Generated from Financing Activities .....</b>	<b>(C) (397.79)</b>	<b>654.32</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents .....</b>	<b>(A+B+C) (27.13)</b>	<b>14.34</b>
<b>Add: Cash and Cash Equivalents at the Beginning of the Year .....</b>	<b>28.49</b>	<b>14.15</b>
<b>Cash and Cash Equivalents at the End of the Year .....</b>	<b>1.36</b>	<b>28.49</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents .....</b>	<b>(27.13)</b>	<b>14.34</b>

## STANDALONE STATEMENT OF CASH FLOWS for the year ended March 31, 2020

### Notes:

1. The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

2. Particulars	(₹ in Crores)	
	As at March 31, 2020	As at March 31, 2019
Reconciliation of Cash and Cash Equivalents as per the Statement of Cash Flows		
Balances with Banks in Current Accounts	1.29	25.09
Cheques on Hand	-	3.35
Cash on Hand	0.07	0.05
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>1.36</b>	<b>28.49</b>

3. Purchase of Property, Plant and Equipment includes addition to other Intangible Assets and adjusted for movement in Capital Work-in-progress and Capital advances.

4. Changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes:

(₹ in Crores)

Particulars	As at April 1, 2019	Cash Flows	Non-cash	Reclassification	As at March 31, 2020
Long-term Borrowings	3,369.49	(9.43)		(26.78)	3,333.28
Short-term Borrowings	574.39	209.70		-	784.09
Lease Liabilities	7.40	(2.81)	0.71		5.30
Other Financial Liabilities (Term Loan and Fixed Deposits from Public)	25.59	(24.78)		26.78	<b>27.59</b>

(₹ in Crores)

Particulars	As at April 1, 2018	Cash Flows	Non-cash (Scheme of Arrangement between Scal Services Limited and the Company)	Reclassification	As at March 31, 2019
Long-term Borrowings	2,312.45	530.18	550.50	(23.64)	3,369.49
Short-term Borrowings	414.83	159.56		-	574.39
Other Financial Liabilities (Term Loan and Fixed Deposits from Public)	76.79	(74.84)		23.64	<b>25.59</b>

5. Figures in the brackets are outflows/deductions.

6. Previous year figures have been regrouped wherever necessary.

The accompanying Notes are an integral part of the Standalone Financial Statements

As per our attached report of even date

For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No.100991W

Nusli N. Wadia  
Jehangir N. Wadia

Hitesh Vora  
Sanjive Arora

**PARESH H. CLERK**  
Partner  
Membership No.36148  
Place: Mumbai  
Date: June 9, 2020

For and on behalf of the Board of Directors of  
**THE BOMBAY DYEING & MANUFACTURING CO. LTD.**

Chairman  
Managing Director

Chief Financial Officer  
Company Secretary

S. Ragothaman  
Ness N. Wadia  
V. K. Jairath  
Keki M. Elavia  
Minnie Bodhanwala  
Sunil S. Lalbhai  
Gauri Kirloskar

Directors

Place: Mumbai  
Date: June 9, 2020

## NOTES to the financial statements for the year ended March 31, 2020

### 1. GENERAL INFORMATION ABOUT THE COMPANY

The Bombay Dyeing and Manufacturing Company Limited ("the Company") was incorporated on August 23, 1879. It originated as an integrated textile mill however; it is currently engaged primarily in the business of Real Estate Development, Polyester Staple Fibre and Retail. The Company is a public company limited by shares, incorporated and domiciled in India and is listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Global Depository Receipts (GDRs) are listed at Societe de la Bourse Luxembourg. The Company's registered office is at Neville House, J.N. Heredia Marg, Ballard Estate, Mumbai - 400001.

These aforesaid Financial Statements for the year ended March 31, 2020 are approved by the Company's Board of Directors and authorised for issue in the meeting held on June 9, 2020.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### a. Statement of Compliance

These Financial Statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, (Amended) 2015 and notified by Ministry of Corporate Affairs ("MCA") pursuant to Section 133 of the Companies Act, 2013 read with Rule 3.

#### b. Basis of Preparation and Presentation

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Financial Statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 'Leases' ("Ind AS 116") and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 'Inventories' ("Ind AS 2") or value in use in Ind AS 36 'Impairment of Assets' ("Ind AS 36").

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, Level 2 or Level 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

All assets and liabilities have been classified as Current and Non-Current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products/services rendered and the time between the rendering of the products/services and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as twelve months for the purpose of Current and Non-Current classification of assets and liabilities.

All the Indian Accounting Standards ("Ind AS") issued and notified by the MCA are effective and considered for the significant accounting policies to the extent relevant and applicable for the Company.

The Financial Statements are presented in Indian Rupee ("INR"), which is the Company's functional currency and all values are rounded to the nearest crores upto two decimals, except when otherwise indicated..

#### c. Key Accounting Estimates and Judgements

The preparation of Financial Statements in conformity with Ind AS requires Management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the date of these Financial Statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future period, if the revision affects current and future periods.

## NOTES to the Financial Statements for the year ended March 31, 2020

Information about significant areas of estimation uncertainty and critical Judgements in applying accounting policies that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year are:

**i. Determination of the timing of revenue recognition on the sale of completed and under development property in respect of Real Estate Development activity**

Determination of revenue whether over time (Percentage Completion Method) or at a point in time (Project completion method) necessarily involves making judgement as to when the performance obligation under the contracts with customers is satisfied. It has been evaluated and generally concluded that the recognition of revenue over the period of time criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time. It has further been evaluated and concluded that based on the analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate and the property is made available for possession to the customers.

**ii. Determination of performance obligations**

With respect to the sale of property, the Company has evaluated and concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

**iii. Useful Lives of Property, Plant and Equipment and Intangible Assets**

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating

costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

**iv. Provisions, Liabilities and Contingencies**

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of Judgements to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is not recognised, but disclosed in the Financial Statements when an inflow of economic benefit is probable. Provisions, contingent liability and assets are reviewed at each reporting date and are adjusted to reflect the current best estimates.

**v. Fair Value Measurements**

When the fair value of financial assets or financial liabilities recorded or disclosed in the Financial Statements cannot be measured at the quoted price in the active markets, their fair value is measured using the valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of Judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.



## NOTES to the Financial Statements for the year ended March 31, 2020

### vi. Recognition and Measurement of defined benefit obligation

The obligation arising from defined benefit plans is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### vii. Income Taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Significant management judgements is also required in determining deferred tax assets and liabilities and recoverability of deferred tax assets which is based on estimates of taxable income.

### viii. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

### d. Recent Accounting Developments (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

### e. Property, Plant and Equipment

#### i) Recognition and Measurement

Property, Plant and Equipment ("PPE") are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is measured at cost and is not depreciated.

Cost includes purchase price, taxes and duties and other direct costs incurred for bringing the asset to the condition of its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred. Borrowing costs attributable to the acquisition or construction of a qualifying asset is also capitalised as part of the cost of the asset.

#### ii) Depreciation

Depreciation on PPE other than Furniture & Fixtures and Motor Vehicles, is provided on the straight-line method, pro-rata to the period of use, over their useful life. Depreciation on Furniture & Fixtures and Motor Vehicles is provided on the written down value method, pro rata to the period of use, over their useful life. The estimated useful lives and residual values are as prescribed in Schedule II to the Companies Act, 2013 except for movable site offices and assets of retail shops (including leasehold improvements), which are based on technical evaluation of useful life by the management.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

#### Estimated useful lives of the assets are as follows:

Asset	Useful Life	Asset	Useful Life
Buildings	30 to 60 Years	Computers	3 to 6 Years
Movable site offices	10 Years	Furniture and fixture	10 Years
Plant and Machinery	15 to 25 Years	Office equipment	5 Years
Assets of retail shops including leasehold improvements	6 Years	Vehicles	8 Years

## NOTES to the Financial Statements for the year ended March 31, 2020

The PSF manufacturing plant at Patalganga is treated as a Continuous process plants based on technical assessment.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

### iii) Capital Work-in-progress and Capital Advances

Cost of assets not ready for intended use, as on Balance Sheet date, is shown as Capital Work-in-progress. Advances given towards acquisition of PPE outstanding at each Balance Sheet date are disclosed as Other Non-current Assets.

### f. Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes purchase price, taxes and duties and other direct costs incurred for bringing the asset to the condition of its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred. Borrowing costs attributable to the acquisition or construction of a qualifying asset is also capitalised as part of the cost of the asset.

Depreciation on investment property is provided on the straight-line method, pro-rata to the period of use, over the useful life as prescribed in Schedule II to the Companies Act, 2013

An investment property is de-recognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Statement of Profit and Loss in the period in which the property is de-recognised.

### g. Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation is recognised on a straight-line basis over their estimated useful lives.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in Statement of Profit and Loss when the asset is de-recognised.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives.

### Estimated useful lives of the finite-life intangible assets are as follows:

Asset	Useful Life
Computer Software	5 years
Technical know-how	10 years

An intangible asset having indefinite useful life is not amortized but is tested for impairment annually. Indefinite life intangibles mainly consist of brands/trademarks. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues, if not, it is impaired or changed prospectively basis revised estimates.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

### h. Impairment of Tangible Assets and Intangible Assets other than Goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis

## NOTES to the Financial Statements for the year ended March 31, 2020

of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

### i. Investments in Subsidiaries, Joint Venture and Associates:

Investments in subsidiaries, joint venture and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, joint venture and associates, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

### j. Inventories

Inventories are valued at lower of cost and net realizable value. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

#### Cost is determined as follows:

- i. Raw materials, stores & spares, finished goods and stock-in-trade on a weighted average method.

- ii. Work-in-progress

PSF division

Material cost included in the valuation is determined on the basis of the weighted average rate and cost of conversion and other costs are determined on the basis of average cost of conversion of the preceding month.

- iii. Real Estate Under Development

Real estate under development comprises cost of land, premium for development rights, rates & taxes, construction costs, borrowing costs, overheads and expenses incidental to the projects undertaken by the Company. Cost of land and construction / development costs are charged to Statement of Profit and Loss proportionate to area sold and at the time when corresponding revenue is recognised.

### k. Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks and other short term highly liquid investments, which are readily convertible into cash and which are subject to an insignificant risk of change in value and have original maturities of three months or less.

### l. Statement of Cash Flows

Cash flows are reported using the indirect method, whereby net profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash on hand, cash at banks, other short-term deposits and highly liquid investments with original maturity of three months or less that are readily convertible into cash.

### m. Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on

## NOTES to the Financial Statements for the year ended March 31, 2020

initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of Profit and Loss.

### Financial Assets:

On initial recognition, a financial asset is recognised at fair value. All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI") depending on the classification of the financial assets.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

### Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the Effective Interest Rate ("EIR") method net of any Expected Credit Losses ("ECL"). The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

### Debt Instruments:

Debt instruments are initially measured at amortised cost, FVOCI or FVTPL till derecognition, on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

- i. **Measured at amortised cost:** Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any, is recognised in the Statement of Profit and Loss.
- ii. **Measured at fair value through other comprehensive income:** Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the Other Comprehensive Income ("OCI"). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or

loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss.

- iii. **Measured at fair value through profit or loss:** A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss lease.

### Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value. The Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised in the Statement of Profit and Loss.

### Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

### Impairment of Financial Assets

Expected credit losses are recognised for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

Expected credit losses is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

## NOTES to the Financial Statements for the year ended March 31, 2020

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

### Financial Liabilities and Equity Instruments

#### Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### Financial Liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as FVTPL. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

All financial liabilities are subsequently measured at amortized cost using the effective interest method. Financial liabilities carried at FVTPL are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss. Interest expense are included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

When guarantee in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as cost of investment.

#### Derecognition of Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

#### Derivative Financial Instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately. The Company has not designated any derivative instruments as a hedging instrument.

## NOTES to the Financial Statements for the year ended March 31, 2020

### n. Provisions, Liabilities and Contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### o. Revenue Recognition

The Company derives revenues primarily from Sale of Polyester Staple Fibre and Retail/Textile and business of Real Estate Development; its other operating revenues include Lease Rentals and Subvention Income.

Revenue from contracts with customers for sale of goods or services is recognised when the Company satisfies performance obligation by transferring promised goods or services to the customer at an amount that reflects the consideration which the Company is expected to be entitled to in exchange for those goods or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for trade discounts, incentives and returns, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers. The trade discounts incentives and right of return are estimated and provided for, based on historical, current and forecast information available. A refund liability is recognised for expected returns in relation to sales made, corresponding assets are recognised for the products expected to be returned.

The Company does not expect to have any contract where the period between the transfer of the promised goods or services to the customer and payment by the customer exceed one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

### Sale of Goods

Revenue from sale of goods is recognised at a point in time when the control of the goods is transferred to the customer involving single performance obligation. The control of goods is transferred to the customer depending upon the incoterms or as agreed with customer, delivery basis or dispatch, as the case may be (i.e. at the point in time when goods are delivered at the dealer site or when the customer purchases the goods at the retail outlet). In case of Export of goods, the control of goods is transferred on receipt of Bill of Lading / Mate Receipt.

### Sale of Services

Revenue from services, which mainly consists of lease rentals from letting of space, is recognised over time on satisfying performance obligations as per the terms of agreement, that is, by reference to the period in which services are being rendered. Revenue from services, if any, involving single performance obligation is recognised at a point in time.

### Export Incentives

Revenue from Export Incentives under various schemes of the Government of India is recognised in the year in which the revenue from related export sales is accounted for. Advance License Benefits on exports are recognised in the year of utilisation of license.

### Real Estate Transactions

The Company develops and sells residential and commercial properties. Revenue is recognised when the control over the property is transferred to the customer. An enforceable right to payment does not arise for performance completed to date and it arises only on the development of the property is completed. Therefore, revenue is recognised at a point in time i.e. on receipt of Occupancy Certificate when the legal title has passed to the customer and the development of property is completed.. The revenue is measured at the transaction price agreed under the contract. The Company invoices the customers for construction contracts based on achieving performance-related milestones. For other cases, the consideration is due when legal title has been transferred.

For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.

Revenue from Sale of land and other rights is generally a single performance obligation and the Company has



## NOTES to the Financial Statements for the year ended March 31, 2020

determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts / agreements. The determination of transfer of control did not change upon the adoption of Ind AS 115 – Revenue from Contracts with Customers.

### **Trade Receivables, Contract Assets and Contract Liabilities**

#### **Trade Receivables**

A receivable is recognised by the Company when the control over the goods and services is transferred to the customer such as when goods and services are delivered as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due (which is referred to as "Trade Receivable").

A receivable is recognised when the Company's right to an amount of consideration under the contract with the customer that is unconditional, as only the passage of time is required before payment is due.

#### **Contract Assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

#### **Contract liabilities**

A contract liability is the obligation to transfer goods or services to the customer for which the consideration (or the amount is due) has been received from the customer. If the customer pays the consideration before the transfer of goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

#### **Interest Income and Dividend**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rates. Interest income is included under the head "Other Income" in the Statement of Profit and Loss.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income from a financial asset is recognized using the effective interest rate (EIR), which

is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend Income is recognised when the right to receive the payment is established. Incomes from investments are accounted on an accrual basis.

### **p. Leases**

The Company has adopted Ind AS 116-Leases effective 1<sup>st</sup> April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (April 1, 2019). Accordingly, previous period information has not been restated.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified.
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has the right when it has the right decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - The Company has the right to operate the asset; or
  - The Company designed the asset in a way that predetermined how and for what purpose it will be used

This policy is applied to all contracts entered into, or changed, on or after April 1, 2019.

#### **As a Lessee**

The Company recognises a Right-of-Use (ROU) asset and a lease liability at the lease commencement date. The ROU

## NOTES to the Financial Statements for the year ended March 31, 2020

asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of ROU assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

The Company presents ROU assets that meet the definition of investment property are presented within investment property otherwise under "Property, Plant and Equipment" and lease liabilities under "Financial Liabilities" in the Balance Sheet.

### Short-term leases and leases of low-value assets

The Company has elected not to recognise right-to-use assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low-value assets. The Company recognise the lease payments associated with these leases as an expenses on a straight-line basis over the lease term.

### As a Lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 to allocate the consideration in the contract.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Other Operating Revenue under Revenue from Operations in the Statement of Profit and Loss.

## NOTES to the Financial Statements for the year ended March 31, 2020

The accounting policies applicable to the Company as a lessor in the comparative period were not different from Ind AS 116. However, when the Company was an intermediate lessor, the sub-leases were classified with reference to the underlying asset.

### q. Cost recognition

Costs and expenses are recognised when incurred and are classified according to their nature.

### r. Employee Benefits

#### Long Term Post-employment benefits

Contributions to defined contribution schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

#### i. Provident and Family Pension Fund

The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident and family pension fund, in which both the employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to the provident fund and pension fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner. The Company has no further obligations beyond making the contribution, except that any shortfall in the fund assets based on the Government specified minimum rates of return in respect of provident fund set up by the Company. The Company does not expect a shortfall in the fund assets in the near term and has consequently classified the scheme as a defined contribution scheme and is committed to recognise such contributions and shortfall, if any, as an expense in the year it is incurred.

#### ii. Superannuation

The eligible employees of the Company who have opted for superannuation are entitled to receive post-employment benefits in respect of superannuation fund in which the Company makes annual contribution at a specified percentage of the employees' eligible salary (currently 10% or 15% of employees' eligible salary). The contributions are made to the Superannuation fund set up as irrevocable trust by the Company. Superannuation is classified as Defined Contribution Plan as the Company has no further obligations beyond making

the contribution. The Company's contribution to Defined Contribution Plan is charged to Statement of Profit and Loss as incurred.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of Profit and Loss. Past service cost is recognised in Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in Statement of Profit and Loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

#### The company has the following Defined Benefit Plans:

##### i. Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment, of

## NOTES to the Financial Statements for the year ended March 31, 2020

an amount equivalent to 15 days or 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Contributions are made to the Gratuity Fund set up as irrevocable trust by the Company.

### ii. Other long-term employee benefits - Compensated absences

The Company provides for encashment of leave or leave with pay subject to certain rules. The leave accumulated to the credit of the employees up to December 31, 2014 is available for carry forward and encashment on separation. The Company makes provision for such compensated absences based on an actuarial valuation by an independent actuary at the year end, which is calculated using Project Unit Credit Method (PUCM). Actuarial gains and losses which comprise experience adjustment and the effect of change in actuarial assumptions are recognised in the Statement of Profit and Loss.

Post 2014, leave earned during the year has to be utilized by the employees within the following year. Such leave is a short term employee benefit and is provided at the undiscounted amount in the period in which it is incurred.

### iii. Termination Benefits

The Company provides for compensation payable as part of termination benefits when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Termination benefits falling due more than twelve months after the balance sheet date are provided on the basis of an actuarial valuation by an independent actuary as at the year-end using Project Unit Credit Method.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

### Short Term Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, performance incentives and similar benefits other than compensated absences in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the

estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

### s. Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

### t. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

### u. Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the Balance Sheet and transferred to Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

## NOTES to the Financial Statements for the year ended March 31, 2020

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in Statement of Profit and Loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

### v. Foreign Currency Transactions

The management of the Company has determined Indian Rupee ("INR") as the functional currency of the Company. In preparing the Financial Statements of the Company, transactions in currencies other than the Company's functional currency ("foreign currencies") are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

### w. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus issue, bonus element in a rights issue and shares split that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating Diluted Earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### x. Taxation

#### i. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have

been enacted by the end of the reporting period.

#### ii. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against those deductible temporary differences which can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets and liabilities relate to the income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the current tax liabilities and assets on a net or simultaneous basis.

#### Current and deferred tax for the year

Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in

## NOTES to the Financial Statements for the year ended March 31, 2020

equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### y. **Segment Reporting**

Ind AS 108 establishes standards for the way that public enterprises report information about operating segments and related disclosures about products, services, geographic areas, and major customers. Based on the 'management approach' as defined in Ind AS 108, the company is required to present information in the manner which the Chief Operating Decision Maker ("CODM") evaluates the company's performance and allocates resources. The analysis is generally based on an analysis of various performance indicators by business segments.

The accounting principles used in the preparation of the Financial Statements are consistently applied to record

revenue and expenditure in individual segments, and are as set out in the relevant applicable accounting policies above. Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment.

Segment assets include all operating assets used by the business segments and consist principally of fixed assets, debtors and inventories. Segment liabilities include the operating liabilities that result from the operating activities of the business. Segment assets and liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income / Expenses relating to the enterprise as whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses. Inter-segment transfers are accounted at prevailing market prices.



## NOTES to the Financial Statements for the year ended March 31, 2020

### 3 Property, Plant and Equipment

Description of Assets	(₹ in Crores)									
	Freehold land	Leasehold Land	Buildings	Office Equipment	Computers	Vehicles	Plant and machinery	Furniture and Fixture	Total	
<b>I. Gross Block</b>										
Balance as at April 1, 2018	109.00	0.37	56.55	0.64	3.60	4.00	425.03	11.91	611.10	
Additions	-	-	-	0.16	0.68	0.55	13.27	0.55	15.21	
Disposals	(10.98)	-	(3.42)	(0.06)	(1.43)	-	(0.03)	(0.01)	(15.93)	
Balance as at March 31, 2019	98.02	0.37	53.13	0.74	2.85	4.55	438.27	12.45	610.38	
Additions	-	-	0.46	0.22	1.03	0.35	15.74	0.05	17.85	
Disposals	-	-	-	(0.03)	(0.01)	-	(0.41)	(2.15)	(2.60)	
Reclassified on account of adoption of Ind AS 116	-	(0.37)	-	-	-	-	-	-	(0.37)	
Balance as at March 31, 2020	98.02	-	53.59	0.93	3.87	4.90	453.60	10.35	625.26	
<b>II. Accumulated Depreciation and Impairment</b>										
Balance as at April 1, 2018	-	0.02	3.56	0.63	1.61	0.10	47.42	5.59	58.93	
Depreciation / amortisation expense for the year	-	0.01	1.59	0.11	0.87	0.22	24.79	2.02	29.61	
Eliminated on disposal of assets	-	-	(0.42)	(0.02)	(1.41)	-	(0.05)	(0.01)	(1.91)	
Balance as at March 31, 2019	-	0.03	4.73	0.72	1.07	0.32	72.16	7.60	86.63	
Depreciation / amortisation expense for the year	-	-	1.57	0.21	0.78	0.25	25.99	1.40	30.20	
Eliminated on disposal of assets	-	-	-	(0.02)	-	-	(0.22)	(1.78)	(2.02)	
Reclassified on account of adoption of Ind AS 116	-	(0.03)	-	-	-	-	-	-	(0.03)	
Balance as at March 31, 2020	-	-	6.30	0.91	1.85	0.57	97.93	7.22	114.78	
<b>III. NET BLOCK (I-II)</b>										
Balance as at March 31, 2020	98.02	-	47.29	0.02	2.02	4.33	355.67	3.13	510.48	
Balance as at March 31, 2019	98.02	0.34	48.40	0.02	1.78	4.23	366.11	4.85	523.75	

a. There is no adjustment to Property, Plant and Equipment on account of borrowing costs and exchange differences.

b. Certain Freehold Land and Buildings, Plant and Machinery are mortgaged against borrowings, details relating to which have been described in Notes - 21, 24 and 40.

## NOTES to the Financial Statements for the year ended March 31, 2020

### 3.1 Right-of-Use Assets (ROU)

(₹ in Crores)

Description of Assets	Land	Buildings	Total
<b>I. Gross Block</b>			
<b>Balance as at April 1, 2019</b>	-	-	-
Transition on account of adoption of Ind AS 116*	0.59	8.21	8.80
Additions	-	-	-
Disposals	-	-	-
<b>Balance as at March 31, 2020</b>	<b>0.59</b>	<b>8.21</b>	<b>8.80</b>
<b>II. Accumulated Depreciation and Impairment</b>			
<b>Balance as at April 1, 2019</b>	-	-	-
Depreciation / amortisation expense for the year	0.25	2.49	2.74
Eliminated on disposal of assets	-	-	-
<b>Balance as at March 31, 2020</b>	<b>0.25</b>	<b>2.49</b>	<b>2.74</b>
<b>III. NET BLOCK (I-II)</b>			
<b>Balance as at March 31, 2020</b>	<b>0.34</b>	<b>5.72</b>	<b>6.06</b>
<b>Balance as at April 1, 2019</b>	-	-	-

\* Leasehold Land is reclassified on account of adoption of Ind AS 116

### 4 Capital Work - in - progress

Capital Work in Progress includes:

- Balance as on March 31, 2020 - ₹ 1.23 crores towards Plant and Machineries yet to be installed at Polyester Plant in Patalganga.
- Balance as on March 31, 2019 - ₹ 4.81 crores towards Plant and Machineries yet to be installed at Polyester Plant in Patalganga.

## NOTES to the Financial Statements for the year ended March 31, 2020

### 5. Investment Property

(₹ in Crores)

Description of Assets	Buildings
<b>I. Gross Block</b>	
Balance as at April 1, 2018	3.82
Additions	-
Disposals	-
Balance as at March 31, 2019	3.82
Additions	-
Disposals	-
Balance as at March 31, 2020	3.82
<b>II. Accumulated depreciation</b>	
Balance as at April 1, 2018	0.14
Depreciation expense for the year	0.05
Balance as at March 31, 2019	0.19
Depreciation expense for the year	0.05
Balance as at March 31, 2020	0.23
<b>III. Net block (I-II)</b>	
Balance as at March 31, 2020	3.59
Balance as at March 31, 2019	3.63
<b>IV. Fair Value</b>	
As at March 31, 2020	211.57
As at March 31, 2019	213.51

- a. The Company has given commercial premises on operating lease which form part of its premises at Neville House, Ballard Estate and C-1 Wadia International Centre, Worli. (Refer Note 52)
- b. The fair value of the Investment Property as at March 31, 2020 and March 31, 2019 has been arrived at on the basis of a valuation carried out by independent valuers registered with the authority which governs the valuers in India. All fair value estimates for Investment Properties are included in Level 2.

#### i. Reconciliation of Fair Value

(₹ in Crores)

Particulars	
<b>Buildings</b>	
Balance as at April 1, 2018	216.18
Fair value differences	(2.67)
Purchases	-
Balance as at March 31, 2019	213.51
Fair value differences	(1.94)
Purchases	-
Balance as at March 31, 2020	211.57

## NOTES to the Financial Statements for the year ended March 31, 2020

### ii. Amounts recognised in Statement of Profit and Loss for Investment Property (₹ in Crores)

Particulars	March 31, 2020	March 31, 2019
Rental income derived from Investment Property	26.76	28.58
Direct operating expenses (including repairs and maintenance) generating rental income	(6.23)	(6.35)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
<b>Profit arising from Investment Property before depreciation</b>	<b>20.53</b>	<b>22.23</b>
Depreciation for the year	(0.05)	(0.05)
<b>Profit arising from Investment Property</b>	<b>20.48</b>	<b>22.18</b>

c. Certain Investment Property is mortgaged against borrowings, details relating to which have been described in Notes - 21, 24 and 40.

### 6 Other Intangible Assets

(₹ in Crores)

Particulars	Software	Technical Know how	Total
<b>I. Gross Block</b>			
<b>Balance as at April 1, 2018</b>	<b>1.15</b>	<b>0.63</b>	<b>1.78</b>
Additions	0.23	-	0.23
Disposals	-	-	-
<b>Balance as at March 31, 2019</b>	<b>1.38</b>	<b>0.63</b>	<b>2.01</b>
Additions	0.60	-	0.60
Disposals	-	-	-
<b>Balance as at March 31, 2020</b>	<b>1.98</b>	<b>0.63</b>	<b>2.61</b>
<b>II. Accumulated amortisation</b>			
<b>Balance as at April 1, 2018</b>	<b>1.04</b>	<b>0.63</b>	<b>1.67</b>
Amortisation expense	0.13	-	0.13
Disposals	-	-	-
<b>Balance as at March 31, 2019</b>	<b>1.17</b>	<b>0.63</b>	<b>1.80</b>
Amortisation expense	0.12	-	0.12
Disposals	-	-	-
Adjustments	0.03	-	0.03
<b>Balance as at March 31, 2020</b>	<b>1.32</b>	<b>0.63</b>	<b>1.95</b>
<b>III. Net block (I-II)</b>			
<b>Balance as at March 31, 2020</b>	<b>0.66</b>	<b>-</b>	<b>0.66</b>
<b>Balance as at March 31, 2019</b>	<b>0.21</b>	<b>-</b>	<b>0.21</b>

## NOTES to the Financial Statements for the year ended March 31, 2020

### 7 Investments - Non-current

Particulars	Paid up Value / Face Value	As at March 31, 2020		As at March 31, 2019	
		No. of shares	₹ in Crores	No. of shares	₹ in Crores
<b>Investments in Equity Instruments</b>					
<b>Investments carried at cost</b>					
<b>Unquoted</b>					
<b>Subsidiary</b>					
PT Five Star Textile Indonesia [Refer Note (b) below]	U.S. \$ 1,000 Each	33,826	187.08	33,826	187.08
Less: Provision for diminution in value of Investments			(187.08)		(187.08)
<b>Associate Companies</b>					
Bombay Dyeing Real Estate Company Limited	₹ 10 Each	20,000	0.02	20,000	0.02
Pentafile Textile Dealers Limited	₹ 100 Each	88,200	0.88	88,200	0.88
<b>Sub-total of Investments carried at cost - A</b>			<b>0.90</b>		<b>0.90</b>
<b>At Fair Value Through Other Comprehensive Income (FVOCI)</b>					
<b>Quoted</b>					
Bombay Burmah Trading Corporation Limited *	₹ 2 Each	4,656,942	341.12	7,538,600	979.49
National Peroxide Limited	₹ 10 Each	285,000	33.44	285,000	80.29
D. B. Realty Limited	₹ 10 Each	25,262	0.01	25,262	0.05
Citurgia Biochemicals Limited **	₹ 10 Each	15,560	-	15,560	-
<b>Unquoted</b>					
BDS Urban Infrastructure Private Limited	₹ 10 Each	1,900	0.22	1,900	0.14
Roha Industries Association's Co-operative Consumers Society Limited	₹ 25 Each	100	***	100	***
SCAL Services Limited	₹ 100 Each	30,400	0.74	30,400	0.74
<b>Sub-total of Investments carried at FVOCI- B</b>			<b>375.53</b>		<b>1,060.71</b>
<b>Total (A + B)</b>			<b>376.43</b>		<b>1,061.61</b>

\* The Company has pledged Nil shares (March 31, 2019, 1,301,000 shares) held as Investment by the Company, details of which have been described in Notes - 21, 24 and 40. During the year, term loans aggregating ₹ 75.00 crores outstanding as on March 31, 2019 have been repaid in full. Consequently, the security for the loan by way of pledge of shares held as Investment by the Company, has been fully released.

\*\* Investments in Citurgia Biochemicals Limited is listed on BSE but trading in the scrip has been suspended since January, 2013 for penal reasons.

\*\*\* denotes value less than ₹ 1 lakh

a. The carrying value and market value of quoted and unquoted investments are as under :

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Aggregate Carrying Value of Quoted Investments	374.57	1,059.83
Aggregate Market Value of Quoted Investments	374.57	1,059.83
Aggregate Carrying Value of Unquoted Investments	188.94	188.86
Aggregate Impairment in the Value of Investments	187.08	187.08

b. In December 2018, the Shareholders of the PT Five Star Textile Indonesia (PTFS) passed the resolution for the voluntary liquidation of the Company.

Subsequently as per the procedure, in the year ended December 31, 2019, PTFS surrendered most of its business and operating licenses and also obtained the de-registration of its three Branch Tax Identification numbers. Subsequently, PTFS applied for the de-registration of the main Tax identification number with Tax Office Jakarta and this process is likely to be completed by the end of December, 2020.

## NOTES to the Financial Statements for the year ended March 31, 2020

### 8 Loans - Non-current

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, considered good unless otherwise stated</b>		
Security Deposits		
- Considered good		
Related Parties [Refer Note 57]	2.08	1.84
Others	3.66	5.37
- Considered doubtful	0.15	0.65
- Less : Allowance for doubtful deposits	(0.15)	(0.65)
	<b>5.74</b>	<b>7.21</b>
<b>Loans Receivable Considered Good - Unsecured</b>		
Loans to employees	-	0.05
<b>Loans receivable which have significant increase in credit risk</b>		
<b>Loans Receivable Credit Impaired</b>		
Loans to related parties [Refer Note 57]	54.29	54.29
Less: Allowance for doubtful advances	(54.29)	(54.29)
<b>Total</b>	<b>5.74</b>	<b>7.26</b>

### 9 Other Financial Assets - Non-current

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Earmarked Bank Deposits with Maturity more than twelve months [Refer Note (a) below]	0.01	-
<b>Total</b>	<b>0.01</b>	<b>-</b>

- a. Bank deposits include restricted deposits as under:  
Deposits under lien towards security for guarantees issued on behalf of the Company ₹ 0.01 crores (March 31, 2019 : ₹ Nil). [Refer Note 40 and 41]

### 10 Other Non-current Assets

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, considered good unless otherwise stated</b>		
Capital advances	0.73	4.30
Prepaid expenses	36.73	66.99
Advances other than Capital advances		
Advances Receivable in cash or in kind		
- Considered Good	0.06	1.53
- Considered Doubtful	2.41	2.38
- Less: Allowance for doubtful advances	(2.41)	(2.38)
	0.06	1.53
Industrial subsidy receivable		
- Considered Good	14.55	31.01
- Considered Doubtful	4.64	4.64
- Less: Provision for doubtful advances	(4.64)	(4.64)
	14.55	31.01
Balances with Government authorities		
- Considered good	3.13	0.36
- Considered doubtful	1.96	2.87
- Less : Allowance for doubtful advances	(1.96)	(2.87)
	3.13	0.36
<b>Total</b>	<b>55.20</b>	<b>104.19</b>



## NOTES to the Financial Statements for the year ended March 31, 2020

### 11 Inventories

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Manufacturing and Retail</b>		
Raw Materials	30.45	34.28
Raw Materials-in-transit	26.86	19.99
Work-in-progress	5.93	9.46
Finished goods	61.35	47.40
Finished goods-in-transit	1.27	2.81
Stock-in-Trade	33.96	47.58
Stores, Spares and Catalysts	10.93	12.76
<b>Inventory - Manufacturing and Retail - (a)</b>	<b>170.75</b>	<b>174.28</b>
<b>Real Estate</b>		
Work-in-progress	1,368.55	1,309.21
Others		
Transferable Development Rights	186.89	345.92
Floor Space Index	697.58	371.11
<b>Inventory - Real Estate Development - (b)</b>	<b>2,253.02</b>	<b>2,026.24</b>
<b>Total (a) + (b)</b>	<b>2,423.77</b>	<b>2,200.52</b>

- The cost of inventories recognised as an expense during the current year is ₹ 1,017.29 crores (2018-19 : ₹ 1,892.33 crores)
- The value of inventories above is stated after impairment of ₹ 47.71 crores (March 31, 2019 : ₹ 9.77 crores) for write down to net realisable value and provision for slow moving and obsolete items - includes impairment of Transferable Development Rights ₹ 29.88 crores and others ₹ 17.83 crores.
- Certain inventories are hypothecated against borrowings, details of which have been described in Notes - 21, 24 and 40.
- For mode of valuation of inventories [Refer Note 2 (j)]
- In the opinion of the management, the net realisable value of the construction Work-in- progress will not be lower than the costs so included therein.

### 12 Trade Receivables

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured</b>		
Considered Good	728.24	1,092.22
Credit Impaired	12.78	12.12
Less: Allowance for bad and doubtful debts	(12.78)	(12.12)
<b>Total</b>	<b>728.24</b>	<b>1,092.22</b>

- In determining the allowances for credit losses of Trade Receivables, the Company has used a practical expedient by computing the Expected Credit Loss Allowance for Trade Receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The Expected Credit Loss allowance is based on the ageing of the receivables that are due and the rates used in the provision matrix.
- Since the Company calculates impairment under the simplified approach for Trade Receivables, it is not required to separately track changes in credit risk of Trade Receivables as the impairment amount represents Lifetime Expected Credit Loss. Accordingly, based on a harmonious reading of Ind AS 109 and the break-up requirements under Schedule III, the disclosure for all such Trade Receivables is made as shown above.

## NOTES to the Financial Statements for the year ended March 31, 2020

i. Reconciliation of Credit Loss allowance :

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Balance at the beginning of the year</b>	12.12	29.91
Allowance for expected credit loss	0.66	-
Excess provision written back	-	(17.79)
<b>Balance at the end of the year</b>	<b>12.78</b>	<b>12.12</b>

ii. Ageing of Trade Receivables and credit risk arising therefrom is as below:

(₹ in Crores)

Particulars	As at March 31, 2020		
	Gross credit risk	Allowance for credit loss	Net credit risk
Amount not due	45.96	0.09	45.87
upto 30 days past due	25.55	0.25	25.30
31-60 days past due	23.22	0.35	22.87
61-90 days past due	11.61	0.34	11.27
91-120 days past due	3.31	0.05	3.26
121-180 days past due	1.92	0.38	1.54
181-360 days past due	0.59	0.08	0.51
more than 360 days past due	628.86	11.24	617.62
	<b>741.02</b>	<b>12.78</b>	<b>728.24</b>

(₹ in Crores)

Particulars	As at March 31, 2019		
	Gross credit risk	Allowance for credit loss	Net credit risk
Amount not due	633.94	0.14	633.80
30 days past due	349.63	0.09	349.54
31-60 days past due	2.57	0.05	2.52
61-90 days past due	0.50	0.02	0.48
91-120 days past due	0.77	0.03	0.74
121-180 days past due	0.18	0.01	0.17
181-360 days past due	25.73	0.57	25.16
more than 360 days past due	91.02	11.21	79.81
	<b>1,104.34</b>	<b>12.12</b>	<b>1,092.22</b>

- c. Trade Receivables include ₹ 42.62 crores (March 31, 2019 : ₹ 43.84 crores) due from a customer towards part compensation for sale of property, common area maintenance charges and project related costs. The Receivables are under dispute and the matter has been referred to arbitration. Pending finalisation of arbitration proceedings, the Receivables are considered good.
- d. Trade Receivables are hypothecated against borrowings, details of which have been described in Notes - 21, 24 and 40.

## NOTES to the Financial Statements for the year ended March 31, 2020

### 13 Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks in Current Accounts	1.29	25.09
Cheques on Hand	-	3.35
Cash on Hand	0.07	0.05
<b>Total</b>	<b>1.36</b>	<b>28.49</b>

### 14 Bank Balances other than Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Earmarked balances with banks :		
Unpaid Dividend Accounts	1.66	1.65
Escrow Accounts [Refer Note (a) below]	0.55	24.19
Deposits held in Escrow Accounts [Refer Note (b) below]	25.00	4.00
Deposits under Lien [Refer Note (c) below]	15.12	12.59
Bank deposits with maturity more than three months but less than twelve months	1.84	3.54
<b>Total</b>	<b>44.17</b>	<b>45.97</b>

- Balances with banks in escrow accounts represent amounts held in escrow in accordance with the directions of the Monitoring Committee for redevelopment of land of Cotton Textile Mill.
- Deposits held in escrow accounts represent amounts held in escrow in accordance with the directions of the Monitoring Committee for redevelopment of land of Cotton Textile Mill [Refer Note 40 and 41].
- Bank deposits include restricted deposits as under:
  - Deposits under lien towards security for guarantees issued on behalf of the Company ₹ 15.12 crores (March 31, 2019 : ₹ 12.59 crores) [Refer Note 40 and 41].

### 15 Loans - Current

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Loans Receivable Considered good - Unsecured</b>		
Security Deposits	0.11	0.04
Loans to employees	0.36	0.60
Loans to others	-	0.01
<b>Total</b>	<b>0.47</b>	<b>0.65</b>

### 16 Other Financial Assets - Current

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, considered good unless otherwise stated</b>		
Interest accrued on deposits	0.66	0.37
Export Benefits Receivable	3.26	0.10
Receivable from post Employment Benefit Fund	-	1.02
<b>Total</b>	<b>3.92</b>	<b>1.49</b>

- Other Financial Assets are hypothecated against borrowings, details relating to which have been described in Notes - 21, 24 and 40.

## NOTES to the Financial Statements for the year ended March 31, 2020

### 17 Current Tax Assets (Net)

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance income-tax [net of provision for taxation]	65.71	61.80
<b>TOTAL</b>	<b>65.71</b>	<b>61.80</b>

#### a. Components of Income Tax Expense / (Income)

(₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Income tax expense recognised in the Statement of Profit and Loss</b>		
<b>Current Tax:</b>		
Current Tax on Profits for the year	-	7.64
Deferred Tax	(531.59)	-
(Excess) / Short Provision of tax of earlier years	(5.35)	(1.85)
<b>Total Income Tax Expense</b>	<b>(536.94)</b>	<b>5.79</b>

(₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Deferred Tax related to items recognised in Other Comprehensive Income</b>		
Tax effect on remeasurement (loss) /gain on defined benefit plans	0.68	0.09
Tax effect on fair value of Equity Instrument through OCI	0.11	-
<b>Total Income Tax Expense</b>	<b>0.79</b>	<b>0.09</b>

#### b. Reconciliation of Income Tax Expense and Accounting Profit

The reconciliation between estimated Income Tax expense at statutory income tax rate / (Minimum Alternate Tax) into income tax expense reported in the Statement of Profit and Loss is given below.

(₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Profit / (Loss) before tax*</b>	<b>(209.07)</b>	<b>1,235.77</b>
Income tax expense calculated @ 25.17% (March 31, 2019 : 21.5488%)	-	266.30
Effect of income that is exempt from taxation	-	(0.56)
Effect of expenses that are not deductible in determining taxable income / book profit	-	0.07
Allowance for doubtful advances/debts	-	1.18
Sundry balances / excess provisions written back	-	(3.77)
Tax on Actuarial gain/(loss) on employee defined benefits obligation	-	(0.06)
Adjustment to book profit due to adoption of Ind AS 115	-	(183.51)
Adjustment to book profit as per provisions of Section 115JB (2) of I.T. Act,1961	-	(72.43)
Others	-	0.42
<b>Tax Expense</b>	<b>-</b>	<b>7.64</b>
Deferred Tax Expenses	(531.59)	-
(Excess) / Short Provision of tax of earlier years	(5.35)	(1.85)
<b>Income Tax Expense recognised in Statement of Profit and Loss</b>	<b>(536.94)</b>	<b>5.79</b>
<b>Effective Tax Rate</b>	<b>0.00%</b>	<b>0.47%</b>

\*In view of loss, Tax on Accounting Profit is NIL for the year ended March 31, 2020

## NOTES to the Financial Statements for the year ended March 31, 2020

### c. Components of Deferred Tax

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Deferred Tax Liabilities</b>		
Property, Plant and Equipment	75.25	107.36
Intangible Assets	-	0.41
Right-to-Use Assets	1.53	-
Liability component of Compound Financial Instruments	0.14	-
<b>Total Deferred Tax Liabilities</b>	<b>76.92</b>	<b>107.77</b>
<b>Deferred Tax Assets</b>		
Defined Benefit Obligations	0.68	0.75
Intangible Assets	0.06	-
Allowance for doubtful advances/ debts	61.54	85.10
Accrued Expenses deductible on cash basis	1.13	2.00
Business Losses	441.14	19.92
Unabsorbed Depreciation	102.78	-
Lease liabilities	1.33	-
Security deposit	0.25	-
Fair Value changes of Equity Instruments through OCI	0.11	-
<b>Total Deferred Tax Assets</b>	<b>609.02</b>	<b>107.77</b>
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>532.10</b>	<b>-</b>

i. During the year ended March 31, 2020, in terms of Ind AS 12 on "Income Taxes", the Company has recognised Deferred Tax Assets of ₹ 543.92 crores for the carryforward of unused tax losses in the form of unabsorbed depreciation and brought forward business losses to the extent it is probable that the future taxable profits will be available against which such unused tax losses can be utilised (before the expiry period thereof for its utilisation). The recognition is based on the projected profitability. The Company has recognised Deferred Tax Assets based on the revised rate of tax as per Section 115BAA of the Income-tax Act, 1961.

ii. During the year ended March 31, 2019, Deferred Tax Assets on unused tax losses, that is, business losses have been recognised only to the extent of Deferred Tax Liability.

### d. Movement of Deferred Tax

#### Deferred Tax Assets / (Liabilities) in relation to the year ended March 31, 2020

(₹ in Crores)

Particulars	Balance as at April 1, 2019	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Balance as at March 31, 2020
Property, Plant and Equipment	(107.36)	32.11	-	(75.25)
Right-of-Use Assets	-	(1.53)	-	(1.53)
Intangible Assets	(0.41)	0.47	-	0.06
Fair Value changes of Equity Instruments through OCI	-	-	0.11	0.11
Business Losses	19.92	421.22	-	441.14
Unabsorbed Depreciation	-	102.78	-	102.78
Equity component of Compound Financial Instruments	-	-	-	(0.28)
Liability component of Compound Financial Instruments	-	0.14	-	0.14
Security Deposit	-	0.25	-	0.25
Lease Liability	-	1.33	-	1.33
Allowance for doubtful advances/ debts	85.10	(23.56)	-	61.54
Accrued Expenses deductible on cash basis	2.00	(0.87)	-	1.13
Defined benefit obligations	0.75	(0.75)	0.68	0.68
<b>Total</b>	<b>-</b>	<b>531.59</b>	<b>0.79</b>	<b>532.10</b>

## NOTES to the Financial Statements for the year ended March 31, 2020

### Deferred Tax Assets / (Liabilities) in relation to the year ended March 31, 2019

(₹ in Crores)

Particulars	Balance as at April 1, 2018	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Balance as at March 31, 2019
Property, Plant and Equipment	(108.02)	0.66	-	(107.36)
Intangible Assets	(0.52)	0.11	-	(0.41)
Business Losses	16.72	3.11	0.09	19.92
Allowance for doubtful advances/ debts	89.39	(4.29)	-	85.10
Accrued Expenses deductible on cash basis	1.59	0.41	-	2.00
Defined benefit obligations	0.84	-	(0.09)	0.75
<b>Total</b>	-	-	-	-

- e. Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Unused tax losses	-	1561.11
Unused tax credits [Refer Note (ii) below]	-	100.30
<b>Total</b>	-	<b>1,661.41</b>

Note :

- As on March 31, 2020, the tax consequences with respect to the dividends proposed is ₹ NIL crores (March 31, 2019 : ₹ 6.37 crores).
- During the year, the Company has not recognised Deferred Tax Assets for tax credits in respect of Minimum Alternate Tax (MAT) credit of ₹ NIL crores (March 31, 2019 ₹ 7.21). MAT credit for the year ended March 31, 2019 would not be available to the Company since the Company would compute its tax liability based on the revised rate i.e. 25.17% as permitted under Section 115BAA of the Income-tax Act, 1961.

The amount and expiry date of unused Tax credits, that is, MAT credit and unused tax losses, that is, unabsorbed depreciation and business losses is as follows:

(₹ in Crores)

i.	Tax Credit Carried Forward(FY)	As at March 31, 2019	Expiry Date
	2009-10	3.77	March 31, 2020
	2010-11	5.26	March 31, 2021
	2011-12	14.97	March 31, 2022
	2012-13	21.50	March 31, 2023
	2013-14	8.47	March 31, 2024
	2014-15	10.42	March 31, 2025
	2016-17	28.69	March 31, 2027
	2018-19	7.21	March 31, 2034



## NOTES to the Financial Statements for the year ended March 31, 2020

(₹ in Crores)

ii.	Business Losses (FY)	As at March 31, 2019	Expiry Date
	2012-13	10.47	March 31, 2021
	2013-14	28.86	March 31, 2022
	2014-15	52.12	March 31, 2023
	2015-16	142.11	March 31, 2024
	2016-17	145.30	March 31, 2025
	2017-18	325.49	March 31, 2026
	2018-19	349.79	March 31, 2027

iii. There is no expiry date for unabsorbed depreciation to set off against the future taxable income.

### 18 Other Current Assets

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, considered good unless otherwise stated</b>		
Deposits	5.40	0.93
Prepaid expenses	17.76	2.48
Advances other than Capital advances		
Balances with Government Authorities	15.93	6.16
Advances Receivable in cash or in kind		
- Considered Good		
Related Parties	0.28	0.93
Others	11.20	30.78
- Considered Doubtful	2.44	2.44
- Less: Allowance for Doubtful Advances	(2.44)	(2.44)
	<b>11.48</b>	<b>31.71</b>
<b>Total</b>	<b>50.57</b>	<b>41.28</b>

Note: Other Current Assets are hypothecated against borrowings, details of which have been described in Notes - 21, 24 and 40.

### 19 Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	₹ in Crores	Number of Shares	₹ in Crores
<b>Authorised Shared Capital</b>				
Equity shares of ₹ 2 each	510,000,000	102.00	510,000,000	102.00
8% Redeemable Non-convertible Non-cumulative Preference Shares of ₹ 100 each	400,000	4.00	400,000	4.00
<b>Total</b>	<b>510,400,000</b>	<b>106.00</b>	<b>510,400,000</b>	<b>106.00</b>
<b>Issued, Subscribed and Paid-up Share capital</b>				
Equity shares of ₹ 2 each	206,534,900	41.31	206,534,900	41.31
<b>Total</b>	<b>206,534,900</b>	<b>41.31</b>	<b>206,534,900</b>	<b>41.31</b>

## NOTES to the Financial Statements for the year ended March 31, 2020

### a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	₹ in Crores	Number of Shares	₹ in Crores
At the beginning of the year	206,534,900	41.31	206,534,900	41.31
Add: Shares issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>206,534,900</b>	<b>41.31</b>	<b>206,534,900</b>	<b>41.31</b>

### b. Rights, preferences and restrictions attached to Equity shares

The Company has issued and subscribed one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### c. Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	% Holding	Number of Shares	% Holding
Baymanco Investments Limited	47,312,000	22.91	47,312,000	22.91
The Bombay Burmah Trading Corporation Limited	31,550,713	15.28	31,550,713	15.28
	<b>78,862,713</b>	<b>38.19</b>	<b>78,862,713</b>	<b>38.19</b>

### d. Information regarding issue of shares during last five years

- No share is allotted pursuant to contracts without payment being received in cash.
- No bonus share has been issued.
- No share has been bought back.

### e. Shares held in Abeyance

Under orders from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992, the allotment of 4,640 equity shares (March 31, 2019 : 4,640 shares) of face value of ₹ 2/- each against warrants carrying rights of conversion into equity shares of the Company has been kept in abeyance in accordance with Section 206A of the Companies Act, 1956, till such time as the title of the *bonafide* owner is certified by the concerned Stock Exchanges.

## 20 Other Equity

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Reserve	29.51	29.51
Securities Premium	133.57	133.57
Investment Reserve	1.31	1.31
General Reserve	155.81	155.81
Equity Component of Compound Financial Instruments - Preference Share capital	0.52	-
Retained Earnings	(657.22)	(1,209.49)
Equity Instruments through Other Comprehensive Income	354.35	1,028.60
<b>Total</b>	<b>17.85</b>	<b>139.31</b>

## NOTES to the Financial Statements for the year ended March 31, 2020

### Nature and purpose of reserves

#### a. Capital Reserve

Capital Reserve represents amounts forfeited on warrants not exercised and ₹ 0.91 crores due to demerger of Real Estate Business Undertaking of Scal Services Limited vested in the Company. (Refer Note. 43)

#### b. Securities Premium

Securities Premium represents premium on issue of shares on conversion of warrants. Securities Premium amounting to ₹ 7.80 crores is adjusted in accordance with the Scheme for Amalgamation of subsidiary with the Company, which was effected on April 1, 2016. There is no movement in securities premium reserve during the current and previous year.

#### c. Investment Reserve

Investment Reserve represents gain or loss on sale of investments. There is no movement in Investment Reserve during the current and previous year.

#### d. General Reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013. There is no movement in General Reserve during the current and previous year.

#### e. Equity Component of Compound Financial Instruments

Equity Component of Compound Financial Instruments represent residual amount after deducting liability component from the fair value of the compound financial instruments.

#### f. Equity instruments through Other Comprehensive Income

The fair value change of the equity instruments measured at fair value through Other Comprehensive Income is recognised and reflected under Equity Instruments through Other Comprehensive Income. On disposal, the cumulative fair value changes on the said instruments are reclassified to Retained Earnings.

#### g. Retained Earnings

Retained Earnings are the profits that the Company has earned till date, less any transfer to General Reserve, dividends or other distributions paid to shareholders.

### 21 Non-current Borrowings

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Secured</b>		
Term Loans		
- from banks	95.13	53.20
- from others	3,264.93	3,339.93
<b>Unsecured</b>		
Preference Share Capital Suspense [Refer Note (d) below]	-	3.89
Liability Component of Compound Financial Instruments - Preference Share Capital [Refer Note (d) below]	3.31	-
	3,363.37	3,397.02
Less : Current maturities of Long-term Borrowings [included in Note 26]	(26.78)	(23.64)
<b>Total</b>	<b>3,336.59</b>	<b>3,373.38</b>

#### a. Nature of Security and terms of repayment of secured borrowing:

##### From Banks :

Term loan amounting to ₹ 29.55 crores (March 31, 2019 : ₹ 53.20 crores) was secured by first and exclusive registered mortgage on Company's Jor Bagh property at New Delhi and on the immovable property being the entire commercial building at C-1, Wadia International Centre and Texturising Building at Worli together with the FSI consumed and the land on which the building stands. Repayable in 12 equated Quarterly instalments commencing from August 2018 to May 2021.

Term loan amounting to ₹ 65.58 crores (March 31, 2019 : ₹ NIL) was secured by First pari passu charge by way of Registered Mortgage of NBW Building along with 1839.53 Sqm of land on which the building is constructed. Repayable in 120 equated monthly instalments commencing from September 2019 to November 2029.

## NOTES to the Financial Statements for the year ended March 31, 2020

### From Other Parties :

- i. Term loans aggregating ₹ 1700.00 crores (March 31, 2019 : ₹ 1700.00 crores) are secured by way of registered mortgage of land underlying the project One ICC and Two ICC at Mumbai - along with the present and future unregistered flats thereon and exclusive charge by way of hypothecation on receivables arising out of all units from the project. Repayable in 24 equated monthly instalments commencing from November 2021.
- ii. Term loans aggregating ₹ 1434.93 crores (March 31, 2019 : ₹ 1434.93 crores) are secured by way of mortgage of plot of land at Pandurang Budhkar Marg, Worli, along with the present and future development. The term loan has not been fully drawn as on March 31, 2020. The repayment terms of the said loan are as under :-

Date of repayment	Amount (₹ in Crores)
June 5, 2021	265.93
June 5, 2022	584.50
June 5, 2023	584.50
<b>Total</b>	<b>1434.93</b>

- iii. Term loans aggregating ₹ 75.00 crores outstanding as on March 31, 2019 have been repaid in full during the year. Consequently, the security for the loan by way of pledge of shares held as Investment by the Company, has been fully released.
  - iv. Term loans aggregating ₹ 130.00 crores (March 31, 2019 : ₹ 130.00 crores) are secured by way of exclusive registered mortgage of land at G.D.Ambekar Marg, Wadala, Mumbai and exclusive charge by way of hypothecation on receivables arising from the future constructions. Repayable in a single bullet payment, at the end of 36 months from the date of first disbursement.
- b. There is no default in terms of repayment of principal borrowings and interest thereon.
  - c. The carrying amounts of financial and non-financial assets provided as security for above borrowings are disclosed in Note 40.
  - d. **Preference Share Capital and Preference Share Capital Suspende**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	₹ in Crores	Number of Shares	₹ in Crores
<b>Issued, Subscribed and Paid-up Share capital</b>				
8% Redeemable Non-convertible Non-cumulative Preference Shares of ₹ 100 each	388,800	3.89	-	-
<b>Total</b>	<b>388,800</b>	<b>3.89</b>	<b>-</b>	<b>-</b>

### Preference Share Capital Suspende

Pursuant to The Scheme of Arrangement ('the Scheme') between SCAL Services Limited ('SCAL') and the Company and their respective shareholders for demerger of Real Estate Business Undertaking of SCAL vesting into the Company, the Company has issued 3,88,800, 8% Redeemable Non-convertible Non-cumulative Preference Shares of ₹ 100 each fully paid up. Such Preference Shares shall be redeemable any time within 36 months from the date of allotment. These Preference Shares were allotted on May 2, 2019. In terms of Ind AS 32, such Preference Shares have been treated as Compound Financial Instrument from the date of allotment.

- i. **Reconciliation of the Preference Shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	₹ in Crores	Number of Shares	₹ in Crores
At the beginning of the year	-	-	-	-
Add: Shares issued during the year	388,800	3.89	-	-
<b>At the end of the year</b>	<b>388,800</b>	<b>3.89</b>	<b>-</b>	<b>-</b>

## NOTES to the Financial Statements for the year ended March 31, 2020

### ii. Rights, preferences and restrictions attached to Preference shares

These shares shall confer the holders thereof, the right to a fixed preferential dividend (Non-cumulative in nature) at a rate of 8%, on the capital being paid up. These Preference Shares shall be redeemable any time within 36 months from the date of allotment.

### iii. Details of shareholders holding more than 5% Preference shares in the Company

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	% Holding	Number of Shares	% Holding
Bombay Dyeing Real Estate Co Ltd	91,200	23.46	-	-
Pentafil Textile Dealers Ltd	91,200	23.46	-	-
BDS Urban Infrastructures Private Limited	206,400	53.08	-	-
	<b>388,800</b>	<b>100.00</b>	-	-

### 22 Other Financial Liabilities - Non-current

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Deposits	6.70	7.39
Others	-	0.58
<b>Total</b>	<b>6.70</b>	<b>7.97</b>

### 23 Provisions - Non-current

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
- Provision for compensated absences [Refer Note 49]	4.66	4.96
- Provision for loyalty / long service awards [Refer Note 49]	3.12	2.22
- Provision for termination benefits [Refer Note 45]	6.70	5.90
<b>Total</b>	<b>14.48</b>	<b>13.08</b>

### 24 Borrowings - Current

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Secured</b>		
Loans repayable on demand from banks	29.15	41.98
Facilities from banks :		
- Bills discounted with banks	1.01	-
- Packing credit	99.28	22.41
- Short term loans	22.00	25.00
- Buyer's Credit in Foreign currency	32.33	-
<b>Unsecured</b>		
Bills discounted with others	11.31	-
Intercompany deposits	189.00	135.00
Intercompany deposits from Related Parties [Refer Note 57]	400.00	350.00
<b>Total</b>	<b>784.08</b>	<b>574.39</b>

## NOTES to the Financial Statements for the year ended March 31, 2020

### Nature of Security for short-term borrowings

- Secured Loans from banks ₹ 88.46 crores (March 31, 2019 ₹ 29.23 crores) are secured by exclusive charge by way of registered mortgage on the immoveable property being the entire commercial building at C-1, Wadia International Centre and Texturising Building at Worli together with the FSI consumed and the land on which the building stands.
- Secured Loans from banks ₹ 95.31 crores (March 31, 2019 ₹ 60.16 crores) are secured by first charge on inventories and book debts of Retail and Polyester Divisions together with entire Property, Plant and Equipment aggregating of Polyester Division (including Factory Land and building).
- Intercorporate deposits from Related Parties :

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Britannia Industries Limited	350.00	350.00
The Bombay Burmah Trading Corporation Limited	50.00	-
<b>Total</b>	<b>400.00</b>	<b>350.00</b>

- The carrying amounts of financial and non-financial assets provided as security for above borrowings are disclosed in Note 40.

### 25 Trade Payables - Current

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises [Refer Note (a) below]	36.45	20.71
Others :		
Total outstanding dues of creditors other than micro enterprises and small enterprises	272.23	489.88
Acceptances under suppliers line of credit [Refer Note (b) below]	-	12.42
<b>Total</b>	<b>308.68</b>	<b>523.01</b>

- The dues payable to Micro and Small enterprises is based on the information available with the Company and takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose (Refer Note 50)
- Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days.

### 26 Other Financial Liabilities - Current

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Current Maturities of Long-term Borrowings [Refer Note 21]	26.78	23.64
Fixed Deposits from Public	-	0.30
Interest Accrued	33.47	13.68
Unpaid Dividends [Refer Note (a) below]	1.66	1.65
Unclaimed Matured Fixed Deposits from Public	0.81	1.65
Deposits	-	0.05
Derivatives - Forward Exchange Contracts [Refer Note (b) below]	1.65	2.08
Payable to related parties (Refer Note 57)	9.01	-
Accrued expenses	76.58	55.22
Employee benefits payable	7.90	14.47
Other Liabilities	7.67	15.02
<b>Total</b>	<b>165.53</b>	<b>127.76</b>



## NOTES to the Financial Statements for the year ended March 31, 2020

- a. During the year, the Company has transferred an amount of ₹ 0.20 crores (March 31, 2019 : ₹ 0.13 crores) to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013. There is no amount due for payment to the Fund as at the year end.
- b. The Company has entered into foreign exchange forward contracts with the intention of hedging foreign exchange risk of expected sales and purchases, these contracts are not designated as hedge and are measured at fair value through profit or loss. Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

### 27 Other Current Liabilities

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Advances from Customers	55.69	285.77
Statutory Dues including Service Tax and Withholding Tax	10.63	12.88
Other Liabilities	2.74	10.55
<b>Total</b>	<b>69.06</b>	<b>309.20</b>

### 28 Provisions - Current

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Provision for Employee Benefits</b>		
Provision for compensated absences [Refer Note 49]	0.94	4.22
Provision for termination benefits		
- Gratuity [Refer Note 49]	2.30	-
- Others [Refer Note 45]	0.69	0.63
Provision for loyalty / long service awards [Refer Note 49]	0.38	0.31
<b>Other Provisions</b>		
Provision for litigation and disputes [Refer Note below]	12.40	13.95
Provision for commercial and other matters [Refer Note below]	41.65	37.92
Provision for sales tax forms (Refer Note below)	1.73	4.69
<b>Total</b>	<b>60.09</b>	<b>61.72</b>

Note: Movements in each of the class of other provisions during the financial year are set out below:

(₹ in Crores)

Particulars	Litigation and disputes	Commercial and other matters	Sales tax forms
<b>As at April 1, 2018</b>	<b>14.96</b>	<b>26.24</b>	<b>4.20</b>
- Additions	1.15	11.68	2.50
- Amounts utilised	(2.16)	-	(2.01)
<b>As at March 31, 2019</b>	<b>13.95</b>	<b>37.92</b>	<b>4.69</b>
- Additions	-	3.73	0.04
- Amounts utilised	(1.55)	-	(3.00)
<b>As at March 31, 2020</b>	<b>12.40</b>	<b>41.65</b>	<b>1.73</b>

### 29 Current Tax Liabilities (Net)

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Taxation (net of advance income-tax)	0.04	6.75
<b>TOTAL</b>	<b>0.04</b>	<b>6.75</b>

## NOTES to the Financial Statements for the year ended March 31, 2020

### 30 Revenue From Operations

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Sale of Products	1,327.02	1,683.05
Real Estate Development activity	513.93	2,509.26
Other Operating Revenue		
- Lease Rentals	23.69	23.62
- Subvention Income	11.31	194.61
- Others	18.67	19.22
Total Other Operating Revenue	53.67	237.45
<b>Total</b>	<b>1,894.62</b>	<b>4,429.76</b>

### 31 Other Income

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest Income		
- on Inter-corporate Deposits	-	0.04
- on Income-tax Refunds	2.41	0.43
- on Fixed Deposits with Banks	2.90	6.87
- on Financial Assets measured at Amortised Cost	1.06	0.10
- on Others	1.54	3.28
	<b>7.91</b>	<b>10.72</b>
Dividend Income		
- on Non-current Investments	2.61	2.61
	<b>2.61</b>	<b>2.61</b>
Other Non - Operating Income		
- Sundry balances / excess provisions written back	7.31	3.47
- Other Non-operating Income	21.08	9.31
- Subsidy received for Electricity	9.57	8.08
	<b>37.96</b>	<b>20.86</b>
Other Gains		
- Profit on Sale of Property, Plant and Equipment	-	4.48
- Gain on Foreign Currency Transactions (Net)	1.56	2.43
	<b>1.56</b>	<b>6.91</b>
<b>Total</b>	<b>50.04</b>	<b>41.10</b>

### 32 Cost of Material Consumed

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Inventories at the beginning of the year	54.27	78.92
Add : Purchases	914.01	1,152.38
	<b>968.28</b>	<b>1,231.30</b>
Less: Inventories at the end of the year	(57.30)	(54.27)
<b>Total</b>	<b>910.98</b>	<b>1,177.03</b>

## NOTES to the Financial Statements for the year ended March 31, 2020

### 33 Purchases of Stock-in-Trade

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Processed long length	130.49	165.74
Made ups	30.43	55.16
<b>Total</b>	<b>160.92</b>	<b>220.90</b>

### 34 Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Manufacturing and Retail</b>		
Inventories at the beginning of the year		
Finished goods	50.20	59.69
Work-in-progress	9.47	13.18
Stock-in-trade	47.57	36.34
	<b>107.24</b>	<b>109.21</b>
Inventories at the end of the year		
Finished goods	62.62	50.20
Work-in-progress	5.93	9.47
Stock-in-trade	33.96	47.57
	<b>102.51</b>	<b>107.24</b>
<b>Inventory change - Manufacturing and Retail - (a)</b>	<b>4.73</b>	<b>1.97</b>
<b>Real Estate Development</b>		
Inventories at the beginning of the year		
Development work-in-progress	1,309.21	211.25
Add : Inventories acquired on demerger [Refer Note 43]	-	395.96
Add : Increase in value due to change in Accounting Policy [Refer Note 48]	-	1,194.43
	<b>1,309.21</b>	<b>1,801.64</b>
Inventories at the end of the year		
Development work-in-progress	1,368.55	1,309.21
	(59.34)	492.43
<b>Inventory change - Real Estate Development- (b)</b>	<b>(59.34)</b>	<b>492.43</b>
<b>Total (a+b)</b>	<b>(54.61)</b>	<b>494.40</b>

### 35 Employee Benefits Expense

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Salaries, Wages and bonus	79.09	84.94
Contribution to Provident and Other Funds	4.35	4.36
Gratuity Expenses	1.41	0.43
Workmen and Staff Welfare Expenses	5.00	4.93
<b>Total</b>	<b>89.85</b>	<b>94.66</b>

## NOTES to the Financial Statements for the year ended March 31, 2020

### 36 Finance Costs

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest on Long-term Borrowings	446.10	383.11
Interest on Short-term Borrowings	80.43	57.23
Interest on Lease Liability	0.71	-
Ancillary Borrowing Costs	22.85	38.41
Exchange difference to the extent considered as an adjustment to Borrowing Costs	0.51	-
Others	3.22	10.71
<b>Total</b>	<b>553.82</b>	<b>489.46</b>

### 37 Depreciation and Amortisation Expenses

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Depreciation on Property, Plant and Equipment	30.20	29.61
Amortisation on Right-of-Use Assets	2.74	-
Depreciation on Investment Property	0.05	0.05
Amortisation on Intangible Assets	0.12	0.13
<b>Total</b>	<b>33.11</b>	<b>29.79</b>

### 38 Other Expenses

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Manufacturing Expenses</b>		
Stores, Spare parts and Catalysts	30.73	33.68
Oil and coal consumed	45.68	49.95
Electric energy	45.73	44.65
Water charges	2.89	2.84
Repairs: Buildings	1.83	1.79
Machinery	7.01	8.46
Others	2.61	3.50
Job work / processing charges	0.37	0.17
<b>Subtotal</b>	<b>136.85</b>	<b>145.04</b>
<b>Construction Expenses</b>		
Architect fees and technical /project related consultancy	11.98	19.24
Civil, Electrical, contracting, etc.	120.39	303.00
Payment to local agencies	4.58	25.49
Compensation for rehabilitation of tenants	8.27	5.75
<b>Subtotal</b>	<b>145.22</b>	<b>353.48</b>
<b>Selling and Distribution Expenses</b>		
Brokerage, commission	8.59	11.28
Freight and forwarding	38.81	29.56
Advertisement expense	23.04	19.88
<b>Subtotal</b>	<b>70.44</b>	<b>60.72</b>

## NOTES to the Financial Statements for the year ended March 31, 2020

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Establishment Expenses</b>		
Rent	6.43	11.16
Rates and taxes	9.76	21.76
Insurance	1.82	1.24
Sundry Balances Written Off	1.41	-
Allowance for doubtful advances/debts	0.66	-
Bad debts and advances written off	-	16.03
Less: Allowance for doubtful debts written back	-	(16.03)
Payment to Auditors [Refer Note below]	1.36	1.31
Legal and Professional Fees	10.00	16.66
Retainership Fees	11.24	7.23
Loss on disposal of Property Plant and Equipment	0.50	-
Capital Work-in Progress Written-off	-	71.04
Miscellaneous expenses	33.54	43.08
<b>Subtotal</b>	<b>76.72</b>	<b>173.48</b>
Subvention Reversal (Expense due to cancellation of contracts)	30.43	-
<b>TOTAL</b>	<b>459.66</b>	<b>732.72</b>

### Payment to auditor

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>As an auditor :</b>		
Audit Fee	0.75	0.75
Limited Review	0.35	0.41
<b>In other capacity:</b>		
Taxation matters	0.22	0.08
Certification fees	0.04	0.06
Reimbursement of expenses	-	0.01
<b>TOTAL</b>	<b>1.36</b>	<b>1.31</b>

### 39 Exceptional Items

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Profit on sale of Property, Plant and Equipment - Immoveable Property	-	9.34
Allowance for doubtful debts / advances to Subsidiary	-	(5.47)
<b>TOTAL</b>	<b>-</b>	<b>3.87</b>

## NOTES to the Financial Statements for the year ended March 31, 2020

### 40 Assets pledged / hypothecated / mortgaged as security

The carrying amounts of assets pledged / hypothecated / mortgaged as security for Current and Non-current Borrowings or Contingent liabilities are:

(₹ in Crores)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
<b>Current Assets</b>			
<b>Financial Assets</b>			
<b>First Charge</b>			
Fixed Deposits under Lien	14	40.13	15.42
		<b>40.13</b>	<b>15.42</b>
<b>Floating Charge</b>			
Trade Receivables	12	686.56	1,092.22
Other Financial Assets	16	3.51	1.49
Other Current Assets	18	4.20	-
		<b>694.27</b>	<b>1,093.71</b>
<b>Non-Financial Assets</b>			
<b>Floating Charge</b>			
Inventories	11	1,162.86	1,353.47
		<b>1,162.86</b>	<b>1,353.47</b>
<b>Total Current Assets pledged / hypothecated / mortgaged as security</b>		<b>1,897.26</b>	<b>2,462.60</b>
<b>Non-current Assets</b>			
<b>First Charge</b>			
Property, Plant and Equipment	3	448.52	465.81
Investment Property	5	2.69	2.69
Investments	7	-	169.04
		<b>451.21</b>	<b>637.54</b>
<b>Total Non-currents Assets pledged / hypothecated / mortgaged as security</b>		<b>451.21</b>	<b>637.54</b>
<b>Total Assets pledged / hypothecated / mortgaged as security</b>		<b>2,348.47</b>	<b>3,100.14</b>

### 41 Contingent Liabilities

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>A. Claims against the Company not acknowledged as debt.</b>		
a. Income-tax matters in respect of earlier years under dispute (including interest) March 31, 2020 - ₹ 2.72 crores March 31, 2019 - ₹ 21.40 crores as follows:		
i. Pending in appeal - matters decided against the Company	12.48	78.19
b. Sales Tax, Service Tax and Excise Duties	18.08	23.26
c. Custom Duty	0.95	0.95
d. Other Matters (Including claims related to real estate, employees and other matters)	98.96	112.40
In respect of items (a) to (d) above, it is not possible for the Company to estimate the timings of cash outflows which would be determinable only on receipt of Judgements pending at various forums/ authorities.		
The Company does not expect any reimbursements in respect of the above contingent liabilities.		
The Company's pending litigations comprise of claims against the Company by certain real estate customers and disputed by the Company, of which the significant ones are matters of arbitration, and pertaining to proceedings pending with Income Tax, Excise, Custom, Sales Tax / VAT and other authorities.		

## NOTES to the Financial Statements for the year ended March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
<b>B. Guarantees</b>		
<b>a. Bank Guarantee</b>	32.55	34.96
Guarantees issued by banks Secured by bank deposits under lien with the bank ₹ 12.09 crores (March 31, 2019 : ₹ 12.41 crores) and by first charge on inventories and book debts of Retail and Polyester Divisions together with entire Property, Plant and Equipment aggregating of Polyester Division (including Factory Land and building).		
<b>C. Commitments</b>		
<b>a.</b> Estimated amount of contracts remaining to be executed on capital account and not provided for	0.31	1.53
<b>b.</b> Other Commitments not provided for related to construction under development (net of advances) March 31, 2020 : ₹ 3.26 crores, (March 31, 2019 : ₹ 3.46 crores)	168.45	263.63
<b>D. Other money for which the Company is contingently liable</b>		
Though a review petition filed against the decision of the Hon'ble Supreme Court of India of February 2019 on Provident Fund (PF) on inclusion of allowances for the purpose of PF Contribution has been set aside, there are interpretative challenges, mainly for estimating the amount and applicability of the decision retrospectively. Pending any direction in this regard from the Employees Provident Fund Organisation, the impact for past periods, if any, is considered to the effect that it is only possible but not probable that outflow of economic resources will be required. The Company will continue to monitor and evaluate its position and act, as clarity emerges.	-	-

### 42 Litigations

- a. During the year 2010-11, the Company had agreed to sell certain area in the proposed tower TWO ICC to Shaan Realtors Private Limited, (formerly Accord Holding Private Limited) ("the claimants"). The area agreed to be sold is under dispute and the matter was referred to arbitration. The arbitrator vide order dated January 13, 2014 passed the final award directing the Company to allot to the claimants and/ or its associates, friends, nominees carpet area of 1,00,000 sq. ft. less the carpet area as already allotted to them in the proposed tower TWO ICC, namely, additional carpet area of 48,495 sq. ft. Accordingly, the requisite area has been set aside by the Company and no adjustment has been made in the financial statements in view of the uncertainty involved. The parties are in the process of settling the matter.
- b. The Bombay High Court vide its order dated November 20, 2013 permitted the Company to surrender land at one location i.e. Wadala, as per the application made by the Company under Integrated Development Scheme. As per this order, the total of 66,651 sq. metres of land has been surrendered to MCGM and MHADA at Island City Centre, Wadala. During the year 2013-14, the Union had filed a writ petition requiring the Company to surrender non textile mill land. The Bombay High Court has directed the Company to reserve additional 10,000 sq. metres of land adjacent to the land to be surrendered. The Company believes that above said writ petition filed in Bombay High Court has no impact on the development of the two towers at ICC since the reserved land of 10,000 sq. metres is different from the one where construction of the two towers is in progress and part Occupancy Certificate (OC) has received for same.
- c. The Company had during the year 2010-11 sold the building known as 'Wadia Tower A' to Axis Bank Limited for a consideration of ₹ 782.62 crores. The purchaser has till date paid a sum of ₹ 753.69 crores and the balance ₹ 28.93 crores is still outstanding. Axis Bank Limited has claimed damages and interest for delayed handover, non-completion of essential and basic amenities, failure to provide prominent signage, etc. and has not paid the common area maintenance charges amounting ₹ 13.69 crores (As on March 31, 2019 : ₹ 14.91 crores). Since the matter could not be amicably resolved, the same was referred to arbitration. Claims from the Bank regarding costs for work completed by the Bank on behalf of the Company and by the Company on behalf of Axis Bank are also matters under arbitration. Pending finalisation of arbitration proceedings, the receivables are Considered good.



## NOTES to the Financial Statements for the year ended March 31, 2020

### 43 Demerger of Real Estate Undertaking business of SCAL Services Limited during the year ended March 31, 2019

- a. The Scheme of Arrangement ('the Scheme') between SCAL Services Limited ('SCAL') and the Company and their respective shareholders for demerger of Real Estate Business Undertaking of SCAL vesting into the Company was sanctioned by the Hon'ble NCLT, Bench at Mumbai vide Order dated February 21, 2019. The certified copy of the Order sanctioning the Scheme was filed with the Registrar of the Companies, Mumbai, on February 28, 2019. On giving effect of the Scheme, from the Appointed Date of the Scheme, i.e. July 1, 2018, all the assets and liabilities of Real Estate Business Undertaking of SCAL stands transferred and vested in the Company.
- b. The assets and liabilities of SCAL Service Limited as at July 1, 2018 have been taken over at their respective book values and necessary adjustments have been made such that all the assets and liabilities acquired are reflected at their acquisition date fair value as required by Ind AS 103 "Business Combinations". Accordingly, ₹ 0.91 crores has been credited to the Capital Reserve as shown below:

#### Impact on Balance Sheet

Particulars	(₹ in Crores)	
	As at March 31, 2019	
Non-current Assets	386.23	
Current Assets other than Cash and Cash Equivalents	174.02	
Cash and Cash Equivalents	0.53	
	<b>560.78</b>	
Non-current Liabilities	555.21	
Current Liabilities	4.66	
<b>Capital Reserve</b>	<b>0.91</b>	

- c. Pursuant to The Scheme of Arrangement between SCAL Services Limited and the Company and their respective shareholders for demerger of Real Estate Business Undertaking of SCAL vesting into the Company, the Company has issued 3,88,800, 8% Redeemable Non-convertible Non-cumulative Preference Shares of ₹ 100 each fully paid up. In terms of Ind AS 32, such Preference Shares have been treated as Compound Financial Instrument from the date of allotment and shown under Non-current Borrowings (Refer Note 21).

- 44 During the year 2000-01, pursuant to the Scheme of Amalgamation between Scal Investments Limited (SIL) and the Company, sanctioned by the jurisdictional court on April 20, 2001, the assets, liabilities and reserves of SIL had been transferred to and vested in the Company with effect from October 1, 2000.

- 45 The Company vide notice dated January 8, 2013 notified the closure of its textile mills manufacturing undertaking at Worli, pursuant to which some of the textile workers accepted alternate employment in the Company and the remaining workers accepted closure of the undertaking and consequent termination of services under the memorandum of agreement signed by the Company with the workers union. In accordance with the agreement, the Company has paid / provided to such workers the terminal dues, closure compensation and ex-gratia compensation. Whilst some workers have accepted lump sum compensation, others have opted for a monthly payment up to age 63 or till demise, whichever is earlier. At the time of the previous voluntary retirement schemes, the initial cost relating to ex-gratia compensation was added to the development cost of land. The liability in respect of the monthly payments as actuarially determined is as under:

Particulars	(₹ in Crores)	
	As at March 31, 2020	As at March 31, 2019
a. The liability in respect of the monthly payments that has been actuarially determined as on the Balance sheet date by the independent actuary	7.39	6.53
b. The actuarial (gain)/loss for the year recorded in the Statement of Profit and Loss. [Refer Note 49]	0.10	(0.09)

- 46 The total remuneration to the Managing Director, amounting to ₹ 8.84 crores for the year ended March 31, 2020, includes bonus of ₹ 1.75 crores pertaining to FY 2018-19, paid in FY 2019-20. Therefore the actual remuneration to Managing Director for FY 2019-20 is ₹ 7.09 crores, which is within the overall limits of the special resolution passed by the shareholders at the Annual General Meeting of the Company held on August 7<sup>th</sup>, 2018.

## NOTES to the Financial Statements for the year ended March 31, 2020

**47** Pursuant to the Order of the Supreme Court dated August 2, 2013 and the Order of the Bombay High Court dated November 20, 2013 permitting the Company to surrender land at one location i.e. Spring Mills, Wadala, under the Integrated Development Scheme for consolidating handover obligation, the Company had in December 2014 given advance possession of 32,829.02 square metres of land to MCGM and 33,822.89 square metres of land to MHADA at Spring Mills, Wadala after completion of necessary boundary wall, and internal filling/ levelling, SWD, etc. as per the provisions of DCR 58 (6) read with DCR 58 (1) (a) and (b).

As per the provisions of DCR 54, the Company has entered into agreement with MHADA in September, 2018 for entitlement for TDR of 84,557.22 square metres in lieu of surrender of land to MHADA as aforesaid. The TDR received from MHADA is recognised as revenue and reflected under Revenue from Real Estate Development activity based on Valuation Report of a Registered Valuer at ₹ 350.05 crores. Such TDR forms part of the inventory and reflected as such (Refer Note 11).

As per the provisions of DCR 54, the Company has entered into an agreement with MCGM on March 28, 2019 for entitlement of FSI. The FSI received from MCGM is recognised as revenue and reflected under Revenue from Real Estate Development activity based on Valuation Report of a Registered Valuer at ₹ 371.11 crores. Such FSI forms part of the inventory and reflected as such.

For the year ended March 31, 2020, the Company has received additional entitlement FSI of 1.17 (38,409.95 square metres) and recognised gain of ₹ 326.47 crores and reflected under Revenue from Real Estate Development activity. Such FSI forms part of the inventory and reflected as such.

### **48 Disclosures under Ind AS 115 - Revenue from Contracts with Customers**

The Company generates revenue primarily from Sale of Polyester Staple Fibre, Retail and Real Estate Development; its other operating revenue include Lease Rentals and Subvention Income.

The impact of adoption of Ind AS 115 on the financial statements on account of Revenue from Sale of Polyester Staple Fibre and Retail is insignificant or has remained unchanged; however, the impact of Revenue from Real Estate Development activity for its ongoing project at Wadala is significant and accordingly, is given effect to. [Refer Note 2(o)].

Hitherto, the Company recognised revenue from Real Estate Development activity in accordance with the Guidance Note on "Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable)" issued by the Institute of Chartered Accountants of India, which was based on principles set out in Ind AS 18 and Ind AS 11. Accordingly, where the Company had obligations to perform substantial acts even after the transfer of all significant risks and rewards, revenue was recognised on the 'Percentage of Completion Method' (POCM). Revenue was recognised in relation to the sold areas, on the basis of percentage of actual cost incurred to the total estimated cost of project.

The Company has assessed effect of Ind AS 115 on its contracts with customers that are not completed as on April 1, 2018 for its ongoing project at Wadala and on the basis of such assessment and as legally advised, the Company has changed its accounting policy to recognise revenue from POCM, that is, over a period, to Project Completion Method (PCM), that is, at a point in time. Due to this change, in terms of transitional provisions under Ind AS 115, as on April 1, 2018, the cumulative revenue of ₹ 2,967.66 crores (of which ₹ 1,502.13 crores represents Unbilled Revenue) hitherto recognised is reversed and cumulative corresponding cost of ₹ 1,194.43 crores is reflected as Inventory - Work-in-progress and the resultant net impact thereof ₹ 1,773.23 crores is adjusted in Retained Earnings.

## NOTES to the Financial Statements for the year ended March 31, 2020

₹ in Crores

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>A. Details of Revenue from contracts with customers recognised by the Company, in its Statement of Profit and loss</b>		
<b>Revenue from Operations</b>		
Real Estate	548.93	2,727.48
Polyester	1,114.58	1,439.28
Retail / Textile	231.11	263.00
	<b>1,894.62</b>	<b>4,429.76</b>
<b>B. Provision / (Reversal) of Expected Credit Loss on Trade Receivables recognised in the Statement of Profit and Loss based on evaluation under Ind AS 109 (Refer Note 12)</b>	0.66	(17.79)
<b>C. Disaggregation of revenue from Contracts with Customers</b>		
<b>i. Revenue based on nature of products or service</b>		
Real Estate		
- Real Estate Development activity	513.93	2,509.25
- Subvention Income	11.31	194.61
- Lease Rentals	23.69	23.62
Polyester		
- Polyester Staple Fibre	1,095.90	1,419.66
- Others	18.68	19.62
Retail / Textile		
- Bed Linen Products	153.38	149.54
- Bath Linen Products	30.35	36.75
- Others	47.38	76.71
	<b>1,894.62</b>	<b>4,429.76</b>
<b>ii. Revenue based on Geography</b>		
India		
- Real Estate	548.93	2,727.48
- Polyester	698.29	1,040.38
- Retail / Textile	231.11	263.00
Out of India		
- Polyester	416.29	398.90
	<b>1,894.62</b>	<b>4,429.76</b>
<b>iii. Revenue based on Contract duration</b>		
Short -term contracts		
- Real Estate	-	0.17
- Polyester	1,114.58	1,439.28
- Retail / Textile	231.11	263.00
Long terms contracts		
- Real Estate	548.93	2,727.31
	<b>1,894.62</b>	<b>4,429.76</b>
<b>iv. Revenue based on its timing of recognition</b>		
Point in time		
- Real Estate	548.93	2,727.48
- Polyester	1,114.58	1,439.28
- Retail / Textile	231.11	263.00
Over a period of time	-	-
	<b>1,894.62</b>	<b>4,429.76</b>

## NOTES to the Financial Statements for the year ended March 31, 2020

### D. Contract Balances

The following table provides information about Trade Receivables and Contract Liabilities from contracts with customers:

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>i. Trade Receivables (Gross) - Current [Refer Note 12]</b>	741.02	1,104.34
Less: Provision for Impairment	(12.78)	(12.12)
<b>Net Receivables</b>	<b>728.24</b>	<b>1,092.22</b>
<b>ii. Contract Liabilities</b>		
Advance from Customers - Current [Refer Note 27]	55.69	285.77
<b>Total Contract Liabilities</b>	<b>55.69</b>	<b>285.77</b>

#### Notes :

- Amounts received before the related performance obligation is satisfied are included in the balance sheet (Contract liability) as "Advances received from Customers" in (Refer Note 27) Other Current Liabilities. Amounts billed for development milestone achieved but not yet paid by the customer are included in the balance sheet under in Trade Receivables (Refer Note 12).
  - There were no significant changes in the composition of the contract liabilities and Trade Receivables during the reporting period other than on account of periodic invoicing and revenue recognition.
  - Amounts previously recorded as contract liabilities increased due to further milestone based invoices raised during the year and decreased due to revenue recognised during the year on receipt of second phase of Occupation Certificate.
  - Amounts previously recorded as Trade Receivables increased due to further milestone based invoices raised during the year and decreased due to collections during the year.
  - There has been no material impact on the Cash flows Statement as the Company continues to collect from its Customers based on payment plans.
- E. Reconciliation of Revenue recognised from Contracts with Customers in the Statement of Profit and Loss with the contracted price**

₹ in Crores

	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Contracted price with the Customers</b>	1,976.72	4,500.28
Less: Discounts and rebates	82.10	70.51
<b>Revenue from Contracts with Customers (as per Statement of Profit and Loss)</b>	<b>1,894.62</b>	<b>4,429.76</b>

## 49 Employee Benefits

### A Defined Contribution Plan

#### Provident Fund and pension

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.

The contributions, as specified under the law, are made to the provident fund set up as an irrevocable trust by the Company, post contribution of amount specified under the law to Employee Provident Fund Organisation on account of employee pension scheme.

## NOTES to the Financial Statements for the year ended March 31, 2020

### Superannuation Fund

The Company has a superannuation plan for the benefit of some of its employees. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. Separate irrevocable trusts are maintained for employees covered and entitled to benefits. The contributions are recognised as an expense as and when incurred and the Company does not have any further obligations beyond this contribution.

The Company has recognized the following amounts in the Statement of Profit and Loss under Contribution to Provident and Other Funds as under:

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Employer's contribution to Provident Fund	2.60	2.72
Employer's contribution to Family Pension Fund	0.54	0.48
Employer's contribution to Superannuation Fund	0.28	0.30

### B Defined benefit Plan

#### Retirement Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds established as trusts or insurance companies. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

#### i. Gratuity - As per actuarial valuation as at March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Actuarial Assumptions</b>		
Expected Return on Plan Assets	6.04%	7.59%
Rate of Discounting	6.04%	7.59%
Rate of Salary Increase	8.50%	8.50%
Rate of Employee Turnover	For service 4 years and below 23.00% p.a., thereafter 3.00% p.a.	For service 4 years and below 23.00% p.a., thereafter 3.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Change in the Present Value of Projected Benefit Obligation</b>		
Present Value of Benefit Obligation at the Beginning of the year	17.50	17.26
Interest Cost	1.33	1.33
Current Service Cost	1.41	1.28
Benefit Paid from the Fund	(1.44)	(2.11)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	1.89	0.13
Actuarial (Gains)/Losses on Obligations - Due to Experience	(0.19)	(0.39)
<b>Present Value of Benefit Obligation at the End of the year</b>	<b>20.50</b>	<b>17.50</b>

## NOTES to the Financial Statements for the year ended March 31, 2020

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Change in the Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the Beginning of the year	17.44	22.33
Interest Income	1.32	1.72
Contributions by the Employer	0.13	(3.99)
Benefit Paid from the Fund	(1.49)	(2.11)
Return on Plan Assets, Excluding Interest Income	(0.27)	(0.51)
<b>Fair Value of Plan Assets at the End of the year</b>	<b>17.13</b>	<b>17.44</b>

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Amount Recognized in the Balance Sheet</b>		
Present Value of Benefit Obligation at the end of the year	(20.50)	(17.50)
Fair Value of Plan Assets at the end of the year	17.13	17.44
Funded Status Surplus/ (Deficit)	(3.37)	(0.06)
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>(3.37)</b>	<b>(0.06)</b>

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Expenses Recognized in the Statement of Profit or Loss</b>		
Current Service Cost	1.41	1.28
Net Interest Cost	-	(0.39)
<b>Net (Income)/Expense Recognized in the Statement of Profit or Loss</b>	<b>1.41</b>	<b>0.89</b>

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Amount Recognized in the Other Comprehensive Income (OCI) for the year</b>		
Actuarial (Gains)/Losses on Obligation	1.70	(0.25)
Return on Plan Assets, Excluding Interest Income	0.27	0.51
<b>Net (Income)/Expense Recognized in the OCI</b>	<b>1.97</b>	<b>0.26</b>

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Category of Assets</b>		
Government of India Assets	1.74	4.09
State Government Securities	-	-
Mutual Funds	3.30	1.55
Corporate Bonds	-	-
Cash And Cash Equivalents	0.02	0.61
Insurance Funds	13.01	12.13
Other	(0.94)	(0.94)
<b>Total</b>	<b>17.13</b>	<b>17.44</b>

## NOTES to the Financial Statements for the year ended March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Other Details</b>		
Weighted Average Duration of the Projected Benefit Obligation (years)	9.23	9.84
Prescribed Contribution For Next Year (₹ in Crores)	2.03	1.47

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Maturity Analysis of the Benefit Payments: From the Fund</b>		
Projected Benefits Payable in Future Years From the Date of Reporting		
1 <sup>st</sup> Following Year	2.61	1.94
2 <sup>nd</sup> Following Year	1.74	1.56
3 <sup>rd</sup> Following Year	2.40	1.97
4 <sup>th</sup> Following Year	2.30	2.10
5 <sup>th</sup> Following Year	1.79	2.03
Sum of Years 6 To 10	6.55	6.47
Sum of Years 11 and above	16.05	16.70

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Sensitivity Analysis</b>		
Delta Effect of +1% Change in Rate of Discounting	(1.26)	(1.06)
Delta Effect of -1% Change in Rate of Discounting	1.44	1.20
Delta Effect of +1% Change in Rate of Salary Increase	1.39	1.18
Delta Effect of -1% Change in Rate of Salary Increase	(1.25)	(1.06)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.23)	(0.10)
Delta Effect of -1% Change in Rate of Employee Turnover	0.25	0.11

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

### Qualitative Disclosures

#### - Characteristics of defined benefit plan

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.



## NOTES to the Financial Statements for the year ended March 31, 2020

### - Risks associated with defined benefit plan

- Gratuity is a defined benefit plan and Company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

- During the year, there were no plan amendments, curtailments and settlements.
- A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

### ii. Long Service Benefit - As per actuarial valuation as at March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Actuarial Assumptions</b>		
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	6.04%	7.59%
Rate of Salary Increase	8.50%	8.50%
Rate of Employee Turnover	For service 4 years and below 23.00% p.a. & For service 5 years and above 3.00% p.a.	For service 4 years and below 23.00% p.a. & For service 5 years and above 3.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Change in the Present Value of Projected Benefit Obligation</b>		
Present Value of Benefit Obligation at the Beginning of the year	2.50	2.50
Interest Cost	0.19	0.19
Current Service Cost	0.11	0.11
(Benefit Paid Directly by the Employer)	(0.04)	(0.18)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.31	(0.06)
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.43	(0.06)
<b>Present Value of Benefit Obligation at the End of the year</b>	<b>3.50</b>	<b>2.50</b>

## NOTES to the Financial Statements for the year ended March 31, 2020

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Amount Recognized in the Balance Sheet</b>		
Present Value of Benefit Obligation at the end of the year	3.50	2.50
Fair Value of Plan Assets at the end of the year	-	-
Funded Status Surplus/ (Deficit)	3.50	2.50
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>3.50</b>	<b>2.50</b>

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Expenses Recognized in the Statement of Profit or Loss</b>		
Current Service Cost	0.11	0.11
Net Interest Cost	0.19	0.19
<b>Net (Income)/Expense Recognized in the Statement of Profit or Loss</b>	<b>0.30</b>	<b>0.30</b>
<b>Amount Recognized in the Other Comprehensive Income (OCI) for the year</b>		
Actuarial (Gains)/Losses on Obligation For the year	0.74	(0.11)
Return on Plan Assets, Excluding Interest Income	-	-
<b>Net (Income)/Expense Recognized in the OCI</b>	<b>0.74</b>	<b>(0.11)</b>

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Other Details</b>		
Weighted Average Duration of the Projected Benefit Obligation (years)	7.67	7.70
Prescribed Contribution For Next Year (₹ in Crores)	-	-

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Maturity Analysis of the Benefit Payments: From the Employer</b>		
Projected Benefits Payable in Future Years From the Date of Reporting		
1 <sup>st</sup> Following Year	0.38	0.16
2 <sup>nd</sup> Following Year	0.35	0.24
3 <sup>rd</sup> Following Year	0.39	0.36
4 <sup>th</sup> Following Year	0.46	0.33
5 <sup>th</sup> Following Year	0.33	0.39
Sum of Years 6 To 10	1.25	1.15
Sum of Years 11 and above	2.42	2.16

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Sensitivity Analysis</b>		
Delta Effect of +1% Change in Rate of Discounting	(0.21)	(0.02)
Delta Effect of -1% Change in Rate of Discounting	0.24	0.31
Delta Effect of +1% Change in Rate of Salary Increase	0.23	0.30
Delta Effect of -1% Change in Rate of Salary Increase	(0.21)	(0.02)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.03)	0.12
Delta Effect of -1% Change in Rate of Employee Turnover	0.03	0.14

## NOTES to the Financial Statements for the year ended March 31, 2020

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

### Qualitative Disclosures

#### - Characteristics of defined benefit plan

The Company has a defined benefit Long Service Benefit plan in India (unfunded). The company's defined benefit Long Service Benefit plan is a final salary plan for employees.

Long Service Benefit is paid from company as and when it becomes due and is paid as per company scheme for Long Service Benefit.

#### - Risks associated with defined benefit plan

Long Service Benefit is a defined benefit plan and company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

- During the year, there were no plan amendments, curtailments and settlements.
- Long Service Benefit plan is unfunded.

### C Other long term benefits-

Amount recognised as a liability in respect of compensated leave absences as per the actuarial valuation / management estimate as at March 31, 2020 is ₹ 5.60 crores [As at March 31, 2019 : ₹ 9.17 crores].

### 50 Disclosure Under Micro, Small and Medium Enterprises Development Act, 2006

The amount of dues owed to Micro, Small and Medium Enterprises as on March 31, 2020 amounted to ₹ 36.44 crores (March 31, 2019 : ₹ 20.71 crores). The information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

The Company has sought confirmation from vendors whether they fall in the category of Micro, Small and Medium Enterprises. Based on the information available the required disclosure under Micro, Small and Medium Enterprises Development Act, 2006 is given below:

		(₹ in Crores)	
Particulars	As at March 31, 2020	As at March 31, 2019	
i. Principal amount due to suppliers and remaining unpaid under MSMED Act, 2006	28.66	8.57	
ii. Interest accrued and due and unpaid to suppliers under MSMED Act, on the above amount	1.41	0.36	
iii. Interest paid	-	-	
iv. Payment made to suppliers (other than interest) beyond the appointed day, during the year	96.52	46.81	
v. Interest due and payable to suppliers under MSMED Act, for payments already made for the period of delay	1.47	0.32	
vi. Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	2.88	0.69	
vii. Amount of further interest remaining due and payable in succeeding year	2.88	0.69	

## NOTES to the Financial Statements for the year ended March 31, 2020

### 51 Earnings per Equity Share

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>i. Profit computation for both Basic and Diluted Earnings per Equity Share of ₹ 2 each:</b>		
Net profit / (loss) after tax as per Statement of Profit and Loss available for equity shareholders (₹ in Crores)	327.87	1,229.98
<b>ii. Number of Equity Shares</b>		
Number of Equity Shares at the beginning of the year	206,534,900	206,534,900
Add:- Shares allotted during the year	-	-
Number of Equity Shares at the end of the year	206,534,900	206,534,900
<b>Weighted average number of equity shares</b>		
a. For basic earnings	206,534,900	206,534,900
b. For diluted earnings	206,534,900	206,534,900
Face value per Equity Shares (In ₹)	2.00	2.00
<b>iii. Earnings per equity share</b>		
Basic (in ₹)	15.87	59.55
Diluted (in ₹)	15.87	59.55

### 52 Disclosures under Ind AS 116 - Leases

The Company has adopted Ind AS 116 on "Leases" with effect from April 1, 2019 by applying it to all contracts of leases existing on April 1, 2019 by using modified retrospective approach and accordingly, comparative information for the year ended March 31, 2019 has not been restated. The Company has recognised and measured the Right-of-Use (ROU) asset and the lease liability over the remaining lease period and payments discounted using the incremental borrowing rate as at the date of initial application. This has resulted in recognising ROU asset of ₹ 8.80 crore and a corresponding lease liability of ₹ 7.40 crore as at April 1, 2019. For financial year ended March 31, 2020, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation for the ROU asset of ₹ 2.74 crore and finance costs for interest accrued on lease liability of ₹ 0.71 crores. The effect of adoption of Ind AS 116 on financial statements and earnings per share for the year ended March 31, 2020 are not material. Segment results have been arrived after considering interest expense on lease liabilities.

#### Lease Liabilities

##### A. Maturity Analysis of the undiscounted cash flow of the lease liabilities

(₹ in Crores)

Particulars	March 31, 2020
Less than one year	2.91
One to Five Years	3.02
More than five years	-
<b>Total undiscounted lease liabilities</b>	<b>5.93</b>

##### B. Lease liabilities included in the Financial Statement

(₹ in Crores)

Particulars	March 31, 2020
Current	2.45
Non-current	2.85
<b>Total</b>	<b>5.30</b>

##### C. Lease payments not recognised as a liability being short term in nature (₹ in Crores)

6.43

## NOTES to the Financial Statements for the year ended March 31, 2020

### Company as a Lessor

The Company has given commercial space on operating lease. The lease agreements are for a period of one to four years. The particulars in respect of such leases are as follows:-

(₹ in Crores)

Particulars	March 31, 2020	March 31, 2019
<b>Lease rental income</b>		
i. Total of lease rent income for a period:		
Less than one year	27.41	27.77
One to Five Years	70.82	116.18
More than five years	-	23.62
<b>Total undiscounted lease payment receivables</b>	<b>98.23</b>	<b>167.57</b>
ii. Lease Income recognised in the Statement of Profit and Loss for the year (including income from sub-leasing)	23.69	28.58

iii. The Company has entered into leases of its investment properties. The Company has determined based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

iv. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However credit risk with regards to trade receivable is almost negligible in case of its residential sale and lease rental business. The same is due to the fact that in case of its residential sale business it does not handover possession till entire outstanding is received. Similarly in case of rental business, the Company keep 3 to 6 months rental as deposit from the occupants.

### 53 Corporate Social Responsibility Statement (CSR)

The Company was required to spend ₹ 2.94 crores (March 31, 2019 : ₹ Nil) towards CSR during the year in accordance with the provisions of Section 135 of the Companies Act, 2013. The Company has spent ₹ Nil (March 31, 2019 : ₹ 0.04 crores) on CSR activities during the year.

### 54 Financial Instruments

#### A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. Financial assets and financial liabilities such as cash and cash equivalents, other bank balances, trade receivables, loans, trade payables and unpaid dividends of which the carrying amount is a reasonable approximation of fair value due to their short term nature, are disclosed at carrying value.

(₹ in Crores)

As at March 31, 2020 Particulars	Carrying amount / Fair Value				Fair Value Hierarchy		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
– Investments	-	375.53	-	375.53	374.57	0.96	-
– Cash and Cash Equivalent	-	-	1.36	1.36	-	-	-
– Other Bank Balances	-	-	44.17	44.17	-	-	-
– Trade Receivables	-	-	728.24	728.24	-	-	-
– Loans	-	-	6.21	6.21	-	-	-
– Other Financial Assets	-	-	3.93	3.93	-	-	-
	-	<b>375.53</b>	<b>783.91</b>	<b>1,159.44</b>	<b>374.57</b>	<b>0.96</b>	-
<b>Financial liabilities</b>							
– Borrowings	-	-	4,147.45	4,147.45	-	-	-
– Trade Payable	-	-	308.68	308.68	-	-	-
– Lease Liability	-	-	5.30	5.30	-	-	-
– Derivative Financial Liability	1.65	-	-	1.65	-	1.65	-
– Other Financial Liabilities	-	-	143.80	143.80	-	-	-
	<b>1.65</b>	-	<b>4,605.23</b>	<b>4,606.88</b>	-	<b>1.65</b>	-

## NOTES to the Financial Statements for the year ended March 31, 2020

(₹ in Crores)

As at March 31, 2019 Particulars	Carrying amount / Fair Value				Fair Value Hierarchy		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
– Investments	-	1,060.71	-	1,060.71	1,059.83	0.88	-
– Cash and Cash Equivalent	-	-	28.49	28.49	-	-	-
– Other Bank Balances	-	-	45.97	45.97	-	-	-
– Trade Receivables	-	-	1,092.22	1,092.22	-	-	-
– Loans	-	-	7.91	7.91	-	-	-
– Other Financial Assets	-	-	1.49	1.49	-	-	-
	-	<b>1,060.71</b>	<b>1,176.08</b>	<b>2,236.79</b>	<b>1,059.83</b>	<b>0.88</b>	-
<b>Financial liabilities</b>							
– Borrowings	-	-	3,971.41	3,971.41	-	-	-
– Trade Payable	-	-	523.01	523.01	-	-	-
– Derivative Financial Liability	2.08	-	-	2.08	-	2.08	-
– Other Financial Liabilities	-	-	110.01	110.01	-	-	-
	<b>2.08</b>	-	<b>4,604.43</b>	<b>4,606.51</b>	-	<b>2.08</b>	-

### B. Fair Value Hierarchy

The fair value of financial instruments as referred to in Note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1 : quoted prices ( unadjusted) in active market for identical assets or liabilities

Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs)

### C. Measurement of Fair Values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 1 and Level 2 fair values, as well as the significant unobservable inputs used.

Financial instruments are measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter - relationship between significant unobservable inputs and fair value measurements
Investments in equity instruments	Current bid price (quoted price)	NA	NA
Investments in Unquoted equity instruments	Asset based approach	NA	NA
Derivative financial instruments	MTM from Banks	NA	NA

### 55 Financial Risk Management

The Company's activities expose it to market risk, credit risk and liquidity risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

## NOTES to the Financial Statements for the year ended March 31, 2020

### i. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates and interest rates.

#### a. Foreign Currency Exchange Risk

The Company's functional currency is Indian Rupees (INR). The Company has exposure to foreign currency by way of trade payables, receivables and Borrowings in the nature of Buyers Credit and is therefore exposed to foreign exchange risk. Volatility in exchange rates affects the Company's revenue from exports markets and the costs of imports, primarily in relation to raw materials with respect to the US-dollar.

Adverse movements in the exchange rate between the Rupee and the relevant foreign currency results in increase in the Company's overall debt position in Rupee terms without the Company having incurred additional debt.

In order to minimize adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge foreign currency exchange risk. All hedging activities are carried out in accordance with the Company's internal Forex Risk Management Policy, as approved by the management, and in accordance with the applicable regulations where the Company operates.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

#### Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR (in crores) are as follows

Particulars	As at March 31, 2020		As at March 31, 2019	
	USD	EURO	USD	EURO
<b>Financial Assets</b>				
Trade Receivables	90.85	4.06	81.20	4.33
<b>Derivative Assets</b>				
Foreign Exchange Forward Contracts				
Sell Foreign Currency	-	-	(22.47)	(1.71)
<b>Net Exposure to Foreign Currency Risk (Assets)</b>	<b>90.85</b>	<b>4.06</b>	<b>58.73</b>	<b>2.62</b>
<b>Financial Liabilities</b>				
Foreign Currency Loan	32.36	-	-	-
Trade Payables	78.52	-	125.11	0.12
<b>Derivatives Liabilities</b>				
Foreign Exchange Forward Contracts				
Buy Foreign Currency	(63.26)	-	(66.60)	-
<b>Net Exposure to Foreign Currency Risk (Liabilities)</b>	<b>47.62</b>	<b>-</b>	<b>58.52</b>	<b>0.12</b>

At the end of the reporting period the total notional amount of outstanding foreign currency contracts that the Company has committed to are as below :

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Foreign currency forwards - Buy</b>		
- USD	8,366,880	9,627,881
<b>Foreign currency forwards - Sell</b>		
- USD	-	3,248,865
- EURO	-	219,500



## NOTES to the Financial Statements for the year ended March 31, 2020

### Sensitivity

The sensitivity of profit or loss before tax to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in Crores)

Particulars	As at March 31, 2020		As at 31 <sup>st</sup> March, 2019	
	5% strengthening	5% weakening	5% strengthening	5% weakening
USD	1.00	(1.00)	2.20	(2.20)
EURO	(0.20)	0.20	(0.21)	0.21

### b. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### Interest rate risk exposure

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Variable rate borrowing	3,389.21	3,486.41
Fixed rate borrowing	758.24	485.00
<b>Total Borrowings</b>	<b>4,147.45</b>	<b>3,971.41</b>

### Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. If the interest rates had been 100 basis points higher/ lower and all other variables were held constant on the Variable rate borrowings, the Company's profit before tax for the year ended 31 March 2020 would (decrease)/ increase by ₹ 33.89 crores (for the year ended 31 March 2019 : (decrease)/ increase by ₹ 34.86 crores).

### c. Price risk

#### Exposure

The Company is exposed to equity price risks arising from equity investments. Equity investments were held for strategic rather than trading purposes. However, the company aims to monetize this investment to reduce its overall leverage. Any adverse movement in the share price has an impact on its profitability and vice versa.

#### Sensitivity

Following is the sensitivity analysis as a result of the changes in fair value of equity investments measured at FVTOCI, determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/ lower, other comprehensive income would increase/ (decrease) as follows for:

The year ended March 31, 2020 : by ₹ 18.77 crores

The year ended March 31, 2019 : by ₹ 53.04 crores

### ii. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral viz security deposit or bank guarantee, where appropriate, as a means of mitigating the risk of financial loss from defaults.

## NOTES to the Financial Statements for the year ended March 31, 2020

Company's credit risk arises principally from the trade receivables, loans, investments, cash & cash equivalents, derivative financial instruments and financial guarantees.

### a. Trade receivables:

Customer credit risk is managed by the Company and is subject to established policy, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring the credit worthiness of the customers to which the Company extends the credit in the normal course of the business. Credit risk on receivables is also mitigated by securing the same against letters of credit and guarantees of reputed nationalised and private sector banks. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

In determining the allowances for credit losses of trade receivables, the company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

### b. Loans and investments:

The Company's centralised treasury function manages the financial risks relating to the Business. The treasury function focuses on capital protection, liquidity and yield maximisation. Investments of surplus funds are made only in approved counterparties within credit limits assigned for each of the counterparty. Counterparty credit limits are reviewed and approved by the Finance Committee of the Company. The limits are set to minimise the concentration of risks and therefore mitigate the financial loss through counterparty's potential failure to make payments.

### c. Cash and Cash Equivalents, Derivative Financial Instruments and Financial Guarantees:

Credit risks from balances with banks and financial institutions are managed in accordance with the Company policy. For derivative financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by credit-rating agencies.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks and other counterparties. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantee is called upon.

### iii. Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents, marketable securities and short term and long term borrowings provide liquidity. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long term funding and liquidity risk management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

## NOTES to the Financial Statements for the year ended March 31, 2020

### Liquidity exposures as at March 31, 2020

(₹ in Crores)

Particulars	< 1 year	1-5 years	> 5 years	Total
<b>Financial Liabilities</b>				
Borrowings	810.86	3,336.59	-	4,147.45
Trade payables	308.68	-	-	308.68
Lease Liability	2.45	2.85	-	5.30
Derivative	1.65	-	-	1.65
Other financial liabilities	137.10	6.70	-	143.80
<b>Total Financial Liabilities</b>	<b>1,260.74</b>	<b>3,346.14</b>	<b>-</b>	<b>4,606.88</b>

### Liquidity exposures as at March 31, 2019

(₹ in Crores)

Particulars	< 1 year	1-5 years	> 5 years	Total
<b>Financial Liabilities</b>				
Borrowings	598.03	3,373.38	-	3,971.41
Trade payables	523.01	-	-	523.01
Derivative	2.08	-	-	2.08
Other financial liabilities	102.04	7.97	-	110.01
<b>Total Financial Liabilities</b>	<b>1,225.16</b>	<b>3,381.35</b>	<b>-</b>	<b>4,606.51</b>

56 The Company is engaged in the business of Real Estate, Polyester and Retail / Textile. In accordance with Ind AS 108 "Operating Segments", the Company has presented segment information in the consolidated financial statements, which form part of this report and therefore no separate disclosure on segment information is given in these financial statements.

### 57 Disclosure pursuant to Ind AS 24 on "Related Party Disclosure"

#### A. List of Related Parties where control exists:

Name of the Related Party	Principal Place of Business	% Shareholding and Voting Power	
		As at March 31, 2020	As at March 31, 2019
<b>i. Joint Venture</b>			
P.T. Five Star Textile Indonesia (upto July 17, 2018)	Indonesia	NA	33.89
<b>ii. Subsidiary</b>			
P.T. Five Star Textile Indonesia (w.e.f. from July 18, 2018)	Indonesia	97.36	97.36
<b>iii. Associates</b>			
Pentafil Textile Dealers Limited	India	49.00	49.00
Bombay Dyeing Real Estate Company Limited	India	40.00	40.00

#### iv. Key Managerial Personnel :

Mr. Jehangir N Wadia - Managing Director  
 Mr. Vishnu Peruvemba - Chief Financial Officer (upto August 31, 2019)  
 Mr. Hitesh Vora - Chief Financial Officer (w.e.f November 11, 2019)  
 Mr. Sanjive Arora - Company Secretary  
 Mr. Nusli N. Wadia - Chairman  
 Mr. Ness N Wadia - Director  
 Mrs. Maureen N. Wadia

#### Relationship

Key Managerial Personnel (KMP)  
 Key Managerial Personnel (KMP)  
 Key Managerial Personnel (KMP)  
 Key Managerial Personnel (KMP)  
 Relative of KMP (Father of Managing Director)  
 Relative of KMP (Brother of Managing Director)  
 Relative of KMP (Mother of Managing Director)

## NOTES to the Financial Statements for the year ended March 31, 2020

- v. Entities over which KMP and relatives exercise significant influence :**
- Go Airlines (India) Limited  
 Crawford Bayley & Co. (upto August 7, 2019)  
 Gladrags Media Ltd.  
 The Bombay Burmah Trading Corporation Ltd.  
 Britannia Industries Ltd.  
 Baymanco Investments Ltd.
- vi. Non-Executive Directors :**  
 Dr. Mrs. Minnie Bodhanwala
- vii. Independent Directors :**  
 Mr. R. A. Shah (upto August 7, 2019)  
 Mr. S. Ragothaman  
 Mr. A. K. Hirjee (upto August 7, 2019)  
 Mr. V. K. Jairath  
 Mr. Keki M. Elavia  
 Mr. Sunil Lalbhai (w.e.f. February 5, 2019)  
 Ms. Gauri Kirloskar (w.e.f. February 5, 2019)  
 Mr. S. M. Palia (upto August 7, 2018)  
 Mr. S. S. Kelkar (upto August 7, 2018)
- viii. Post- Employment Benefits Trust where reporting entities exercise significant influence :**
- The Bombay Dyeing and Manufacturing Company Limited Employees Provident Fund  
 The Bombay Dyeing Superannuation and Group Insurance Scheme  
 The Bombay Dyeing and Manufacturing Company Limited Staff Gratuity Fund





## NOTES to the Financial Statements for the year ended March 31, 2020

### 57 C. Outstanding Balance

(₹ in Crores)

Particulars	Receivables		Payables		Shareholders' deposit given		Deposit given	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Subsidiary	39.07	39.07	-	-	-	-	-	-
Other related party	1.83	2.02	410.12	352.77	-	-	2.08	1.84
Key Management Personnel and Relatives	-	-	-	1.04	-	-	-	-
Non-Executive Directors	-	-	-	0.08	-	-	-	-
Independent Directors	-	-	0.30	0.88	-	-	-	-
Post Employment Benefit Trust	-	1.02	2.59	0.26	-	-	-	-



## NOTES to the Financial Statements for the year ended March 31, 2020

58 Additional disclosure as required by the amended Clause 34 and 53 of the Listing Agreements and Section 186 of the Companies Act, 2013

(₹ in Crores)

Sr. No	Name	Nature of transaction	Balance as at March 31, 2020	Maximum amount outstanding during the year	No. of shares of the Company held by the loanees as at March 31, 2020
<b>A. Investments and Loans and Advances in Associates</b>					
1	Pentafile Textile Dealers Limited	Investments in Equity Shares	0.88 [0.88]	0.88 [0.88]	- [-]
2	Bombay Dyeing Real Estate Company Limited	Investments in Equity Shares	0.02 [0.02]	0.02 [0.02]	- [-]
			0.90 [0.90]	0.90 [0.90]	- [-]
<b>B. Loans and Advances in the nature of loans to Subsidiary</b>					
1	PT. Five Star Textile Indonesia (Joint Venture upto July 17, 2018) (Subsidiary from July 18, 2018)	Interest free Shareholders' Deposit	15.22 [15.22]	15.22 [15.22]	- [-]
		Loans and Advances (Technical fees and expenses recoverable)	39.07 [39.07]	39.07 [39.07]	- [-]
		Investments in Equity Shares	187.08 [187.08]	187.08 [187.08]	- [-]
			241.37 [241.37]	241.37 [241.37]	- [-]

### 59 Subsequent Events

Proposed Dividend

The Board of Directors at its meeting held on June 9, 2020, has recommended a final dividend of ₹ 0.20 per equity share of ₹ 2 each amounting ₹ 4.13 crores for the financial year ended March 31, 2020 (March 31, 2019 : ₹ 1.50 per equity share amounting ₹ 30.98 crores).

The above is subject to approval of shareholder at the ensuing Annual General Meeting of the Company hence is not recognised as a liability.

### 60 General

- All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore upto two decimals as per the requirements of Schedule III, unless otherwise stated.
- Figures for the previous year have been regrouped / restated wherever necessary to conform to current year's presentation.

As per our attached report of even date

For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No.100991W

Nusli N. Wadia  
Jehangir N. Wadia

Hitesh Vora  
Sanjive Arora

**PARESH H. CLERK**  
Partner  
Membership No.36148  
Place: Mumbai  
Date: June 9, 2020

For and on behalf of the Board of Directors of  
**THE BOMBAY DYEING & MANUFACTURING CO. LTD.**

Chairman  
Managing Director

Chief Financial Officer  
Company Secretary

S. Ragothaman  
Ness N. Wadia  
V. K. Jairath  
Keki M. Elavia  
Minnie Bodhanwala  
Sunil S. Lalbhai  
Gauri Kirloskar

Directors

Place: Mumbai  
Date: June 9, 2020

## INDEPENDENT AUDITOR'S REPORT

### To the Members of The Bombay Dyeing and Manufacturing Company Limited

#### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of The Bombay Dyeing and Manufacturing Company Limited ("the Holding Company") and its Subsidiary (the Holding Company and its subsidiary collectively referred to as "the Group"), and includes the Group's share of profit in its associates, which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditors on separate financial statements of the subsidiary and associates as were audited by other auditors, referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, its consolidated profit and consolidated total comprehensive income, the

consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the "Code of Ethics" issued by The Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, for the year ended March 31, 2020 and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter	How was the matter addressed in our audit
<p><b>Revenue Recognition for Real Estate Development activity</b></p> <p>Ind AS 115 on "Revenue from Contracts with Customers", inter alia, could have the significant impact on the manner in which an entity in real estate industry recognises its revenue. Under Ind AS 115, revenue is recognised over a period (as known as Percentage of Completion Method – POCM) or at a point in time (as known as Project Completion Method - PCM).</p> <p>To determine the revenue to be recognised under Ind AS 115 and the impact thereof, the management undertook assessment of its contracts with customers that were not completed and more particularly, for its ongoing Real Estate Development Project ("the ongoing project"). On assessment, the management considered to recognise revenue from the ongoing project at a point in time (PCM), that is, upon receipt of Occupation Certificate ("OC").</p> <p>For its ongoing project, the Group received OC for the first phase and second phase during the year ended March 31, 2019 and March 31, 2020, respectively. Accordingly, on satisfying performance obligations under contracts, the Group has recognised revenue as per</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>▪ Evaluated the design of the internal controls in terms of the requirements of Ind AS 115 for the manner of recognising revenue;</li> <li>▪ Evaluated the accounting policy of recognising revenue;</li> <li>▪ Evaluated its existing contracts with customers and the analysis performed by management for each contract by selecting samples for such contracts with customers;</li> <li>▪ Based on the evaluation of contracts, assessed the appropriateness to adopt PCM as policy for revenue recognition for the ongoing project;</li> </ul>

Key Audit Matter	How was the matter addressed in our audit
<p>PCM, that is, at a point in time. For the part of the project for which Occupancy Certificate is yet to be received, the amount is carried as Work-in-progress.</p> <p>The application of Ind AS 115 is complex and involve certain key judgements relating to appropriateness of the basis used to recognise revenue and more particularly, for its ongoing project and hence, the same is considered to be a key audit matter.</p> <p>[Refer Note "o" to significant accounting policy and Notes 11 and 34 to the consolidated financial statements]</p>	<ul style="list-style-type: none"> <li>• Examined the process and related documents (like phase wise OC, possession letters) to determine the satisfaction of performance obligations of contracts under ongoing project during the year;</li> <li>• Evaluated the appropriateness and assessed the completeness of disclosures in accordance with the requirements of Ind AS 115.</li> </ul>
<b>Deferred Tax Assets ("DTA") on Unabsorbed Depreciation and Brought Forward Business Losses</b>	
<p>The Group has recognised DTA for the carry forward of unused tax losses in the form of unabsorbed depreciation and brought forward business losses to the extent it is probable that the future taxable profits will be available against which such unused tax losses can be utilised (before the expiry period thereof for its utilisation). The recognition is based on the projected profitability. The Group has recognised DTA based on the revised rate of tax as per Section 115BAA of the Income-tax Act, 1961.</p> <p>Such recognition of DTA is a key audit matter as the recoverability of tax losses within the time frame allowed, involves significant estimate of the financial projections, availability of sufficient taxable income in the future and significant judgements in the interpretation of tax regulations and tax positions adopted by the Group.</p> <p>[Refer Note "x" to significant accounting policy and Note 17 to consolidated financial statements]</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Considered the Group's accounting policies with respect to recognition of tax credits in accordance with Ind AS 12 on "Income Taxes";</li> <li>• Evaluated the Group's tax positions by comparing it with prior years and past precedents;</li> <li>• Obtained the projected profitability statements of the Group;</li> <li>• Evaluated the estimates of profitability made by the management on the basis of which it is considered probable that the Group will have sufficient taxable income against which the unused tax losses will be utilised and also within the expected timing of utilisation;</li> <li>• Discussed with the management the future business plans and financial projections and underlying assumptions used based on which the estimate of profitability is made;</li> <li>• Assessed the disclosures in accordance with the requirements of Ind AS 12.</li> </ul>
<b>Transferable Development Rights (TDR) / Floor Space Index (FSI)</b>	
<p>During the year ended March 31, 2019, on entering the agreement with Municipal Corporation of Greater Mumbai (MCGM), the Group received partial (i.e. 1.33 times) entitlement of Floor Space Index (FSI) in lieu of lands earmarked and handed over to MCGM under the Integrated Development Scheme as per the provisions of Development Control Regulatory (DCR) 58.</p> <p>Further, in lieu of lands earmarked and handed over to MCGM under the Integrated Development Scheme earlier, as per the amended Development Control and Promotion Regulation (DCPR) 2034, as supported by the certificate from an architect, the Group is entitled to additional FSI (i.e 1.17 times).</p> <p>Based on Valuation of Reports of Registered Valuers, the value of entitlement of FSI has been recognised as Revenue from Real Estate Development activity and added to inventories.</p> <p>During the year, since the Net Realisable Value of Transferable Development Rights (TDR) was lower than the amount at which it was valued and carried, the carrying value of TDR lying as inventory was written down.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the details of entitlement by way additional FSI;</li> <li>• Evaluated the management's review of valuations for additional FSI provided by external experts, that is, independent valuers as also their competence;</li> <li>• Evaluated the valuation reports of external experts for the basis adopted for fair valuation of additional FSI, benchmarks used, the assumptions applied;</li> <li>• Evaluated the accounting treatment of Additional FSI as also valuation of TDR, whether the same is in compliance with the related Ind AS;</li> <li>• Assessed whether the disclosures in relation to TDR/FSI are in accordance with the related Ind AS.</li> </ul>

Key Audit Matter	How was the matter addressed in our audit
<p>Considering the materiality of the amounts as also the valuation of TDR/FSI involve significant judgements and assumptions and the accounting thereof, this matter is considered to be key audit matter.</p> <p>[Refer Note 11 and 47 to the consolidated financial statements]</p>	
<b>Uncertain tax positions Direct and Indirect Taxes</b>	
<p>The Group has uncertain tax matters pending litigations under direct tax and various indirect tax laws. The litigation involves significant judgement to determine the possible outcome based on which accounting treatment is given to the disputed amount.</p> <p>These matters are considered to be key audit matter given the magnitude of potential outflow of economic resources and uncertainty of potential outcome.</p> <p>[Refer Notes 17, 29 and 41 to the consolidated financial statements]</p>	<p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> <li>▪ Obtained details of uncertain tax position and gained understanding thereof;</li> <li>▪ Obtained details of completed tax assessments and also demands raised;</li> <li>▪ Read and analysed relevant communication with the authorities and legal consultants;</li> <li>▪ Considered the legal advice obtained by the management on possible outcome of the litigation;</li> <li>▪ Discussed with senior management and evaluated management's assumptions regarding provisions made;</li> <li>▪ Assessed the disclosures in accordance with the requirements of Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Assets".</li> </ul>
<b>Physical Verification of Inventories</b>	
<p>The Group's inventories include raw materials, work-in-progress, finished goods, stock-in-trade, stores, spares and catalysts. PSF Division has its inventories at one location, that is, at its manufacturing operations at Patalganga. Retail Division has its Stock-in-trade located at warehouse as well as stores located across India.</p> <p>The Group has adequate inventory records and system as also internal controls over inventory movements and records. The Group has established procedures to carry out physical inventories during the year as also at the year-end for Retail Division and at the year-end for PSF Division. Accordingly, physical verification of inventories of Retail Division was carried out during the year and details thereof were provided to us auditors. Due to various restrictions imposed under COVID-19 outbreak, physical verification could not be carried out at the year-end, but the same was carried out subsequent to the year-end. At the time of such subsequent verification, it was impracticable for us auditors to physically attend the inventory counting and hence, alternative audit procedures were performed.</p> <p>This matter is considered to be key audit matter given the circumstances of physical verification of inventories under COVID-19 vis-à-vis non-COVID-19 scenario.</p> <p>[Refer Note "j" to significant accounting policy and Note 11 of the consolidated financial statements]</p>	<p>Since it was impracticable for us as auditors to attend in the physical verification of inventories, our alternative audit procedures to obtain sufficient appropriate audit evidence regarding the existence and condition of inventories include the following:</p> <ul style="list-style-type: none"> <li>▪ Evaluated the control design in respect of inventory process and testing (encompass the processes around inventory movements) whether such controls have operated effectively during the period of audit;</li> <li>▪ Obtained details/documents of existence and condition of physical inventories as carried out by the management during the year and subsequent to the year-end, as the case may be;</li> <li>▪ Observed the inventory counting remotely subsequent to the year-end via video call; considered the related practical constraints while counting remotely;</li> <li>▪ For verification of stock-in-trade subsequent to the year-end, where physical verification was attended by other firm of Chartered Accountants, remote access technologies, such as mobile based video conferencing, were used for supervision and review of the work so performed;</li> <li>▪ The count was carried for all items of inventories on sample basis and in some cases of on the best judgement basis as also on the basis of previous experience of conducting inventory count;</li> </ul>

Key Audit Matter	How was the matter addressed in our audit
	<ul style="list-style-type: none"> <li>▪ Rollback procedures were applied to arrive at the inventories as verified by the Group as at the year-end;</li> <li>▪ Related documents were verified that indirectly support and corroborate the existence of inventories at the year-end;</li> <li>▪ Obtained direct confirmation from third party warehouses for the existence of inventories held by them as at the year end;</li> <li>▪ Employed appropriate cut-off procedures as also verified documentary records for inventories in-transit.</li> </ul>
External Confirmations	
<p>COVID-19 has impacted the procedure of external confirmation request to vendors and customers at the year-end and therefore, positive external confirmation request was sent through electronic mode. However, due to suspension of business activities of the many confirming parties, most confirmations were not received.</p> <p>The Group seeks and had sought confirmations from vendors and customers during the year.</p> <p>In such events, we auditors performed alternative audit procedures.</p> <p>This matter is considered to be key audit matter given the circumstances of the year-end confirmations under COVID-19 vis-à-vis non-COVID-19 scenario.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>▪ Revised assessed risk and modify our audit procedures to mitigate these risks;</li> <li>▪ Obtained a reliable assurance pertaining to transactions with confirming parties, in sense for accurate and complete process of routine and significant classes of transactions such as revenue, purchases, etc.;</li> <li>▪ Selected samples and tested the effectiveness of controls related to accuracy and completeness of transactions in totality considering the frequency and regularity of transactions;</li> <li>▪ Performed alternative audit procedures like <ul style="list-style-type: none"> <li>- For accounts receivable balances : scrutiny of ledger accounts and verification of subsequent receipts;</li> <li>- For accounts payable balances: scrutiny of ledger accounts and other documents/records, such as bills from vendors supported by goods received notes.</li> </ul> </li> </ul>

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Corporate Governance and Shareholder's Information and Business Responsibility Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the Subsidiary audited by the other auditors, to the extent it relates to the Subsidiary and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or

otherwise appears to be materially misstated. Other information so far as it relates to the Subsidiary is traced from the financial statements audited by the other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated

changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further prescribed in section titled 'Other Matters' to this audit report.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work;

and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and its associates included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

We did not audit the financial statements and the financial information of the subsidiary located outside India, whose financial statements and financial information reflect total assets of ₹ 28.44 crore as at March 31, 2020, total revenues of ₹ 0.09 crore and net cash outflows amounting to ₹ 1.07 crore for the year ended on that date, as considered in preparation of consolidated financial statements. The financial statements/financial information of the subsidiary have been prepared in accordance with accounting principles generally accepted in its respective country and have been audited by the subsidiary's independent auditors. The Holding Company's management has converted these financial statements and financial information of such subsidiary to the Indian GAAP and the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures in respect of these subsidiaries, is based solely on the reports of such auditors and our audit of the conversion adjustments made.

The consolidated financial statements and financial information also includes the Group's share of net profit of ₹ 0.98 crore and total comprehensive income of ₹ 0.36 crore in respect of 2 (two) associates, for the year ended March 31, 2020, as considered in the consolidated financial statements, whose financial statements have not been audited by us. The independent auditor's reports on financial statements/

financial information of these associates have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, is based solely on the reports of such auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and financial information certified by the management.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and as reported by the statutory auditors of the Subsidiary and its associates, none of the directors of the companies in the Group and its associates are disqualified as on March 31, 2020 from being appointed as a director of the respective company in terms of Section 164(2) of the Act;
  - f. With respect to the internal financial controls with reference to financial statements of the Holding Company and its associates and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and



- g. With respect to the matters to be included in the Auditor's Report in accordance with requirement of Section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and as reported by the auditors of the subsidiary and its associates:

- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group— Refer Note 41 to the consolidated financial statements;

- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as required under the applicable law or accounting standards;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2020.

For BANSI S. MEHTA & CO.  
Chartered Accountants  
Firm Registration No. 100991W

PARESH H. CLERK  
Partner

PLACE : Mumbai  
DATED : June 9, 2020

Membership No. 36148  
UDIN: 20036148AAAABJ2623

#### ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 (f) under the heading of "Report on Other Legal and Regulatory Requirements" in our Independent Auditor's Report of even date on the Consolidated Financial Statements for the year ended March 31, 2020.

#### Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to the financial statements of **The Bombay Dyeing and Manufacturing Company Limited** ("the Holding Company") and its Associates, which are incorporated in India, as at March 31, 2020.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its associates, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective companies, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its associates, which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the associates, which are

incorporated in India, in terms of their reports referred to in the Other Matter section below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its associates, which are incorporated in India.

#### Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- provide reasonable assurance that transactions are recorded as necessary to permit the preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its associates, which are incorporated in India, have, in all material respects, internal financial controls with reference to the consolidated financial statements and such internal financial controls with reference to the consolidated financial statements were operating effectively as at March 31, 2020, based on the internal controls over financial reporting criteria established by the respective companies, considering the essential components of internal control stated in the Guidance Note.

For BANSI S. MEHTA & CO.

Chartered Accountants  
Firm Registration No. 100991W

PARESH H. CLERK

Partner

PLACE : Mumbai

Membership No. 36148

DATED : June 9, 2020

UDIN: 20036148AAAABJ2623

# CONSOLIDATED BALANCE SHEET as at March 31, 2020

Particulars	NOTES	(₹ in Crores)	
		As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current Assets</b>			
a. Property, Plant and Equipment	3	510.48	523.75
b. Capital Work-in-progress	4	1.23	4.81
c. Right-of-Use Assets	3.1	6.06	-
d. Investment Property	5	3.59	3.63
e. Goodwill	6a	-	-
f. Other Intangible Assets	6b	0.66	0.21
<b>Financial Assets</b>			
i. Investments	7	377.14	1,061.96
ii. Loans	8	5.74	7.26
iii. Others	9	0.01	-
h. Deferred tax assets (Net)	17	532.10	-
i. Other Non-current Assets	10	55.20	104.20
<b>Total Non-current Assets</b>		<b>1,492.21</b>	<b>1,705.82</b>
<b>Current Assets</b>			
a. Inventories	11	2,423.77	2,200.52
<b>Financial Assets</b>			
i. Trade Receivables	12	728.24	1,092.22
ii. Cash and Cash Equivalents	13	2.80	30.85
iii. Bank Balances other than (ii) above	14	44.17	45.97
iv. Loans	15	0.47	0.65
v. Others	16	3.92	1.49
c. Current Tax Assets (Net)	17	65.71	61.80
d. Other Current Assets	18	50.57	41.33
<b>Total Current Assets</b>		<b>3,319.65</b>	<b>3,474.83</b>
<b>TOTAL ASSETS</b>		<b>4,811.86</b>	<b>5,180.65</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity Share capital	19	41.31	41.31
b. Other Equity	20	45.62	167.69
c. Non-controlling Interest		(26.55)	(26.53)
<b>Total Equity</b>		<b>60.38</b>	<b>182.47</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
<b>Financial Liabilities</b>			
i. Borrowings	21	3,336.59	3,373.38
ii. Lease Liabilities	52	2.85	-
iii. Other Financial Liabilities	22	6.70	7.97
b. Provisions	23	14.48	13.08
<b>Total Non-current Liabilities</b>		<b>3,360.62</b>	<b>3,394.43</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
i. Borrowings	24	784.08	574.39
ii. Trade Payables	25		
A. total outstanding dues of micro enterprises and small enterprises		36.45	20.71
B. total outstanding dues of creditors other than micro enterprises and small enterprises		272.23	502.30
iii. Lease Liabilities	52	2.45	-
iv. Other Financial Liabilities	26	166.46	128.63
b. Other Current Liabilities	27	69.06	309.25
c. Provisions	28	60.09	61.72
d. Current Tax Liabilities (Net)	29	0.04	6.75
<b>Total Current Liabilities</b>		<b>1,390.86</b>	<b>1,603.75</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,811.86</b>	<b>5,180.65</b>
NOTES (Including Significant Accounting Policies)	1-63		

The accompanying Notes are an integral part of the Consolidated Financial Statements

As per our attached report of even date

For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No.100991W

Nusli N. Wadia  
Jehangir N. Wadia

Hitesh Vora  
Sanjive Arora

For and on behalf of the Board of Directors of  
**THE BOMBAY DYEING & MANUFACTURING CO. LTD.**

Chairman  
Managing Director  
Chief Financial Officer  
Company Secretary

S. Ragothaman  
Ness N. Wadia  
V. K. Jairath  
Keki M. Elavia  
Minnie Bodhanwala  
Sunil S. Lalbhai  
Gauri Kirloskar

Directors

**PARESH H. CLERK**  
Partner  
Membership No.36148  
Place: Mumbai  
Date: June 9, 2020

Place: Mumbai  
Date: June 9, 2020

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2020

(₹ in Crores)

Particulars	NOTES	Year Ended	Year Ended
		March 31, 2020	March 31, 2019
<b>INCOME</b>			
I Revenue from Operations .....	30	1,894.62	4,429.76
II Other Income .....	31	50.04	41.10
III <b>Total Income (I + II)</b> .....		<b>1,944.66</b>	<b>4,470.86</b>
<b>EXPENSES</b>			
IV			
a. Cost of Materials Consumed .....	32	910.98	1,177.03
b. Purchases of Stock-in-Trade .....	33	160.92	220.90
c. Changes in inventories of Finished Goods, Stock-in-trade and Work-in-progress .....	34	(54.61)	494.40
d. Employee Benefits Expense .....	35	89.85	94.66
e. Finance Costs .....	36	553.82	489.46
f. Depreciation and Amortisation expense .....	37	33.11	29.79
g. Other Expenses .....	38	459.66	732.72
<b>Total Expenses (IV)</b> .....		<b>2,153.73</b>	<b>3,238.96</b>
V <b>Profit / (Loss) before share of profit/(loss) of associates and exceptional items (III-IV)</b> .....		<b>(209.07)</b>	<b>1,231.90</b>
VI Share of Profit of Equity Accounted Investees (net of Income Tax) .....		0.98	0.13
VII <b>Profit / (Loss) before exceptional items and tax (V + VI)</b> .....		<b>(208.09)</b>	<b>1,232.03</b>
VIII Exceptional items .....	39	-	3.87
IX <b>Profit / (Loss) before tax (VII+VIII)</b> .....		<b>(208.09)</b>	<b>1,235.90</b>
X Tax Expense:			
i. Current tax .....		-	7.64
ii. Deferred tax .....	17	(531.59)	-
(Excess) / Short provision of tax of earlier years .....		(5.35)	(1.85)
<b>Total Tax Expense (X)</b> .....		<b>(536.94)</b>	<b>5.79</b>
XI <b>Profit / (Loss) for the period from continuing operations after tax (IX-X)</b> .....		<b>328.85</b>	<b>1,230.11</b>
Profit / (Loss) for the period from discontinued operations .....		(1.04)	(1.90)
Tax expense of discontinued operations .....		-	-
XII Profit / (Loss) for the period from discontinued operations after tax .....		(1.04)	(1.90)
XIII <b>Profit / (Loss) for the period after tax (XI + XII)</b> .....		<b>327.81</b>	<b>1,228.21</b>
XIV Other Comprehensive Income			
A			
i. Items that will not be reclassified to profit or loss			
- Actuarial (loss)/gain on defined benefit obligation .....		(2.70)	(0.26)
- Fair Value changes of investments in equity shares .....		(410.59)	111.36
ii. Income tax relating to above .....		0.79	0.09
iii. Share of Other Comprehensive Income of associates (net of tax) .....		(0.62)	-
B Items that will be reclassified to profit or loss			
- Exchange differences on translation of discontinued operations .....		0.06	(1.17)
Total Other Comprehensive Income for the year (XIV= A + B)		(413.06)	110.02
XV <b>Total Comprehensive Income for the year (XIII+XIV)</b> .....		<b>(85.25)</b>	<b>1,338.23</b>
Profit attributable to:			
Owners of the Company .....		327.83	1,241.72
Non-controlling interests .....		(0.02)	(13.51)
Other Comprehensive Income attributable to:			
Owners of the Company .....		(413.06)	110.05
Non-controlling interests .....		-	(0.03)
Total Comprehensive Income attributable to:			
Owners of the Company .....		(85.23)	1,351.77
Non-controlling interests .....		(0.02)	(13.54)
XVI Earnings per equity share of (₹) 2 each (for continuing operations)	51		
Basic (in ₹) .....		15.92	59.55
Diluted (in ₹) .....		15.92	59.55
Earnings per equity share of (₹) 2 each (for discontinued operations)	51		
Basic (in ₹) .....		(0.05)	(0.09)
Diluted (in ₹) .....		(0.05)	(0.09)
Earnings per equity share of (₹) 2 each (for continuing and discontinued operations)	51		
Basic (in ₹) .....		15.87	59.46
Diluted (in ₹) .....		15.87	59.46
NOTES (Including Significant Accounting Policies) FORMING PART OF THE FINANCIAL STATEMENTS	1-63		

The accompanying Notes are an integral part of the Consolidated Financial Statements

As per our attached report of even date

For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No.100991W

Nusli N. Wadia  
Jehangir N. Wadia

Hitesh Vora  
Sanjive Arora

For and on behalf of the Board of Directors of  
**THE BOMBAY DYEING & MANUFACTURING CO. LTD.**

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Gauri Kirloskar

Directors

**PARESH H. CLERK**  
Partner  
Membership No.36148  
Place: Mumbai  
Date: June 9, 2020

Place: Mumbai  
Date: June 9, 2020

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2020

Particulars	A. Equity Share Capital		B. Other Equity (Refer Note 20)		Reserves and Surplus		Items of Other Comprehensive Income		Owners of the Company	Non-controlling Interest	Total	
	As at April 1, 2018	As at March 31, 2019	As at April 1, 2018	As at March 31, 2019	Capital Reserve	Securities Premium	Investment Reserve	Consolidation Adjustment on account of Share Capital				General Reserve
Balance as at March 31, 2018	28.60	133.57	1.31	155.81	640.96	917.24	595.57	595.57	206,534,900		41.31	
Profit for the year					1,241.72					1,241.72	26.50	1,215.22
Capital Reserve on Demerger of SCAL Services Limited	0.91								0.91			0.91
Consolidation Adjustment on account of Share Capital					17.55				17.55			17.55
Ind AS Implication of Real Estate transactions									(1,773.23)			(1,773.23)
Other Comprehensive Income for the year, net of income tax												
- Remeasurement of net defined benefit plans					(0.16)				(0.16)			(0.16)
- Net fair value gain / (loss) on investment in equity instrument through OCI									111.36			111.36
Exchange difference on translating Financial Statements of a foreign operation									(1.14)			(1.14)
<b>Total Comprehensive Income for the year</b>	<b>0.91</b>				<b>(531.67)</b>				<b>(20.65)</b>			<b>(20.65)</b>
Dividend on Equity Shares					(4.24)				(4.24)			(4.24)
Dividend Distribution Tax												
Balance as at March 31, 2019	29.51	133.57	1.31	155.81	1,197.52	1,028.60	167.69	167.69	402.99	(26.53)	41.31	141.16
Profit for the year					327.83							327.83
Other Comprehensive Income for the year, net of income tax												
- Remeasurement of net defined benefit plans					(1.91)				(1.91)			(1.91)
- Net fair value gain / (loss) on investment in equity instrument through OCI									(411.21)			(411.21)
Realised Gain on sale of equity shares reclassified to Retained Earnings					263.66				263.66			263.66
Exchange difference on translating Financial Statements of a foreign operation									0.05			0.05
Equity Component of 8% Non-Redeemable Non-convertible Non-cumulative Preference Shares (net of DTL)	0.52											0.52
<b>Total Comprehensive Income for the year</b>	<b>0.52</b>				<b>589.58</b>				<b>(614.87)</b>			<b>(614.87)</b>
Dividend on equity shares					(30.98)				(30.98)			(30.98)
Dividend Distribution Tax					(6.37)				(6.37)			(6.37)
Balance as at March 31, 2020	0.52	133.57	1.31	155.81	645.29	353.73	45.62	45.62	206,534,900	(26.55)	41.31	19.07

The accompanying Notes are an integral part of the Consolidated Financial Statements

As per our attached report of even date

For and on behalf of the Board of Directors of  
**THE BOMBAY DYEING & MANUFACTURING CO. LTD.**

**For BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No.100991W

Nusli N. Wadia  
Jehangir N. Wadia  
Hitesh Vora  
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Gauri Kirloskar

Directors

**PARESH H. CLERK**

Partner  
Membership No.36148  
Place: Mumbai  
Date: June 9, 2020

Place: Mumbai  
Date: June 9, 2020

## CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended March 31, 2020

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>A. Cash Flow from Operating Activities:</b>		
Profit / (Loss) before Exceptional Item and Tax from Continuing Operations.....	(209.07)	1,231.90
Profit / (Loss) before Tax from Discontinued Operations.....	(1.04)	(1.90)
<b>Adjustments for :</b>		
Depreciation and Amortisation Expense .....	33.09	29.81
Unrealised Foreign exchange loss/(gain) (Net).....	1.49	60.25
Allowance for doubtful advances / debts /(Sundry balances / excess provisions written back).....	(7.31)	(3.46)
Provision for doubtful debts / advances.....	0.93	-
Interest Income .....	(4.22)	(7.72)
Loss/(Profit) on sale of Property, Plant and Equipment.....	0.50	(7.26)
Dividend Income.....	(2.61)	(2.61)
Finance Costs.....	553.82	490.60
Capital Work-in-progress Written-off.....	-	71.04
Impairment of Goodwill.....	-	92.39
Provision for Diminution in Value of Investment written back .....	-	(187.08)
<b>Operating Profit before Working Capital Changes .....</b>	<b>365.58</b>	<b>1,765.96</b>
<b>Working Capital Changes</b>		
(Increase) / decrease in Inventories .....	(223.25)	(597.09)
(Increase) / decrease in Trade Receivables.....	365.55	(877.85)
(Increase) / decrease in Other Current and Non-current Financial Assets .....	(2.11)	1,305.36
(Increase) / decrease in in Other Current and Non-current Assets.....	35.15	81.20
Increase / (decrease) in Trade Payables.....	(218.60)	176.26
Increase / (decrease) in Other Current and Non-current Financial Liabilities.....	15.09	22.03
Increase / (decrease) in Other Current and Non-current Liabilities.....	(240.14)	(2,655.83)
Increase / (decrease) in Current and Non-current Provisions .....	7.11	11.81
<b>Cash (Used) / Generated from Operations .....</b>	<b>104.38</b>	<b>(768.13)</b>
Income Taxes paid (net) .....	(5.28)	(5.99)
<b>Net Cash (Used) / Generated from Operating Activities.....</b>	<b>(A) 99.10</b>	<b>(774.12)</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Property, Plant and Equipment.....	(11.31)	(20.10)
Proceeds from disposal of Property, Plant and Equipment .....	0.08	110.77
Inter-corporate Deposits received back.....	-	1.03
Bank Deposits with maturity greater than three months .....	0.71	11.29
Deposit under lien and in Escrow accounts.....	(22.55)	87.96
Earmarked Balances with Banks.....	23.65	(21.93)
Dividend received from Non-current Investments.....	2.61	2.61
Interest received.....	2.87	8.99
Proceeds from Sale of Immoveable Property .....	-	9.55
Proceeds from Sale of Non-current Investments .....	274.58	-
<b>Net Cash (Used) / Generated from Investing Activities .....</b>	<b>(B) 270.64</b>	<b>190.17</b>
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds from Borrowings .....	67.85	1,796.89
Repayment of Borrowings .....	(102.06)	(831.76)
Proceeds from Inter-corporate Borrowings.....	762.00	135.00
Repayment of Matured Inter-corporate Borrowings.....	(658.00)	-
Proceeds from demand loan, cash credit from bank, bills Discounted .....	872.67	12.15
Repayment of demand loan, cash credit from bank, bills Discounted.....	(766.98)	-
Adjustment on account of Demerger of Real Estate Undertaking of Scal Services Limited .....	-	4.80
Interest and other finance charges paid .....	(533.11)	(492.13)
Payment of Principal portion of the Lease Liabilities.....	(2.10)	-
Payment of Interest portion of the Lease Liabilities .....	(0.71)	-
Dividend paid (including corporate dividend tax) .....	(37.35)	(24.90)
<b>Net Cash (Used) / Generated from Financing Activities .....</b>	<b>(C) (397.79)</b>	<b>600.05</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents .....</b>	<b>(A+B+C) (28.05)</b>	<b>16.11</b>
<b>Add: Cash and Cash Equivalents at the Beginning of the Year .....</b>	<b>30.85</b>	<b>14.74</b>
<b>Cash and Cash Equivalents at the End of the Year .....</b>	<b>2.80</b>	<b>30.85</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents .....</b>	<b>(28.05)</b>	<b>16.11</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended March 31, 2020

### Notes:

1 The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

2. Particulars	(₹ in Crores)	
	As at March 31, 2020	As at March 31, 2019
Reconciliation of Cash and Cash Equivalents as per the Statement of Cash Flows		
Balances with Banks in Current Accounts	1.97	25.41
Cheques on Hand	-	3.35
Cash on Hand	0.07	0.05
Bank Deposits with Original Maturity of three months or less	0.76	2.04
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>2.80</b>	<b>30.85</b>

3. Purchase of Property, Plant and Equipment includes addition to other Intangible Assets and adjusted for movement in Capital Work-in-progress and Capital advances.

4. Changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes:

(₹ in Crores)

Particulars	As at April 1, 2019	Cash Flows	Non-cash	Reclassification	As at March 31, 2020
Long-term Borrowings	3,369.49	(9.43)		(26.78)	3,333.28
Short-term Borrowings	574.39	209.70		-	784.09
Lease Liabilities	7.40	(2.81)	0.71		5.30
Other Financial Liabilities (Term Loan and Fixed Deposits from Public)	25.59	(24.78)		26.78	<b>27.59</b>

(₹ in Crores)

Particulars	As at April 1, 2018	Cash Flows	Non-cash (Scheme of Arrangement between Scal Services Limited and the Company)	Reclassification	As at March 31, 2019
Long-term Borrowings	2,312.45	530.18	550.50	(23.64)	3,369.49
Short-term Borrowings	414.83	159.56		-	574.39
Other Financial Liabilities (Term Loan and Fixed Deposits from Public)	76.79	(74.84)		23.64	<b>25.59</b>

5. Figures in the brackets are outflows/deductions.

6. Previous year figures have been regrouped wherever necessary.

The accompanying Notes are an integral part of the Consolidated Financial Statements

As per our attached report of even date

For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No.100991W

Nusli N. Wadia  
Jehangir N. Wadia

Hitesh Vora  
Sanjive Arora

**PARESH H. CLERK**  
Partner  
Membership No.36148  
Place: Mumbai  
Date: June 9, 2020

For and on behalf of the Board of Directors of  
**THE BOMBAY DYEING & MANUFACTURING CO. LTD.**

Chairman  
Managing Director

Chief Financial Officer  
Company Secretary

S. Ragothaman  
Ness N. Wadia  
V. K. Jairath  
Keki M. Elavia  
Minnie Bodhanwala  
Sunil S. Lalbhai  
Gauri Kirloskar

Directors

Place: Mumbai  
Date: June 9, 2020



## NOTES to the Consolidated financial statements for the year ended March 31, 2020

### 1. GENERAL INFORMATION ABOUT THE COMPANY

The Consolidated Financial Statements comprise financial statements of The Bombay Dyeing and Manufacturing Company Limited ("the Company") and its subsidiaries (the Company and its subsidiary together referred to as "the Group") and includes share of profit of the associates for the year ended March 31, 2020.

The Company is a public company limited by shares, incorporated and domiciled in India and is listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Global Depository Receipts (GDRs) are listed at Societe de la Bourse Luxembourg. The registered office of the Company is Located at Neville House, J.N. Heredia Marg, Ballard Estate, Mumbai -400001. The Group is engaged in the business of Real Estate Development, Polyester Staple Fibre and Retail.

These aforesaid Consolidated Financial Statements for the year ended March 31, 2020 are approved by the Company's Board of Directors and authorised for issue in the meeting held on June 9, 2020.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### a. Statement of Compliance

The Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, (Amended) 2015 and notified by Ministry of Corporate Affairs ("MCA") pursuant to Section 133 of the Companies Act, 2013 read with Rule 3.

#### b. Basis of Preparation and Presentation

The Consolidated Financial Statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability, if market participants would take those characteristics

into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Consolidated Financial Statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 'Leases' ("Ind AS 116") and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 'Inventories' ("Ind AS 2") or value in use in Ind AS 36 'Impairment of Assets' ("Ind AS 36").

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, Level 2 or Level 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

All assets and liabilities have been classified as Current and Non-Current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products/services rendered and the time between the rendering of the products/services and their realisation in cash and cash equivalent, the Group has ascertained its operating cycle as twelve months for the purpose of Current and Non-Current classification of assets and liabilities.

All the Indian Accounting Standards ("Ind AS") issued and notified by the MCA are effective and considered for the significant accounting policies to the extent relevant and applicable for the Group.

The Consolidated Financial Statements are presented in Indian Rupee ("INR") which is the Company's functional currency and all values are rounded to the nearest crores upto two decimals, except when otherwise indicated.

#### c. Principles of Consolidation

The Consolidated Financial Statements incorporate the financial statements of the Group. Control is achieved when the Group:

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included in the Consolidated Statement of Profit and Loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Consolidated Financial Statements are prepared using the Financial Statements of the Parent Company and Associate companies drawn up to the same reporting date i.e. March 31, 2020. In case of the foreign subsidiary company, financial statements for the year ending December 31, 2019 have been considered for the purpose of consolidation.

### Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in Consolidated Statement of Profit and Loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

### Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these Consolidated Financial Statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the Consolidated Balance Sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

received from an associate or a joint venture reduces the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's Consolidated Financial Statements only to the extent of interests in the associate or joint venture that are not related to the Group.

### d. Key Accounting Estimates and Judgements

The preparation of Consolidated Financial Statements in conformity with Ind AS requires Management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the date of these Financial Statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future period, if the revision affects current and future periods.

Information about significant areas of estimation uncertainty and critical Judgements in applying accounting policies that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year are:

#### i. Determination of the timing of revenue recognition on the sale of completed and under development property in respect of Real Estate Development activity

Determination of revenue whether over time (Percentage Completion Method) or at a point in time (Project completion method) necessarily involves making judgement as to when the performance obligation under the contracts with customers is satisfied. It has been evaluated and generally concluded that the recognition of revenue over the period of time criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time. It has further been evaluated and concluded that based on the analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate and the property is made available for possession to the customers.

#### ii. Determination of performance obligations

With respect to the sale of property, the Company has evaluated and concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

### iii. Useful Lives of Property, Plant and Equipment and Intangible Assets

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

### iv. Provisions, Liabilities and Contingencies

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of Judgements to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre – tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is not recognised, but disclosed in the Consolidated Financial Statements when an

inflow of economic benefit is probable. Provisions, contingent liability and assets are reviewed at each reporting date and are adjusted to reflect the current best estimates.

### v. Fair Value Measurements

When the fair value of financial assets or financial liabilities recorded or disclosed in the Consolidated Financial Statements cannot be measured at the quoted price in the active markets, their fair value is measured using the valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of Judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### vi. Recognition and Measurement of defined benefit obligation

The obligation arising from defined benefit plans is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### vii. Income Taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Significant management judgements is also required in determining deferred tax assets and liabilities and recoverability of deferred tax assets which is based on estimates of taxable income.

### viii. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

### e. Recent Accounting Developments (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

### f. Property, Plant and Equipment

#### i) Recognition and Measurement

Property, Plant and Equipment ("PPE") are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is measured at cost and is not depreciated.

Cost includes purchase price, taxes and duties and other direct costs incurred for bringing the asset to the condition of its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in Consolidated Statement of Profit and Loss as incurred. Borrowing costs attributable to the acquisition or construction of a qualifying asset is also capitalised as part of the cost of the asset.

#### ii) Depreciation

Depreciation on PPE other than Furniture & Fixtures and Motor Vehicles, is provided on the straight-line method, pro-rata to the period of use, over their useful life. Depreciation on Furniture & Fixtures and Motor Vehicles is provided on the written down value

method, pro rata to the period of use, over their useful life. The estimated useful lives and residual values are as prescribed in Schedule II to the Companies Act, 2013 except for movable site offices and assets of retail shops (including leasehold improvements), which are based on technical evaluation of useful life by the management.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

Asset	Useful Life	Asset	Useful Life
Buildings	30 to 60 Years	Computers	3 to 6 Years
Movable site offices	10 Years	Furniture and fixture	10 Years
Plant and Machinery	15 to 25 Years	Office equipment	5 Years
Assets of retail shops including leasehold improvements	6 Years	Vehicles	8 Years

The PSF manufacturing plant at Patalganga is treated as a Continuous process plants based on technical assessment.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Consolidated Statement of Profit and Loss.

#### iii) Capital Work-in-progress and Capital Advances

Cost of assets not ready for intended use, as on Balance Sheet date, is shown as Capital Work-in-progress. Advances given towards acquisition of PPE outstanding at each Balance Sheet date are disclosed as Other Non-current Assets.

### g. Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

Cost includes purchase price, taxes and duties and other direct costs incurred for bringing the asset to the condition of its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in Consolidated Statement of Profit and Loss as incurred. Borrowing costs attributable to the acquisition or construction of a qualifying asset is also capitalised as part of the cost of the asset.

Depreciation on investment property is provided on the straight-line method, pro-rata to the period of use, over the useful life as prescribed in Schedule II to the Companies Act, 2013

An investment property is de-recognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Consolidated Statement of Profit and Loss in the period in which the property is de-recognised.

### h. Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in Consolidated Statement of Profit and Loss when the asset is de-recognised.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives.

Estimated useful lives of the finite-life intangible assets are as follows:

Asset	Useful Life
Computer Software	5 years
Technical know-how	10 years

An intangible asset having indefinite useful life is not amortized but is tested for impairment annually. Indefinite life intangibles mainly consist of brands/trademarks. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues, if not, it is impaired or changed prospectively basis revised estimates.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

### i. Impairment of Tangible Assets and Intangible Assets other than Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Consolidated Statement of Profit and Loss.



## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

### j. Inventories

Inventories are valued at lower of cost and net realizable value. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cost is determined as follows:

- i. Raw materials, stores & spares, finished goods and stock-in-trade on a weighted average method.

- ii. Work-in-progress

PSF division

Material cost included in the valuation is determined on the basis of the weighted average rate and cost of conversion and other costs are determined on the basis of average cost of conversion of the preceding month.

- iii. Real Estate Under Development

Real estate under development comprises cost of land, premium for development rights, rates & taxes, construction costs, borrowing costs, overheads and expenses incidental to the projects undertaken by the Group. Cost of land and construction / development costs are charged to Consolidated Statement of Profit and Loss proportionate to area sold and at the time when corresponding revenue is recognised.

### k. Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks and other short term highly liquid investments, which are readily convertible into cash and which are subject to an insignificant risk of change in value and have original maturities of three months or less.

### l. Statement of Cash Flows

Cash flows are reported using the indirect method, whereby net profit for the period is adjusted for the effects of

transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash on hand, cash at banks, other short-term deposits and highly liquid investments with original maturity of three months or less that are readily convertible into cash.

### m. Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Consolidated Statement of Profit and Loss.

#### Financial Assets:

On initial recognition, a financial asset is recognised at fair value. All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI") depending on the classification of the financial assets.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Group changes its business model for managing financial assets.

#### Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the Effective Interest Rate ("EIR") method net of any Expected Credit Losses ("ECL"). The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.



## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### Debt Instruments:

Debt instruments are initially measured at amortised cost, FVOCI or FVTPL till derecognition, on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

- i. **Measured at amortised cost:** Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any, is recognised in the Consolidated Statement of Profit and Loss.
- ii. **Measured at fair value through other comprehensive income:** Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Consolidated Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Consolidated Statement of Profit and Loss.
- iii. **Measured at fair value through profit or loss:** A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Consolidated Statement of Profit and Loss.

### Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value. The Group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Group makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised in the Consolidated Statement of Profit and Loss unless the Group has elected to measure

such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Consolidated Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised in the Consolidated Statement of Profit and Loss.

### Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

### Impairment of Financial Assets

Expected credit losses are recognised for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

Expected credit losses is the weighted-average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Group is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

For financial assets other than trade receivables, as per Ind AS 109, the Group recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Group assumes that the credit risk on a financial asset has

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

### Financial Liabilities and Equity Instruments

#### Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

#### Financial Liabilities

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as FVTPL. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

All financial liabilities are subsequently measured at amortized cost using the effective interest method. Financial liabilities carried at FVTPL are measured at fair value with all changes in fair value recognised in the Consolidated Statement of Profit and Loss. Interest expense are included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

When guarantee in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as cost of investment.

#### Derecognition of Financial Liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

#### Derivative Financial Instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Consolidated Statement of Profit and Loss immediately. The Group has not designated any derivative instruments as a hedging instrument.

#### n. Provisions, Liabilities and Contingencies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

present value of those cash flows (when the effect of the time value of money is material). When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### o. Revenue Recognition

The Group derives revenues primarily from Sale of Polyester Staple Fibre and Retail/Textile and business of Real Estate Development; its other operating revenues include Lease Rentals and Subvention Income.

Revenue from contracts with customers for sale of goods or services is recognised when the Group satisfies performance obligation by transferring promised goods or services to the customer at an amount that reflects the consideration which the Group is expected to be entitled to in exchange for those goods or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for trade discounts, incentives and returns, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers. The trade discounts incentives and right of return are estimated and provided for, based on historical, current and forecast information available. A refund liability is recognised for expected returns in relation to sales made, corresponding assets are recognised for the products expected to be returned.

The Group does not expect to have any contract where the period between the transfer of the promised goods or services to the customer and payment by the customer exceed one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

#### Sale of Goods

Revenue from sale of goods is recognised at a point in time when the control of the goods is transferred to the customer involving single performance obligation. The control of goods is transferred to the customer depending upon the incoterms or as agreed with customer, delivery basis or dispatch, as the case may be (i.e. at the point in time when goods are delivered at the dealer site or when

the customer purchases the goods at the retail outlet). In case of Export of goods, the control of goods is transferred on receipt of Bill of Lading / Mate Receipt.

#### Sale of Services

Revenue from services, which mainly consists of lease rentals from letting of space, is recognised over time on satisfying performance obligations as per the terms of agreement, that is, by reference to the period in which services are being rendered. Revenue from services, if any, involving single performance obligation is recognised at a point in time.

#### Export Incentives

Revenue from Export Incentives under various schemes of the Government of India is recognised in the year in which the revenue from related export sales is accounted for. Advance License Benefits on exports are recognised in the year of utilisation of license.

#### Real Estate Transactions

The Group develops and sells residential and commercial properties. Revenue is recognised when the control over the property is transferred to the customer. An enforceable right to payment does not arise for performance completed to date and it arises only on the development of the property is completed. Therefore, revenue is recognised at a point in time i.e. on receipt of Occupancy Certificate when the legal title has passed to the customer and the development of property is completed. The revenue is measured at the transaction price agreed under the contract. The Group invoices the customers for construction contracts based on achieving performance-related milestones. For other cases, the consideration is due when legal title has been transferred.

For certain contracts involving the sale of property under development, the Group offers deferred payment schemes to its customers. The Group adjusts the transaction price for the effects of the significant financing component.

Revenue from Sale of land and other rights is generally a single performance obligation and the Group has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts / agreements. The determination of transfer of control did not change upon the adoption of Ind AS 115 – Revenue from Contracts with Customers.

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### Trade Receivables, Contract Assets and Contract Liabilities

#### Trade Receivables

A receivable is recognised by the Group when the control over the goods and services is transferred to the customer such as when goods and services are delivered as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due (which is referred to as "Trade Receivable").

A receivable is recognised when the Group's right to an amount of consideration under the contract with the customer that is unconditional, as only the passage of time is required before payment is due.

#### Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

#### Contract liabilities

A contract liability is the obligation to transfer goods or services to the customer for which the consideration (or the amount is due) has been received from the customer. If the customer pays the consideration before the transfer of goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract.

#### Interest Income and Dividend

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rates. Interest income is included under the head "Other Income" in the Statement of Profit and Loss.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income from a financial asset is recognized using the effective interest rate (EIR), which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend Income is recognised when the right to receive the payment is established. Incomes from investments are accounted on an accrual basis.

#### p. Leases

The Company has adopted Ind AS 116-Leases effective 1<sup>st</sup> April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (April 1, 2019). Accordingly, previous period information has not been restated.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represents substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified.
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has the right when it has the right decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - The Group has the right to operate the asset; or
  - The Group designed the asset in a way that predetermined how and for what purpose it will be used

This policy is applied to all contracts entered into, or changed, on or after April 1, 2019.

#### The Group as lessee

The Group recognises a Right-of-Use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

initial amount of the lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of ROU assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

The Group presents ROU assets that meet the definition of investment property are presented within investment property otherwise under "Property, Plant and Equipment" and lease liabilities under "Financial Liabilities" in the Balance Sheet.

### Short-term leases and leases of low-value assets

The Group has elected not to recognise right-to-use assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low-value assets. The Group recognise the lease payments associated with these leases as an expenses on a straight-line basis over the lease term.

### The Group as lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Other Operating Revenue under Revenue from Operations in the Statement of Profit and Loss.

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

The accounting policies applicable to the Group as a lessor in the comparative period were not different from Ind AS 116. However, when the Group was an intermediate lessor, the sub-leases were classified with reference to the underlying asset.

### q. Cost recognition

Costs and expenses are recognised when incurred and are classified according to their nature.

### r. Employee Benefits

#### Long Term Post-employment benefits

Contributions to defined contribution schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

#### i. Provident and Family Pension Fund

The eligible employees of the Group are entitled to receive post-employment benefits in respect of provident and family pension fund, in which both the employees and the Group make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to the provident fund and pension fund set up as irrevocable trust by the Group or to respective Regional Provident Fund Commissioner. The Group has no further obligations beyond making the contribution, except that any shortfall in the fund assets based on the Government specified minimum rates of return in respect of provident fund set up by the Group. The Group does not expect a shortfall in the fund assets in the near term and has consequently classified the scheme as a defined contribution scheme and is committed to recognise such contributions and shortfall, if any, as an expense in the year it is incurred.

#### ii. Superannuation

The eligible employees of the Group who have opted for superannuation are entitled to receive post-employment benefits in respect of superannuation fund in which the Group makes annual contribution at a specified percentage of the employees' eligible salary (currently 10% or 15 % of employees' eligible salary). The contributions are made to the Superannuation fund set up as irrevocable trust by the Group. Superannuation is classified as Defined Contribution Plan as the Group has no further obligations beyond making the contribution. The Group's contribution to Defined Contribution Plan is

charged to Consolidated Statement of Profit and Loss as incurred.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to Consolidated Statement of Profit and Loss. Past service cost is recognised in Consolidated Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Group presents the first two components of defined benefit costs in Consolidated Statement of Profit and Loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The Group has the following Defined Benefit Plans:

#### i. Gratuity

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment, of an amount equivalent to 15 days or 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

Contributions are made to the Gratuity Fund set up as irrevocable trust by the Group.

### ii. Other long-term employee benefits - Compensated absences

The Group provides for encashment of leave or leave with pay subject to certain rules. The leave accumulated to the credit of the employees up to December 31, 2014 is available for carry forward and encashment on separation. The Group makes provision for such compensated absences based on an actuarial valuation by an independent actuary at the year end, which is calculated using Project Unit Credit Method (PUCM). Actuarial gains and losses which comprise experience adjustment and the effect of change in actuarial assumptions are recognised in the Consolidated Statement of Profit and Loss.

Post 2014, leave earned during the year has to be utilized by the employees within the following year. Such leave is a short term employee benefit and is provided at the undiscounted amount in the period in which it is incurred.

### iii. Termination Benefits

The Group provides for compensation payable as part of termination benefits when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Termination benefits falling due more than twelve months after the balance sheet date are provided on the basis of an actuarial valuation by an independent actuary as at the year-end using Project Unit Credit Method.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

### Short Term Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, performance incentives and similar benefits other than compensated absences in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

### s. Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Consolidated Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

### t. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Consolidated Statement of Profit and Loss in the period in which they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

### u. Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in Consolidated Statement of Profit and Loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the Consolidated Balance Sheet and transferred to Consolidated Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.



## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in Consolidated Statement of Profit and Loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

### v. Foreign Currency Transactions

The management of the Group has determined Indian Rupee INR as the functional currency of the Group. In preparing the Consolidated Financial Statements of the Group, transactions in currencies other than the Group's functional currency ("foreign currencies") are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

### w. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus issue, bonus element in a rights issue and shares split that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating Diluted Earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### x. Taxation

#### i. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the Statement of Profit and Loss

because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

#### ii. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against those deductible temporary differences which can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets and liabilities relate to the income tax levied by the same taxation authority on either

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

the same taxable entity or different taxable entities where there is an intention to settle the current tax liabilities and assets on a net or simultaneous basis.

### **Current and deferred tax for the year**

Current and deferred tax are recognised in Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### **y. Segment Reporting**

Ind AS 108 establishes standards for the way that public enterprises report information about operating segments and related disclosures about products, services, geographic areas, and major customers. Based on the 'management approach' as defined in Ind AS 108, the Group is required to present information in the manner which the Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates resources. The analysis is generally based on an analysis of various performance indicators by business segments.

The accounting principles used in the preparation of the Consolidated Financial Statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the relevant applicable accounting policies above. Revenue and identifiable

operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment.

Segment assets include all operating assets used by the business segments and consist principally of fixed assets, debtors and inventories. Segment liabilities include the operating liabilities that result from the operating activities of the business. Segment assets and liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income / Expenses relating to the enterprise as whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses. Inter-segment transfers are accounted at prevailing market prices.

### **z. Discontinued Operations**

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- i. Represents a separate major line of business or geographical area of operations.
- ii. Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or
- iii. Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### 3 Property, Plant and Equipment

Description of Assets	(₹ in Crores)									
	Freehold land	Leasehold Land	Buildings	Office Equipment	Computers	Vehicles	Plant and machinery	Furniture and Fixture	Total	
<b>I. Gross Block</b>										
Balance as at April 1, 2018	109.00	0.37	56.55	0.64	3.60	4.00	425.03	11.91	611.10	
Additions	-	-	-	0.16	0.68	0.55	13.27	0.55	15.21	
Disposals	(10.98)	-	(3.42)	(0.06)	(1.43)	-	(0.03)	(0.01)	(15.93)	
<b>Balance as at March 31, 2019</b>	<b>98.02</b>	<b>0.37</b>	<b>53.13</b>	<b>0.74</b>	<b>2.85</b>	<b>4.55</b>	<b>438.27</b>	<b>12.45</b>	<b>610.38</b>	
Additions	-	-	0.46	0.22	1.03	0.35	15.74	0.05	17.85	
Disposals	-	-	-	(0.03)	(0.01)	-	(0.41)	(2.15)	(2.60)	
Reclassified on account of adoption of Ind AS 116	-	(0.37)	-	-	-	-	-	-	(0.37)	
<b>Balance as at March 31, 2020</b>	<b>98.02</b>	<b>-</b>	<b>53.59</b>	<b>0.93</b>	<b>3.87</b>	<b>4.90</b>	<b>453.60</b>	<b>10.35</b>	<b>625.26</b>	
<b>II. Accumulated Depreciation and Impairment</b>										
Balance as at April 1, 2018	-	0.02	3.56	0.63	1.61	0.10	47.42	5.59	58.93	
Depreciation / amortisation expense for the year	-	0.01	1.59	0.11	0.87	0.22	24.79	2.02	29.61	
Eliminated on disposal of assets	-	-	(0.42)	(0.02)	(1.41)	-	(0.05)	(0.01)	(1.91)	
<b>Balance as at March 31, 2019</b>	<b>-</b>	<b>0.03</b>	<b>4.73</b>	<b>0.72</b>	<b>1.07</b>	<b>0.32</b>	<b>72.16</b>	<b>7.60</b>	<b>86.63</b>	
Depreciation / amortisation expense for the year	-	-	1.57	0.21	0.78	0.25	25.99	1.40	30.20	
Eliminated on disposal of assets	-	-	-	(0.02)	-	-	(0.22)	(1.78)	(2.02)	
Reclassified on account of adoption of Ind AS 116	-	(0.03)	-	-	-	-	-	-	(0.03)	
<b>Balance as at March 31, 2020</b>	<b>-</b>	<b>-</b>	<b>6.30</b>	<b>0.91</b>	<b>1.85</b>	<b>0.57</b>	<b>97.93</b>	<b>7.22</b>	<b>114.78</b>	
<b>III. NET BLOCK (I-II)</b>										
Balance as at March 31, 2020	98.02	-	47.29	0.02	2.02	4.33	355.67	3.13	510.48	
Balance as at March 31, 2019	98.02	0.34	48.40	0.02	1.78	4.23	366.11	4.85	523.75	

a. There is no adjustment to Property, Plant and Equipment on account of borrowing costs and exchange differences.

b. Certain Freehold Land and Buildings, Plant and Machinery are mortgaged against borrowings, details relating to which have been described in Notes - 21, 24 and 40.

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### 3.1 Right-of-Use Assets (ROU)

(₹ in Crores)

Description of Assets	Land	Buildings	Total
<b>I. Gross Block</b>			
Balance as at April 1, 2019	-	-	-
Transition on account of adoption of Ind AS 116*	0.59	8.21	8.80
Additions	-	-	-
Disposals	-	-	-
<b>Balance as at March 31, 2020</b>	<b>0.59</b>	<b>8.21</b>	<b>8.80</b>
<b>II. Accumulated Depreciation and Impairment</b>			
Balance as at April 1, 2019	-	-	-
Depreciation / amortisation expense for the year	0.25	2.49	2.74
Eliminated on disposal of assets	-	-	-
<b>Balance as at March 31, 2020</b>	<b>0.25</b>	<b>2.49</b>	<b>2.74</b>
<b>III. Net Block (I-II)</b>			
<b>Balance as at March 31, 2020</b>	<b>0.34</b>	<b>5.72</b>	<b>6.06</b>

\* Leasehold Land is reclassified on account of adoption of Ind AS 116

### 4 Capital Work - in - Progress

Capital Work in Progress includes:

- Balance as on March 31, 2020 - ₹ 1.23 crores towards Plant and Machineries yet to be installed at Polyester Plant in Patalganga.
- Balance as on March 31, 2019 - ₹ 4.81 crores towards Plant and Machineries yet to be installed at Polyester Plant in Patalganga.

### 5 Investment Property

(₹ in Crores)

Description of Assets	Buildings
<b>I. Gross Block</b>	
Balance as at April 1, 2018	3.82
Additions	-
Disposals	-
<b>Balance as at March 31, 2019</b>	<b>3.82</b>
Additions	-
Disposals	-
<b>Balance as at March 31, 2020</b>	<b>3.82</b>
<b>II. Accumulated depreciation</b>	
Balance as at April 1, 2018	0.14
Depreciation expense for the year	0.05
<b>Balance as at March 31, 2019</b>	<b>0.19</b>
Depreciation expense for the year	0.05
<b>Balance as at March 31, 2020</b>	<b>0.23</b>
<b>III. Net block (I-II)</b>	
<b>Balance as at March 31, 2020</b>	<b>3.59</b>
<b>Balance as at March 31, 2019</b>	<b>3.63</b>
<b>IV. Fair Value</b>	
As at March 31, 2020	211.57
As at March 31, 2019	213.51

- The Company has given commercial premises on operating lease which form part of its premises at Neville House, Ballard Estate and C-1 Wadia International Centre, Worli. (Refer Note 52)

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

- b. The fair value of the Investment Property as at March 31, 2020 and March 31, 2019 has been arrived at on the basis of a valuation carried out by independent valuers registered with the authority which governs the valuers in India. All fair value estimates for Investment Properties are included in Level 2.

### i. Reconciliation of Fair Value

(₹ in Crores)

Particulars	
<b>Buildings</b>	
<b>Balance as at April 1, 2018</b>	<b>216.18</b>
Fair value differences	(2.67)
Purchases	-
<b>Balance as at March 31, 2019</b>	<b>213.51</b>
Fair value differences	(1.94)
Purchases	-
<b>Balance as at March 31, 2020</b>	<b>211.57</b>

### ii. Amounts recognised in Statement of Profit and Loss for Investment Property

(₹ in Crores)

Particulars	March 31, 2020	March 31, 2019
Rental income derived from Investment Property	26.76	28.58
Direct operating expenses (including repairs and maintenance) generating rental income	(6.23)	(6.35)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
<b>Profit arising from Investment property before depreciation</b>	<b>20.53</b>	<b>22.23</b>
Depreciation for the year	(0.05)	(0.05)
<b>Profit arising from Investment Property</b>	<b>20.48</b>	<b>22.18</b>

- c. Certain Investment Property is mortgaged against borrowings, details relating to which have been described in Notes - 21, 24 and 40.

### 6a Goodwill

(₹ in Crores)

Particulars	Total
<b>I. Gross Block</b>	
<b>Balance as at April 1, 2018</b>	-
On acquisition of Subsidiary	92.39
Disposals	-
Adjustments	-
<b>Balance as at March 31, 2019</b>	<b>92.39</b>
On acquisition of Subsidiary	-
Disposals	-
Adjustments	-
<b>Balance as at March 31, 2020</b>	-
<b>II. Accumulated amortisation</b>	
<b>Balance as at April 1, 2018</b>	-
Impairment	92.39
Disposals	-
<b>Balance as at March 31, 2019</b>	<b>92.39</b>
Impairment	-
Disposals	-
<b>Balance as at March 31, 2020</b>	-
<b>III. Net block (I-II)</b>	
<b>Balance as at March 31, 2020</b>	-
<b>Balance as at March 31, 2019</b>	-

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### 6b Other Intangible Assets

(₹ in Crores)

Particulars	Software	Technical Know how	Total
<b>I. Gross Block</b>			
<b>Balance as at April 1, 2018</b>	<b>1.15</b>	<b>0.63</b>	<b>1.78</b>
Additions	0.23	-	0.23
Disposals	-	-	-
<b>Balance as at March 31, 2019</b>	<b>1.38</b>	<b>0.63</b>	<b>2.01</b>
Additions	0.60	-	0.60
Disposals	-	-	-
<b>Balance as at March 31, 2020</b>	<b>1.98</b>	<b>0.63</b>	<b>2.61</b>
<b>II. Accumulated amortisation</b>			
<b>Balance as at April 1, 2018</b>	<b>1.04</b>	<b>0.63</b>	<b>1.67</b>
Amortisation expense	0.13	-	0.13
Disposals	-	-	-
<b>Balance as at March 31, 2019</b>	<b>1.17</b>	<b>0.63</b>	<b>1.80</b>
Amortisation expense	0.12	-	0.12
Disposals	-	-	-
Adjustments	0.03	-	0.03
<b>Balance as at March 31, 2020</b>	<b>1.32</b>	<b>0.63</b>	<b>1.95</b>
<b>III. Net block (I-II)</b>			
<b>Balance as at March 31, 2020</b>	<b>0.66</b>	<b>-</b>	<b>0.66</b>
<b>Balance as at March 31, 2019</b>	<b>0.21</b>	<b>-</b>	<b>0.21</b>

### 7 Investments - Non-current

Particulars	Paid up Value / Face Value	As at March 31, 2020		As at March 31, 2019	
		No. of shares	₹ in Crores	No. of shares	₹ in Crores
<b>Investments in Equity Instruments</b>					
<b>Investments carried at cost</b>					
<b>Unquoted</b>					
<b>Associate Companies</b>					
Bombay Dyeing Real Estate Company Limited	₹ 10 Each	20,000	0.06	20,000	-
Pentaful Textile Dealers Limited	₹ 100 Each	88,200	1.55	88,200	1.25
<b>Sub-total of Investments carried at cost - A</b>			<b>1.61</b>		<b>1.25</b>
<b>At Fair Value Through Other Comprehensive Income (FVOCI)</b>					
<b>Quoted</b>					
Bombay Burmah Trading Corporation Limited *	₹ 2 Each	4,656,942	341.12	7,538,600	979.49
National Peroxide Limited	₹ 10 Each	285,000	33.44	285,000	80.29
D. B. Realty Limited	₹ 10 Each	25,262	0.01	25,262	0.05
Citurgia Biochemicals Limited **	₹ 10 Each	15,560	-	15,560	-
<b>Unquoted</b>					
BDS Urban Infrastructure Private Limited	₹ 10 Each	1,900	0.22	1,900	0.14
Roha Industries Association's Co-operative Consumers Society Limited	₹ 25 Each	100	***	100	***
SCAL Services Limited	₹ 100 Each	30,400	0.74	30,400	0.74
<b>Sub-total of Investments carried at FVOCI- B</b>			<b>375.53</b>		<b>1,060.71</b>
<b>Total (A + B)</b>			<b>377.14</b>		<b>1,061.96</b>

\* The Company has pledged Nil shares ( March 31, 2019 - 1,301,000 shares) held as Investment by the Company, details of which have been described in Notes - 21, 24 and 40. During the year, term loans aggregating ₹ 75.00 crores outstanding as on March 31, 2019 have been repaid in full. Consequently, the security for the loan by way of pledge of shares held as Investment by the Company, has been fully released.

\*\* Investments in Citurgia Biochemicals Limited is listed on BSE but trading in the scrip has been suspended since January, 2013 for penal reasons.

\*\*\* denotes value less than ₹ 1 lakh

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

- a. The carrying value and market value of quoted and unquoted investments are as under : (₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Aggregate Carrying Value of Quoted Investments	374.57	1,059.83
Aggregate Market Value of Quoted Investments	374.57	1,059.83
Aggregate Carrying Value of Unquoted Investments	2.57	2.13
Aggregate Impairment in the Value of Investments	-	-

- b. In December 2018, the Shareholders of the PT Five Star Textile Indonesia (PTFS) passed the resolution for the voluntary liquidation of the Company.

Subsequently as per the procedure, in the year ended December 31, 2019, PTFS surrendered most of its business and operating licenses and also obtained the de-registration of its three Branch Tax Identification numbers. Subsequently, PTFS applied for the de-registration of the main Tax identification number with Tax Office Jakarta and this process is likely to be completed by the end of December, 2020.

### 8 Loans - Non-current

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, considered good unless otherwise stated</b>		
Security Deposits		
- Considered good		
Related Parties [Refer Note 57]	2.08	1.84
Others	3.66	5.37
- Considered doubtful	0.15	0.65
- Less : Allowance for doubtful deposits	(0.15)	(0.65)
	<b>5.74</b>	<b>7.21</b>
<b>Loans Receivable Considered Good - Unsecured</b>		
Loans to employees	-	0.05
<b>Loans Receivable which have significant increase in credit risk</b>	-	-
<b>Loans Receivable Credit Impaired</b>		
Loans to related parties [Refer Note 57]	54.29	54.29
Less: Allowance for doubtful advances	(54.29)	(54.29)
	-	-
<b>Total</b>	<b>5.74</b>	<b>7.26</b>



## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### 9 Other Financial Assets - Non-current

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Earmarked bank deposits with maturity more than twelve month [Refer Note (a) below]	0.01	-
<b>Total</b>	<b>0.01</b>	<b>-</b>

- a. Deposits under lien towards security for guarantees issued on behalf of the Company ₹ 0.01 crores (March 31, 2019 : ₹ Nil)  
[Refer Note 40 and 41]

### 10 Other Non-current Assets

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, considered good unless otherwise stated</b>		
Capital advances	0.73	4.30
Prepaid expenses	36.73	66.99
Advances other than Capital advances		
Advances Receivable in cash or in kind		
- Considered Good	0.06	1.53
- Considered Doubtful	2.41	2.38
- Less: Allowance for doubtful advances	(2.41)	(2.38)
	0.06	1.53
Industrial subsidy receivable		
- Considered good	14.55	31.01
- Considered doubtful	4.64	4.64
- Less : Provision for doubtful advances	(4.64)	(4.64)
	14.55	31.01
Balances with Government Authorities		
- Considered good	3.13	0.37
- Considered doubtful	1.96	2.87
- Less : Allowance for doubtful advances	(1.96)	(2.87)
	3.13	0.37
<b>Total</b>	<b>55.20</b>	<b>104.20</b>

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### 11 Inventories

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Manufacturing and Retail</b>		
Raw Materials	30.45	34.28
Raw Materials-in-transit	26.86	19.99
Work-in-progress	5.93	9.46
Finished goods	61.35	47.40
Finished goods-in-transit	1.27	2.81
Stock-in-Trade	33.96	47.58
Stores, Spares and Catalysts	10.93	12.76
<b>Inventory - Manufacturing and Retail - (a)</b>	<b>170.75</b>	<b>174.28</b>
<b>Real Estate</b>		
Work-in-progress	1,368.55	1,309.21
Others		
Transferable Development Rights	186.89	345.92
Floor Space Index	697.58	371.11
<b>Inventory - Real Estate Development- (b)</b>	<b>2,253.02</b>	<b>2,026.24</b>
<b>Total (a) + (b)</b>	<b>2,423.77</b>	<b>2,200.52</b>

- The cost of inventories recognised as an expense during the current year is ₹ 1,017.29 crores (2018-19 : ₹ 1,892.33 crores)
- The value of inventories above is stated after impairment of ₹ 47.71 crores (March 31, 2019 : ₹ 9.77 crores) for write down to net realisable value and provision for slow moving and obsolete items - includes impairment of Transferable Development Rights ₹ 29.88 crores and others ₹ 17.83 crores.
- Certain inventories are hypothecated against borrowings, details of which have been described in Notes - 21 , 24 and 40.
- For mode of valuation of inventories [Refer Note 2 (j)]
- In the opinion of the management, the net realisable value of the construction Work-in- progress will not be lower than the costs so included therein.

### 12 Trade Receivables

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured</b>		
Considered Good	728.24	1,092.22
Credit Impaired	12.78	12.12
Less: Allowance for bad and doubtful debts	(12.78)	(12.12)
<b>Total</b>	<b>728.24</b>	<b>1,092.22</b>

- In determining the allowances for credit losses of Trade Receivables, the Group has used a practical expedient by computing the Expected Credit Loss Allowance for Trade Receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The Expected Credit Loss allowance is based on the ageing of the receivables that are due and the rates used in the provision matrix.
- Since the Group calculates impairment under the simplified approach for Trade Receivables, it is not required to separately track changes in credit risk of Trade Receivables as the impairment amount represents Lifetime Expected Credit Loss. Accordingly, based on a harmonious reading of Ind AS 109 and the break-up requirements under Schedule III, the disclosure for all such Trade Receivables is made as shown above.

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

i. Reconciliation of Credit Loss Allowance :

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Balance at the beginning of the year	12.12	29.91
Allowance for Expected Credit Loss	0.66	-
Excess provision written back	-	(17.79)
<b>Balance at the end of the year</b>	<b>12.78</b>	<b>12.12</b>

ii. Ageing of Trade Receivables and credit risk arising there from is as below:

(₹ in Crores)

Particulars	As at March 31, 2020		
	Gross credit risk	Allowance for credit loss	Net credit risk
Amount not due	45.96	0.09	45.87
upto 30 days past due	25.55	0.25	25.30
31-60 days past due	23.22	0.35	22.87
61-90 days past due	11.61	0.34	11.27
91-120 days past due	3.31	0.05	3.26
121-180 days past due	1.92	0.38	1.54
181-360 days past due	0.59	0.08	0.51
more than 360 days past due	628.86	11.24	617.62
	<b>741.02</b>	<b>12.78</b>	<b>728.24</b>

(₹ in Crores)

Particulars	As at March 31, 2019		
	Gross credit risk	Allowance for credit loss	Net credit risk
Amount not due	633.94	0.14	633.80
upto 30 days past due	349.63	0.09	349.54
31-60 days past due	2.57	0.05	2.52
61-90 days past due	0.50	0.02	0.48
91-120 days past due	0.77	0.03	0.74
121-180 days past due	0.18	0.01	0.17
181-360 days past due	25.73	0.57	25.16
more than 360 days past due	91.02	11.21	79.81
	<b>1,104.34</b>	<b>12.12</b>	<b>1,092.22</b>

- c. Trade Receivables include ₹ 42.62 crores (March 31, 2019 : ₹ 43.84 crores) due from a customer towards part compensation for sale of property, common area maintenance charges and project related costs. The Receivables are under dispute and the matter has been referred to arbitration. Pending finalisation of arbitration proceedings, the Receivables are considered good.
- d. Trade Receivables are hypothecated against borrowings, details of which have been described in Notes - 21 , 24 and 40.

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### 13 Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks in Current Accounts	1.96	25.41
Cheques on Hand	-	3.35
Cash on Hand	0.08	0.05
Bank deposits with maturity less than 3 months	0.76	2.04
<b>Total</b>	<b>2.80</b>	<b>30.85</b>

### 14 Bank Balances other than Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Earmarked balances with banks :		
Unpaid Dividend Accounts	1.66	1.65
Escrow Accounts [Refer Note (a) below]	0.55	24.19
Deposits held in Escrow Accounts [Refer Note (b) below]	25.00	4.00
Deposits under Lien [Refer Note (c) below]	15.12	12.59
Bank deposits with maturity more than three months but less than twelve months	1.84	3.54
<b>Total</b>	<b>44.17</b>	<b>45.97</b>

- a. Balances with banks in escrow accounts represent amounts held in escrow in accordance with the directions of the Monitoring Committee for redevelopment of land of Cotton Textile Mill.
- b. Deposits held in escrow accounts represent amounts held in escrow in accordance with the directions of the Monitoring Committee for redevelopment of land of Cotton Textile Mill. [Refer Note 40 and 41].
- c. Bank deposits include restricted deposits as under:
  - Deposits under lien towards security for guarantees issued on behalf of the Company ₹ 15.12 crores (March 31, 2019 : ₹ 12.59 crores) [Refer Note 40 and 41].

### 15 Loans - Current

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Loans Receivable Considered good - Unsecured</b>		
Security Deposits	0.11	0.04
Loans to employees	0.36	0.60
Loans to others	-	0.01
<b>Total</b>	<b>0.47</b>	<b>0.65</b>

### 16 Other Financial Assets - Current

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, considered good unless otherwise stated</b>		
Interest accrued on deposits	0.66	0.37
Export Benefits Receivable	3.26	0.10
Receivable from post Employment Benefit Fund	-	1.02
<b>Total</b>	<b>3.92</b>	<b>1.49</b>

- a. Other Financial Assets are hypothecated against borrowings, details relating to which have been described in Notes - 21, 24 and 40.

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### 17 Current Tax Assets (Net)

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance income-tax [net of provision for taxation]	65.71	61.80
<b>TOTAL</b>	<b>65.71</b>	<b>61.80</b>

#### a. Components of Income Tax Expense / (Income)

(₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Income tax expense recognised in the Statement of Profit and Loss</b>		
<b>Current Tax:</b>		
Current Tax on Profits for the year	-	7.64
Deferred Tax	(531.59)	-
(Excess) / Short Provision of tax of earlier years	(5.35)	(1.85)
<b>Total Income Tax Expense</b>	<b>(536.94)</b>	<b>5.79</b>

(₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Deferred Tax related to items recognised in Other Comprehensive Income</b>		
Tax effect on remeasurement (loss) /gain on defined benefit plans	0.68	0.09
Tax effect on fair value of Equity Instrument through OCI	0.11	-
<b>Total Income Tax Expense</b>	<b>0.79</b>	<b>0.09</b>

#### b. Reconciliation of Income Tax Expense and Accounting Profit

The reconciliation between estimated Income Tax expense at statutory income tax rate / (Minimum Alternate Tax) into income tax expense reported in the Statement of Profit and Loss is given below.

(₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Profit / (loss) before tax from continuing operation*</b>	<b>(208.09)</b>	<b>1,235.77</b>
<b>Profit / (loss) before tax from Discontinuing operation*</b>	<b>(1.04)</b>	<b>(1.90)</b>
Income tax expense calculated @ 25.17% (March 31, 2019 : 21.5488%)	-	266.30
Effect of income that is exempt from taxation	-	(0.56)
Effect of expenses that are not deductible in determining taxable income / book profit	-	0.07
Allowance for doubtful advances/debts	-	1.18
Sundry balances / excess provisions written back	-	(3.77)
Tax on Actuarial gain/(loss) on employee defined benefits obligation	-	(0.06)
Adjustment to book profit due to adoption of Ind AS 115	-	(183.51)
Adjustment to book profit as per provisions of Section 115JB (2) of I.T. Act,1961	-	(72.43)
Others	-	0.42
<b>Tax Expense</b>	<b>-</b>	<b>7.64</b>
Deferred Tax Expenses	(531.59)	-
(Excess) / Short Provision of tax of earlier years	(5.35)	(1.85)
<b>Income Tax Expense recognised in Statement of Profit and Loss</b>	<b>(536.94)</b>	<b>5.79</b>
<b>Effective Tax Rate</b>	<b>0.00%</b>	<b>0.47%</b>

\*In view of loss, Tax on Accounting Profit is NIL for the year ended March 31, 2020

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### c. Components of Deferred Tax

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Deferred Tax Liabilities</b>		
Property, Plant and Equipment	75.25	107.36
Intangible Assets	-	0.41
Right-to-Use Assets	1.53	-
Liability component of Compound Financial Instruments	0.14	-
<b>Total Deferred Tax Liabilities</b>	<b>76.92</b>	<b>107.77</b>
<b>Deferred Tax Assets</b>		
Deferred Tax Assets		
Defined Benefit Obligations	0.68	0.75
Intangible Assets	0.06	-
Allowance for doubtful advances/ debts	61.54	85.10
Accrued Expenses deductible on cash basis	1.13	2.00
Business Losses	441.14	19.92
Unabsorbed Depreciation	102.78	-
Lease liabilities	1.33	-
Security deposit	0.25	-
Fair Value changes of Equity Instruments through OCI	0.11	-
<b>Total Deferred Tax Assets</b>	<b>609.02</b>	<b>107.77</b>
<b>Net Deferred Tax (Liabilities) / Assets</b>	<b>532.10</b>	<b>-</b>

- During the year ended March 31, 2020, in terms of Ind AS 12 on "Income Taxes", the Group has recognised Deferred Tax Assets of ₹ 543.92 crores for the carryforward of unused tax losses in the form of unabsorbed depreciation and brought forward business losses to the extent it is probable that the future taxable profits will be available against which such unused tax losses can be utilised (before the expiry period thereof for its utilisation). The recognition is based on the projected profitability. The Group has recognised Deferred Tax Assets based on the revised rate of tax as per Section 115BAA of the Income-tax Act, 1961.
- During the year ended March 31, 2019, Deferred Tax Assets on unused tax losses, that is, business losses have been recognised only to the extent of Deferred Tax Liability.

### d. Movement of Deferred Tax

#### Deferred Tax Assets / (Liabilities) in relation to the year ended March 31, 2020

(₹ in Crores)

Particulars	Balance as at April 1, 2019	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Balance as at March 31, 2020
Property, Plant and Equipment	(107.36)	32.11	-	(75.25)
Right-of-Use Assets	-	(1.53)	-	(1.53)
Intangible Assets	(0.41)	0.47	-	0.06
Fair Value changes of Equity Instruments through OCI	-	-	0.11	0.11
Business Losses	19.92	421.22	-	441.14
Unabsorbed Depreciation	-	102.78	-	102.78
Equity component of Compound Financial Instruments	-	-	-	(0.28)
Liability component of Compound Financial Instruments	-	0.14	-	0.14
Security Deposit	-	0.25	-	0.25
Lease Liability	-	1.33	-	1.33
Allowance for doubtful advances/ debts	85.10	(23.56)	-	61.54
Accrued Expenses deductible on cash basis	2.00	(0.87)	-	1.13
Defined benefit obligations	0.75	(0.75)	0.68	0.68
<b>Total</b>	<b>-</b>	<b>531.59</b>	<b>0.79</b>	<b>532.10</b>

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### Deferred Tax Assets / (Liabilities) in relation to the year ended March 31, 2019

(₹ in Crores)

Particulars	Balance as at April 1, 2018	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Balance as at March 31, 2019
Property, Plant and Equipment	(108.02)	0.66	-	(107.36)
Intangible Assets	(0.52)	0.11	-	(0.41)
Business Losses	16.72	3.11	0.09	19.92
Allowance for doubtful advances/ debts	89.39	(4.29)	-	85.10
Accrued Expenses deductible on cash basis	1.59	0.41	-	2.00
Defined benefit obligations	0.84	-	(0.09)	0.75
<b>Total</b>	-	-	-	-

- e. Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Unused tax losses	-	1561.11
Unused tax credits [Refer Note (ii) below]	-	100.30
<b>Total</b>	-	<b>1,661.41</b>

#### Note

- As on March 31, 2020, the tax consequences with respect to the dividends proposed is ₹ NIL crores (March 31, 2019 : ₹ 6.37 crores).
- During the year, the Company has not recognised Deferred Tax Assets for tax credits in respect of Minimum Alternate Tax (MAT) credit of ₹ NIL crores (March 31, 2019 ₹ 7.21). MAT credit for the year ended March 31, 2019 would not be available to the Company since the Company would compute its tax liability based on the revised rate i.e. 25.17% as permitted under Section 115BAA of the Income-tax Act, 1961.

The amount and expiry date of unused tax credits, that is, MAT credit and unused tax losses, that is, unabsorbed depreciation and business losses is as follows :

(₹ in Crores)

i.	Tax Credit Carried Forward(FY)	As at March 31, 2019	Expiry Date
	2009-10	3.77	March 31,2020
	2010-11	5.26	March 31,2021
	2011-12	14.97	March 31,2022
	2012-13	21.50	March 31,2023
	2013-14	8.47	March 31,2024
	2014-15	10.42	March 31,2025
	2016-17	28.69	March 31,2027
	2018-19	7.21	March 31,2034



## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

(₹ in Crores)

ii.	Business Losses (FY)	As at March 31, 2019	Expiry Date
	2012-13	10.47	March 31,2021
	2013-14	28.86	March 31,2022
	2014-15	52.12	March 31,2023
	2015-16	142.11	March 31,2024
	2016-17	145.30	March 31,2025
	2017-18	325.49	March 31,2026
	2018-19	349.79	March 31,2027

iii. There is no expiry date for unabsorbed depreciation to set off against the future taxable income.

### 18 Other Current Assets

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, considered good unless otherwise stated</b>		
Deposits	5.40	0.93
Prepaid expenses	17.76	2.49
Advances other than Capital advances		
Balances with Government Authorities	15.93	6.16
Advances Receivable in cash or in kind		
- Considered Good		
Related Parties	0.28	0.92
Others	11.20	30.83
- Considered Doubtful	2.44	2.44
- Less: Allowance for Doubtful Advances	(2.44)	(2.44)
	<b>11.48</b>	<b>31.75</b>
<b>Total</b>	<b>50.57</b>	<b>41.33</b>

Note: Other Current Assets are hypothecated against borrowings, details relating to which have been described in Notes - 21, 24 and 40.

### 19 Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	₹ in Crores	Number of Shares	₹ in Crores
<b>Authorised Shared Capital</b>				
Equity shares of ₹ 2 each	510,000,000	102.00	510,000,000	102.00
8% Redeemable Non-convertible Non-cumulative Preference Shares of ₹ 100 each	400,000	4.00	400,000	4.00
<b>Total</b>	<b>510,400,000</b>	<b>106.00</b>	<b>510,400,000</b>	<b>106.00</b>
<b>Issued, Subscribed and Paid-up Share capital</b>				
Equity shares of ₹ 2 each	206,534,900	41.31	206,534,900	41.31
<b>Total</b>	<b>206,534,900</b>	<b>41.31</b>	<b>206,534,900</b>	<b>41.31</b>

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	₹ in Crores	Number of Shares	₹ in Crores
At the beginning of the year	206,534,900	41.31	206,534,900	41.31
Add: Shares issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>206,534,900</b>	<b>41.31</b>	<b>206,534,900</b>	<b>41.31</b>

### b. Rights, preferences and restrictions attached to Equity shares

The Company has issued and subscribed one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### c. Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	% Holding	Number of Shares	% Holding
Baymanco Investments Limited	47,312,000	22.91	47,312,000	22.91
The Bombay Burmah Trading Corporation Limited	31,550,713	15.28	31,550,713	15.28
	<b>78,862,713</b>	<b>38.19</b>	<b>78,862,713</b>	<b>38.19</b>

### d. Information regarding issue of shares during last five years

- No share is allotted pursuant to contracts without payment being received in cash.
- No bonus share has been issued.
- No share has been bought back.

### e. Shares held in Abeyance

Under orders from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992, the allotment of 4,640 equity shares (March 31, 2019 : 4,640 shares) of face value of ₹ 2/- each against warrants carrying rights of conversion into equity shares of the Company has been kept in abeyance in accordance with Section 206A of the Companies Act, 1956, till such time as the title of the *bonafide* owner is certified by the concerned Stock Exchanges.

## 20 Other Equity

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Reserve	29.51	29.51
Securities Premium	133.57	133.57
Investment Reserve	1.31	1.31
Consolidation Adjustment on account of Share Capital	17.55	17.55
General Reserve	155.81	155.81
Equity Component of Compound Financial Instruments - Preference Share Capital	0.52	-
Retained Earnings	(645.29)	(1,197.52)
<b>Items of Other Comprehensive Income</b>		
- Equity Instruments through Other Comprehensive Income	353.73	1,028.60
- Foreign Currency Translation Reserve	(1.09)	(1.14)
<b>Total</b>	<b>45.62</b>	<b>167.69</b>

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### Nature and purpose of reserves

#### a. Capital Reserve

Capital Reserve represents amounts forfeited on warrants not exercised and ₹ 0.91 crores due to demerger of Real Estate Business Undertaking of Scal Services Limited vested in the Company. (Refer Note. 43).

#### b. Securities Premium

Securities Premium represents premium on issue of shares on conversion of warrants. Securities Premium amounting to ₹ 7.80 crores is adjusted in accordance with the Scheme for Amalgamation of subsidiary with the Company, which was effected on April 1, 2016. There is no movement in securities premium reserve during the current and previous year.

#### c. Investment Reserve

Investment Reserve represents gain or loss on sale of investments. There is no movement in Investment Reserve during the current and previous year.

#### d. General Reserve

The Group has transferred a portion of the net profit of the Group before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013. There is no movement in General Reserve during the current and previous year.

#### e. Equity Component of Compound Financial Instruments

Equity Component of Compound Financial Instruments represent residual amount after deducting liability component from the fair value of the compound financial instruments.

#### f. Equity instruments through Other Comprehensive Income

The fair value change of the equity instruments measured at fair value through Other Comprehensive Income is recognised to and reflected under Equity Instruments through Other Comprehensive Income. On disposal, the cumulative fair value changes on the said instruments are reclassified to Retained Earnings.

#### g. Retained Earnings

Retained Earnings are the profits that the Group has earned till date, less any transfer to General Reserve, dividends or other distributions paid to shareholders.

#### h. Foreign Currency Translation Reserve

Exchange differences related to the translation of the results and net assets of the Group's foreign operations from their functional currency to the Group's presentation currency (i.e. INR) are recognised directly in the Other Comprehensive Income and accumulated in Foreign Currency Translation Reserve. Exchange difference accumulated in the Foreign Currency Translation Reserve are to be reclassified to Profit and Loss on the disposal of the foreign operation.

### 21 Non-current Borrowings

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Secured</b>		
Term Loans		
- from banks	95.13	53.20
- from others	3,264.93	3,339.93
<b>Unsecured</b>		
Preference Share Capital Suspense [Refer Note (d) below]	-	3.89
Liability Component of Compound Financial Instruments - Preference Share Capital [Refer Note (d) below]	3.31	
	3,363.37	3,397.02
Less : Current maturities of Long-term Borrowings [included in Note 26]	(26.78)	(23.64)
<b>Total</b>	<b>3,336.59</b>	<b>3,373.38</b>

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### a. Nature of Security and terms of repayment of secured borrowing:

#### From Banks :

Term loan amounting to ₹ 29.55 crores (March 31, 2019 : ₹ 53.20 crores) was secured by first and exclusive registered mortgage on Company's Jor Bagh property at New Delhi and on the immoveable property being the entire commercial building at C-1, Wadia International Centre and Texturising Building at Worli together with the FSI consumed and the land on which the building stands. Repayable in 12 equated Quarterly instalments commencing from August 2018 to May 2021.

Term loan amounting to ₹ 65.58 crores (March 31, 2019 : ₹ NIL) was secured by First pari passu charge by way of Registered Mortgage of NBW Building along with 1839.53 Sqm of land on which the building is constructed. Repayable in 120 equated monthly instalments commencing from September 2019 to November 2029.

#### From Other Parties :

- i. Term loans aggregating ₹ 1700.00 crores (March 31, 2019 : ₹ 1700.00 crores) are secured by way of registered mortgage of land underlying the project One ICC and Two ICC at Mumbai - along with the present and future unregistered flats thereon and exclusive charge by way of hypothecation on receivables arising out of all units from the project. Repayable in 24 equated monthly instalments commencing from November 2021.
- ii. Term loans aggregating ₹ 1434.93 crores (March 31, 2019 : ₹ 1434.93 crores) are secured by way of mortgage of plot of land at Pandurang Budhkar Marg, Worli, along with the present and future development. The term loan has not been fully drawn as on March 31, 2020. The repayment terms of the said loan are as under :-

Date of repayment	Amount (₹ in Crores)
June 5, 2021	265.93
June 5, 2022	584.50
June 5, 2023	584.50
<b>Total</b>	<b>1434.93</b>

- iii. Term loans aggregating ₹ 75.00 crores outstanding as on March 31, 2019 have been repaid in full during the year. Consequently, the security for the loan by way of pledge of shares held as Investment by the Company, has been fully released.
- iv. Term loans aggregating ₹ 130.00 crores (March 31, 2019 : ₹ 130.00 crores) are secured by way of exclusive registered mortgage of land at G.D.Ambekar Marg, Wadala, Mumbai and exclusive charge by way of hypothecation on receivables arising from the future constructions. Repayable in a single bullet payment, at the end of 36 months from the date of first disbursement.

b. There is no default in terms of repayment of principal borrowings and interest thereon.

c. The carrying amounts of financial and non-financial assets provided as security for above borrowings are disclosed in Note 40.

### d. Preference Share Capital and Preference Share Capital Suspense

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	₹ in Crores	Number of Shares	₹ in Crores
<b>Issued, Subscribed and Paid-up Share capital</b>				
8% Redeemable Non-convertible Non-cumulative Preference Shares of ₹ 100 each	388,800	3.89	-	-
	<b>388,800</b>	<b>3.89</b>	-	-

#### Preference Share Capital Suspense

Pursuant to The Scheme of Arrangement ('the Scheme') between SCAL Services Limited ('SCAL') and the Company and their respective shareholders for demerger of Real Estate Business Undertaking of SCAL vesting into the Company, the Company has issued 3,88,800, 8% Redeemable Non-convertible Non-cumulative Preference Shares of ₹ 100 each fully paid up. Such Preference Shares shall be redeemable any time within 36 months from the date of allotment. These Preference Shares were allotted on May 2, 2019. In terms of Ind AS 32, such Preference Shares have been treated as Compound Financial Instrument from the date of allotment.

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### i. Reconciliation of the preference shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	₹ in Crores	Number of Shares	₹ in Crores
At the beginning of the year	-	-	-	-
Add: Shares issued during the year	388,800	3.89	-	-
<b>At the end of the year</b>	<b>388,800</b>	<b>3.89</b>	-	-

### ii. Rights, preferences and restrictions attached to Preference shares

These shares shall confer the holders thereof, the right to a fixed preferential dividend (Non-cumulative in nature) at a rate of 8%, on the capital being paid up. These Preference Shares shall be redeemable any time within 36 months from the date of allotment.

### iii. Details of shareholders holding more than 5% Preference shares in the Company

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	% Holding	Number of Shares	% Holding
Bombay Dyeing Real Estate Co Ltd	91,200	23.46	-	-
Pentafil Textile Dealers Ltd	91,200	23.46	-	-
BDS Urban Infrastructures Private Limited	206,400	53.08	-	-
	<b>388,800</b>	<b>100.00</b>	-	-

## 22 Other Financial Liabilities - Non-current

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Deposits	6.70	7.39
Others	-	0.58
<b>Total</b>	<b>6.70</b>	<b>7.97</b>

## 23 Provisions - Non-Current

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
- Provision for compensated absences [Refer Note 49]	4.66	4.96
- Provision for loyalty / long service awards [Refer Note 49]	3.12	2.22
- Provision for termination benefits [Refer Note 45]	6.70	5.90
<b>Total</b>	<b>14.48</b>	<b>13.08</b>

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### 24 Borrowings - Current

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Secured</b>		
Loans repayable on demand from banks	29.15	41.98
Facilities from banks :		
- Bills discounted with banks	1.01	
- Packing credit	99.28	22.41
- Short term loans	22.00	25.00
- Buyer's Credit in Foreign currency	32.33	-
<b>Unsecured</b>		
Bills discounted with others	11.31	-
Intercompany deposits	189.00	135.00
Intercompany deposits from Related Parties [Refer Note 57]	400.00	350.00
<b>Total</b>	<b>784.08</b>	<b>574.39</b>

#### Nature of Security for short-term borrowings

- Secured Loans from banks ₹ 88.46 crores (March 31, 2019 ₹ 29.23 crores) are secured by exclusive charge by way of registered mortgage on the immovable property being the entire commercial building at C-1, Wadia International Centre and Texturising Building at Worli together with the FSI consumed and the land on which the building stands.
- Secured Loans from banks ₹ 95.31 crores (March 31, 2019 ₹ 60.16 crores) are secured by first charge on inventories and book debts of Retail and Polyester Divisions together with entire Property, Plant and Equipment aggregating of Polyester Division (including Factory Land and building).
- Intercompany deposits from Related Parties :

(₹ in Crores)

Particulars	March 31, 2020	March 31, 2019
Britannia Industries Limited	350.00	350.00
The Bombay Burmah Trading Corporation Limited	50.00	-
<b>Total</b>	<b>400.00</b>	<b>350.00</b>

- The carrying amounts of financial and non-financial assets provided as security for above borrowings are disclosed in Note 40.

### 25 Trade Payables - Current

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Acceptances under suppliers line of credit		
Total Outstanding dues of Micro Enterprises and Small Enterprises [Refer Note (a) below]	36.45	20.71
Others		
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	272.23	489.88
Acceptances under suppliers line of credit [Refer Note (b) below]	-	12.42
<b>Total</b>	<b>308.68</b>	<b>523.01</b>

- The dues payable to Micro and Small enterprises is based on the information available with the Group and takes into account only those suppliers who have responded to the enquiries made by the Group for this purpose (Refer Note 50)
- Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the Group continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days.

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### 26 Other Financial Liabilities - Current

(₹ in Crores)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Current Maturities of Long-term Borrowings [Refer Note 21]	26.78	23.64
Fixed Deposits from Public	-	0.30
Interest Accrued	33.47	13.68
Unpaid Dividends [Refer Note (a) below]	1.66	1.65
Unclaimed Matured Fixed Deposits from Public	0.81	1.65
Deposits	-	0.05
Derivatives - Forward Exchange Contracts [Refer Note (b) below]	1.65	2.08
Payable to related parties (Refer Note 57)	9.01	-
Accrued expenses	77.51	56.09
Employees benefits payable	7.90	14.47
Other Liabilities	7.67	15.02
<b>Total</b>	<b>166.46</b>	<b>128.63</b>

- a. During the year, the Group has transferred an amount of ₹ 0.20 crores (March 31, 2019 : ₹ 0.13 crores) to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013. There is no amount due for payment to the Fund as at the year end.
- b. The Group has entered into foreign exchange forward contracts with the intention of hedging foreign exchange risk of expected sales and purchases, these contracts are not designated as hedge and are measured at fair value through profit or loss. Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

### 27 Other Current Liabilities

(₹ in Crores)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Advances from Customers	55.68	285.77
Statutory Dues including Service Tax and Withholding Tax	10.64	12.93
Other Liabilities	2.74	10.55
<b>Total</b>	<b>69.06</b>	<b>309.25</b>

### 28 Provisions - Current

(₹ in Crores)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>Provision for Employee Benefits</b>		
Provision for compensated absences [Refer Note 49]	0.94	4.22
Provision for termination benefits		
- Gratuity [Refer Note 49]	2.30	-
- Others [Refer Note 45]	0.69	0.64
Provision for loyalty / long service awards [Refer Note 49]	0.38	0.30
<b>Other Provisions</b>		
Provision for litigation and disputes [Refer Note below]	12.40	13.95
Provision for commercial and other matters [Refer Note below]	41.65	37.92
Provision for sales tax forms (Refer Note below)	1.73	4.69
<b>Total</b>	<b>60.09</b>	<b>61.72</b>



## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

Note: Movements in each of the class of other provisions during the financial year are set out below:

(₹ in Crores)

Particulars	Litigation and disputes	Commercial and other matters	Sales tax forms
<b>As at April 1, 2018</b>	<b>14.96</b>	<b>26.24</b>	<b>4.20</b>
- Additions	1.15	11.68	2.50
- Amounts utilised	(2.16)	-	(2.01)
<b>As at March 31, 2019</b>	<b>13.95</b>	<b>37.92</b>	<b>4.69</b>
- Additions	-	3.73	0.04
- Amounts utilised	(1.55)	-	(3.00)
<b>As at March 31, 2020</b>	<b>12.40</b>	<b>41.65</b>	<b>1.73</b>

### 29 Current Tax Liabilities (Net)

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Taxation (net of advance income-tax)	0.04	6.75
<b>Total</b>	<b>0.04</b>	<b>6.75</b>

### 30 Revenue from Operations

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Sale of Products	1,327.02	1,683.05
Real Estate Development activity	513.93	2,509.26
Other Operating Revenue		
- Lease Rentals	23.69	23.62
- Subvention Income	11.31	194.61
- Others	18.67	19.22
Total Other Operating Revenue	53.67	237.45
<b>Total</b>	<b>1,894.62</b>	<b>4,429.76</b>

### 31 Other Income

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest Income		
- on Inter-corporate Deposits	-	0.04
- on Income-tax Refunds	2.41	0.43
- on Fixed Deposits with Banks	2.90	6.87
- on Financial Assets measured at Amortised Cost	1.06	0.10
- on Others	1.54	3.28
	<b>7.91</b>	<b>10.72</b>
Dividend Income		
- Dividend income from Non-current Investments	2.61	2.61
	<b>2.61</b>	<b>2.61</b>
Other Non - Operating Income		
- Sundry balances / excess provisions written back	7.31	3.46
- Other Non-operating Income	21.08	9.32
- Subsidy received for Electricity	9.57	8.08
	<b>37.96</b>	<b>20.86</b>

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Other Gains		
- Profit on Sale of Property, Plant and Equipment	-	4.48
- Gain on Foreign Currency Transactions (Net)	1.56	2.43
	<b>1.56</b>	<b>6.91</b>
<b>Total</b>	<b>50.04</b>	<b>41.10</b>

### 32 Cost of Material Consumed

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Inventories at the beginning of the year	54.27	78.92
Add : Purchases	914.01	1,152.38
	<b>968.28</b>	<b>1,231.30</b>
Less: Inventories at the end of the year	(57.30)	(54.27)
<b>Total</b>	<b>910.98</b>	<b>1,177.03</b>

### 33 Purchases of Stock-in-trade

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Processed long length	130.49	165.74
Made ups	30.43	55.16
<b>Total</b>	<b>160.92</b>	<b>220.90</b>

### 34 Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Manufacturing and Retail</b>		
Inventories at the beginning of the year		
Finished goods	50.20	59.69
Work-in-progress	9.47	13.18
Stock-in-trade	47.57	36.34
	<b>107.24</b>	<b>109.21</b>
Inventories at the end of the year		
Finished goods	62.62	50.20
Work-in-progress	5.93	9.47
Stock-in-trade	33.96	47.57
	<b>102.51</b>	<b>107.24</b>
<b>Inventory change - Manufacturing and Retail - (a)</b>	<b>4.73</b>	<b>1.97</b>
<b>Real Estate</b>		
Inventories at the beginning of the year		
Development work-in-progress	1,309.21	211.25
Add : Inventories acquired on demerger [Refer Note 43]	-	395.96
Add : Increase in value due to change in Accounting Policy [Refer Note 48]	-	1,194.43
	<b>1,309.21</b>	<b>1,801.64</b>
Inventories at the end of the year		
Development work-in-progress	1,368.55	1,309.21
<b>Inventory change - Real Estate - (b)</b>	<b>(59.34)</b>	<b>492.43</b>
<b>Total</b>	<b>(54.61)</b>	<b>494.40</b>

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### 35 Employee Benefits Expense

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Salaries, Wages and bonus	79.09	84.94
Contribution to Provident and Other Funds	4.35	4.36
Gratuity Expenses	1.41	0.43
Workmen and Staff Welfare Expenses	5.00	4.93
<b>Total</b>	<b>89.85</b>	<b>94.66</b>

### 36 Finance Costs

(₹ in Crores)

	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest on Long-term Borrowings	446.10	383.11
Interest on Short-term Borrowings	80.43	57.23
Interest on Lease Liability	0.71	-
Ancillary Borrowing Costs	22.85	38.41
Exchange difference to the extent considered as an adjustment to Borrowing Costs	0.51	-
Others	3.22	10.71
<b>Total</b>	<b>553.82</b>	<b>489.46</b>

### 37 Depreciation and Amortisation Expenses

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Depreciation on Property, Plant and Equipment	30.20	29.61
Amortisation on Right-of-Use Assets	2.74	-
Depreciation on Investment Property	0.05	0.05
Amortisation on Intangible Assets	0.12	0.13
<b>Total</b>	<b>33.11</b>	<b>29.79</b>

### 38 Other Expenses

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Manufacturing Expenses</b>		
Stores, Spare parts and Catalysts	30.73	33.68
Oil and coal consumed	45.68	49.95
Electric energy	45.73	44.65
Water charges	2.89	2.84
Repairs: Buildings	1.83	1.79
Machinery	7.01	8.46
Others	2.61	3.50
Job work / processing charges	0.37	0.17
<b>Subtotal</b>	<b>136.85</b>	<b>145.04</b>
<b>Construction Expenses</b>		
Architect fees and technical/ project related consultancy	11.98	19.24
Civil, Electrical, contracting etc.	120.39	303.00
Payment to local agencies	4.58	25.49
Compensation for rehabilitation of tenants	8.27	5.75
<b>Subtotal</b>	<b>145.22</b>	<b>353.48</b>

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Selling and Distribution Expenses</b>		
Brokerage, commission	8.59	11.28
Freight and forwarding	38.81	29.56
Advertisement expense	23.04	19.88
<b>Subtotal</b>	<b>70.44</b>	<b>60.72</b>
<b>Establishment Expenses</b>		
Rent	6.43	11.16
Rates and taxes	9.76	21.76
Insurance	1.82	1.24
Sundry Balances Written Off	1.41	-
Allowance for doubtful advances/debts	0.66	-
Bad debts and advances written off	-	16.03
Less: Allowance for doubtful debts written back	-	(16.03)
Payment to Auditors [Refer Note below]	1.36	1.31
Legal and Professional Fees	10.00	16.66
Retainership Fees	11.24	7.23
Loss on sale of Property Plant and Equipment	0.50	-
Capital Work-in Progress written off	-	71.04
Miscellaneous expenses	33.54	43.08
<b>Subtotal</b>	<b>76.72</b>	<b>173.48</b>
Subvention Reversal (Expense due to cancellation of contracts)	30.43	-
<b>Total</b>	<b>459.66</b>	<b>732.72</b>

### Payment to auditor

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
As an auditor :		
Audit Fee	0.75	0.75
Limited Review	0.35	0.41
<b>In other capacity:</b>		
Taxation Matters	0.22	0.08
Certification fees	0.04	0.06
Reimbursement of expenses	-	0.01
<b>Total</b>	<b>1.36</b>	<b>1.31</b>

### 39 Exceptional Items

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Profit on sale of Property, Plant and Equipment - Immoveable Property	-	9.34
Allowance for doubtful debts / advances to Joint Venture	-	(5.47)
<b>Total</b>	<b>-</b>	<b>3.87</b>

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### 40 Assets pledged / hypothecated / mortgaged as security

The carrying amounts of assets pledged / hypothecated / mortgaged as security as collateral for Current and Non-current Borrowings or Contingent liabilities are:

(₹ in Crores)			
Particulars	Notes	As at March 31, 2020	As at March 31, 2019
<b>Current Assets</b>			
<b>Financial Assets</b>			
<b>First Charge</b>			
Fixed Deposits under Lien	14	40.13	15.42
		<b>40.13</b>	<b>15.42</b>
<b>Floating Charge</b>			
Trade Receivables	12	686.56	1,092.22
Other Financial Assets	16	3.51	1.49
Other Current Assets	18	4.20	-
		<b>694.27</b>	<b>1,093.71</b>
<b>Non-Financial Assets</b>			
<b>Floating Charge</b>			
Inventories	11	1,162.86	1,353.47
		<b>1,162.86</b>	<b>1,353.47</b>
<b>Total Current Assets pledged / hypothecated / mortgaged as security</b>		<b>1,897.26</b>	<b>2,462.60</b>
<b>Non-current Assets</b>			
<b>First Charge</b>			
Property, Plant and Equipment	3	448.52	465.81
Investment Property	5	2.69	2.69
Investments	7	-	169.04
Fixed Deposits under Lien	9	-	-
		<b>451.21</b>	<b>637.54</b>
<b>Total Non-currents Assets pledged / hypothecated / mortgaged as security</b>		<b>451.21</b>	<b>637.54</b>
<b>Total Assets pledged / hypothecated / mortgaged as security</b>		<b>2,348.47</b>	<b>3,100.14</b>

### 41 Contingent Liabilities

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>A. Claims against the company not acknowledged as debt.</b>		
a. Income-tax matters in respect of earlier years under dispute (including interest) March 31, 2020 - ₹ 2.72 crores [March 31, 2019 - ₹ 21.40 crores] as follows:		
i. Pending in appeal - matters decided against the Company	12.48	78.19
b. Sales Tax, Service Tax and Excise Duties	18.08	23.26
c. Custom Duty	0.95	0.95
d. Other Matters (Including claims related to real estate, employees and other matters)	98.96	112.40
In respect of items (a) to (d) above, it is not possible for the Company to estimate the timings of cash outflows which would be determinable only on receipt of Judgements pending at various forums/ authorities.		
The Company does not expect any reimbursements in respect of the above contingent liabilities.		
The Company's pending litigations comprise of claims against the Company by certain real estate customers and disputed by the Company, of which the significant ones are matters of arbitration, and pertaining to proceedings pending with Income Tax, Excise, Custom, Sales Tax / VAT and other authorities.		

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
<b>B. Guarantees</b>		
<b>a. Bank Guarantees:-</b>	32.55	34.96
Guarantees issued by banks Secured by bank deposits under lien with the bank ₹ 12.09 crores (March 31, 2019 : ₹ 12.41 crores) and by first charge on inventories and book debts of Retail and Polyester Divisions together with entire Property, Plant and Equipment aggregating of Polyester Division (including Factory Land and building).		
<b>C. Commitments</b>		
<b>a.</b> Estimated amount of contracts remaining to be executed on capital account and not provided for	0.31	1.53
<b>b.</b> Other Commitments not provided for related to construction under development (net of advances)	168.45	263.63
<b>D. Other money for which the Company is contingently liable</b>		
Though a review petition filed against the decision of the Hon'ble Supreme Court of India of February 2019 on Provident Fund (PF) on inclusion of allowances for the purpose of PF Contribution has been set aside, there are interpretative challenges, mainly for estimating the amount and applicability of the decision retrospectively. Pending any direction in this regard from the Employees Provident Fund Organisation, the impact for past periods, if any, is considered to the effect that it is only possible but not probable that outflow of economic resources will be required. The Company will continue to monitor and evaluate its position and act, as clarity emerges.	-	-

### 42 Litigations

- a. During the year 2010-11, the Company had agreed to sell certain area in the proposed tower TWO ICC to Shaan Realtors Private Limited, (formerly Accord Holding Private Limited) ("the claimants"). The area agreed to be sold is under dispute and the matter was referred to arbitration. The arbitrator vide order dated January 13, 2014 passed the final award directing the Company to allot to the claimants and/ or its associates, friends, nominees carpet area of 1,00,000 sq. ft. less the carpet area as already allotted to them in the proposed tower TWO ICC, namely, additional carpet area of 48,495 sq. ft. Accordingly, the requisite area has been set aside by the Company and no adjustment has been made in the financial statements in view of the uncertainty involved. The parties are in the process of settling the matter.
- b. The Bombay High Court vide its order dated November 20, 2013 permitted the Company to surrender land at one location i.e. Wadala, as per the application made by the Company under Integrated Development Scheme. As per this order, the total of 66,651 sq. metres of land has been surrendered to MCGM and MHADA at Island City Centre, Wadala. During the year 2013-14, the Union had filed a writ petition requiring the Company to surrender non textile mill land. The Bombay High Court has directed the Company to reserve additional 10,000 sq. metres of land adjacent to the land to be surrendered. The Company believes that above said writ petition filed in Bombay High Court has no impact on the development of the two towers at ICC since the reserved land of 10,000 sq. metres is different from the one where construction of the two towers is in progress and part Occupancy Certificate (OC) has received for same.
- c. The Company had during the year 2010-11 sold the building known as 'Wadia Tower A' to Axis Bank Limited for a consideration of ₹ 782.62 crores. The purchaser has till date paid a sum of ₹ 753.69 crores and the balance ₹ 28.93 crores is still outstanding. Axis Bank Limited has claimed damages and interest for delayed handover, non-completion of essential and basic amenities, failure to provide prominent signage, etc. and has not paid the common area maintenance charges amounting ₹ 13.69 crores (As on March 31, 2019 : ₹ 14.91 crores). Since the matter could not be amicably resolved, the same was referred to arbitration. Claims from the Bank regarding costs for work completed by the Bank on behalf of the Company and by the Company on behalf of Axis Bank are also matters under arbitration. Pending finalisation of arbitration proceedings, the receivables are Considered good.

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### 43 Demerger of Real Estate Undertaking Business of Scal Services Limited during the year ended March 31, 2019.

- The Scheme of Arrangement ('the Scheme') between SCAL Services Limited ('SCAL') and the Company and their respective shareholders for demerger of Real Estate Business Undertaking of SCAL vesting into the Company was sanctioned by the Hon'ble NCLT, Bench at Mumbai vide Order dated February 21, 2019. The certified copy of the Order sanctioning the Scheme was filed with the Registrar of the Companies, Mumbai, on February 28, 2019. On giving effect of the Scheme, from the Appointed Date of the Scheme, i.e. July 1, 2018, all the assets and liabilities of Real Estate Business Undertaking of SCAL stands transferred and vested in the Company.
- The assets and liabilities of SCAL as at July 1, 2018 have been taken over at their respective book values and necessary adjustments have been made such that all the assets and liabilities acquired are reflected at their acquisition date fair value as required by Ind AS 103 "Business Combinations". Accordingly, ₹ 0.91 Crore has been credited to the Capital Reserve as shown below:

#### Impact on Balance Sheet

Particulars	(₹ in Crores)	
	As at March 31, 2019	
Non-current Assets		386.23
Current Assets other than Cash and Cash Equivalents		174.02
Cash and Cash Equivalents		0.53
		<b>560.78</b>
Non-current Liabilities		555.21
Current Liabilities		4.66
<b>Capital Reserve</b>		<b>0.91</b>

- Pursuant to The Scheme of Arrangement between SCAL Services Limited and the Company and their respective shareholders for demerger of Real Estate Business Undertaking of SCAL vesting into the Company, the Company has issued 3,88,800, 8% Redeemable Non-convertible Non-cumulative Preference Shares of ₹ 100 each fully paid up. In terms of Ind AS 32, such Preference Shares have been treated as Compound Financial Instrument from the date of allotment and shown under Non-current Borrowings (Refer Note 21).
- 44 During the year 2000-01, pursuant to the Scheme of Amalgamation between Scal Investments Limited (SIL) and the Company, sanctioned by the jurisdictional court on April 20, 2001, the assets, liabilities and reserves of SIL had been transferred to and vested in the Company with effect from October 1, 2000.
- 45 The Company vide notice dated January 8, 2013 notified the closure of its textile mills manufacturing undertaking at Worli, pursuant to which some of the textile workers accepted alternate employment in the Company and the remaining workers accepted closure of the undertaking and consequent termination of services under the memorandum of agreement signed by the Company with the workers union. In accordance with the agreement, the Company has paid / provided to such workers the terminal dues, closure compensation and ex-gratia compensation. Whilst some workers have accepted lump sum compensation, others have opted for a monthly payment up to age 63 or till demise, whichever is earlier. At the time of the previous voluntary retirement schemes, the initial cost relating to ex-gratia compensation was added to the development cost of land. The liability in respect of the monthly payments as actuarially determined is as under:

Particulars	(₹ in Crores)	
	As at March 31, 2020	As at March 31, 2019
a. The liability in respect of the monthly payments that has been actuarially determined as on the Balance sheet date by the independent actuary	7.39	6.86
b. The actuarial (gain)/loss for the year recorded in the Statement of Profit and Loss. [Refer Note 49]	0.10	(0.09)

- 46 The total remuneration to the Managing Director, amounting to ₹ 8.84 crores for the year ended March 31, 2020, includes bonus of ₹ 1.75 crores pertaining to FY 2018-19, paid in FY 2019-20. Therefore the actual remuneration to Managing Director for FY 2019-20 is ₹ 7.09 crores, which is within the overall limits of the special resolution passed by the shareholders at the Annual General Meeting of the Company held on August 7<sup>th</sup>, 2018.



## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

**47** Pursuant to the Order of the Supreme Court dated August 2, 2013 and the Order of the Bombay High Court dated November 20, 2013 permitting the Company to surrender land at one location i.e. Spring Mills, Wadala, under the Integrated Development Scheme for consolidating handover obligation, the Company had in December 2014 given advance possession of 32,829.02 square metres of land to MCGM and 33,822.89 square metres of land to MHADA at Spring Mills, Wadala after completion of necessary boundary wall, and internal filling/ levelling, SWD, etc. as per the provisions of DCR 58 (6) read with DCR 58 (1) (a) and (b).

As per the provisions of DCR 54, the Company has entered into agreement with MHADA in September, 2018 for entitlement for TDR of 84,557.22 square metres in lieu of surrender of land to MHADA as aforesaid. The TDR received from MHADA is recognised as revenue and reflected under Revenue from Real Estate Development activity based on Valuation Report of a Registered Valuer at ₹350.05 crores. Such TDR forms part of the inventory and reflected as such (Refer Note 11).

As per the provisions of DCR 54, the Company has entered into an agreement with MCGM on March 28, 2019 for entitlement of FSI. The FSI received from MCGM is recognised as revenue and reflected under Revenue from Real Estate Development activity based on Valuation Report of a Registered Valuer at ₹ 371.11 crores. Such FSI forms part of the inventory and reflected as such.

For the year ended March 31, 2020, the Company has received additional entitlement FSI of 1.17 (38,409.95 square metres) and recognised gain of ₹ 326.47 crores and reflected under Revenue from Real Estate Development activity. Such FSI forms part of the inventory and reflected as such.

### **48 Disclosures under Ind AS 115 - Revenue from Contracts with Customers**

The Group generates revenue primarily from Sale of Polyester Staple Fibre, Retail and Real Estate Development; its other operating revenue include Lease Rentals and Subvention Income.

The impact of adoption of Ind AS 115 on the financial statements on account of Revenue from Sale of Polyester Staple Fibre and Retail is insignificant or has remained unchanged; however, the impact of Revenue from Real Estate Development activity for its ongoing project at Wadala is significant and accordingly, is given effect to. [Refer Note 2(o)].

Hitherto, the Group recognised revenue from Real Estate Development activity in accordance with the Guidance Note on "Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable)" issued by the Institute of Chartered Accountants of India, which was based on principles set out in Ind AS 18 and Ind AS 11. Accordingly, where the Group had obligations to perform substantial acts even after the transfer of all significant risks and rewards, revenue was recognised on the 'Percentage of Completion Method' (POCM). Revenue was recognised in relation to the sold areas, on the basis of percentage of actual cost incurred to the total estimated cost of project.

The Group has assessed effect of Ind AS 115 on its contracts with customers that are not completed as on April 1, 2018 for its ongoing project at Wadala and on the basis of such assessment and as legally advised, the Group has changed its accounting policy to recognise revenue from POCM, that is, over a period, to Project Completion Method (PCM), that is, at a point in time. Due to this change, in terms of transitional provisions under Ind AS 115, as on April 1, 2018, the cumulative revenue of ₹ 2,967.66 crores (of which ₹ 1,502.13 crores represents Unbilled Revenue) hitherto recognised is reversed and cumulative corresponding cost of ₹ 1,194.43 crores is reflected as Inventory - Work-in-progress and the resultant net impact thereof ₹ 1,773.23 crores is adjusted in Retained Earnings.

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

₹ in Crores

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>A. Details of Revenue from contracts with customers recognised by the Company, in its Statement of Profit and loss</b>		
<b>Revenue from Operations</b>		
Real Estate	548.93	2,727.48
Polyester	1,114.58	1,439.28
Retail / Textile	231.11	263.00
	<b>1,894.62</b>	<b>4,429.76</b>
<b>B. Provision / (Reversal) of Expected Credit Loss on Trade Receivables recognised in the Statement of Profit and Loss based on evaluation under Ind AS 109 (Refer Note 12)</b>	<b>0.66</b>	<b>(17.79)</b>
<b>C. Disaggregation of revenue from Contracts with Customers</b>		
<b>i. Revenue based on nature of products or service</b>		
Real Estate		
- Real Estate Development activity	513.93	2,509.25
- Subvention Income	11.31	194.61
- Lease Rentals	23.69	23.62
Polyester		
- Polyester Staple Fibre	1,095.90	1,419.66
- Others	18.68	19.62
Retail / Textile		
- Bed Linen Products	153.38	149.54
- Bath Linen Products	30.35	36.75
- Others	47.38	76.71
	<b>1,894.62</b>	<b>4,429.76</b>
<b>ii. Revenue based on Geography</b>		
India		
- Real Estate	548.93	2,727.48
- Polyester	698.29	1,040.38
- Retail / Textile	231.11	263.00
Out of India		
- Polyester	416.29	398.90
	<b>1,894.62</b>	<b>4,429.76</b>
<b>iii. Revenue based on Contract duration</b>		
Short -term contracts		
- Real Estate	-	0.17
- Polyester	1,114.58	1,439.28
- Retail / Textile	231.11	263.00
Long terms contracts		
- Real Estate	548.93	2,727.31
	<b>1,894.62</b>	<b>4,429.76</b>
<b>iv. Revenue based on its timing of recognition</b>		
Point in time		
- Real Estate	548.93	2,727.48
- Polyester	1,114.58	1,439.28
- Retail / Textile	231.11	263.00
Over a period of time	-	-
	<b>1,894.62</b>	<b>4,429.76</b>

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### D. Contract Balances

The following table provides information about Trade Receivables and Contract Liabilities from contracts with customers:

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>i. Trade Receivables (Gross) - Current [Refer Note 12]</b>	741.02	1,104.34
Less: Provision for Impairment	(12.78)	(12.12)
<b>Net Receivables</b>	<b>728.24</b>	<b>1,092.22</b>
<b>ii. Contract Liabilities</b>		
Advance from Customers - Current [Refer Note 27]	55.68	285.77
<b>Total Contract Liabilities</b>	<b>55.68</b>	<b>285.77</b>

#### Notes :

- Amounts received before the related performance obligation is satisfied are included in the balance sheet (Contract liability) as "Advances received from Customers" in (Refer Note 27) Other Current Liabilities. Amounts billed for development milestone achieved but not yet paid by the customer are included in the balance sheet under in Trade Receivables (Refer Note 12).
- There were no significant changes in the composition of the contract liabilities and Trade Receivables during the reporting period other than on account of periodic invoicing and revenue recognition.
- Amounts previously recorded as contract liabilities increased due to further milestone based invoices raised during the year and decreased due to revenue recognised during the year on receipt of second phase of Occupation Certificate.
- Amounts previously recorded as Trade Receivables increased due to further milestone based invoices raised during the year and decreased due to collections during the year.
- There has been no material impact on the Cash flows Statement as the Group continues to collect from its Customers based on payment plans.

### E. Reconciliation of Revenue recognised from Contracts with Customers in the Statement of Profit and Loss with the contracted price

₹ in Crores

	Year ended March 31, 2020	Year ended March 31, 2019
<b>Contracted price with the Customers</b>	1,976.72	4,500.28
Less: Discounts and rebates	82.10	70.51
<b>Revenue from Contracts with Customers (as per Statement of Profit and Loss)</b>	<b>1,894.62</b>	<b>4,429.76</b>

## 49 Employee Benefits

### A. Defined Contribution Plan

#### Provident Fund and pension

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 eligible employees of the Group are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary.

The contributions, as specified under the law, are made to the provident fund set up as an irrevocable trust by the Group, post contribution of amount specified under the law to Employee Provident Fund Organisation on account of employee pension scheme.

#### Superannuation Fund

The Group has a superannuation plan for the benefit of some of its employees. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. Separate irrevocable trusts are maintained for employees covered and entitled to benefits. The contributions are recognised as an expense as and when incurred and the Group does not have any further obligations beyond this contribution.

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

The Group has recognized the following amounts in the Statement of Profit and Loss under Contribution to Provident and Other Funds as under:

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Employer's contribution to Provident Fund	2.60	2.72
Employer's contribution to Family Pension Fund	0.54	0.48
Employer's contribution to Superannuation Fund	0.28	0.30

### B. Defined benefit Plan

#### Retirement Gratuity

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Group makes annual contributions to gratuity funds established as trusts or insurance companies. The Group accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

#### i. Gratuity - As per actuarial valuation as on March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Actuarial Assumptions</b>		
Expected Return on Plan Assets	6.04%	7.59%
Rate of Discounting	6.04%	7.59%
Rate of Salary Increase	8.50%	8.50%
Rate of Employee Turnover	For service 4 years and below 23.00% p.a., thereafter 3.00% p.a.	For service 4 years and below 23.00% p.a., thereafter 3.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Change in the Present Value of Projected Benefit Obligation</b>		
Present Value of Benefit Obligation at the Beginning of the year	17.50	17.26
Interest Cost	1.33	1.33
Current Service Cost	1.41	1.28
Benefit Paid from the Fund	(1.44)	(2.11)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	1.89	0.13
Actuarial (Gains)/Losses on Obligations - Due to Experience	(0.19)	(0.39)
<b>Present Value of Benefit Obligation at the End of the year</b>	<b>20.50</b>	<b>17.50</b>

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Change in the Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the Beginning of the year	17.44	22.33
Interest Income	1.32	1.72
Contributions by the Employer	0.13	(3.99)
Benefit Paid from the Fund	(1.49)	(2.11)
Return on Plan Assets, Excluding Interest Income	(0.27)	(0.51)
<b>Fair Value of Plan Assets at the End of the year</b>	<b>17.13</b>	<b>17.44</b>

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Amount Recognized in the Balance Sheet</b>		
Present Value of Benefit Obligation at the end of the year	(20.50)	(17.51)
Fair Value of Plan Assets at the end of the year	17.13	17.45
Funded Status Surplus/ (Deficit)	(3.37)	(0.06)
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>(3.37)</b>	<b>(0.06)</b>

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Expenses Recognized in the Statement of Profit or Loss</b>		
Current Service Cost	1.41	1.28
Net Interest Cost	-	(0.39)
<b>Net (Income)/Expense Recognized in the Statement of Profit or Loss</b>	<b>1.41</b>	<b>0.89</b>

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Amount Recognized in the Other Comprehensive Income (OCI) for the year</b>		
Actuarial (Gains)/Losses on Obligation	1.70	(0.25)
Return on Plan Assets, Excluding Interest Income	0.27	0.51
<b>Net (Income)/Expense Recognized in the OCI</b>	<b>1.97</b>	<b>0.26</b>

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Category of Assets</b>		
Government of India Assets	1.74	4.09
State Government Securities	-	-
Mutual Funds	3.30	1.55
Corporate Bonds	-	-
Cash And Cash Equivalents	0.02	0.61
Insurance Funds	13.01	12.13
Other	(0.94)	(0.94)
<b>Total</b>	<b>17.13</b>	<b>17.44</b>

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Other Details</b>		
Weighted Average Duration of the Projected Benefit Obligation (years)	9.23	9.84
Prescribed Contribution For Next Year (₹ in Crores)	2.03	1.47

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Maturity Analysis of the Benefit Payments: From the Fund</b>		
Projected Benefits Payable in Future Years From the Date of Reporting		
1 <sup>st</sup> Following Year	2.61	1.94
2 <sup>nd</sup> Following Year	1.74	1.56
3 <sup>rd</sup> Following Year	2.40	1.97
4 <sup>th</sup> Following Year	2.30	2.10
5 <sup>th</sup> Following Year	1.79	2.03
Sum of Years 6 To 10	6.55	6.47
Sum of Years 11 and above	16.05	16.70

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Sensitivity Analysis</b>		
Delta Effect of +1% Change in Rate of Discounting	(1.26)	(1.06)
Delta Effect of -1% Change in Rate of Discounting	1.44	1.20
Delta Effect of +1% Change in Rate of Salary Increase	1.39	1.18
Delta Effect of -1% Change in Rate of Salary Increase	(1.25)	(1.06)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.23)	(0.10)
Delta Effect of -1% Change in Rate of Employee Turnover	0.25	0.11

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

### Qualitative Disclosures

#### - Characteristics of defined benefit plan

The Group has a defined benefit gratuity plan in India (funded). The Group's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### - Risks associated with defined benefit plan

- Gratuity is a defined benefit plan and Company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

- During the year, there were no plan amendments, curtailments and settlements.
- A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

### ii. Long Service Benefit - As per actuarial valuation as on March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Actuarial Assumptions</b>		
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	6.04%	7.59%
Rate of Salary Increase	8.50%	8.50%
Rate of Employee Turnover	For service 4 years and below 23.00% p.a. & For service 5 years and above 3.00% p.a.	For service 4 years and below 23.00% p.a. & For service 5 years and above 3.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Change in the Present Value of Projected Benefit Obligation</b>		
Present Value of Benefit Obligation at the Beginning of the year	2.50	2.50
Interest Cost	0.19	0.19
Current Service Cost	0.11	0.11
(Benefit Paid Directly by the Employer)	(0.04)	(0.18)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.31	(0.06)
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.43	(0.06)
<b>Present Value of Benefit Obligation at the End of the year</b>	<b>3.50</b>	<b>2.50</b>

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Amount Recognized in the Balance Sheet</b>		
Present Value of Benefit Obligation at the end of the year	3.50	2.50
Fair Value of Plan Assets at the end of the year	-	-
Funded Status Surplus/ (Deficit)	3.50	2.50
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>3.50</b>	<b>2.50</b>

(₹ in Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Expenses Recognized in the Statement of Profit or Loss</b>		
Current Service Cost	0.11	0.11
Net Interest Cost	0.19	0.19
<b>Net (Income)/Expense Recognized in the Statement of Profit or Loss</b>	<b>0.30</b>	<b>0.30</b>
<b>Amount Recognized in the Other Comprehensive Income (OCI) for the year</b>		
Actuarial (Gains)/Losses on Obligation For the year	0.74	(0.11)
Return on Plan Assets, Excluding Interest Income	-	-
<b>Net (Income)/Expense Recognized in OCI</b>	<b>0.74</b>	<b>(0.11)</b>

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Other Details</b>		
Weighted Average Duration of the Projected Benefit Obligation	7.67	7.70
Prescribed Contribution For Next Year (12 Months)	-	-

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Maturity Analysis of the Benefit Payments: From the Employer</b>		
Projected Benefits Payable in Future Years From the Date of Reporting		
1 <sup>st</sup> Following Year	0.38	0.16
2 <sup>nd</sup> Following Year	0.35	0.24
3 <sup>rd</sup> Following Year	0.39	0.36
4 <sup>th</sup> Following Year	0.46	0.33
5 <sup>th</sup> Following Year	0.33	0.39
Sum of Years 6 To 10	1.25	1.15
Sum of Years 11 and above	2.42	2.16



## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Sensitivity Analysis</b>		
Delta Effect of +1% Change in Rate of Discounting	(0.21)	(0.02)
Delta Effect of -1% Change in Rate of Discounting	0.24	0.31
Delta Effect of +1% Change in Rate of Salary Increase	0.23	0.30
Delta Effect of -1% Change in Rate of Salary Increase	(0.21)	(0.02)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.03)	0.12
Delta Effect of -1% Change in Rate of Employee Turnover	0.03	0.14

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

### Qualitative Disclosures

#### - Characteristics of defined benefit plan

The Group has a defined benefit Long Service Benefit plan in India (unfunded). The Group's defined benefit Long Service Benefit plan is a final salary plan for employees.

Long Service Benefit is paid from Company as and when it becomes due and is paid as per Company scheme for Long Service Benefit.

#### - Risks associated with defined benefit plan

Long Service Benefit is a defined benefit plan and Company is exposed to the Following Risks:

**Interest rate risk:** A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

- During the year, there were no plan amendments, curtailments and settlements.

- Long Service Benefit plan is unfunded.

### C. Other long term benefits-

Amount recognised as a liability in respect of compensated leave absences as per the actuarial valuation / management estimate as at March 31, 2020 is ₹ 5.60 crores [As at March 31, 2019 : ₹ 9.17 crores].

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### 50 Disclosure Under Micro, Small and Medium Enterprises Development Act, 2006

The amount of dues owed to Micro, Small and Medium Enterprises as on March 31, 2020 amounted to ₹ 36.44 crores (March 31, 2019 : ₹ 20.71 crores). The information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

The Group has sought confirmation from vendors whether they fall in the category of Micro, Small and Medium Enterprises. Based on the information available the required disclosure under Micro, Small and Medium Enterprises Development Act, 2006 is given below:

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
i. Principal amount due to suppliers and remaining unpaid under MSMED Act, 2006	28.66	8.57
ii. Interest accrued and due and unpaid to suppliers under MSMED Act, on the above amount	1.41	0.36
iii. Interest paid	-	-
iv. Payment made to suppliers (other than interest) beyond the appointed day, during the year	96.52	46.81
v. Interest due and payable to suppliers under MSMED Act, for payments already made for the period of delay	1.47	0.32
vi. Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	2.88	0.69
vii. Amount of further interest remaining due and payable in succeeding year	2.88	0.69

### 51 Earnings Per Equity Share

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>i. Profit computation for both basic and diluted earnings per equity share of ₹ 2 each:</b>		
Net profit / (loss) after tax from continuing and discontinuing figures as per Statement of Profit and Loss available for equity shareholders (₹ in crores)	328.85	1,230.11
<b>ii. Number of Equity Shares</b>		
Number of Equity Shares at the beginning of the year	206,534,900	206,534,900
Add:- Shares allotted during the year	-	-
Number of Equity Shares at the end of the year	206,534,900	206,534,900
<b>Weighted average number of equity shares</b>		
For basic earnings	206,534,900	206,534,900
For diluted earnings	206,534,900	206,534,900
Face value per Equity Shares (In ₹)	2.00	2.00
<b>iii. Earnings per Equity Share of (₹) 2 each (for Continuing Operations)</b>		
Basic (in ₹)	15.92	59.55
Diluted (in ₹)	15.92	59.55
<b>Earnings per Equity Share of (₹) 2 each (for Discontinued Operations)</b>		
Basic (in ₹)	(0.05)	(0.09)
Diluted (in ₹)	(0.05)	(0.09)
<b>Earnings per Equity Share of (₹) 2 each (for Continuing and Discontinued Operations)</b>		
Basic (in ₹)	15.87	59.46
Diluted (in ₹)	15.87	59.46

### 52 Disclosures under Ind AS 116 - Leases

The Company has adopted Ind AS 116 on "Leases" with effect from April 1, 2019 by applying it to all contracts of leases existing on April 1, 2019 by using modified retrospective approach and accordingly, comparative information for the year ended March 31, 2019 has not been restated. The Company has recognised and measured the Right-of-Use (ROU) asset and the lease liability over the remaining lease period and payments discounted using the incremental borrowing rate as at the date of initial application. This has resulted in recognising ROU

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

asset of ₹ 8.80 crore and a corresponding lease liability of ₹ 7.40 crore as at April 1, 2019. For the financial year ended March 31, 2020, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation for the ROU asset of ₹ 2.74 crore and finance costs for interest accrued on lease liability of ₹ 0.71 crores respectively. The effect of adoption of Ind AS 116 on the financial statement and earnings per share for the year ended March 31, 2020 are not material. Segment Results have been arrived after considering interest expense on lease liabilities.

### Lease Liabilities

#### A. Maturity Analysis of the undiscounted cash flow of the lease liabilities

(₹ in Crores)

Particulars	March 31, 2020
Less than one year	2.91
One to Five Years	3.02
More than five years	-
<b>Total undiscounted lease liabilities</b>	<b>5.93</b>

#### B. Lease liabilities included in the Financial Statement

(₹ in Crores)

Particulars	March 31, 2020
Current	2.45
Non-current	2.85
<b>Total</b>	<b>5.30</b>

#### C. Lease payments not recognised as a liability being short term in nature (₹ in Crores)

6.43

##### Company as a Lessor

The Company has given commercial space on operating lease. The lease agreements are for a period of one to four years. The particulars in respect of such leases are as follows:-

(₹ in Crores)

Particulars	March 31, 2020	March 31, 2019
<b>Lease rental income</b>		
i. Total of lease rent income for a period:		
Less than one year	27.41	27.77
One to Five Years	70.82	116.18
More than five years	-	23.62
<b>Total undiscounted lease payment receivables</b>	<b>98.23</b>	<b>167.57</b>
ii. Lease Income recognised in the Statement of Profit and Loss for the year (including income from sub-leasing)	23.69	28.58

iii. The Group has entered into leases of its investment properties. The Group has determined based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

iv. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However credit risk with regards to trade receivable is almost negligible in case of its residential sale and lease rental business. The same is due to the fact that in case of its residential sale business it does not handover possession till entire outstanding is received. Similarly in case of rental business, the Group keep 3 to 6 months rental as deposit from the occupants.

#### 53 Corporate Social Responsibility Statement (CSR)

The Group was required to spend ₹ 2.94 crores (March 31, 2019 : ₹ Nil) towards CSR during the year in accordance with the provisions of Section 135 of the Companies Act, 2013. The Group has spent ₹ Nil (March 31, 2019 : ₹ 0.04 crores) on CSR activities during the year.

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### 54 Financial Instruments

#### A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. Financial assets and financial liabilities such as cash and cash equivalents, other bank balances, trade receivables, loans, trade payables and unpaid dividends of which the carrying amount is a reasonable approximation of fair value due to their short term nature, are disclosed at carrying value.

(₹ in Crores)

As at March 31, 2020	Carrying amount / Fair Value				Fair Value Hierarchy			
	Particulars	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>								
– Investments	-	375.45	-	375.45	374.49	0.96	-	-
– Cash and Cash Equivalent	-	-	2.80	2.80	-	-	-	-
– Other Bank Balances	-	-	44.17	44.17	-	-	-	-
– Trade Receivables	-	-	728.24	728.24	-	-	-	-
– Loans	-	-	6.21	6.21	-	-	-	-
– Other Financial Assets	-	-	3.93	3.93	-	-	-	-
	-	<b>375.45</b>	<b>785.35</b>	<b>1,160.80</b>	<b>374.49</b>	<b>0.96</b>		-
<b>Financial liabilities</b>								
– Borrowings	-	-	4,147.45	4,147.45	-	-	-	-
– Trade Payable	-	-	308.68	308.68	-	-	-	-
– Lease Liability	-	-	5.30	5.30	-	-	-	-
– Derivative Financial Liability	1.65	-	-	1.65	-	1.65	-	-
– Other Financial Liabilities	-	-	144.72	144.72	-	-	-	-
	<b>1.65</b>	-	<b>4,606.15</b>	<b>4,607.80</b>	-	<b>1.65</b>		-

(₹ in Crores)

As at March 31, 2019	Carrying amount / Fair Value				Fair Value Hierarchy			
	Particulars	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>								
– Investments	-	1,060.71	-	1,060.71	1,059.83	0.88	-	-
– Cash and Cash Equivalent	-	-	30.85	30.85	-	-	-	-
– Other Bank Balances	-	-	45.97	45.97	-	-	-	-
– Trade Receivables	-	-	1,092.22	1,092.22	-	-	-	-
– Loans	-	-	7.91	7.91	-	-	-	-
– Other Financial Assets	-	-	39.71	39.71	-	-	-	-
	-	<b>1,060.71</b>	<b>1,216.66</b>	<b>2,277.37</b>	<b>1,059.83</b>	<b>0.88</b>		-
<b>Financial liabilities</b>								
– Borrowings	-	-	3,971.41	3,971.41	-	-	-	-
– Trade Payable	-	-	523.01	523.01	-	-	-	-
– Derivative Financial Liability	2.08	-	-	2.08	-	2.08	-	-
– Other Financial Liabilities	-	-	110.88	110.88	-	-	-	-
	<b>2.08</b>	-	<b>4,605.30</b>	<b>4,607.38</b>	-	<b>2.08</b>		-

#### B. Fair Value Hierarchy

The fair value of financial instruments as referred to in Note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1 : quoted prices ( unadjusted) in active market for identical assets or liabilities

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs)

### C. Measurement of Fair Values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 1 and Level 2 fair values, as well as the significant unobservable inputs used.

Financial instruments are measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter - relationship between significant unobservable inputs and fair value measurements
Investments in equity instruments	Current bid price (quoted price)	NA	NA
Investments in Unquoted equity instruments	Asset based approach	NA	NA
Derivative financial instruments	MTM from Banks	NA	NA

## 55 Financial Risk Management

The Group's activities expose it to market risk, credit risk and liquidity risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

### i. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Group is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates and interest rates.

#### a. Foreign Currency Exchange Risk

The Group's functional currency is Indian Rupees (INR). The Company has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. Volatility in exchange rates affects the Group's revenue from exports markets and the costs of imports, primarily in relation to raw materials with respect to the US-dollar.

Adverse movements in the exchange rate between the Rupee and the relevant foreign currency results in increase in the Group's overall debt position in Rupee terms without the Group having incurred additional debt.

In order to minimize adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge foreign currency exchange risk. All hedging activities are carried out in accordance with the Group's internal Forex Risk Management Policy, as approved by the management, and in accordance with the applicable regulations where the Group operates.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR (₹ in crores) are as follows:

Particulars	As at March 31, 2020		As at March 31, 2019	
	USD	EURO	USD	EURO
<b>Financial Assets</b>				
Trade Receivables	90.85	4.06	81.20	4.33
<b>Derivative Assets</b>				
Foreign Exchange Forward Contracts				
Sell Foreign Currency	-	-	(22.47)	(1.71)
<b>Net Exposure to Foreign Currency Risk (Assets)</b>	<b>90.85</b>	<b>4.06</b>	<b>58.73</b>	<b>2.62</b>
<b>Financial Liabilities</b>				
Foreign Currency Loan	32.36	-	-	-
Trade Payables	78.52	-	125.11	0.12
<b>Derivatives Liabilities</b>				
Foreign Exchange Forward Contracts				
Buy Foreign Currency	(63.26)	-	(66.60)	-
<b>Net Exposure to Foreign Currency Risk (Liabilities)</b>	<b>47.62</b>	<b>-</b>	<b>58.52</b>	<b>0.12</b>

At the end of the reporting period the total notional amount of outstanding foreign currency contracts that the Company has committed to are as below :

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Foreign currency forwards - Buy</b>		
- USD	8,366,880	9,627,881
<b>Foreign currency forwards - Sell</b>		
- USD	-	3,248,865
- EURO	-	219,500

### Sensitivity

The sensitivity of profit or loss before tax to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in Crores)

Particulars	As at March 31, 2020		As at March 31, 2019	
	5% strengthening	5% weakening	5% strengthening	5% weakening
USD	1.00	(1.00)	2.20	(2.20)
EURO	(0.20)	0.20	(0.21)	0.21

### b. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### Interest rate risk exposure

The Group's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Variable rate borrowing	3,363.37	3,486.41
Fixed rate borrowing	758.24	485.00
<b>Total Borrowings</b>	<b>4,147.45</b>	<b>3,971.41</b>

### Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. If, the interest rates had been 100 basis points higher/ lower and all other variables were held constant on the Variable rate borrowings, the Group's profit before tax for the year ended 31 March 2019 would (decrease)/ increase by ₹ 33.89 crores (for the year ended 31 March 2018 : (decrease)/ increase by ₹ 34.86 crores).

### c. Price risk

#### Exposure

The Group is exposed to equity price risks arising from equity investments. Equity investments were held for strategic rather than trading purposes. The Group does not actively trade in these investments.

#### Sensitivity

Following is the sensitivity analysis as a result of the changes in fair value of equity investments measured at FVTOCI, determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/ lower, other comprehensive income would increase/ (decrease) as follows for:

The year ended March 31, 2020 : by ₹ 18.77 crores

The year ended March 31, 2019 : by ₹ 53.04 crores

### ii. Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral viz security deposit or bank guarantee, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Company's credit risk arises principally from the trade receivables, loans, investments, cash & cash equivalents, derivative financial instruments and financial guarantees.

#### a. Trade Receivables:

Customer credit risk is managed by the Group and is subject to established policy, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring the credit worthiness of the customers to which the Group extends the credit in the normal course of the business. Credit risk on receivables is also mitigated by securing the same against letters of credit and guarantees of reputed nationalised and private sector banks. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

In determining the allowances for credit losses of trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### b. Loans and Investments:

The Group's centralised treasury function manages the financial risks relating to the Business. The treasury function focuses on capital protection, liquidity and yield maximisation. Investments of surplus funds are made only in approved counterparties within credit limits assigned for each of the counterparty. Counterparty credit limits are reviewed and approved by the Finance Committee of the Group. The limits are set to minimise the concentration of risks and therefore mitigate the financial loss through counterparty's potential failure to make payments.

### c. Cash and Cash Equivalents, Derivative Financial Instruments and Financial Guarantees:

Credit risks from balances with banks and financial institutions are managed in accordance with the Group policy. For derivative financial instruments, the Group attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by credit-rating agencies.

In addition, the Group is exposed to credit risk in relation to financial guarantees given to banks and other counterparties. The Group's maximum exposure in this respect is the maximum amount the Group would have to pay if the guarantee is called upon.

### iii. Liquidity Risk Management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Group requires funds for short term operational needs as well as for long term capital expenditure growth projects. The Group generates sufficient cash flow for operations, which together with the available cash and cash equivalents, marketable securities and short term and long term borrowings provide liquidity. The Group has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity risk management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

#### Liquidity exposures as at March 31, 2020

(₹ in Crores)

Particulars	< 1 year	1-5 years	> 5 years	Total
<b>Financial Liabilities</b>				
Borrowings	810.86	3,336.59	-	4,147.45
Trade payables	308.68	-	-	308.68
Lease Liability	2.45	2.85	-	5.30
Derivative	1.65	-	-	1.65
Other financial liabilities	138.02	6.70	-	144.72
<b>Total Financial Liabilities</b>	<b>1,261.66</b>	<b>3,346.14</b>	<b>-</b>	<b>4,607.80</b>

#### Liquidity exposures as at March 31, 2019

(₹ in Crores)

Particulars	< 1 year	1-5 years	> 5 years	Total
<b>Financial Liabilities</b>				
Borrowings	598.03	3,373.38	-	3,971.41
Trade payables	523.01	-	-	523.01
Derivative	2.08	-	-	2.08
Other financial liabilities	102.91	7.97	-	110.88
<b>Total Financial Liabilities</b>	<b>1,226.03</b>	<b>3,381.35</b>	<b>-</b>	<b>4,607.38</b>



## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### 56 SEGMENT REPORTING AS PER IND AS 108 ON "OPERATING SEGMENT"

#### 1 Description of segments and principal activities:

The Group has determined following reporting segments based on the information reviewed by the Company's Chief Operating Decision Maker ("CODM"):

- Segment-1, Real Estate
- Segment-2, Polyester
- Segment-3, Retail/Textile

The above business segments have been identified considering :

- a. the nature of products and services
- b. the differing risks and returns
- c. the internal organisation and management structure, and
- d. the internal financial reporting system

The Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and profit as the performance indicator for all of the operating segments.

The Group is primarily engaged in the business of Real Estate, Polyester Staple fiber and Retail/Textiles

(₹ in Crores)

	Year ended March 31, 2020			Year ended March 31, 2019		
	External	Internal Segments	Total	External	Internal Segments	Total
<b>1 Segment Revenue</b>						
Real Estate	548.93	-	548.93	2727.48	-	2,727.48
Polyester	1,114.58	-	1,114.58	1439.28	-	1,439.28
Retail/Textile	231.11	-	231.11	263.00	-	263.00
<b>Total</b>	<b>1,894.62</b>	<b>-</b>	<b>1,894.62</b>	<b>4429.76</b>	<b>-</b>	<b>4429.76</b>
Eliminations	-	-	-	-	-	-
<b>Revenue from Operations</b>	<b>1,894.62</b>	<b>-</b>	<b>1,894.62</b>	<b>4,429.76</b>	<b>-</b>	<b>4,429.76</b>
<b>2 Segment Results</b>						
Real Estate	381.50	-	381.50	1,742.42	-	1,742.42
Polyester	(10.87)	-	(10.87)	18.54	-	18.54
Retail/Textile	1.93	-	1.93	1.84	-	1.84
<b>Total</b>	<b>372.56</b>	<b>-</b>	<b>372.56</b>	<b>1,762.80</b>	<b>-</b>	<b>1,762.80</b>
Eliminations	-	-	-	-	-	-
<b>Consolidated Total</b>			<b>372.56</b>			<b>1,762.80</b>
Unallocated (expense) net unallocated income			(28.52)			(41.44)
<b>Profit before Interest and Taxation</b>			<b>344.04</b>			<b>1,721.36</b>
Finance Costs			(553.11)			(489.46)
Exceptional Items			-			3.87
Share of Profit of Equity Accounted Investees (net of income tax)			0.98			0.13
<b>Profit Before Tax</b>			<b>(208.09)</b>			<b>1,235.90</b>
Tax Expense			536.94			(5.79)
<b>Profit After Tax from Continuing Operations</b>			<b>328.85</b>			<b>1,230.11</b>
<b>Loss for the period from Discontinued Operations</b>			<b>(1.04)</b>			<b>(1.90)</b>
<b>Profit for the period after Tax</b>			<b>327.81</b>			<b>1,228.21</b>

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### 3 Other Informations

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Segment Assets</b>		
Real Estate	3,071.75	3,254.49
Polyester	601.46	618.36
Retail/Textile	75.12	80.17
Textile Discontinued Operations( Foreign Subsidiary)	1.44	2.41
Unallocable Assets	1,062.09	1,225.22
<b>Total Assets</b>	<b>4,811.86</b>	<b>5,180.65</b>
<b>Segment Liabilities</b>		
Real Estate	841.67	1,160.93
Polyester	248.86	322.04
Retail/Textile	97.31	93.02
Textile Discontinued Operations( Foreign Subsidiary)	0.93	0.92
Unallocable Liabilities	3,562.71	3,421.27
<b>Total Liabilities</b>	<b>4,751.48</b>	<b>4,998.18</b>

(₹ in Crores)

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	Capital Expenditure	Non-Cash Expenditure other than depreciation	Depreciation & Amortization	Capital Expenditure	Non-Cash Expenditure other than depreciation	Depreciation & Amortization
Real Estate	1.23	-	2.43	0.71	-	2.88
Polyester	15.69	-	26.25	13.94	-	24.85
Retail/Textile	0.66	-	3.69	0.52	-	1.37
<b>Segment Total</b>	<b>17.58</b>	<b>-</b>	<b>32.37</b>	<b>15.17</b>	<b>-</b>	<b>29.10</b>
Unallocated	0.87	-	0.70	0.28	-	0.68
<b>Total</b>	<b>18.45</b>	<b>-</b>	<b>33.07</b>	<b>15.45</b>	<b>-</b>	<b>29.78</b>

#### Additional Information by Geographies

(₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Revenue by geographical segment</b>		
India	1,478.32	4,030.86
Outside India	416.29	398.90
	<b>1,894.62</b>	<b>4,429.76</b>

(₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Carrying amount of segment assets</b>		
India	4,759.80	5,159.53
Outside India	52.06	21.12
	<b>4,811.86</b>	<b>5,180.65</b>

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

(₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cost incurred during the year to acquire fixed assets</b>		
India	18.45	15.45
Outside India	-	-
	<b>18.45</b>	<b>15.45</b>

The Group has presented segment information on the basis of Consolidated Financial Statements in accordance with Ind AS 108 "Operating Segments".

### 57 Disclosure pursuant to Ind AS 24 on "Related Party Disclosure"

#### A. List of Related Parties where control exists:

Name of the Related Party	Principal Place of Business	% Shareholding and Voting Power	
		As at March 31, 2020	As at March 31, 2019
<b>i. Joint Venture</b>			
P.T. Five Star Textile Indonesia (upto July 17, 2018)	Indonesia	NA	33.89
<b>ii. Subsidiary</b>			
P.T. Five Star Textile Indonesia (w.e.f. from July 18, 2018)	Indonesia	97.36	97.36
<b>iii. Associates</b>			
Pentafil Textile Dealers Limited	India	49.00	49.00
Bombay Dyeing Real Estate Company Limited	India	40.00	40.00

#### iv. Key Managerial Personnel :

Mr. Jehangir N Wadia - Managing Director  
 Mr. Vishnu Peruvemba - Chief Financial Officer (upto August 31, 2019)  
 Mr. Hitesh Vora - Chief Financial Officer (w.e.f November 11, 2019)  
 Mr. Sanjive Arora - Company Secretary  
 Mr. Nusli N. Wadia - Chairman  
 Mr. Ness N Wadia - Director  
 Mrs. Maureen N. Wadia

#### Relationship

Key Managerial Personnel (KMP)  
 Key Managerial Personnel (KMP)  
 Key Managerial Personnel (KMP)  
 Key Managerial Personnel (KMP)  
 Relative of KMP (Father of Managing Director)  
 Relative of KMP (Brother of Managing Director)  
 Relative of KMP (Mother of Managing Director)

#### v. Entities over which KMP and relatives exercise significant influence :

Go Airlines (India) Limited  
 Crawford Bayley & Co. (upto August 7, 2019)  
 Gladrags Media Ltd.  
 The Bombay Burmah Trading Corporation Ltd.  
 Britannia Industries Ltd.

#### vi. Non-Executive Directors :

#### vii. Independent Directors :

Baymanco Investments Ltd.  
 Dr. Mrs. Minnie Bodhanwala  
 Mr. R. A. Shah (upto August 7, 2019)  
 Mr. S. Ragothaman  
 Mr. A. K. Hirjee (upto August 7, 2019)  
 Mr. V. K. Jairath  
 Mr. Keki M. Elavia  
 Mr. Sunil Lalbhai (w.e.f. February 5, 2019)  
 Ms. Gauri Kirloskar (w.e.f. February 5, 2019)  
 Mr. S. M. Palia (upto August 7, 2018)  
 Mr. S. S. Kelkar (upto August 7, 2018)  
 The Bombay Dyeing and Manufacturing Company Limited Employees Provident Fund  
 The Bombay Dyeing Superannuation and Group Insurance Scheme  
 The Bombay Dyeing and Manufacturing Company Limited Staff Gratuity Fund

#### viii. Post- Employment Benefits Trust where reporting entities exercise significant influence :

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### 57 (B) The related party transactions are as under :

Nature of Transactions	Joint Venture		Associate		Other related party		Key Management Personnel and Relatives		Non-Executive Directors		Independent Directors		Post Employment Benefit Trust		Total	
	Year Ended March 31, 2020	Year Ended March 31, 2019	Year Ended March 31, 2020	Year Ended March 31, 2019	Year Ended March 31, 2020	Year Ended March 31, 2019	Year Ended March 31, 2020	Year Ended March 31, 2019	Year Ended March 31, 2020	Year Ended March 31, 2019	Year Ended March 31, 2020	Year Ended March 31, 2019	Year Ended March 31, 2020	Year Ended March 31, 2019	Year Ended March 31, 2020	
	(₹ in Crores)	(₹ in Crores)	(₹ in Crores)	(₹ in Crores)	(₹ in Crores)	(₹ in Crores)	(₹ in Crores)	(₹ in Crores)	(₹ in Crores)	(₹ in Crores)	(₹ in Crores)	(₹ in Crores)	(₹ in Crores)	(₹ in Crores)	(₹ in Crores)	
(i) Interest income on ICD/Advance	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-	0.01	
(ii) Interest paid on ICD/Advance	-	-	-	-	36.12	35.00	-	-	-	-	-	-	-	-	36.12	35.00
(iii) Dividend Paid	-	-	-	-	11.83	7.89	0.31	0.21	0.01	0.01	-	-	-	-	12.15	8.11
(iv) Lease Rent income	-	-	-	-	4.90	4.69	-	-	-	-	-	-	-	-	4.90	4.69
(v) Dividend Income	-	-	-	-	0.75	0.75	-	-	-	-	-	-	-	-	0.75	0.75
(vi) Inter-Corporate Deposits/Advances given	-	5.13	-	-	-	-	-	-	-	-	-	-	-	-	-	5.13
(vii) Inter-Corporate Deposits/Advances taken	-	-	-	-	50.00	-	-	-	-	-	-	-	-	-	50.00	(0.01)
(viii) Repayment received against ICD/Advances	-	-	0.25	-	-	-	-	-	-	-	-	-	-	-	-	0.24
(ix) Expenses incurred by related parties on behalf of Company (reimbursable)	-	-	-	-	0.23	0.10	-	-	-	-	-	-	-	-	0.23	0.10
(x) Expenses incurred on the behalf of related parties (reimbursable)	-	-	-	-	3.03	3.00	-	-	-	-	-	-	-	-	3.03	3.00
(xi) Legal and Professional expenses	-	-	-	-	0.13	0.60	-	-	-	-	-	-	-	-	0.13	0.60
(xii) Contribution during the year (including the employee's share)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(xiii) Directors sitting fees	-	-	-	-	-	-	0.13	0.12	0.02	0.03	0.57	0.64	-	-	0.72	0.79
(xiv) Commission to Directors	-	-	-	-	-	-	-	1.04	-	0.08	-	0.88	-	-	-	2.00
(xv) Guarantee and collaterals given / (expired) (net)	-	(81.31)	-	-	-	-	-	-	-	-	-	-	-	-	(81.31)	-
(xvi) Provision for doubtful debts	-	5.13	-	-	-	-	-	-	-	-	-	-	-	-	-	5.13
(xvii) Sale of Investment in Shares	-	-	-	-	-	-	12.04	-	-	-	-	-	-	-	12.04	-
(xviii) Short Term Employee Benefits (inc bonus paid for last year)	-	-	-	-	-	-	9.34	7.90	-	-	-	-	-	-	9.34	7.89
(xix) Post-Employee Benefits	-	-	-	-	-	-	0.53	0.49	-	-	-	-	-	-	0.53	0.48
(xx) Other Long Term Benefits	-	-	-	-	-	-	0.37	0.11	-	-	-	-	-	-	0.37	0.11
(xxi) Termination Benefits	-	-	-	-	-	-	0.06	0.16	-	-	-	-	-	-	0.06	0.16

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### 57 C. Outstanding Balance

(₹ in Crores)

Particulars	Receivables		Payables		Deposit given	
	Asat March 31, 2020	Asat March 31, 2019	Asat March 31, 2020	Asat March 31, 2019	Asat March 31, 2020	Asat March 31, 2019
Other related party	1.83	2.02	410.12	352.77	2.08	1.84
Key Management Personnel and Relatives	-	-	-	1.04	-	-
Non-Executive Directors	-	-	-	0.08	-	-
Independent Directors	-	-	0.30	0.08	-	-
Post Employment Benefit Trust	-	1.02	2.59	0.26	-	-

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

58 Additional disclosure as required by the amended Clause 34 and 53 of the Listing Agreements and Section 186 of the Companies Act, 2013

(₹ in Crores)

Sr. No	NAME	NATURE OF TRANSACTION	Balance as at March 31, 2020	Maximum amount outstanding during the year	No. of shares of the Company held by the loanees as at March 31, 2019
A.	Investments and Loans and Advances in Associates				
1	Pentafil Textile Dealers Ltd.	Investment in equity shares	1.55 [0.88]	1.55 [0.88]	- [-]
2	Bombay Dyeing Real Estate Company Limited	Investments in Equity Shares	0.06 [0.02]	0.06 [0.02]	- [-]
			1.61 [0.90]	1.61 [0.90]	- [-]

59 Details of the Company's immaterial Joint Venture and Associates at the end of the reporting period is as follows:-

Name	Place of incorporation and Principal Place of business	% Shareholding and Voting Power	
		As at March 31, 2020	As at March 31, 2019
<b>i. Joint Venture</b>			
PT Five Star Textile Indonesia (upto July 17, 2018)	Indonesia	NA	NA
<b>ii. Associates</b>			
Bombay Dyeing Real Estate Company Limited	India	40.00%	40.00%
Pentafil Textile Dealers Limited	India	49.00%	49.00%

- a. Above listed entities are non-quoted industries hence no quoted prices are available.  
b. The above joint venture and associates are accounted for using the equity method in these consolidated financial statements.

Financial information in respect to immaterial Joint Venture and Associates

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Carrying amount of investment in immaterial associates</b>	1.61	1.25
Aggregate amounts of the Company's share of:		
Profit/(Loss) for the year	0.98	0.13
Other Comprehensive Income for the year	(0.62)	-
<b>Total Comprehensive Income</b>	<b>0.36</b>	<b>0.13</b>

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### 60 Additional information as required under Schedule III to the Companies Act, 2013 of Enterprise Consolidated as Subsidiary and Associates

	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	₹ in Crores	As % of Consolidated Profit and Loss	₹ in Crores	As % of Consolidated OCI	₹ in Crores	As % of Consolidated Total OCI	₹ in Crores
<b>i. Parent</b>								
The Bombay Dyeing and Manufacturing Company Limited	99.15%	59.16	100.02%	327.87	99.85%	(412.50)	99.13%	(84.63)
<b>ii. Subsidiary</b>								
PT Five Star Textile Indonesia (Discontinued Operations)	0.85%	0.51	(0.32%)	(1.04)	-	(0.03)	1.22%	(1.07)
<b>iii. Associates (Investment accounted as per Equity method)</b>								
Pentafil Textile Dealers Limited	-	-	0.19%	0.63	0.08%	(0.33)	(0.35%)	0.30
Bombay Dyeing Real Estate Company Limited	-	-	0.11%	0.35	0.07%	(0.29)	-	-
<b>Total</b>	<b>100.00%</b>	<b>59.67</b>	<b>100.00%</b>	<b>327.81</b>	<b>100.00%</b>	<b>(413.12)</b>	<b>100.00%</b>	<b>(85.37)</b>

\* Denotes value less than ₹ 1 lakh

### 61 Discontinued Operations

In December 2018, the Shareholders of the PT Five Star Textile Indonesia (PTFS) passed the resolution for the voluntary liquidation of the Company.

Subsequently as per the procedure, in the year ended December 31, 2019, PTFS surrendered most of its business and operating licenses and also obtained the de-registration of its three Branch Tax Identification numbers. Subsequently, PTFS applied for the de-registration of the main Tax identification number with Tax Office Jakarta and this process is likely to be completed by the end of December, 2020.

The above Consolidated Assets and Liabilities include assets of ₹ 1.44 crores and liabilities of ₹ 0.93 crores of PTFS which is classified as a Discontinued Operation in accordance with Ind AS 105 on "Non-Current Assets Held for Sale and Discontinued Operations". (₹ in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Analysis of loss for the year from Discontinued Operations</b>		
Revenue including other income	0.09	187.08
Expense	(1.13)	(96.59)
Impairment of Goodwill	-	(92.39)
Profit/(Loss) before Income Tax	(1.04)	(1.90)
Income Tax	-	-
Exchange differences on translation	(0.03)	-
Profit/(Loss) after Income Tax	(1.07)	(1.90)
<b>Analysis of cash flow from Discontinued Operations</b>		
Net Cash Flow from Operating activities	(1.01)	(36.54)
Net Cash Flow from Investing activities	0.09	92.56
Net Cash Flow from Financing activities	-	(54.27)
Net Cash Flow generated from Discontinued Operations	(0.92)	1.75

## NOTES to the Consolidated Financial Statements for the year ended March 31, 2020

### 62 Subsequent Events

#### Proposed Dividend

The Board of Directors at its meeting held on June 9, 2020, has recommended a final dividend of ₹ 0.20 per equity share of ₹ 2 each amounting ₹ 4.13 crores for the financial year ended March 31, 2020 (March 31, 2019 : ₹ 1.50 per equity share amounting ₹ 30.98 crores).

The above is subject to approval of shareholder at the ensuing Annual General Meeting of the Company hence is not recognised as a liability.

### 63 General

- All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore upto two decimals as per the requirements of Schedule III, unless otherwise stated.
- Figures for the previous year have been regrouped / restated wherever necessary to conform to current year's presentation.

As per our attached report of even date

For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No.100991W

Nusli N. Wadia  
Jehangir N. Wadia

Hitesh Vora  
Sanjive Arora

**PARESH H. CLERK**  
Partner  
Membership No.36148  
Place: Mumbai  
Date: June 9, 2020

For and on behalf of the Board of Directors of  
**THE BOMBAY DYEING & MANUFACTURING CO. LTD.**

*Chairman*  
*Managing Director*

*Chief Financial Officer*  
*Company Secretary*

S. Ragothaman  
Ness N. Wadia  
V. K. Jairath  
Keki M. Elavia  
Minnie Bodhanwala  
Sunil S. Lalbhai  
Gauri Kirloskar

Directors

Place: Mumbai  
Date: June 9, 2020



## FORM AOC -1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES /  
ASSOCIATES / JOINT VENTURES AS PER THE COMPANIES ACT, 2013

## Part "A" : Subsidiaries

Sr. No.	Name of Foreign Subsidiary Company	The date since when subsidiary was acquired	Reporting Period	Reporting Currency	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Total Income	Profit/(Loss) before taxation	Provision for taxation	Profit/(Loss) after taxation	Proposed Dividend	Effective shareholding
1	PT Five Star Textile Indonesia	July 18, 2018	January 2019 to December 2019	IDR	221.84	(194.33)	28.44	0.93	-	0.09	(1.04)	-	(1.04)	-	97.36%

## Notes:

- Exchange rate as on December 31, 2019 : 1 INR = 196.44 IDR
- Average Exchange rate for the year (for Profit and Loss items) : 1 INR = 202.32 IDR
- Names of subsidiaries which are yet to commence operations -None

## Part "B" : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

Sr. No.	Name of Joint Ventures / Associates	Latest audited Balance Sheet Date	Shares of Joint Ventures / Associates held by the company on the year end		Description of how there is significant influence through % of holding	Reason why the associate/joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit/Loss for the year		Other Comprehensive Income for the year	
			No. of Shares	Extend of Holding %				Considered in Consolidation	Not Considered in Consolidation	Considered in Consolidation	Not Considered in Consolidation
1	Pentafl Textile Dealers Limited	March 31, 2020	88,200	49.00%	0.88 through % of holding	NA	4.09	0.63	0.65	(0.33)	(0.34)
2	Bombay Dyeing Real Estate Company Limited	March 31, 2020	20,000	40.00%	0.02 through % of holding	NA	0.42	0.35	0.53	(0.29)	(0.44)

## Notes:

- Names of Associates / Joint Ventures which are yet to commence operations -None

For and on behalf of the Board of Directors of  
**THE BOMBAY DYEING & MANUFACTURING CO. LTD.**

Nusli N. Wadia  
Jehangir N. Wadia  
Hitesh Vora  
Sanjive Arora

S. Ragothaman  
Ness N. Wadia  
V. K. Jairath  
Keki M. Elavia  
Minnie Bodhanwala  
Sunil S. Lalbhai  
Gauri Kirloskar  
Directors

Place: Mumbai  
Date: June 9, 2020





NOTES

Lined area for notes with multiple horizontal lines.



Artist's Impression

## **BOMBAY DYEING**

### **Corporate Office:**

C-1, Wadia International Center (WIC),  
Pandurang Budhkar Marg, Worli, Mumbai - 400 025  
Phone: +91 22 66620000  
Website: [www.bombaydyeing.com](http://www.bombaydyeing.com)

### **PSF Plant:**

A-1, Patalganga Industrial Area,  
Dist. Raigad, Tal. Khalapur, Maharashtra.  
Phone: +91 2192 251096/103 | Fax: +91 2192 250263

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## **BOMBAY REALTY**

### **Sales Office:**

The Island City Center (ICC),  
G.D. Ambekar Marg, Dadar (E), Mumbai - 400 014  
Phone: +91 22 7191 2345 | Email: [sales@bombayrealty.in](mailto:sales@bombayrealty.in)  
Website: [www.bombayrealty.in](http://www.bombayrealty.in)



## THE WADIA GROUP

The Group has scaled great heights in innovation and entrepreneurship, inspired by the centuries-old legacy of goodwill and trust. The British Coat of Arms, granted to Nowrosjee Wadia, symbolises this legacy and the Wadia Group's commitment to advancement and innovation.

The crest is a representation of the Group, its philosophy, beliefs and businesses.

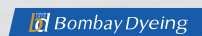
The crest and base of the shield represent the family origins in the shipbuilding industry during the 1700s. The middle and upper parts of the shield depict the Group's interests in cotton growing and its links with England in the form of the Lancastrian rose. The hand holding the hammer atop the shield signifies industriousness, together with workmanship and skill. The sun that surrounds the hand stands for global recognition and merit.

The motto, IN DEO FIDE ET PERSEVERANTIA means 'Trust in God and Perseverance'.

### AFTER 282 YEARS, OUR BRANDS:



SINCE 2005



SINCE 1879



SINCE 1918



SINCE 1954



**Bombay Burmah**

SINCE 1863



**BOMBAY REALTY**  
— A BETTER LIFE —

SINCE 2011



SINCE 2015

[www.wadiagroup.com](http://www.wadiagroup.com)

The Bombay Dyeing and Manufacturing Company Limited  
Registered Office: Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai - 400 001