

Bombay Rayon Fashions Limited

Notice

NOTICE is hereby given that the Seventeenth Annual General Meeting of Bombay Rayon Fashions Limited will be held on Tuesday, 21st September, 2010 at 4:30 p.m. at Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai - 400 020, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statements of Accounts for the Financial year ended 31st March, 2010 and the Reports of Auditors and Directors thereon.
2. To declare dividend on the Equity shares.
3. To appoint a Director in place of Mr. Suresh Vishwasrao, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. A. Arumugham, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. Pravin P. Shah, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint M/s. V. K. Beswal & Associates [Firm Registration No. 101083W as Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

7. To consider and if deemed fit, to pass, with or without modification(s), the following as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Aman Agrawal as a Whole-time Director, designated as a Vice Chairman of the Company for a period of 3 years with effect from 1st June, 2010 to 31st May, 2013 on a consolidated remuneration not exceeding ₹ 30,00,000/- per month (inclusive of perquisites and allowances as may be applicable as per the Company's rules and other components as decided by the Board from time to time), with liberty to the Directors to alter and vary terms and conditions of the aforesaid appointment and/or remuneration, as may be agreed to between the Directors and Mr. Aman Agrawal."

"RESOLVED FURTHER THAT notwithstanding anything contained hereinabove, Mr. Aman Agrawal, Vice Chairman shall be also entitled to performance incentive to be determined by the Board of Directors subject to the condition that the same shall not exceed ₹1,00,00,000/- for any financial year."

"RESOLVED FURTHER THAT in case if the Company has no profits or profits are inadequate, the aforesaid remuneration as determined by the Board from time to time

by way of salary, perquisites, allowances, incentives etc., shall be treated as minimum remuneration payable to Mr. Aman Agrawal, Vice Chairman, subject to the approval of the Central Government and/or other concerned authorities, if any required."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary the remuneration and perquisites including the monetary value thereof as specified in the aforesaid terms and conditions, to the extent as may be considered appropriate and necessary by the Board of Directors in mutual consultation with Mr. Aman Agrawal, Vice-Chairman or otherwise and further authorised to take all such actions and do all such things as may be deemed necessary, desirable and expedient for giving effect to the above resolution."

8. To consider and if deemed fit, to pass, with or without modification(s), the following as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Prashant Agrawal as a Managing Director of the Company for a period of 3 years with effect from 1st June, 2010 to 31st May, 2013 on a consolidated remuneration not exceeding ₹ 30,00,000/- per month (inclusive of perquisites and allowances as may be applicable as per the Company's rules and other components as decided by the Board from time to time), with liberty to the Directors to alter and vary terms and conditions of the aforesaid appointment and/or remuneration, as may be agreed to between the Directors and Mr. Prashant Agrawal."

"RESOLVED FURTHER THAT notwithstanding anything contained hereinabove, Mr. Prashant Agrawal, Managing Director shall be also entitled to performance incentive to be determined by the Board of Directors subject to the condition that the same shall not exceed ₹ 1,00,00,000/- for any financial year."

"RESOLVED FURTHER THAT in case if the Company has no profits or profits are inadequate, the aforesaid remuneration as determined by the Board from time to time by way of salary, perquisites, allowances, incentives etc shall be treated as minimum remuneration payable to Mr. Prashant Agrawal, Managing Director, subject to the approval of the Central Government and/or other concerned authorities, if any required."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary the remuneration and perquisites including the monetary value thereof as specified in the aforesaid terms and conditions, to the extent as may be considered appropriate and necessary by the Board of Directors in mutual consultation with Mr. Prashant Agrawal, Managing Director or otherwise and further authorised to take all such actions and do all such things as may be deemed necessary, desirable and expedient for giving effect to the above resolution."

9. To consider and if deemed fit, to pass, with or without modification(s), the following as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Uday Mogre as a Whole-time Director designated as Executive Director - Corporate of the Company for a period of 3 years with effect from 1st June, 2010 to 31st May, 2013 on a consolidated remuneration not exceeding ₹ 7,50,000/- per month (inclusive of perquisites and allowances as may be applicable as per the Company's rules and other components as decided by the Board from time to time), with liberty to the Directors to alter and vary terms and conditions of the aforesaid appointment and/or remuneration, as may be agreed to between the Directors and Mr. Uday Mogre."

"RESOLVED FURTHER THAT in case if the Company has no profits or profits are inadequate, the aforesaid remuneration as determined by the Board from time to time by way of salary, perquisites, allowances, incentives etc., shall be treated as minimum remuneration payable to Mr. Uday Mogre, Executive Director- Corporate, subject to the approval of the Central Government and/or other concerned authorities, if any required."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary the remuneration and perquisites including the monetary value thereof as specified in the aforesaid terms and conditions, to the extent as may be considered appropriate and necessary by the Board of Directors in mutual consultation with Mr. Uday Mogre, Executive Director - Corporate or otherwise and further authorised to take all such actions and do all such things as may be deemed necessary, desirable and expedient for giving effect to the above resolution."

10. To consider and if deemed fit, to pass, with or without modification(s), the following as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, and 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, if any required, the consent of the Company be and is hereby accorded to the re-appointment of Mr. A. R. Mundra as a Whole-Time Director designated as Executive Director - Finance of the Company for a period of 3 years with effect from 1st June, 2010 to 31st May, 2013 on a consolidated remuneration not exceeding ₹ 7,50,000/- per month (inclusive of perquisites and allowances as may be applicable as per the Company's rules and other components as decided by the Board from time to time), with liberty to the Directors to alter and vary terms and conditions of the aforesaid appointment and/or remuneration, as may be agreed to between the Directors and Mr. A. R. Mundra."

"RESOLVED FURTHER THAT in case if the Company has no profits or profits are inadequate, the aforesaid remuneration as determined by the Board from time to time by way of salary, perquisites, allowances, incentives etc. shall be treated as minimum remuneration payable to Mr. A. R. Mundra, Executive Director - Finance, subject to the approval of the Central Government and/or other concerned authorities, if any required."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary the remuneration and perquisites including the monetary value thereof as specified in the aforesaid terms and conditions, to the extent as may be considered appropriate and necessary by the Board of Directors in mutual consultation with Mr. A. R. Mundra, Executive Director - Finance or otherwise and further authorised to take all such actions and do all such things as may be deemed necessary, desirable and expedient for giving effect to the above resolution."

11. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification(s), re-enactment thereof, for the time being in force, the Authorised Share Capital of the Company be increased from the present ₹ 120,00,00,000/- (Rupees One Hundred Twenty Crores only) divided into 12,00,00,000 (Twelve Crores) Equity Shares of ₹ 10/- (Rupees Ten only) each to ₹ 150,00,00,000/- (Rupees One Hundred Fifty Crores only) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of ₹ 10/- (Rupees Ten only) each by creation of 3,00,00,000 (Three Crores) new Equity Shares of ₹ 10/- (Rupees Ten only) each ranking pari passu with the existing Equity Shares and that the Memorandum of Association and the Articles of Association be altered accordingly."

"RESOLVED FURTHER THAT pursuant to the provisions of Section 16 and other applicable provisions, if any, of the Companies Act, 1956, existing Clause "V" of the Memorandum of Association of the Company be and is hereby amended by deleting of the same and substituting in place and stead thereof the following new Clause "V" :

V: The Authorised Share Capital of the Company is ₹ 150,00,00,000/- (Rupees One Hundred Fifty Crores only) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of ₹ 10/- (Rupees Ten only) each, with the power to increase, consolidated, decreased or to divide the share capital with or without any preference, priority or subject to any postponement of rights or to any conditions or restrictions, so that the conditions of issue shall otherwise be subject to the power herein contained. The rights and privileges or conditions attached thereto may be altered or dealt with in

accordance with the clauses of the accompanying Articles of Association but not otherwise."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution the Board of Directors of the Company be and is hereby authorized to take all such steps and actions as may be necessary including submission of the above resolution with concerned authorities."

12. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Article 4 of the Articles of Association be and is hereby deleted and the following article be substituted in its place as new Article 4:

4. The Authorised Share Capital of the Company is ₹ 150,00,00,000/- (Rupees One Hundred Fifty Crores only) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of ₹ 10/- (Rupees Ten only) each, with the power to increase, consolidate, decreased to divide in accordance with the regulations of the company and the legislative provisions for the time being in force in that behalf and with the power to divide the shares in the capital for the time being into equity shares capital and to attach thereto respectively and preferential, qualified or special rights, privileges or conditions."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution the Board of Directors of the Company be and is hereby authorized to take all such steps and actions as may be necessary including submission of the above resolution with concerned authorities."

13. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in pursuance of the provisions of Sections 81, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory amendment(s), modification(s) or re-enactment thereof, for the time being in force) as also the provisions of Foreign Exchange Management Act, 2000 (FEMA) as amended, and rules and regulations made thereunder including the Foreign Exchange Management (Transfer and Issue of Securities by a Person Resident outside India) Regulation, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism), 1993 as amended, provisions of Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 {"SEBI (ICDR) Regulations"} and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions, if and as applicable, of the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) or/and all other appropriate and/or concerned authorities, and in accordance with the

regulations, guidelines and clarifications issued by such authorities from time to time and subject to such applicable conditions and modifications, as may be prescribed by any of them while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company ("Board") (which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), if it thinks fit in the interest of the Company, the consent of the Company be and is hereby accorded to the Board to offer, issue and allot in one or more foreign markets or domestic markets, equity shares and/or instruments convertible into or linked to equity shares, optionally or otherwise, including but not limited to Global Depository Receipts (GDR's)/American Depository Receipts (ADR's)/ Foreign Currency Convertible Bonds (FCCB's) or any combination thereof {hereinafter referred to as "Securities"} for an aggregate sum upto ₹ 500,00,00,000/- (Rupees Five Hundred Crores only), in Indian Currency and/or any other currency(ies) inclusive of such premium, with or without green shoe option and/or underwriting option as may be decided by the Board, to Indian/Foreign/Resident/Non-resident Investors (whether Institutions, Corporate Bodies, Mutual Funds/Trusts/Foreign Institutional Investors/Banks and/or Individuals, or otherwise and whether or not such investors are Members, Promoters, Directors or their relatives/associates, of the Company) through Public Issue(s), Private Placement(s), or any other permitted mode or combination thereof or through Qualified Institutional Placement (QIP) in terms of various laws, guidelines and regulations including SEBI (ICDR) Regulations, if applicable, and to such categories of investors and in such tranche or tranches, at such price or prices whether at a discount or premium to market price or prices in such manner and on such terms and conditions as the Board may in its discretion decide in consultation with the Book Runner(s)/Lead Manager(s), Underwriter(s), Advisor(s) to the Issue, so as to enable the Company to get the Securities listed at any Stock Exchanges in India and/or Luxemburg / London / New York / Singapore / Hong Kong Stock Exchanges and/or any other Overseas Stock Exchanges."

"RESOLVED FURTHER THAT in an event of issue of Securities by way of Qualified Institutional Placement under Chapter VIII of SEBI (ICDR) Regulations:

1. the 'Relevant Date' on the basis of which the price of the securities shall be determined as specified under said regulations shall be the date of the meeting in which the Board or the Committee of Directors duly authorized by the Board decides to open the proposed issue of the Securities;
2. the allotment of securities shall be completed within 12 months from the date of this resolution approving the proposed issue or such other time as may be allowed by the SEBI (ICDR) Regulations from time to time; and

3. the securities shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognized stock exchange in India or except as may be permitted from time to time by the SEBI (ICDR) Regulations;"

"RESOLVED FURTHER THAT the equity shares underlying the Securities shall be subject to the following -

- a) In the event of Company making a bonus issue by way of capitalization of profits or reserves prior to the allotment of equity shares, the number of equity shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium if any shall stand reduced pro tanto,
- b) In the event of Company making a rights issue of equity shares prior to the allotment of equity shares, the entitlement to equity shares shall stand increased in the same proportion as that of the rights offer and such additional equity shares shall be offered to the holders of the equity shares at the same price as that offered to the existing equity shareholders."

"RESOLVED FURTHER THAT the underlying equity shares so issued shall rank pari passu with the existing equity shares of the Company in all respects provided that the holder of GDRs shall not have any voting rights."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to accept any modifications in the proposal as may be required by the authorities involved in such issues but subject to such conditions as the SEBI/RBI or such other appropriate authority may impose at the time of their respective approval, if applicable, and as agreed to by the Board."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, issue of Securities in international offering may have all or any term or combination of terms in accordance with the international practice and other applicable domestic laws."

"RESOLVED FURTHER THAT the securities issued in international offering shall / shall not be deemed to have been made abroad in the markets and/or at the place of issue of the Securities in international markets and shall be governed by English or American law or any other law as may be decided by the Board, as the case may be."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise the mode and the terms of issue including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche and to allot such number of equity shares as may be required to be issued and allotted upon conversion of any Securities referred to in the paragraph(s) above as may be necessary in accordance with the terms of offering."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to enter into and execute all such arrangements/

agreements with any Lead Manager(s)/ Underwriter(s)/ Guarantor(s)/ Depository(ies)/ Custodian(s)/ Stabilizing Agent(s)/ Registrar(s)/ Banker(s)/ Advisor(s) and all such agencies and to remunerate them by way of payment of commission, brokerage, fees, expenses or otherwise incurred in relation to the issue of Shares and Securities or other expenses, if any or the like."

"RESOLVED FURTHER THAT the Company and/or any entity, agency or body authorized and/or appointed by the Company, may issue depository receipts representing the underlying Securities issued by the Company in negotiable, registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability and free transferability thereof as per international practices and regulations (including listing on one or more stock exchanges within or outside India) and under the forms and practices prevalent in the international market for Securities listing and trading, in the stock/securities exchange so that the convertible securities or ADRs and/or GDRs are registered or listed."

"RESOLVED FURTHER THAT such of these Shares / Securities as are not subscribed may be disposed off by the Board in its absolute discretion in such a manner, as the Board may deem fit and as permissible by law."

"RESOLVED FURTHER THAT subject to applicable laws and regulations, the Board or any committee thereof be and is hereby authorised to finalise and approve the preliminary as well as the final offer documents for the proposed issue of the Securities, determination of issue opening and closing dates and to authorise any Director or Directors of the Company or any other officer or officers of the Company to sign the above documents, including applications for listing of the Equity Shares and/or Securities of the Company on one or more stock exchanges together with the authority to amend, vary or modify the same as such authorised persons may consider necessary, desirable or expedient and for the purpose aforesaid, to give such declarations, affidavits, certificates, consents and/or authorities as may, in the opinion of such authorized person, be required from time to time."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be authorized on behalf of the Company to take all actions and do all such deeds, matters and things as it may in its absolute discretion, deem necessary, desirable or expedient as considered appropriate by the Board and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the said equity shares/ securities or other convertible securities (other than warrants), utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, with / without any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given

their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to a Committee of Directors of the Company to give effect to the aforesaid resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 81, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with and subject to the provisions of the Memorandum and Articles of Association of the Company, as also the provisions of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 {SEBI (ICDR) Regulations}, the Listing Agreement entered into between the Company and Bombay Stock Exchange Limited ("BSE"), National Stock Exchange of India Limited ("NSE"), and other applicable regulations issued by one or more authorities as may be applicable for the time being and subject to all such approvals, permissions, consents and sanctions of any such authorities, as may be necessary in this regard, and subject to such applicable conditions and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company ("Board") (which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), if it thinks fit in the interest of the Company, the consent of the Company be and is hereby accorded to the Board to offer, issue and allot upto 1,00,00,000 (One Crore) Optionally Convertible Warrants ("Warrants") convertible into 1,00,00,000 equity shares of ₹ 10/- each (Equity Shares) to B R Machine Tools Private Limited, an entity belonging to promoter/promoter group of the Company and also to seek listing of equity shares arising out of conversion of warrants in one or more tranches on the stock exchange(s) in consultation with Advisor(s) appointed for the said purpose, as may be deemed appropriate, fit and proper by Board."

"RESOLVED FURTHER THAT each Warrant shall be convertible at the option of the Warrant holder within a period of 18 months from the date of issue, into one Equity Share of ₹ 10/- for cash at an exercise price of ₹ 263/- per equity share (including premium), with ₹ 65.75 being payable upfront for each Warrant at the time of allotment of the Warrant and adjustable against the final exercise price and to issue and allot Equity Shares resulting from the exercise of the Warrants to such extent and on such other terms and conditions, in one or more tranches as may be decided by the Board in accordance with SEBI (ICDR) Regulations."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to allot such number of Equity Shares as may be required to be issued and allotted upon conversion of Warrants as referred to in the paragraph(s) above as may be necessary in accordance with the terms of the issue of Warrants."

"RESOLVED FURTHER THAT the relevant date for the preferential issue as per the SEBI (ICDR) Regulations, as amended upto date, for determination of the applicable price of the issue of abovementioned Warrants and Equity Shares arising out of conversion of warrants is 22nd August, 2010 i.e. 30 days prior to the date of Annual General Meeting."

"RESOLVED FURTHER THAT the Equity Shares, if any, arising on conversion of Warrants shall rank pari passu in all respects with the existing Equity Shares of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, without prejudice to the generality of the above, the Board be and is hereby authorized to decide and approve, in accordance with the Regulations and the prevailing practices, the other terms and conditions of the issue of the Equity Shares/Warrants and to vary, modify, or alter any of the terms and conditions, including the size, as it may deem expedient and the Board is hereby authorized in its absolute discretion in such manner as it deems fit, to dispose off such warrants as are not subscribed the Board be and is hereby authorised to take all such actions and give all such directions, or to do all such acts, deeds, matters and things as may be necessary or desirable and to settle any question or difficulty that may arise in this regard for the purpose of giving effect to the above Resolutions in the best interest of the Company and its shareholders and to execute all such writings and instruments as the Board may in its absolute discretion deem necessary, expedient or desirable."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to a Committee of Directors of the Company to give effect to the aforesaid resolution."

For and on behalf of the Board

Place: Mumbai
Dated: 21st August, 2010

Prachi Deshpande
Company Secretary

REGISTERED OFFICE:

D-1st Floor, Oberoi Garden Estates,
Chandivali Farms Road,
Chandivali, Andheri (East),
Mumbai - 400 072.

NOTES:

1. ***A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.***
2. Proxies, if any, in order to be effective must be received at the Company's Registered Office not later than 48 hours (fortyeight hours) before the time fixed for holding the meeting.
3. The Register of Members and Share Transfer Books shall remain closed from Saturday, 11th September, 2010 to Tuesday, 21st September, 2010 (Both days inclusive).
4. The Dividend, after declaration, will be paid to those shareholders whose name appear on the Register of Members in case of physical shareholders and to those beneficial owners whose name appear in the Statements of beneficial ownership furnished by National Securities Depository Ltd. & Central Depository Services (India) Limited, as at the end of business day on Friday, September 10, 2010.
5. The Securities and Exchange Board of India has made it mandatory for all companies to use bank account details furnished by the depositories for depositing dividend through National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available. In the absence of NECS facility, the Company will print the bank account details if available, on the payment instrument for distribution of dividend.
6. As per the provisions of the Companies Act, 1956 facility for making nomination is available for shareholders, in respect of the shares held by them. Nomination Forms can be obtained from the Registrars/ Secretarial Department of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

Item No.7

During the past few years, the operations of the Company have grown manifold. Expansion of the Company is an ongoing journey. Your Directors are of the view that Mr. Aman Agrawal, Vice Chairman is expected to play a key role in the future growth and progress of the Company. Considering the same, the Board of Directors at their Meeting held on 18th May, 2010 on the recommendations made by the remuneration committee, has considered and approved the re-appointment of Mr. Aman Agrawal as Vice Chairman for a period of 3 years commencing from June 1, 2010 to May 31, 2013, on a consolidated remuneration not exceeding ₹ 30,00,000/- per month alongwith performance incentive of not exceeding ₹ 1,00,00,000/- for each financial year and on the terms and conditions as enumerated in the resolution set out in the Notice of Annual General Meeting.

Mr. Aman Agrawal has over 16 years of experience in the textile

industry. Mr. Aman Agrawal has gained deep knowledge on the production aspects of the industry and has a great command on the nitty gritty of the business. He was actively involved in the successful implementation of SAP in the various locations of the Company and very cautious about the implementation of Information Technology in the Organisation. He is in charge of manufacturing and controls all the manufacturing activities including procurement of yarn, other raw materials, production planning & control and packing and logistics. Mr. Aman Agrawal with his extensive knowledge on the industry is expected to play a dynamic role in the future endeavors of the Company.

The resolution mentioned under Item No. 7 of the notice is being proposed to seek your consent under Section 198, 269, 309 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII of the said Act. Mr. Aman Agrawal will not be liable to retire by rotation.

Mr. Prashant Agrawal, Mr. Aman Agrawal and Mr. Janardan Agrawal, Directors shall be deemed to be concerned or interested in the above resolution.

The material facts as set out above may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

Item No.8

During the past few years, the operations of the Company have grown manifold. Expansion of the company is an ongoing process. Your Company expects to reap rich benefits under the management of Mr. Prashant Agrawal, Managing Director through his global vision is expected to contribute significantly in identifying new business opportunities and converting them into remunerative projects. Considering the same, the Board of Directors at their Meeting held on 18th May, 2010 on the recommendations made by the remuneration committee, has considered and approved re-appointment of Mr. Prashant Agrawal as Managing Director for the period of 3 years commencing from June 1, 2010 to May 31, 2013, on a consolidated remuneration not exceeding ₹ 30,00,000/- per month alongwith performance incentive of not exceeding ₹ 1,00,00,000/- for each financial year and on the terms and conditions as enumerated in the resolution set out in the Notice of Annual General Meeting.

Mr. Prashant Agrawal has more than 14 years of experience in textile sector. He holds a bachelor degree in Chemical Engineering from University Institute of Chemical Technology, Bombay. Consolidation of the business activities in the recent past by way of acquisitions/mergers and/or setting up of subsidiaries overseas has been possible under the reigns of Mr. Prashant Agrawal. He is responsible for the overall management of the Company and as well as growth of the business in domestic and global markets. Mr. Prashant Agrawal is expected to play a pivotal role in formulating the Company's long term business strategies and policies.

The resolution mentioned under Item No. 8 of the notice is being proposed to seek your consent under Section 198, 269, 309 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII of the said Act.

Mr. Prashant Agrawal will not be liable to retire by rotation.

Mr. Prashant Agrawal, Mr. Aman Agrawal and Mr. Janardan Agrawal, Directors shall be deemed to be concerned or interested in the above resolution.

The material facts as set out above may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

Item No. 9

During the past few years, the operations of the Company have grown manifold. Expansion of the company is an ongoing process. Your Directors are of the view that Mr. Uday Mogre, Executive Director - Corporate is expected to play a vital role in the operations of the Company. Considering the same, the Board of Directors at their Meeting held on 18th May 2010 on the recommendations made by the remuneration committee, has considered and approved the re-appointment of Mr. Uday Mogre as Executive Director - Corporate for the period of 3 years commencing from 1st June, 2010 to 31st May, 2013 on a consolidated remuneration not exceeding ₹ 7,50,000/- per month on the terms and conditions as enumerated in the resolution set out in the Notice of Annual General Meeting.

Mr. Mogre has over 30 years of experience in Indian and overseas industry. He holds a Bachelors Degree in Chemical Engineering from Laxminarayan Institute of Technology, Nagpur and has obtained Post Graduate Diploma in Management (PGDM) from Indian Institute of Management, Ahmedabad. Presently he is in charge of Corporate HR and Administration, New Projects - Diversification, Government Liaison & relations. Mr. Mogre has played a key role in establishment of New Projects, expansion programs, setting up manufacturing facilities at various locations, developing corporate HR policies and maintaining cordial relations across all areas. His contribution to the growth process of the group is invaluable. Mr. Mogre is expected to play a very vital role in developing strategies towards sustaining long term growth of the company.

The resolution mentioned under Item No. 9 of the notice is being proposed to seek your consent under Section 198, 269, 309 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII of the said Act. Mr. Uday Mogre shall be liable to retire by rotation.

Except Mr. Uday Mogre no other Director shall be deemed to be concerned or interested in the above resolution.

The material facts as set out above may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

Item No. 10

During the past few years, the operations of the Company have grown manifold. Expansion of the company is an ongoing process. Your Directors are of the view that Mr. A. R. Mundra, Executive Director - Finance is expected to play a vital role in the operations of the Company. Considering the same, the Board of Directors at their Meeting held on 18th May, 2010 on the recommendations made by the remuneration committee, has considered and approved the re-appointment of Mr. A. R. Mundra

as Executive Director - Finance for the period of 3 years commencing from 1st June, 2010 to 31st May, 2013, on a consolidated remuneration not exceeding ₹ 7,50,000/- per month on the terms and conditions as enumerated in the resolution set out in the Notice of Annual General Meeting.

Mr. Mundra has an experience of over 30 years in finance, commercial and managerial related matters. His core strength lies in fund procurement, internal controls, organizational systems and strategic planning. He holds a bachelor degree in commerce and law (gold medalist). He is an associate member of the Institute of Chartered Accountants of India (Rankholders) and also of the Institute of Company Secretaries of India (Silver Medalist). He is also a member of the International Institute of Business Management, London and alumni of Asian Institute of Management, Manila. He was awarded 'Samaj Shri' for excellence in management by Indian Institute of Management Executives, Mumbai in 1994. Mr. Mundra has sound knowledge and experience on Mergers, Amalgamations Restructuring, Funds Mobilization, Project Advisory & Financing, and Working Capital Arrangements etc. Besides, he has deep understanding of Investment and Portfolio Management, Derivatives and Capital Market Operations, Corporate Governance and Compliance matters. Mr. Mundra had played a lead role in issue of Global Depository Receipts and listing of securities at overseas exchange.

The resolution mentioned under Item No. 10 of the notice is being proposed to seek your consent under Section 198, 269, 309 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII of the said Act. Mr. A.R. Mundra shall be liable to retire by rotation.

Except Mr. A. R. Mundra no other Director shall be deemed to be concerned or interested in the above resolution.

The material facts as set out above may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

Item No.11 & 12

At present, the Authorised Share Capital of the Company is ₹ 120,00,00,000/- divided into 12,00,00,000 Equity Shares of ₹ 10/- each. With a view to augment funds to meet the expansion plans, working capital requirements and other purposes, the management is of opinion that the authorised capital of the Company shall be increased to ₹150,00,00,000/- divided into 15,00,00,000 Equity Shares of ₹ 10/- each by creation of 3,00,00,000 new Equity Shares of ₹ 10/- each.

Consequent to increase in the Authorised Share Capital of the Company, Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the Company shall be required to be altered suitably so as to reflect the increase in the Authorised Share Capital.

The resolutions proposed in Item Nos. 11 & 12 are therefore, recommended for your approval.

None of the Directors shall be deemed to be concerned or interested in the said resolutions except to the extent of their respective shareholding in the Company.

Item No. 13

With the liberalization policy of the Government in connection with mobilizing funds through issue of securities globally, the Company wishes to raise funds through ADRs/ GDRs/FCCBs/ QIP or any other mode. Therefore, it is proposed to raise share capital in Indian and/or International Markets, in one or more tranches, by issue of shares/securities convertible in shares as detailed in the resolution as given in attached notice and list its securities in one or more of such markets.

The funds raised shall be utilized for one or more purposes such as capital expenditure in connection with expansion and modernization of manufacturing and marketing facilities, business acquisitions, working capital requirements arising out of increased volume of business, building capacities for existing and new lines of businesses, repayment of loans and other corporate purposes.

Consent of the shareholders is sought for offer and issue of securities as stated in the resolution which shall result in issuance of further shares of the Company in accordance with the terms and nature of securities to be issued by the Company. The Board, in consultation with its Lead Managers, Underwriters, Merchant Bankers and Advisors, will finalise detailed terms of the issue including in relation to the pricing of the issue which will be fixed keeping in view the capital market conditions/practices and regulations, if any, issued by the Securities and Exchange Board of India (SEBI). The proposed resolution is an enabling resolution to authorize the Board of Directors to mobilize adequate resources to meet the growing needs of the Company by way of issue of above mentioned securities.

Sections 81, 81(1A) of the Companies Act, 1956 provide, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further shares, such further shares shall be offered to the existing shareholders of the issuer company in the manner laid down in Section 81 unless the shareholders of such company in general meeting decide otherwise.

Since the proposed Special Resolution may result in issue of shares of the Company otherwise than to the existing shareholders of the Company, consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 and the Listing Agreement.

Your Directors recommend the resolution for your approval.

None of the Directors are in any way concerned or interested in the above referred Resolution.

Item No.14

Your Company proposes to issue upto 1,00,00,000 (One Crore) Optionally Convertible Warrants ("Warrants") to B R Machine Tools Private Limited, an entity belonging to promoter/promoter group of the Company. Each warrant, at the option of the warrant holder, shall be convertible into one equity share of ₹10/- at an exercise price of ₹ 263/- (including premium) within a period of 18 months from the date of issue.

The Company shall receive ₹ 65.75 per Warrant at the time of the allotment of the Warrants, being consideration equal to 25% of the exercise price of the Warrants and the balance shall be received at the time of conversion of the Warrants into Equity Shares. If the proposed allottee does not exercise option for conversion of the Warrants into Equity Shares or exercises option for conversion of a part of the Warrants into Equity Shares, then the 25% advance, to the extent that it pertains to Warrants not converted, shall be forfeited.

The aforesaid issue and allotment of Warrants will be governed by the provisions of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 (SEBI (ICDR) Regulations)}. Under these Regulations, the price at which the Shares arising out of conversion of Warrants are to be issued (which are issued on a preferential basis) shall be not less than the higher of: (a) the average of the weekly high and low of the closing prices of the shares quoted on the stock exchange during the six months preceding the "relevant date"; or (b) the average of the weekly high and low of the closing prices of the shares quoted on a stock exchange during the two weeks preceding the "relevant date".

The "relevant date" for the above purpose means the date thirty days prior to the date of General Meeting held to consider the proposed issue under Section 81(1A) of the Companies Act, 1956. As the date of the ensuing Annual General Meeting of the Shareholders is 21st September 2010, the "relevant date" is 22nd August, 2010.

Pursuant to the SEBI (ICDR) Regulations, the price at which the Equity Shares arising out of conversion of Warrants are to be issued as computed on the above basis, works out. ₹ 262.36. In comparison, the Equity Shares arising out of conversion of Warrants, if opted, are proposed to be issued at ₹ 263/- (including premium) per share.

The present Resolution is proposed to be passed in order to enable the Board of Directors of the Company to issue and to allot the Warrants on preferential basis, subject to receipt of the requisite statutory, corporate and regulatory approvals as may be applicable.

The Warrants shall be subject to the Memorandum and Articles of Association of the Company and the terms of issue. The Equity Shares arising out of conversion of warrants shall rank pari passu with the existing Equity Shares of the Company in all respects.

Disclosures required pursuant to the SEBI (ICDR) Regulations:

(a) Objects of the Issue through preferential allotment:

The preferential issue of Warrants is being made by the Company to finance capital expenditure in connection with expansion and modernization of manufacturing and marketing facilities, business acquisitions, working capital requirements arising out of increased volume of business, building capacities for existing and new lines of businesses, repayment of loans and other corporate purposes.

(b) Intention of the Promoters / Directors / Key Management Personnel to subscribe to the offer:

The allotment is proposed to be made to B R Machine Tools Private Limited, an entity belonging to the promoter/ promoter group in which Mr. Janardan Agrawal, Mr. Aman Agrawal and Mr. Prashant Agrawal, existing Directors and

Promoter group persons are interested. None of the Directors and/or Key Management Personnel shall subscribe to the offer. Considering that the allotment is proposed to be made to promoter group, the proposed allotment of warrants and/or equity shares arising thereon shall not result in any change in management control.

(c) Shareholding pattern before and after preferential allotment:

Sr. No.	Category	Pre-allotment in terms of Equity Shares		Post allotment in terms of Equity Shares #	
		No.	%	No.	%
A.	Promoters				
	B R Machine Tools Pvt. Ltd. (Allottee under Preferential issue)	NIL	NIL	1,00,00,000	8.20
	Others	3,92,59,260	35.08	3,92,59,260	32.21
	Total Promoters holding (A)	3,92,59,260	35.08	4,92,59,260	40.41
B.	Public Shareholding				
1.	Institutions				
	Mutual Funds/ Foreign Institutional Investors/ Financial Institutions/ Banks/Venture Capital Funds	4,24,09,468	37.90	4,24,09,468	34.79
	Total (B1)	4,24,09,468	37.90	4,24,09,468	34.79
2.	Non-Institutions				
	a) Bodies Corporate (including clearing members)	79,09,156	7.07	79,09,156	6.49
	b) Individuals	33,22,116	2.97	33,22,116	2.72
	Total (B2)	1,12,31,272	10.04	1,12,31,272	9.21
	Total Public Shareholding B= (B1+B2)	5,36,40,740	47.94	5,36,40,740	44.00
C.	Shares held by Custodian	1,90,00,000	16.98	1,90,00,000	15.59
	Total (C)	1,90,00,000	16.98	1,90,00,000	15.59
	Total (A+B+C)	11,19,00,000	100.00	12,19,00,000	100.00

Notes:

1. An Aggregate of 42,00,000 warrants optionally convertible into equivalent number of equity shares are outstanding. Accordingly proposed preferential equity share capital may change to the extent of exercise for conversion of warrants, if any opted.
2. The allotment of 1,00,00,000 Equity Shares arising out of conversion of Warrants shall be made only if the Warrantholder exercises the option for conversion of the Warrants issued. Accordingly, the shareholding pattern after preferential allotment may vary to the extent of warrants in respect of which option not exercised for conversion into Equity Shares.
3. Post-preferential shareholding pattern may further vary to

the extent of change in paid-up share capital, if any, on account of further issue of shares proposed vide Resolution No.13 before exercise of option for conversion of warrants into equity shares.

(d) Proposed time within which the allotment shall be complete:

The said preferential issue shall be subject to the relevant provisions of SEBI (ICDR) Regulations (including amendments, if any) issued by the Securities and Exchange Board of India. The Company proposes to make allotment of the warrants within a period of 15 days from the date of the Annual General Meeting or within 15 days of receipt of all requisite statutory, corporate and regulatory approvals, whichever is later.

(e) Identity and Percentage of Post-Preferential Issue capital held by proposed allottee

Name	Identity of the Proposed Allottee	Number of Shares held pre-preferential allotment (A)	Number of Shares proposed to be allotted (B) #	Total number of shares to be held post preferential allotment (A)+(B)#	% of Post Preferential Issue Equity Share Capital #
B R Machine Tools Private Limited	Entity/Company belonging to Promoter/Promoter Group	Nil	1,00,00,000	1,00,00,000	8.20%

Notes

1. An Aggregate of 42,00,000 warrants optionally convertible into equivalent number of equity shares are outstanding. Accordingly proposed preferential equity share capital may change to the extent of exercise for conversion of warrants, if any opted.
2. The allotment of 1,00,00,000 Equity Shares arising out of conversion of Warrants shall be made only if the Warrantholder exercises the option for conversion of the Warrants issued. Accordingly, the number of Equity Shares and percentage of Equity Shares to be held by the proposed allottee after preferential allotment may vary to the extent of Warrants in respect of which option not exercised for conversion into Equity Shares.
3. Post-preferential shareholding pattern may further vary to the extent of change in paid-up share capital, if any, on account of further issue of shares proposed vide Resolution No.13 before exercise of option for conversion of warrants into equity shares.

(f) Undertakings

The Company undertakes to re-compute the price of the specified securities in terms of the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 in case if required to do so. If the amount payable on account of the re-computation of price is not paid within the time stipulated in aforesaid regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the proposed allottee.

The statutory auditors of the Company, M/s. V. K. Beswal & Associates, Chartered Accountants have certified that the issue of Warrants is being made in accordance with the requirements of SEBI (ICDR) Regulations for Preferential Issues. A copy of the said certificate shall be available for inspection during business hours on all working days at the Registered Office of the Company till the date of the ensuing Annual General Meeting.

In the event, the shareholding of the promoter/promoter group crosses the limit specified vide the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("the said regulations") by virtue of exercise of option for conversion of warrants

into equity shares, then in such case, the acquirer shall forthwith initiate steps for compliance with the provisions of the said regulations.

The warrants and/or shares arising thereon shall be locked-in for such period as may be prescribed under SEBI (ICDR) Regulations for Preferential Issues.

The Board of Directors believes that the proposed preferential issue is in the best interest of the Company and its members. Sections 81, 81(1A) of the Companies Act, 1956 provide, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further shares, such further shares shall be offered to the existing shareholders of the issuer company in the manner laid down in Section 81 unless the shareholders of such company in general meeting decide otherwise.

Pursuant to the provisions of Section 81, 81(1A) of the Companies Act, 1956, any offer or issue of shares in a company to persons other than the holders of the equity shares of a company or to such holders otherwise than in proportion to the capital paid up, requires prior approval of the shareholders in general meeting by a Special Resolution. The Board of Directors, therefore, recommends the resolution proposed vide Item No.14 of the Notice for approval in accordance with the requirements of Sections 81, 81(1A) of the Companies Act, 1956 read with the SEBI (ICDR) Regulations for Preferential Issues.

Mr. Janardan Agrawal, Mr. Aman Agrawal and Mr. Prashant Agrawal, Directors, shall be deemed to be concerned or interested to the extent of their shareholdings and/or Directorship held in B R Machine Tools Private Limited, the proposed allottee. Except Mr. Janardan Agrawal, Mr. Aman Agrawal and Mr. Prashant Agrawal, none of the Directors of the Company shall be deemed to be interested or concerned in passing of the above resolution and the Board recommends that the same for your approval.

For and on behalf of the Board

Place: Mumbai
Dated: 21st August, 2010

Prachi Deshpande
Company Secretary

BOMBAY RAYON FASHIONS LIMITED

PROXY FORM

Registered Office: D-1st Floor, Oberoi Garden Estates, Chandivali Farms Road, Chandivali, Andheri (East), Mumbai - 400 072.

I / We _____ of _____
_____ being a Shareholder/Shareholders of
BOMBAY RAYON FASHIONS LIMITED hereby appoint _____
of _____ of failing him/her _____ of
_____ as my/our Proxy to attend and vote for me/us and on my/our behalf
at the 17th Annual General Meeting of the Company to be held on Tuesday, 21st September, 2010 at 4:30 p.m. and at any
adjournment thereof.

Signed on this _____ day of _____ 2010.

Signature of Shareholder _____

Affix a
Re. 1/-
Revenue
Stamp

Note: The Proxy form duly completed and signed must be deposited at the Registered Office of the Company at D-1st Floor, Oberoi Garden Estates, Chandivali Farms Road, Chandivali, Andheri (East), Mumbai - 400 072, not less than 48 hours before the time for holding the Meeting.

Name _____ Address _____
_____ Regd. Folio. No. _____ No. of Shares held
_____ Client I.D. No. _____ DP. ID. No. _____

BOMBAY RAYON FASHIONS LIMITED

ATTENDANCE SLIP

Registered Office: D-1st Floor, Oberoi Garden Estates, Chandivali Farms Road, Chandivali, Andheri (East), Mumbai - 400 072.

I / We hereby record my/our presence at the 17th Annual General Meeting of the Company at Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai - 400 020, on Tuesday, 21st September, 2010, at 4:30 p.m.

Name _____ Address _____
_____ Regd. Folio. No. _____ No. of Shares held
_____ Client I.D. No. _____ DP. ID. No. _____

Name of Proxy/Representative, if any _____

Signature of the Shareholder(s)/Proxy/Representative _____