



Bombay Rayon Fashions Limited
Annual Report
2012-13

Corporate Information

Board of Directors

Mr. Janardhan Agrawal - Chairman

Mr. Aman Agrawal - Vice Chairman

Mr. Naseer Ahmed - Joint Vice Chairman

Mr. Prashant Agrawal - Managing Director

Mr. A. R. Mundra - Executive Director-Finance

Mr. Uday Mogre - Executive Director-Corporate

Dr. B. S. Bhesania - Director
(Resigned w.e.f. 22nd August, 2013)

Dr. S. B. Agarwal - Director
(Resigned w.e.f. 12th August, 2013)

Mr. Suresh Vishwasrao - Director

Mr. M. M. Agrawal - Director

Mr. Mukul Sarkar - Nominee Director- EXIM Bank

Mr. Babu Nambiar- Nominee Director- IDBI Bank
(Appointed w.e.f. 22nd August, 2013)

Mr. A.Arumugham - Additional Director
(Appointed w.e.f. 22nd August, 2013)

Company Secretary

Ms. Prachi Deshpande

Auditors

V. K. Beswal & Associates, Chartered Accountants

Registered Office

Bombay Rayon Fashions Limited
D-1st Floor, Oberoi Garden Estates,
Chandivali Farms Road, Chandivali,
Andheri (East), Mumbai-400072.

Tel. : 022 - 3985 8800

Fax : 022 - 2847 6992

Email : investors@bombayrayon.com

Website : www.bombayrayon.com

Registrar & Share Transfer Agent

Link Intime India Private Ltd.

C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup, Mumbai-400078.

Tel. : 022 - 2596 3838

Fax : 022 - 2594 6969

Email : rnt.helpdesk@linkintime.co.in

Website : www.linkintime.co.in

Bankers/Term Lenders

AXIS Bank Limited

Allahabad Bank

Bank of India

Bank of Maharashtra

Central Bank of India

Corporation Bank

DENA Bank

Export-Import Bank of India

Indian Bank

IDBI Bank Limited

Indian Overseas Bank Limited

ICICI Bank Limited

Karnataka Bank Limited

Karur Vysya Bank Ltd

Oriental Bank of Commerce

Punjab National Bank

State Bank of Bikaner & Jaipur

State Bank of India

State Bank of Hyderabad

State Bank of Mysore

State Bank of Patiala

State Bank of Travancore

Standard Chartered Bank

Union Bank Of India

Listing of Equity Shares

The Company's shares are listed on

- National Stock Exchange of India Ltd ("NSE")
- BSE Limited ("BSE")

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting their Report on the operations of the Company together with the Audited Accounts for the financial year ended 31st March, 2013.

(₹ in crores)

Particulars	31 st March, 2013	31 st March, 2012
Sales	3194.79	2734.96
Profit before Interest, Depreciation and Tax	820.95	713.12
Less: Interest	239.81	188.25
Profit before Depreciation and Tax	581.14	524.87
Less: Depreciation	271.22	217.23
Profit before Extraordinary Items and Tax	309.92	307.64
Less: Excess/(Short) Provision for FBT written back	(13.94)	0.11
Less: Provision for taxes (including deferred)	107.22	101.24
Profit after tax	188.76	206.51
- Basic	14.02	15.50
- Diluted	14.02	14.67

During the year under review, all the ongoing projects of the Company have fully commenced and have started commercial operations. The revenue from operations has increased to ₹ 3194.79 Crores from ₹ 2734.96 Crores in previous year. An increase in revenue is mainly due to jump in fabric sale in local markets, by 36% as compared to previous year.

DIVIDEND

With a view to conserve the resources for the Company's business operations, your directors have deemed it prudent not to recommend any dividend for the year ended 31st March, 2013.

CONSOLIDATION OF BUSINESS:

In the past years the company has set up additional manufacturing facilities at various locations in the State of Maharashtra and Karnataka. During the year under review the Company had focused in consolidating the business operations at various locations to get the optimum advantage of the set up facilities.

DIRECTORS:

During the period under review, Dr. Pravin P Shah Independent director of the board had passed away on 4th December, 2012. The Board expresses its deep condolence on the sudden demise of Dr. Pravin P. Shah.

Dr. S. B. Agarwal and Dr. B. S. Bhesania stepped down from the Company's Board with effect from 12th August, 2013 and 22nd August, 2013 respectively.

Further, in accordance with the provisions of Section 255 read with Section 266 the Companies Act, 1956 and the Company's Articles of Association, Mr. Janardhan Agrawal, Mr. Naseer Ahmed, and Mr. A. R. Mundra Directors of the Company shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Furthermore, the tenure of Mr. Aman Agrawal as the Whole-time Director, designated as Vice Chairman, Mr. Prashant Agrawal as the Managing Director, Mr. Uday Mogre as the Whole-time Director, designated as Executive Director – Corporate and Mr. A. R. Mundra as the Whole-time Director, designated as Executive Director – Finance expired on 31st May, 2013. The Board recommends their respective re-appointment a further tenure of three years commencing from 1st June, 2013.

Also, Mr. A Arumugham and Mr. Babu Nambiar were inducted on the Company's Board with effect from 22nd August, 2013.

The information to shareholders pursuant to Clause 49 of the Listing Agreement pertaining to brief resume, expertise in functional areas, names of Companies in which all the above mentioned Directors are interested respectively etc. forms part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
2. that they have selected such accounting policies in consultation with Statutory Auditors and other Experts and applied them consistently and made judgments 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 viz 31st March, 2013 and of the Profit of the Company for that year.

3. that they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. that they have prepared the attached Statement of Accounts for the year ended 31st March, 2013 on a going concern basis.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION & ANALYSIS REPORT:

A report on the Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges along with a certificate from M/s. V. K. Beswal & Associates, Chartered Accountants, Statutory Auditors confirming compliance is set out in the annexure forming part of this Report. The Management Discussion and Analysis Report on the operations of the Company as required under the Listing Agreement with the Stock Exchanges is also annexed hereto and forms part of this Report.

AUDITORS:

The Statutory Auditors of the Company, M/s V. K. Beswal & Associates, Chartered Accountants, Mumbai (Firm Registration Number: 101083W) shall hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. M/s V. K. Beswal & Associates, Chartered Accountants have expressed their willingness to act as the Statutory Auditors of the Company, and furnished to the Company a certificate from that their appointment, if made, would be in conformity with the provisions of Section 224 (1B) of Companies Act, 1956.

AUDITORS' REPORT:

The observations made by the Statutory Auditors in their Report read with the relevant notes as given in the Notes to Accounts for the year ended 31st March, 2013, are self-explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES:

The information required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and the other particulars of the employees are set out in the annexure to the Directors' Report. Having regard to section 219 (1) (b) (iv) of the said Act, Annual Report excluding the aforesaid information is being sent to all the members of the Company and other entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as prescribed under section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are set out in annexure to this report.

PUBLIC DEPOSITS:

The Company has not accepted any amount falling within the purview of "Public Deposit" as per the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

SUBSIDIARY COMPANIES:

(i) Bombay Rayon Holdings Limited (BRHL).

BRHL holds 100% equity of foreign subsidiaries BRFL Europe B.V., Netherlands & BRFL Italia S.r.l., Italy.

BRHL has registered a net profit of ₹ 2.41 Crores for the year ended 31st March, 2013.

(ii) DPJ Clothing Ltd, U.K.

DPJ Clothing Limited is engaged in business of wholesale marketing and distribution of clothing Products. The said subsidiary is assisting in getting many mid size retailers of Europe by providing the services either by direct import or by import and delivery basis. Your Company continued to reap benefits in expanding its business in Europe.

DPJ Clothing Ltd has registered loss of GBP 293,383 for the year ended 31st March, 2013.

(iii) BRFL Europe B.V., Netherlands.

BRFL Europe B.V. at Netherlands curtailed its operations to save costs and most of the larger customers are directly dealt from well established service facilities from India offices.

BRFL Europe B.V. has registered a loss of Euro 4,465 for the year ended 31st March, 2013.

(iv) BRFL Italia S.r.l, Italy.

The Company owns the popular 'GURU' brand and is into the business of retailing of ready-made garments as well as other accessories in Europe.

The economic environment in that part of world is gloomy and to keep the business operations fit, the activities are being restructured, putting the license model for the brand at place for various modals.

BRFL Italia S.r.l, Italy has registered a net loss of Euro 7.267 thousand for the period ended 31st December, 2012.

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(v) STI India Limited (STI).

The Company is running the unit of STI on job work basis for the manufacturing of yarn and knitted fabric. The part of manufactured yarn is used for in-house consumption and balance is sold.

STI has registered a net Loss of ₹ 9.33 Crores ended 31st March, 2013.

(vi) BRFL Bangladesh Private Limited (BRFL Bangladesh).

The Company has been incorporated for activities in Bangladesh, but operations presently not commenced due to unfavorable business environments.

The Company has availed exemption pursuant to the General Circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs; from attaching the Annual Accounts of its subsidiaries vide its Board's approval on 22nd August, 2013. The Company undertakes that the annual accounts of the subsidiary companies and the related detailed information shall be made available to the shareholders of the holding

and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies are available for inspection by the shareholders at the Registered Office of the Company and its Subsidiaries.

ACKNOWLEDGEMENTS:

Your Directors express sincere appreciations for the co-operation and support from our Regulatory Authorities, Shareholders, Bankers, Suppliers, Customers, and other Stakeholders. We look forward to receiving their continued support and encouragement.

The Board of Directors expresses its gratitude and records its sincere appreciation of the dedicated efforts and commitment of all the employees.

For and on behalf of the Board

Place: Mumbai
Date: 22nd August, 2013

Janardhan Agrawal
Chairman

Annexures to the Directors' Report

1) Conservation of Energy:

a) Energy conservation measures taken by the Company

(i) Electrical Energy :

- (a) Reducing the maximum demand by evenly distributing the loads throughout the day and increasing efficiency of plant and equipments.
- (b) Improving power factor by optimum choice of power factor improvement capacitors.
- (c) Monitoring the overall energy consumption.

(b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy. The Company is reviewing various proposals for reduction in consumption of energy, mainly by way of replacement of existing equipments by modern & energy efficient equipments.

c) Impact of measures (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods as per Form A

d) Total energy consumption per unit of production as per Form A

FORM A

	Year Ended 31/03/2013		Year Ended 31/03/2012	
	Fabrics	Garments	Fabrics	Garments
A. Power and Fuel Consumption				
a) Electricity				
Purchase				
Unit (Lacs)	736.05	60.89	200.92	133.61
Total Amount (₹ Lacs)	4036.61	478.29	841.88	490.40
Rate/ Unit (₹)	5.48	7.86	4.19	3.67
b) Own generation (Through D.G. Set)				
Diesel Oil Consumed (Lac Ltrs)	3.65	5.06	14.41	11.12
Total Amount (₹ Lacs)	172.20	253.39	610.23	480.30
Avg. Per Ltr. (₹)	47.24	50.03	42.35	43.19
c) Bio Fuel				
Quantity (M.T)	9432.76	3261.95	590.40	623.45
Amount (in lacs)	489.44	113.93	18.25	90.40
d) Coal				
Quantity (M.T)	42696.30	21348.15	590.40	623.45
Amount (in lacs)	2057.96	1028.98	3744.54	3640.41
B. Consumption Per unit of Production				
Production	162.75 mm mtrs	41.95 mn pcs	159.62 mn mtrs	41.87 mn pcs
Electricity (₹)	4.15/mtr	4.47/pcs	3.26/ mtr	1.12/ pcs

2) Technology Absorption:

The Disclosure of particulars with respect to Technology absorption as per Form "B"

FORM B

Disclosure of particulars with respect to absorption

I. Research and development (R & D)

1. Specific areas in which R & D carried out by the company:

Product and quality improvement, development of new designs, products, cost control and energy conservation.

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

Product Quality has improved and new products have been introduced.

3. Future plan of action:

The Company continues to focus its efforts on innovations in textile development processes.

4. Expenditure on R & D: NIL

II. Technology absorption, adaptation and innovation

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

The Company has been developing in-house modifications/ improvements in process technology in its various manufacturing sections which, when found suitable, are integrated into the regular manufacturing operation.

2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc. :

High Product quality and increased business potential

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

- a) Technology imported:
- b) Year of import:
- c) Has technology been fully absorbed?
- d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.

} Not Applicable as no imported technology is put to use.

III Foreign Exchange Earnings and Outgo:

Activities relating to exports; initiatives taken to increase exports, development of new export markets for products and services; and export plans.

The Company exports its textile products. All efforts of the Company are geared to increase the business of textile exports in different products and markets.

A detailed bifurcation on the Foreign Exchange earnings and outgo is contained in note no. 31 & 32 of Significant Accounting Policies and Note to Accounts

For and on behalf of the Board

Place: Mumbai

Date: 22nd August, 2013

Janardhan Agrawal
Chairman

Report on Corporate Governance

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organization.

1. Company's Philosophy on Corporate Governance

Your Company is fully committed to the principles of good Corporate Governance. In keeping view with this commitment your Company has been upholding fair and ethical business and corporate practices and transparency in its dealings and continuously endeavours to review, strengthen and upgrade its systems and processes so as to bring in transparency and efficiency in its various business segments.

Through its corporate governance measures, the Company aims to maintain transparency in its financial reporting and keep all its stakeholders informed about its policies, performance and developments. Bombay Rayon Fashions Limited (BRFL) will contribute to sustain stakeholder confidence by adopting and continuing good practices, which is at the heart of effective corporate governance.

Your Company's Board has empowered responsible persons to implement policies and guidelines related to the key elements of corporate governance – transparency, disclosure, supervision, internal controls, risk management, internal and external communications, high standards of safety, accounting fidelity, product and service quality. It has also set up adequate review processes.

2. Board of Directors

a) Composition of the Board:

The Company has composition of Executive and Non-Executive Directors. As on March 31, 2013, the Board comprised of 11 Directors, of which 4 are Executive Directors and the remaining 7 are Non-Executive Directors. Of the 7 Non - Executive Directors 5 Directors were Independent Directors of which Mr. Mukul Sarkar is a Nominee Director on the Board of the Company appointed by the Export Import Bank of India (EXIM). The Chairman of the Board Mr. Janardan Agrawal is a Non-Executive Promoter Director of the Company.

The Board of Directors possess requisite experience and specialization in diverse fields such as Project Management, Legal, Banking, Finance and Administration.

The composition of the Board and other relevant details relating to Directors are given below:

Name of Director	Category	No. of Board meetings Attended during the year	Whether previous AGM attended	No. of other		
				Directorships*	Committee Memberships #	Committee Chairmanships #
Mr. Janardhan Agrawal (Chairman)	Promoter, Non-Executive; Non- Independent	2	No	3	–	–
Mr. Naseer Ahmed	Non-Executive; Non- Independent	1	No	2	–	1
Mr. Aman Agrawal	Promoter, Executive; Non- Independent	1	Yes	6	–	–
Mr. Prashant Agrawal (Managing Director)	Promoter, Executive; Non- Independent	5	Yes	6	–	–
Mr. Uday Mogre	Executive; Non- Independent	3	Yes	1		
Mr. A. R. Mundra	Executive; Non- Independent	5	Yes	2		
Dr. Pravin P Shah [§]	Non – Executive Independent	2	Yes	N.A.	N.A.	N.A.
Dr. B. S. Bhesania	Non-Executive; Independent	4	No	1	3	2

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Name of Director	Category	No. of Board meetings Attended during the year	Whether previous AGM attended	No. of other		
				Directorships*	Committee Memberships #	Committee Chairmanships #
Dr. S. B. Agarwal	Non-Executive; Independent	3	Yes	2	1	1
Mr. Suresh Vishwasrao	Non-Executive; Independent	1	Yes	1	-	-
Mr. M. M. Agrawal	Non-Executive; Independent	3	Yes	6	4	1
Mr. Mukul Sarkar (Nominee Director)	Non-Executive; Independent	4	No	2	1	-

Note: Except that Mr. Aman Agrawal & Mr. Prashant Agrawal being sons of Mr. Janardhan Agrawal, no other director is related directly or indirectly to any other directors of the Company.

* Directorships in Private Companies, Foreign Companies and the Companies under Section 25 of the Companies Act, 1956 are excluded.

Memberships and Chairmanships of Audit Committee and Shareholders' Grievance Committee have been considered.

\$ Expired on December 04, 2012

b) Re-appointment of Directors:

The details of the Mr. Janardhan Agrawal, Mr. Naseer Ahmed and Mr. A.R. Mundra Directors eligible for being re-appointment at the ensuing Annual General Meeting is provided in Annexure 1 of this Annual Report

c) Non-Executive Directors' compensation and disclosures:

Apart from sitting fees that is paid to the Non-Executive-Independent Directors for attending Board & Committee meetings, no other fees or commission was paid during the year.

In accordance with the Special resolution passed by Shareholders of the Company at their Annual General Meeting held on September 15, 2011, the Company paid commission to Mr. Janardhan Agarwal, the Non – Executive Chairman @ 1% of the net profits for the year ended March 31, 2013.

The detail of sitting fees and commission paid to the Directors has been provided separately in this Report.

d) Board Meetings and Annual General Meeting:

During the year under review, 5 Meetings of the Board of Director of the Company were convened on:

- May 29, 2012
- July 06, 2012
- August 13, 2012
- November 09, 2012
- February 14, 2013 (Meeting was adjourned to February 22, 2013)

The agenda and the explanatory notes is prepared by the company secretary in consultation with the Managing Director and Executive Director – Finance and the same is circulated in advance to the Directors. Every director is free to suggest inclusion of items in the agenda. The Board meets at least once every quarter inter alia to review the quarterly results together with the Operations and Performance of the Company pertaining to that quarter. Additional Meetings are held, whenever considered necessary. The draft minutes containing the proceedings of the Meeting of the Board, after incorporating the comments, if any, of the Directors are confirmed by the Board Members at their next Meeting and signed by the Chairman of the meeting thereafter. Senior Management Personnel are called to provide additional inputs for the items being discussed by the Board of Directors whenever necessary. The items in the Agenda are backed by comprehensive background information so as to enable the Board to take appropriate decisions. In addition to the information required under Annexure IA to Clause 49 of the Listing Agreement, approvals of the Board are taken wherever necessary of major events. The Board also reviews the Compliance report of all laws applicable to the Company. The Managing Director keeps the Board apprised of the overall performance of the Company.

e) Code of Conduct

The Company has adopted a Code of Conduct for the members of the Board and the Senior Management in compliance with the provisions of Clause 49 of the Listing Agreement. All the members of the Board and the Senior

Management have affirmed compliance with the Code of Conduct as on March 31, 2013 and a declaration to that effect signed by the Managing Director, forms a part of this Report. The Code of Conduct is also available on Company's web site - www.bombayrayon.com.

3. Audit Committee

a) Constitution of Audit Committee:

The Audit Committee of the Company has been constituted in accordance with the provisions of Section 292A of the Companies Act, 1956, and in terms with Clause 49 of the Listing Agreement with Stock Exchanges.

During the period from April 01, 2012 till December 04, 2012, the Audit Committee comprised five members, of which four were Non-Executive Independent Directors and one was an Executive Director - Finance.

As on March 31, 2013, the Audit Committee comprised Four members, due to sad demise of Dr. Pravin P. Shah of which Three were Non-executive Independent Directors and one was an Executive Director - Finance.

All members of the Audit Committee are financially literate, out of which Mr. S. B. Agarwal and Mr. A. R. Mundra are qualified Chartered Accountants.

b) Composition of Audit Committee and Number of Meetings Attended:

During the financial year 2012-13, four Audit Committee Meetings were held on:

- May 29, 2012
- July 06, 2012
- August 13, 2012
- November 09, 2012
- February 14, 2013 (Meeting was adjourned to February 22, 2013)

The composition of the Audit Committee and number of meetings attended is as under:

Name of the Director	Designation	Attendance
Dr. Pravin P. Shah [§]	Ex-Chairman	2
Dr. S. B. Agarwal	Chairman	3
Dr. B. S. Bhesania	Member	4
Mr. A. R. Mundra	Member	4
Mr. Mukul Sarkar	Member	4

[§] Expired on December 04, 2012

c) Attendees:

The Audit Committee invited Senior Executives, Statutory Auditors & Internal Auditors, whenever it considered appropriate, to be present at its meetings. Ms. Prachi Deshpande, Company Secretary of the Company acts as the Secretary of the Committee.

d) The Terms of Reference of the Audit Committee:

- i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- iv) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - (a) Matters required being included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - (b) Changes, if any, in accounting policies and practices and reasons for the same.
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - (d) Significant adjustments made in the financial statements arising out of audit findings.
 - (e) Compliance with listing and other legal requirements relating to financial statements.
 - (f) Disclosure of any related party transactions.
 - (g) Qualifications in the draft audit report.

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- v) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- vi) Reviewing, with the management, the Statement of uses/application of funds raised through an issue (public issue, right issue, Preferential issue. etc) the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue and making appropriate recommendation to the Board to take up steps in this matter.
- vii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- viii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- ix) Discussion with internal auditors on any significant findings and follow up there on.
- x) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- xi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- xii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- xiii) Review of information as prescribed under Clause 49 (II)(E) of the Listing Agreement.

e) Powers of the Audit Committee:

The Board has delegated the following powers to the Audit Committee:

- i) Investigating any activity within its terms of reference as above, or in relation to the items specified in Section 292A of the Companies Act, 1956, or as may be referred to it by the Board, from time to time and for this purpose, it shall have full access to information contained in the records of the Company and external professional advice, if necessary
- ii) To seek information from any employee.
- iii) To obtain outside legal or other professional advice, if necessary.
- iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.

4. Remuneration Committee

a) Constitution of Remuneration Committee:

The Remuneration Committee comprises of three members. All the members are Non-Executive Independent Directors.

b) Composition of Remuneration Committee and the number of meetings attended:

The composition of the Remuneration Committee is as under:

Committee Members	Designation
Dr. B. S. Bhesania	Chairman
Dr. Pravin P. Shah [§]	Member
Dr. S. B. Agarwal	Member

[§] Expired on December, 04 2012.

There was no Remuneration Committee Meeting held during the year ended March 31, 2013.

c) Terms of reference:

The committee has the mandate to review and recommend compensation payable to the Managing Director, Whole-time Directors and Senior Management of the Company. One of its function is to also administer the Company's Stock Option Plans, if any, including the review and grant of the Stock Options to eligible employees under plans, as

and when necessary. The committee reviews the performance of the Whole-time Directors and for the said purpose may have requisite parameters as it may deem fit.

d) Remuneration Policy:

i) Management Staff:

Remuneration of employees largely consists of basic remuneration and perquisites. The components of the total remuneration vary for different grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him, his individual performance, etc.

ii) Non-Executive Directors:

The Company pays sitting fees to all the Non-executive Directors except the Chairman of the Company. The sitting fees paid is within the limits prescribed under the Companies Act, 1956 read with the relevant Rules.

The sitting fees paid to the Directors for attending the Board Meetings, Audit Committee Meetings and Remuneration Committee Meetings is ₹ 10,000/- per meeting. Details of the Sitting fees paid during the year 2012-13 together with the details of Shareholding of the Non-executive Directors as on March 31, 2013 are as under:

Name of the Director	Sitting fees paid (Amount in ₹)	
	Board Meeting	Audit Committee
Dr. Pravin P. Shah [§]	20000	20000
Dr. B.S. Bhesania	40000	40000
Dr. S.B. Agarwal	30000	30000
Mr. Naseer Ahmed	10000	N.A
Mr. Mukul Sarkar	40000	40000
Mr. M. M Agrawal	30000	N.A
Mr. Suresh Vishwasrao	10000	N.A
Total	180000	130000

Note: There was no remuneration committee meeting held during the year 2012-2013 due to which no amount towards sitting fees has been paid to the Remuneration Committee members.

[§] Expired on December 04, 2012

Mr. Janardhan Agrawal, Chairman of the Company is entitled to Commission of 1% of the Net profits of the Company in accordance with the limits of Section 309 of the Companies Act, 1956. The total Commission payable for the year ended March 31, 2013 to the Chairman amounted to ₹ 3.20 Crores.

iii) Executive Directors:

Mr. Aman Agrawal, Vice Chairman, Mr. Prashant Agrawal, Managing Director, Mr. A. R. Mundra, Executive Director – Finance and Mr. Uday Mogre, Executive Director- Corporate are the only Executive Directors in the Company. The tenure of all the aforesaid Executive Directors was upto 31st May, 2013. The Board, on recommendation of the Remuneration Committee, approved the re-appointment of and the remuneration of the above mentioned Executive Directors, subject to the approval of Shareholders in the ensuing Annual General Meeting.

Details of remuneration paid to the executive directors of the company during the year ended March 31, 2013 is as under:

(₹ in lacs)

Name of the Executive Director	Designation	Salary & Allowances	Contribution to PF	Total
Mr. Aman Agrawal	Vice-Chairman	240.00	17.27	257.27
Mr. Prashant Agrawal	Managing Director	240.00	17.27	257.27
Mr. A.R. Mundra	Executive Director – Finance	36.00	2.58	38.58
Mr. Uday Mogre	Executive Director – Corporate	36.00	2.58	38.58

The Item pertaining to the re-appointment of all the aforesaid Executive Directors together with terms and conditions governing thereto, have been stated in the Notice of the Annual General Meeting.

5. Shareholders' / Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee looks into members services like transfer/transmission of shares, Dematerialization /Rematerialization requests and various investors complaints like - non-receipt of refund, declared dividends, etc. and takes necessary steps for redressal thereof.

The Committee is a Board level committee headed by the Mr. Janardhan Agrawal, Chairman. The Members of Shareholders' /Investors' Grievance Committee Meetings met Four times during the financial year 2012-13:

- May 29, 2012
- August 13, 2012
- November 09, 2012
- February 14, 2013 (Meeting was adjourned to February 22, 2012)

The composition of the Shareholders/Investors' Grievance Committee and the number of meeting attended were as under:

Committee Member	Designation	Attendance
Mr. Janardhan Agrawal	Chairman	4
Mr. Prashant Agrawal	Member	4
Mr. A. R. Mundra	Member	4

- Ms. Prachi Deshpande, Company Secretary is also the Compliance Officer for the committee.
- In all, 5 complaints had been received during the year from shareholders/investors and had been satisfactorily resolved. There were no complaints pending as at the end of the year.
- Share Transfers in Physical Mode:
Shares sent for physical transfer are generally registered and returned within a period of 15 days from the date of receipt, if the documents are in order. The Shareholders' Committee of the Company meets as often as required.

6. General Body Meetings

- i) Venue, time and date of holding of the last three Annual General Meetings (AGM) together with the Special resolutions passed thereat is as under:

Year	Date	Time	Venue	Special Resolutions passed
2011-12	28/09/12	4.30 P.M	Kilachand Conference Room, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai 400 020	–
2010-11	15/09/10	4.30 P.M	Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai 400 020	<ul style="list-style-type: none"> a. To authorize the Board of Directors of the Company for creation of mortgages/ charges for an amount not exceeding ₹ 4,000 Crores pursuant to the provisions of Section 293(1)(a) of the Act. b. To authorize the Board of Directors of the Company for borrowing such amount not exceeding ₹ 4,000 Crores pursuant to the provisions of Section 293(1)(d) of the Act. c. Payment of commission to Mr. Janardhan Agrawal, Non-executive Chairman @ 1% of the Net Profit of the Company for a period of five years pursuant to the provisions of Section 309 (5) read with Section 198 (1) of the Act.
2009-10	21/09/10	4.30 P.M.	Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai 400 020	–

- iii) The Company did not pass any resolution by way of Shareholders approval through Postal Ballot during the year ended March 31, 2013. No Special Resolution has been proposed to be passed by way of Postal Ballot.

7. Disclosures

- a) The Company did not have any related party transactions, i.e. transactions of the Company of material nature, with its promoters, Directors or the Management, their subsidiaries or relatives, etc., which may have potential conflict with the interests of the Company at large. Related Party transactions have been disclosed in the Notes to Accounts in the financial statements as at March 31, 2013.
- b) Details of Shares held by Non-Executive Directors as on March 31, 2013:

Sr. No	Name of the Non-Executive Director	No. of Shares held
1.	Mr. Janardhan Agrawal	77,56,422

Note: None of the Non-executive Director other those specified above, holds any Share or Voting Right of the Company.

- c) No penalty/stricture were imposed on the Company during the last three years regulatory authorities on capital markets.
- d) The Company does not have a Whistle Blower Policy; which is a non-mandatory requirement. However, the Company's personnel have access to the Chairman of the Audit Committee in cases such as concerns about unethical behavior, frauds and other grievances. No personnel of the Company has been denied access to the Audit Committee and there are no instances of any such access.
- e) The Managing Director (CEO) & the Executive Director – Finance (CFO) have certified to the Board at their meeting held on August, 22 2013 in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO & CFO Certification for the financial year ended March 31, 2013.
- f) The Company has complied with the mandatory requirements of the Corporate Governance Clause of Listing Agreement.
- g) The Company has laid down procedures for risk assessment and minimization procedures. This is reviewed by Board to ensure that the management manages the risk through a properly defined framework.
- h) The Standalone as well as Consolidated Financial Statements of the Company are unqualified.
- i) The Company does not have any material un-listed Indian subsidiary Company. The Audit Committee and Board reviews the minutes, financial statements together with the significant transactions and working of Un-listed subsidiaries of the Company.
- j) Transfer of unclaimed IPO shares to Suspense account

In accordance with the requirements of Circular No. SEBI/ CFD/ DIL/LA/1/2009/24/04 and pursuant to the Clause 5A of the Listing Agreement with the Stock Exchanges, the Company has opened a Demat account wherein the unclaimed shares issued under the Initial Public Issue have been credited. Brief particulars in this regard are as under:

Unclaimed Shares as on April 1, 2012		Details of Shareholders approached during the Financial Year 2012-13 for the claiming of shares		Details of Shareholders to whom the shares have been transferred during the Financial Year 2012-13		Unclaimed Shares as on March 31, 2013	
No. of share holders	No. of Shares	No. of share holders	No. of Shares	No. of share holders	No. of Shares	No. of share holders	No. of Shares
6	634	–	–	–	–	–	–

* Note: The Shareholders may please note that the voting rights on the said shares shall remain frozen till the rightful owner of such shares claims the same.

Bombay Rayon Fashions Limited

8. Means of Communication

- The quarterly, half yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.
- The quarterly, half yearly and yearly financial results of the Company are also published in following newspapers within 48 hrs of its approval by the Directors:

Name of the Newspaper	Language	Cities of Publication
Economic Times	English	Mumbai & Bangalore
Navbharat Times	Hindi	Mumbai
Maharashtra Times	Marathi	Mumbai

- The Company uploads its results together with all the official news releases and the presentations made to Institutional Investors and Analysts, if any, on its web-site - www.bombayrayon.com
- Management Discussion and Analysis Report forms a part of this Annual Report.

9. General Shareholder Information

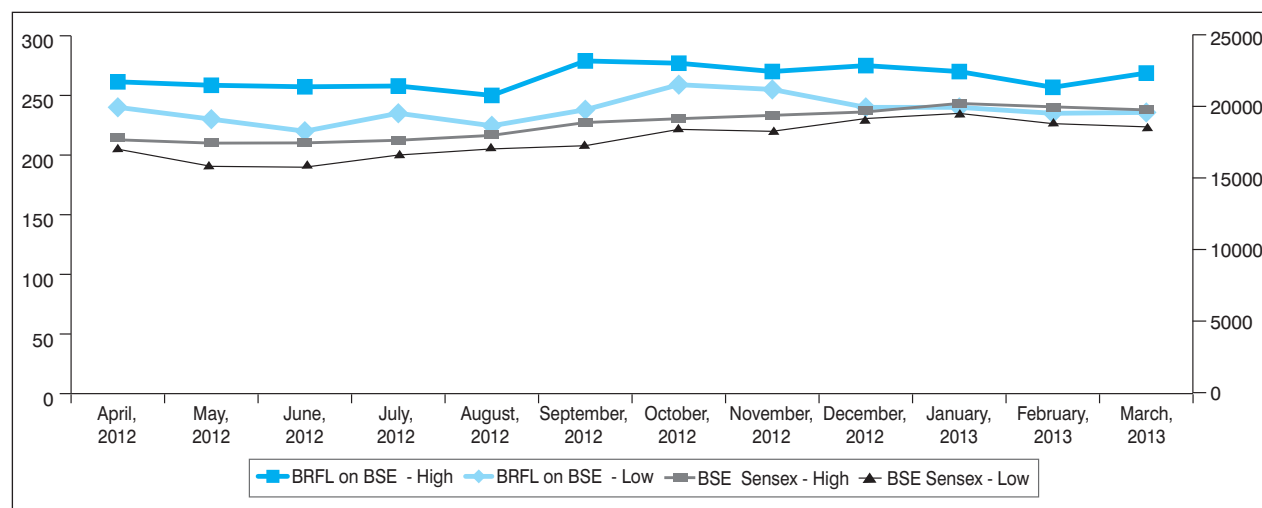
- a) **Date, Time and Venue** Date: Friday, September 27, 2013
Time: 4.00 p.m.
Venue: Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai 400 020
- b) **Financial Calendar** April 01, 2012 to March 31, 2013
- c) **Date of Book Closures (both days inclusive)** Saturday, September 21st , 2013 to Friday, September 27th , 2013
- d) **Registered Office** D - 1st Floor, Oberoi Garden Estates, Chandivali Farms Road, Chandivali, Andheri (E), Mumbai - 400 072
Tel. : 022 - 3985 8800, Fax : 022 - 2847 6992
E-mail: investors@bombayrayon.com
Web-site: www.bombayrayon.com
- e) **Listing on Stock Exchanges** National Stock Exchange of India Limited; and BSE Limited
The Company has paid Annual Listing fees for year 2013-2014 to both the Stock Exchanges.
- f) **Stock Code** NSE: BRFL
BSE: 532678
- g) **Tentative calendar of Board Meetings for the financial year 2013-14** Calender Financial reporting for quarter ended:
- | | |
|--------------|-----------------|
| Jun 30,2013 | By Aug 14,2013 |
| Sept 30,2013 | By Nov14, 2013 |
| Dec 31, 2013 | By Feb 14, 2014 |
| Mar 31, 2014 | By May 30, 2014 |
- h) **ISIN** INE589G01011
- i) **Corporate Identification Number (CIN)** L17120MH1992PLC066880

j) Market Price Data:

The monthly high and low quotations of shares traded on the BSE Limited and National Stock Exchange of India Limited as follows:

BSE LIMITED & NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Month	BRFL on BSE		BRFL on NSE	
	High	Low	High	Low
April, 2012	261.40	240.05	259.50	241.00
May, 2012	258.50	230.10	259.00	235.05
June, 2012	257.25	220.00	254.95	216.30
July, 2012	257.90	235.05	250.55	236.00
August, 2012	250.00	224.55	254.00	211.15
September, 2012	278.90	238.00	278.40	220.00
October, 2012	277.00	259.00	290.00	232.00
November, 2012	270.05	255.00	271.00	247.10
December, 2012	275.00	240.00	265.35	238.85
January, 2013	270.00	240.00	270.00	238.65
February, 2013	256.80	235.00	255.50	230.65
March, 2013	268.75	235.75	274.00	235.25

**k) Registrar and Share Transfer Agents:**

Link Intime India Private Limited
 C-13, Pannalal Silk Mills Compound, LBS Marg,
 Bhandup (West), Mumbai - 400 078
 Tel: 022 - 2596 3838
 Fax: 022 - 2594 6969
 Website: www.linkintime.co.in

l) Share Transfer System:

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company. They execute the share transfer formalities at least once in 15 days.

Shares held in the dematerialized form are electronically traded in through National Securities Depository Limited and Central Depository Services (India) Limited and the Registrar and Share Transfer Agent of the Company periodically receive from the Depository the beneficiary holdings so as to enable them to update their records for sending all corporate communications, dividend warrants, etc.

Bombay Rayon Fashions Limited

Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt, provided they are in order. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders.

m) Distribution of Shareholding

- Distribution of Shareholding as at March 31, 2013:

Shareholding of Nominal Value	No. of Shareholders	% of Total	Share Capital Amount (₹)	% of Total
Upto 5000	6533	95.69	47,98,650	0.36
5001-10000	114	1.67	9,65,970	0.08
10001-20000	44	0.64	6,54,460	0.05
20001-30000	12	0.18	2,86,660	0.02
30001-40000	7	0.10	2,56,690	0.01
40001-50000	5	0.07	2,25,660	0.02
50001-100000	24	0.36	18,90,380	0.14
100001 and above	88	1.29	1,33,69,21,530	99.32
TOTAL	6827	100.00	1,34,60,00,000	100.00

- Category wise Shareholding as at March 31, 2013:

Category	No. of Shares= 134600000	%
Promoter Group	12,53,79,660	93.15
Mutual Funds and UTI	234	0
Banks/Financial Institutions/ Insurance Companies	26928	0.02
Foreign Institutional Investors	1,46,143	0.11
Private Corporate Bodies	67,14,745	4.99
Non-Resident Indians	1,53,723	0.11
Clearing Member	2,98,076	0.22
Public	18,80,491	1.40
Depository Receipts	–	–
TOTAL	13,46,00,000	100

n) Dematerialization of Shares and Liquidity:

About 99.92% of the shares were in dematerialized form as on March 31, 2013. The equity shares of the Company are traded at BSE Limited (BSE) and National Stock Exchange of India Ltd. (NSE).

Physical and Demat Shares as on March 31, 2013		
	No of Shares	%
No. of Shares held by NSDL	13,12,50,039	97.51
No. of Shares held by CDSL	32,49,017	2.41
Physical Shares	1,00,944	0.08
Total	13,46,00,000	100

- Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity:

There are no GDRs/ADRs/Warrants or any Convertible Instruments pending conversion or any other instrument likely to impact the equity share capital of the Company.

p) Plant Locations:

FACTORY LOCATION

WEAVING AND YARN DYEING

– Maharashtra – Navi Mumbai, Sonale and Tarapur, Dist. Thane

- Silvassa
- Karnataka - Bangalore

PROCESSING & YARN DYEING

- Maharashtra -Tarapur
- Karnataka - Bangalore

GARMENTING

- Maharashtra – Navi Mumbai, Islampur, Latur, Ichalkaranji and Osmanabad
- Karnataka - Bangalore
- Tamilnadu - Chennai
- Kerala - Thiruvannthapuram

q) Address for Correspondence:

For any other query relating to shares: For general correspondence:

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup, Mumbai - 400 078.
Tele: 022 – 2596 3838
Fax: 022 – 2594 6969 / 2596 0329
Website: www.linkintime.co.in
E-mail: rnt.helpdesk@linkintime.co.in

Ms. Prachi Deshpande,
Company Secretary & Compliance Officer
Bombay Rayon Fashions Limited, D-1st Floor, Oberoi
Garden Estates,
Chandivali Farms Road, Chandivali,
Andheri (East), Mumbai - 400 072.
Tel: 022 – 3985 8800 Fax: 022 – 2847 6992
e-mail: investors@bombayrayon.com
Web-site: www.bombayrayon.com

r) Shares held in Electronic Form:

The members holding shares in electronic mode should address their correspondence to their respective Depository Participant regarding change of address, change of bank account mandate and nomination.

10.Code of Conduct :

As Provide under the Clause 49 of the Listing Agreement with the Stock exchanges, the senior management Personnel has confirmed compliance with the Code of Conduct for the year ended March 31, 2013.

Place: Mumbai
Date: August 22, 2013

Prashant Agrawal
Managing Director

Bombay Rayon Fashions Limited

CEO & CFO CERTIFICATE

We, Prashant Agrawal, Managing Director and A. R. Mundra, Executive Director – Finance of BOMBAY RAYON FASHIONS LIMITED, to the best of our knowledge and belief, certify that:

- a. We have reviewed financial statements and the cash flow statement for the year anended March 31, 2013 and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit committee –
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Prashant Agrawal
Managing Director

Place : Mumbai
Date: August 22, 2013

A. R. Mundra
Executive Director – Finance

ANNEXURE - A

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

1) Name : Mr. Janardhan Agrawal (Re- appointment)

Date of Birth : May 25,1949

Date of Appointment : August 24, 1992

Education Qualification : B. Com

Experience & Expertise:

Mr. Janardhan Agarwal has overall 28 years of experience in textile industry more particularly in weaving segment of the industry. He is accredited with establishment of Bombay Rayon brand of fabrics in the local retail market. He has set up a unique bi - annual presentation of Company's collection to the trade, a very novel way of marketing the products and has exhibited foresight and vision in continuously growing the business.

List of Other Company in which he holds Directorship as on March 31, 2013

Sr. No.	Name of the Company	Sr. No.	Name of the Company
1.	Bombay Rayon Clothing Ltd	6.	Best United India Comforts Pvt. Ltd
2.	Reynold Shirting Ltd.	7.	Best United Lifestyles Pvt. Ltd.
3.	Bombay Rayon Holdings Ltd.	8.	Bestseller Wholesale India Pvt. Ltd
4.	Coppers Coin Realty Pvt. Ltd	9.	B R Machine Tools Pvt. Ltd
5.	Bestseller Retail India Pvt. Ltd		

Chairman /member of Committees of the Boards of other Companies in which he is Director as on March 31, 2013: NIL

2) Name : Mr. Naseer Ahmed (Re-appointment)

Date o Birth: May 22,1959

Date of appointment: July 25, 2005

Educational Qualification: B. Com

Experience & Expertise:

He was the Minister of State for small-scale industries in State of Karnataka during October 1990 to November 1992. He has promoted four companies in textile sector. His group has established a niche in the export market by supplying to top international brand.

List of Other Company in which he holds Directorship as on March 31, 2013

Sr. No.	Name of the Company	Sr. No.	Name of the Company
1.	Scotts Garments Limited	4.	Scotts Fashionciti India Limited
2.	Scotts Metals & Mines Private Limited	5.	Scotts Infrastructure & Development (P) Limited
3.	Scotts Plantations Private Limited	6.	GFI Infrastructure Development (P) Limited

Chairman /member of Committees of the Boards of other Companies in which he is Director as on March 31, 2013:
Scotts Garments Limited

3) Name : Mr. A. R. Mundra (Re-appointment)

Date of Birth : July 21,1956

Date of Appointment : May 16, 2005

Educational qualification : B. com, L. L. B, ACA, ACS.

Experience & expertise :

Mr. A. R. Mundra has overall 24 years experience in total, commercial and managerial fields. He has earlier worked with Bhansali Engineering Polymers Ltd as President, Welspun Group of Companies as Sr. Vice President Finance and Company Secretary and Chief Executive(Commercial). In the initial stage of his career he has also worked with Indian Rayon and Industries Ltd, other Birla Group of Companies and Gujarat Ambuja Cement Ltd in various capacities. He was awarded 'Samaj Shri' for excellence in management by Indian Institute of Management Executives, Mumbai in 1994.

List of Other Company in which he holds Directorship as on March 31, 2013

Sr. No.	Name of the Company	Sr. No.	Name of the Company
1.	Latur Integrated Textile Park Pvt. Ltd.	3.	STI India Limited
2.	STI Sanoh India Limited		

Chairman /member of Committees of the Boards of other Companies in which he is Director as on March 31, 2013
: NIL

4) Name : Mr. Aman Agarwal (Re-appointment)

Date of Birth : May 21,1972

Date of Appointment : January 31, 2003

Educational qualification : B. com, M.B.A.- Australia

Experience & expertise:

Aman Agrawal has over 19 years of experience in the textile industry. The Group's reputation of being capable of delivering of any sort of complicated yarn dyed fabric is mainly due to his efforts of building in-house expertise of transforming complex designs from drawing board to shop floor. He provides strategic direction in selection of technology and machineries in setting up new manufacturing facilities, improvement of production processes and new ventures.

List of Other Company in which he holds Directorship as on March 31, 2013

Sr. No.	Name of the Company	Sr. No.	Name of the Company
1.	Bombay Rayon Clothing Limited	10.	Scotts Apparels Private Limited
2.	Bombay Rayon Holdings Limited	11.	C. K. M. Investments Private Limited
3.	Bestseller Retail India Private Limited	12.	Latur Integrated Textile Park Private Limited
4.	Bestseller Wholesale India Private Limited	13.	STI Sanoh India Limited
5.	Best United India Comforts Private Limited	14.	Ashwell Holding Company Private Limited
6.	Best United Lifestyles Private Limited	15.	Bluerays Realtors Private Limited
7.	B R Machine Tools Private Limited	16.	Bloomcraft Apparels Private Limited
8.	Reynold Shirting Limited	17.	STI India Limited
9.	DPJ Clothing Limited		

Bombay Rayon Fashions Limited

Chairman /member of Committees of the Boards of other Companies in which he is Director as on March 31, 2013:
NIL

Number of Equity Shares held: 33,38,404 Shares

5) **Name: Mr. Prashant Agarwal (Re-appointment)**

Date of Birth : July 21,1974

Date of Appointment : September 1, 1997

Educational qualification : B. Tech Chemical, M.S.-Chemical Engineering & Petroleum Refining (USA)

Experience & expertise:

Prashant Agrawal has over 17 years of experience in the textile industry. Mr. Prashant is accredited with development and growth of the Group's export business. The shift of strategic focus from a fabrics company to a fully integrated complete apparel company is due to his vision.

List of Other Company in which he holds Directorship as on March 31, 2013

Sr. No.	Name of the Company	Sr. No.	Name of the Company
1.	Bombay Rayon Clothing Limited	12.	Tarapur Environment Protection Society
2.	Bombay Rayon Holdings Limited	13.	Scotts Plantations Private Limited
3.	Bestseller Retail India Private Limited	14.	Islampur Integrated Textile Park Private Limited
4.	Bestseller Wholesale India Private Limited	15.	BRFL Europe B.V.
5.	Best United India Comforts Private Limited	16.	BRFL Italia S.r.l.
6.	Best United Lifestyles Private Limited	17.	GFI Infrastructure Development Private Limited
7.	B R Machine Tools Private Limited	18.	STI Sanoh India Limited
8.	Reynold Shirting Limited	19.	Ashwell Holding Company Private Limited
9.	DPJ Clothing Limited	20.	Kagal Industrial Textile Technology Park Pvt. Ltd.
10.	Scotts Fashionciti India Limited	21.	Palghar Rolling Mills Private Limited
11.	Apparel Export Promotion Council	22.	Bluerays Realtors Private Limited

Chairman /member of Committees of the Boards of other Companies in which he is Director as on March 31, 2013:
NIL

No of Shares held: 61,62,994 Shares

6) **Name : Mr. Uday C. Mogre (Re-appointment)**

Date of Birth : December 29,1951

Date of Appointment : May 16, 2005

Educational qualification: B. Tech (Chemical Engineering), M.B.A.

Experience & expertise :

Uday C. Mogre has over 33 years of experience in project financing, marketing and SAP. He holds Bachelor degrees in technology (Chemical Engineering) from Laxminarayan Institute of Technology, Nagpur and has completed Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad.

List of Other Company in which he holds Directorship as on March 31, 2013

Sr. No.	Name of the Company
1.	Islampur Integrated Textile Park Private Limited

Chairman /member of Committees of the Boards of other Companies in which he is Director as on March 31, 2013:
NIL

No of Shares held: NIL

7) **Name : Mr. A. Arumugham (Appointment)**

Date of Birth : October 26, 1942

Date of Appointment : 22nd August, 2013

Educational qualification : C.A

Experience & expertise:

Mr. A. Arumugham is a Chartered Accountant with over 35 years of experience in practice. Mr. A. Arumugham has been associated with various large corporate houses and has a sound knowledge in various activities such as fund mobilization, mergers, takeovers, legal compliances, etc.

List of Other Company in which he holds Directorship as on March 31, 2013

Sr. No.	Name of the Company	Sr. No.	Name of the Company
1.	Scotts Garments Limited	8.	Tamrind Properties Private Limited
2.	Scotts Infrastructure & Development Pvt. Ltd.	9.	Chemcarb Private Limited
3.	Scotts Wears Private Limited	10.	Beauty Base Products (India) Private Limited
4.	Scotts Knits Private Limited	11.	Copper Coin Realty Private Limited
5.	Scotts Apparels Private Limited	12.	Inmark Retail Private Limited
6.	C. K. M. Investments Private Limited	13.	STI India Limited
7.	Pedigree Constructions Private Limited		

Chairman /member of Committees of the Boards of other Companies in which he is Director as on March 31, 2013:

- a. Scotts Garments Limited – Chairman of Audit Committee, Member of Remuneration Committee and Member of Shareholders/Investors Grievance Committee;
- b. STI India Limited – Chairman of Audit Committee

No of Equity Shares held: Nil

8) Name : Mr. Nambiar Babu Narayanan (Appointment)

Date of Birth : July 2,1967

Date of Appointment : August 10, 2013

Educational qualification : B.Sc. Physics, Master of Financial Management (MFM)

Experience & expertise :

He is serving as Deputy General Manager - CBG at IDBI Bank.

Chairman /member of Committees of the Boards of other Companies in which he is Director as on March 31, 2013:
NIL

No of Equity Shares held: NIL

Bombay Rayon Fashions Limited

Auditors Certificate on Corporate Governance

To
The Members of
Bombay Rayon Fashions Ltd.

We have examined the compliance of conditions of Corporate Governance by Bombay Rayon Fashions Ltd. ("the Company") for the year ended March 31, 2013, as stipulated in clause 49 of the Listing Agreement of Company with these stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither audit, nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We State that there were no investor grievances remaining unattended for a period exceeding one month against the Company as per the records maintained by the Company & its Registrars.

We further 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.

For V.K. Beswal & Associates
Chartered Accountants

CA R. P. Laddha
Partner

M.No.48195

Firm Reg. No. 101083W

Place: Mumbai
Dated: August 22, 2013

IMPORTANT COMMUNICATION TO THE SHAREHOLDERS

Ministry of Corporate Affairs has been taken place a 'Green initiative in Corporate Governance ' by allowing paperless compliance by the Companies and has issued circular stating that services of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the government in full measures, the company hereby requests its members who have not registered their e-mail addresses so far, to register their email addresses with the depository through their concerned depository participants in respect of electronic holding and with the company or its Registrar in respect of physical holding.

Management Discussion & Analysis

Economic growth in the financial year 2012-13 decelerated to 5 %, it's lowest in the decade to 6.2 % in the previous year. While tepid industrial growth and a downturn in investment continued from f.y 2011-12, it was exacerbated by a slump in services activity, weakening consumption and contracting exports. Subdued economic activity, high inflation, a weak currency and steep interest rates dented the consumer confidence. In 2012-13 Industry weakened further, driven by a slump in manufacturing and mining. At 1.9% manufacturing registered one of its weakest expansions in the post 1991 reform era as capital goods production contracted for the second year in a row.

PERFORMANCE OF INDIAN TEXTILE INDUSTRY

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted foreign direct investments (FDI) worth US\$ 1.04 billion during April 2000 to November 2012.

Some of the major investments in Indian Textile Industry were:

- British clothing brand Superdry plans to open 20 stores in India over the next five years,
- The Export Promotion Council for Handicrafts (EPCH) is setting up an international lace trade centre at Narsapuram in Andhra Pradesh (AP) with an outlay of ₹ 15.33 crore (US\$ 2.82 million)
- American apparel-maker, Tommy Hilfiger plans to add 500 stores in India over the next five years as part of their expansion spree. Currently, Tommy Hilfiger operates 58 franchisee outlets and over 60 shop-in-shops in other department stores
- Italian luxury apparel maker, Canclini Tessile is tying up with Tirupur-based Emperor Textiles to stitch its shirts in India. The equal joint venture (JV) with Emperor Textiles will set up a separate manufacturing unit in Tirupur to manufacture Italian fabric for domestic consumption

India's textiles & clothing exports vis-à-vis total world exports are given below:

(In Billion USD)

Year	Textile			Clothing		
	World Export	India's Export	India's %age share in world exports	World Export	India's Export	India's %age share in world exports
2004	195	6.85	3.51	258	6.62	2.57
2005	203	7.85	3.9	276	8.29	3
2006	218.6	9.33	4.3	311.4	10.2	3.3
2007	241.3	9.81	4.06	347.06	9.93	2.86
2008	253.4	10.45	4.12	364.91	11.5	3.15
2009	211.1	9.12	4.32	315.62	11.45	3.62
2010	251	12.87	5.13	351	11	3.13
2011	293.5	15.01	5.13	412.45	14.36	3.48

Source: International trade statistics 2012, WTO Secretariat

The latest available data released by WTO Secretariat, the values of top ten exporters of textiles & clothing in the world in calendar year 2012 are given below:-

(In Billion USD)

Textile(2011)				Clothing(2011)			
Rank	Country	Value	%age share in world share	Rank	Country	Value	%age share in world share
1	China	94	32.2	1	China	154	37.3
2	EU-27	77	26.1	2	EU-27	116	28.2
3	India	15	5.1	3	Hong Kong, China		
4	United States	14	4.7	4	Bangladesh	20	4.8
5	RP	12	4.2	5	India	14	3.5
6	Hong Kong, China	11	0	6	Turkey	14	3.4

Bombay Rayon Fashions Limited

Textile(2011)				Clothing(2011)			
Rank	Country	Value	%age share in world share	Rank	Country	Value	%age share in world share
7	Taipei,Chinese	11	3.8	7	Vietnam	13	3.2
8	Turkey	11	3.7	8	Indonesia	8	2
9	Pakistan	9	3.1	9	United States	5	1.3
10	Japan	8	2.7	10	Mexico	5	1.1
World total		294		World total		41	

Source: International trade statistics 2012, WTO Secretariat

The targets for textiles exports for 2012-13 initially set at USD 38 billion have been revised upwards to USD 39.60 billion, following the Foreign Trade Policy Annual Supplement in June, 2012. The details of exports targets fixed and achieved during the last three years and current year sector and item-wise including apparel, man-made and cotton textiles are as under:

Council	2010-11		2011-12		2012-13	
	Targets	Achievement*	Targets	Achievement*	Targets	Achievement*
RMG	12000	11026	14000	13073	18000	12391
Cotton						
Textile (excl Raw Cotton)	5000	5792	7000	6808	9000	7517
Man-made Textiles	3700	4705	5500	5631	6100	5043
Handloom	300	346	500	554	400	518
Woolen Textiles	630	442	700	508	750	418
Silk Textiles	730	632	800	473	500	406
Handicrafts #	2200	2301	2700	2706	3300	3305
Jute	275	460	350	457	500	387
Carpet	650	1037	800	846	1050	986
Total	25485	26471	32350	31056	39600	30971

*Based on DGCI&S data (Principal Commodities)

As reported by the Export Promotion Council for Handicrafts (EPCH)

As per latest exports figures (Principal Commodities) released by the DGC&IS, textiles & clothing worth USD 26.82 billion was exported during 2010-11 and USD 33.31 billion during 2011-12. During 2012-13, exports of textiles & clothing were of the order of USD 31.71 billion as against USD 33.31 billion in 2011-12, recording a negative growth 4.82%. The volatility in the EU market during the calendar year 2012 affected severely India's T&C exports to EU. The EU textiles market witnessed a negative growth of 13% during the calendar year 2012, resulting in a 1.3 billion shortfall of India's T&C exports to EU during the Calendar year 2012 over 2011.

Policy realignment for apparel sector urgently required – duty drawback/ incentives under FTP/ duty reduction in fabric/ yarn imports. MSP sales plan needs to be put in place; CITM has held 2 rounds of discussions. TUFS committed liabilities crowding out new sanctions. At the Processing Stage there is a need to provide the technical and financial assistance to processing units that will enable industry to meet environment sustainability objectives without making themselves uncompetitive in the international market. At the Apparel Stage amendment to Labour Laws is urgent, to permit longer hours of overtime with due compensation, and to allow flexi-hiring of labour, i.e. according to variations in orders. Presidential Assent to the Karnataka Bill should be perused. There is a need to adopt the IT model of development of infrastructure of workers housing and workers dormitories along with work spaces, to enable expansion of scale. Encourage and also support innovative start-up models like hiring of built up work space for a-move-in-and-begin strategy that does not require investment up front.

The textiles sector in India is keenly looking forward to the finalisation of the India-EU BTIA, which would considerably open up trade in textiles sector with EU countries. A very favourable stance has been taken by the Ministry of Textiles with regard to textiles trade with Europe in terms of the broad based agreement with EU.

Item	2011-12(P)		Variations		2012-13(P)		Variations	
	Creore	US\$ Mn		US\$	Creore	US\$ Mn		US\$
Readymade Garment	62625.15	13072.95	24.80%	18.56%	67412.82	12390.87	7.64%	-5.22%
RMG of Cotton (Incl. accessories)	46117.11	9626.91	18.15%	12.25%	45822.24	8422.39	-0.64%	-12.51%
RMG of Man-Made fibres	10429.49	2177.15	54.99%	47.24%	13638.95	2506.92	30.77%	15.15%
RMG of Other Textiles	6078.55	1268.89	37.54%	30.67%	7951.63	1461.56	30.81%	15.18%
Cotton Textiles	54234.89	11321.49	37.23%	30.37%	60710.8	11159	11.94%	-1.44%
Cotton Raw Including waste	21623.06	4513.79	64.30%	56.09%	19812.85	3641.72	-8.37%	-19.32%
Cotton yarn, Fabrics & made-ups	32611.83	6807.69	23.71%	17.53%	40897.95	7517.28	25.41%	10.42%

Opportunities & Strength

The potential size of the Indian textiles industry is expected to reach US\$ 220 billion by 2020.

The textiles industry complements the growth of several industries and institutions such as the defense forces, railways and government hospitals, which are the key institutional buyers of technical textiles. The market is likely to grow to USD 31 billion by 2020, implying a CAGR of 10 per cent. This industry includes the production of flexible packaging material for industrial, agricultural and consumer goods.

India's technical textile industry is mainly dominated by unorganized players. However, it is an emerging area for investment with good growth opportunities.

With consumerism and disposable income on the incline, the retail sector has witnessed rapid growth in the past decade. Several international retailers are also focusing on India due to its emergence as a potential sourcing destination.

Along with the increasing export figures in the Indian Apparel sector in the country, Bangladesh is planning to set up two Special Economic Zones (SEZ) for attracting Indian companies, and duty free trade between the two countries.

WEAKNESS & THREATS

The times ahead for the textile sector of the country is full of challenges on account of turbulent global conditions, falling value of rupee, rising inflation coupled with a weak industrial sector. However, despite these challenges, favorable demographic conditions and rising income level will help to withstand such adversities.

BUSINESS OVERVIEW

Bombay Rayon Fashions Limited has established itself in Textile Industry as one of the largest garment manufacturer and having largest fabric processing capacity. After taking over STI India Limited, a spinning company of Indore by this the Company has completed entire value chain from spinning to garmenting.

During the year under review, the Company had focused in consolidating its business at various locations. The manufacturing facilities of the Company are spread at various units in the state of Karnataka, Maharashtra, Tamilnadu & Kerala.

Revenue

The company generated ₹ 3213.81 Crores of total income in year 2012-13, 11.10% growth in total income compared to ₹ 2749.27 Crores in 2011-12. The company sources its revenue mainly from Exports and Domestic Sales.

(₹ In Crs.)

Particulars	Domestic	Export
Fabric	1836.27	131.09
Yarn	70.18	15.74
Garment	41.78	1080.13
Others	24.62	0.21

Bombay Rayon Fashions Limited

The company also generated other income of ₹ 19.02 Crores in 2012-13 compared to ₹ 14.30 Crores in 2011-12, an increase of 33.01 % compared to previous year. The other income mainly comprises of Dividends received during the year from investments, Interest income and foreign exchange rate difference.

RISK AND CONCERNS

Risk being an inherent part of the business, your company has put various risk management system and practices to control and manage various risks namely credit Risk, market Risk, and operational Risk, besides other residual risk such as liquidity risk, interest rate risk, concentration risk, strategic Risk, regulation risk etc.

Your company aims at enhancing and maximizing shareholders value by achieving appropriate trade-off between risk & returns. The Risk management strategy adopted by your company is clearly based on a clear understanding of the risk and the level of the risk appetite and that is dependant on the willingness to take the risk in the normal course of business.

Various committees such as Audit committee, Finance committee and Remuneration committee operate within the broad policy framework to ensure and enhance the risk control and governance framework.

HUMAN RESOURCES

At BRFL, we believe that the only way to excel is by empowering its people. The Company believes that human resource is the most valuable asset of the Company. The Company proactively reviews the policies, performance and potentials of the employees. The Company has built a necessary team of professionals who can execute the vision of the Company with positive results. The total number of employees in the Company as on March 31, 2013 stood at 22,534.

CAUTIONARY STATEMENT

The discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements. No representation is made on the accuracy and comprehensiveness through the same is based on sources believed to be reliable. Utmost care has been taken to ensure that the opinions expressed by us herein contain our view on the significant events having impact on the Company's operations but it is not exhaustive.

Independent Auditor's Report

To
The Members of
Bombay Rayon Fashions Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Bombay Rayon Fashions Limited, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 "the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (a) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- (b) As required by section 227(3) of the Act, we report that:
 - i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

Bombay Rayon Fashions Limited

- iv. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- v. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **V.K. BESWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS

C.A. R.P. LADDHA
PARTNER

Membership Number – 48195
Firm Regn. No.: 101083W

Place - Mumbai
Dated: June 7th, 2013

Annexure to the Auditor's Report of Even Date

(Referred to in paragraph 1 thereof)

1. In respect of fixed assets:
 - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets have been physically verified by the management at reasonable intervals during the year. We are informed that no material discrepancies were noticed by the management on such verification.
 - c) Based on our scrutiny of the records of the company and the information & explanation received by us, we report that there were sale of fixed assets during the year but the fixed assets disposed off did not constitute a substantial part of the fixed assets of the company.
2. In respect of inventories
 - a) As explained to us physical verification of inventories has been conducted during the year by the management at reasonable intervals.
 - b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - c) In our opinion and according to the information and explanation given to us, the Company is maintaining proper records of its inventories and no material discrepancies were noticed on physical verification.
3. In respect of loans, unsecured, granted and taken.
 - a) The company has granted interest free advances to five companies including four subsidiaries covered in the register maintained under section 301 of the companies Act, 1956, the maximum amount outstanding at any time during the year is ₹ 587.52 Crores and the year balance is ₹ 545.40 Crores .
 - b) In our opinion and according to the information and explanations given to us, other terms and conditions are not prima facie prejudicial to the interest of the Company.
 - c) In respect of the said advances amounting to ₹ 210 Crores is repayable within the period of one year and remaining over a period of 5 to 7 years.
 - d) In respect of the said loans, there are no overdue amounts
 - e) During the year the company has not taken any loans from parties covered in the registered maintained under section 301 of the Companies Act, 1956.
 - f) In view of our comments above, clause (iii) (f) and (g) of the said order is not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and fixed assets. Further, on the basis of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct weaknesses in the aforesaid internal control system.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - a) In our opinion and according to the information and explanations given to us the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in to the register required to be maintained under that section.
 - b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of Rupees five lakhs in respect of any party during the year, have been made at prices, which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
6. According to the information and explanations given to us, the Company has not accepted any deposits from public.
7. In our opinion the Company has an internal audit system commensurate with its size and nature of its business.

Bombay Rayon Fashions Limited

8. As per the information and explanations provided to us, we are of the opinion that in pursuant to prescribed rules by the central government, the company has maintained cost records u/s. 209(1) (d) of the Companies Act, 1956 however we have not done a detailed examination of the same.
9. In respect of statutory dues:
- a) According to the records of the company produced before us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues in respect of , Investor Education Protection Fund, Sales Tax, Wealth Tax, Custom Duty and Excise Duty, however the Company has been irregular in depositing with appropriate authorities undisputed statutory dues in respect of Provident Fund, Employees State Insurance, Income Tax.
- b) Accordingly to the information and explanation given undisputed amounts payable in respect of TDS, TCS, Provident Fund, Employees State Insurance, Service Tax and other statutory dues applicable to it which were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable is as under:-

S. No.	Name of Head	Amount (₹)
1	Tax Deducted at Source	5,68,05,312
2	Tax Collected at Source	66,718
3	Employee State Insurance Corporation	89,39,810
4	Service Tax	8,75,200
5	Professional Tax	23,05,488
6	Provident Fund	3,35,98,929
7	Property tax	70,23,956
	TOTAL	10,96,15,413

- c) According to the records of the company, there are no disputed dues of Income Tax, sales tax, customs duty, wealth tax, service tax and excise duty / cess except as under:

Name of the Statute	Amount (₹ In Crores)	Period for which it relates	Forum where dispute is pending
Income Tax Act, 1961	0.02	A Y 2004-05	Commissioner of Income Tax (Appeals 41), Mumbai
Income Tax Act, 1961	0.02	A Y 2006-07	Income Tax Appellate Tribunal, Mumbai
Income Tax Act, 1961	0.72	A Y 2006-07	Commissioner of Income Tax (Appeals 14), Mumbai
Income Tax Act, 1961	0.28	A Y 2007-08	Commissioner of Income Tax (Appeals 41), Mumbai
Income Tax Act, 1961	35.98	A Y 2008-09	Commissioner of Income Tax (Appeals 41), Mumbai
Income Tax Act, 1961	0.14	A Y 2008-09	Commissioner of Income Tax (Appeals 14), Mumbai
Income Tax Act, 1961	0.12	A Y 2009-10	Commissioner of Income Tax (Appeals 14), Mumbai
Income Tax Act, 1961	1.30	A Y 2009-10	Commissioner of Income Tax (Appeals 41), Mumbai
Income Tax Act, 1961	21.44	A Y 2010-11	Commissioner of Income Tax (Appeals 41), Mumbai

10. The company has no accumulated losses at the end of the financial year. The company has not incurred any cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and as per the information and explanations given by the management, the company was not regular in repayment of the dues to the banks. As at 31st March 2013 the unpaid overdue installments and interest to the banks were ₹ 95.85 Crores, out of which since unpaid ₹ 64.43 crores.

12. The Company has not borrowed from any financial institutions and issued debentures.
13. According to the information and explanations given to us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
14. In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is neither a Chit Fund nor a nidhi/mutual benefit society. Hence, in our opinion, the requirements of para 4 (xiii) of the Order do not apply to the company.
15. As per records of the company and information and explanations given to us by the management, company is not dealing or trading in shares, securities, debentures and other investments.
16. According to the information and explanations given to us the company has not given any guarantee for loans taken by others from banks or financial institutions.
17. According to the records of the Company, the Company has applied the term loans for the purposes of which it was taken during the year.
18. According to the information and explanations given to us and, on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis has been used for long-term investment by the company.
19. According to the records of the company and the information provided by the management, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
20. During the period covered by audit report the company has not issued any debentures.
21. During the year the company has not raised any money by way of public issue.
22. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **V.K. BESWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS

C.A. R.P. LADDHA
PARTNER
Membership Number – 48195
Firm Regn. No.: 101083W

Place - Mumbai
Dated: June 7th, 2013

Bombay Rayon Fashions Limited

Balance Sheet as at 31st March 2013

(₹ In Crores)

Particulars	Note No.	As on March 31, 2013	As on March 31, 2012
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	1A	134.60	134.60
(b) Reserves and surplus	2	2,986.62	2,797.86
(c) Money Received against share warrant	1B	49.31	49.31
		3,170.53	2,981.77
Non-current liabilities			
(a) Long-term borrowings	3	1,492.99	1,306.99
(b) Deferred Tax Liability (Net)	4	324.82	261.09
(c) Long-term provisions	5	6.28	0.98
		1,824.09	1,569.06
Current liabilities			
(a) Short-term borrowings	6	2,116.76	1,926.85
(b) Trade payables	7	671.93	446.51
(c) Other current liabilities	8	464.18	344.17
(d) Short-term provisions	9	41.92	35.43
		3,294.79	2,752.97
TOTAL		8,289.41	7,303.79
II. ASSETS			
Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		3,815.97	3,717.53
(ii) Intangible assets		6.97	7.30
(iii) Capital work-in-progress		128.96	51.75
(b) Non-current investments	11	156.79	155.61
(c) Long-term loans and advances	12	382.42	360.10
		4,491.11	4,292.29
Current assets			
(a) Current investments	13	2.40	12.80
(b) Inventories	14	2,261.85	1,773.10
(c) Trade receivables	15	718.43	461.07
(d) Cash and cash equivalents	16	91.15	118.48
(e) Short-term loans and advances	17	724.42	645.77
(f) Other current assets	18	0.05	0.28
		3,798.30	3,011.50
TOTAL		8,289.41	7,303.79

Notes are integral part of the balance sheet & profit & loss account

As per our report attached

For **V. K. Beswal & Associates**

Chartered Accountants

CA R. P. Laddha

Partner

Membership Number- 48195

Firm Reg No.:101083W

For and on behalf of Board of Directors

Prashant Agarwal

Managing Director

A. R. Mundra

Executive Director - Finance

Uday Mogre

Executive Director - Corporate

Place: Mumbai

Date : June 07, 2013

Prachi Deshpande

Company Secretary

Statement of Profit and Loss Account

for the year ended 31st March 2013

(₹ In Crores)

Particulars	Note No.	For the year ending on March 31, 2013	For the year ending on March 31, 2012
Revenue from Operations	19	3,194.79	2,734.96
Other income	20	19.02	14.30
Total Revenue		3,213.81	2,749.27
Expenses:			
Cost of materials consumed	21	1,944.52	1,709.11
Changes in inventories of finished goods & work-in-progress	22	(330.23)	(321.51)
Employee benefits expense	23	250.92	230.16
Finance costs	24	278.06	221.53
Depreciation and amortization expense	25	271.22	217.23
Other expenses	26	489.40	385.10
Total expenses		2,903.89	2,441.62
Profit before tax		309.92	307.64
Adjustment for Tax expense:			
(1) Current tax		(65.06)	(61.47)
(2) Deferred tax		(63.73)	(95.40)
(3) MAT credit Entitlement		21.57	55.63
(4) Tax for earlier years [(Short) / Excess]		(13.94)	0.11
Profit for the year		188.76	206.51
Earnings per equity share: (in ₹)			
Basic		14.02	15.50
Diluted		14.02	14.67

Notes are integral part of the balance sheet & profit & loss account

As per our report attached

For **V. K. Beswal & Associates**

Chartered Accountants

CA R. P. Laddha

Partner

Membership Number- 48195

Firm Reg No.:101083W

For and on behalf of Board of Directors

Prashant Agarwal

Managing Director

A. R. Mundra

Executive Director - Finance

Uday Mogre

Executive Director - Corporate

Place: Mumbai

Date : June 07, 2013

Prachi Deshpande

Company Secretary

Cash Flow Statement

for the year ended 31st March 2013

(₹ In Crores)

	For the year ended March 31, 2013	For the year ended March 31, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and after Extraordinary items	309.92	307.64
Adjustment For :		
Depreciation and amortization expense	271.22	217.23
Finance costs	278.06	221.53
Interest & Dividend Income	(4.72)	(5.52)
Loss on sale of Assets	0.03	0.06
Profit on sale of Investment	0.66	(0.31)
Operative Profit before Working Capital Changes	855.17	740.64
Adjustment For :		
Trade Receivables	(257.36)	18.06
Other Receivables, Loans & Advances	(67.06)	(34.81)
Inventories	(488.75)	(510.23)
Trade, Other payable & Provisions	540.61	130.39
Cash Generation from Operations	582.61	344.05
Direct Taxes	(72.49)	(55.73)
Net Cash Flow from operating activities	510.12	288.32
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase/Sale of Fixed Assets (Net)	(446.56)	(488.13)
Purchase/Sale of Investments (Net)	8.56	54.62
Increase/decrease in Loans and advances to Subsidiary	(12.11)	(20.79)
Interest & Dividend Income	4.72	5.52
Net Cash used in investing activities	(445.39)	(448.79)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from of issue of share capital & warrants	-	110.11
Proceeds from Borrowings	186.00	378.55
Interest on Term loans & Others	(278.06)	(221.53)
Dividend paid (including Tax)	-	(23.11)
Net Cash used in financing activities	(92.06)	244.02
D. NET CHANGE IN CASH AND CASH EQUIVALENTS		
(A+B+C)	(27.33)	83.55
Opening balance of Cash and Cash Equivalents	118.48	34.92
Closing balance of Cash and Cash Equivalents	91.15	118.48

As per our report attached
For **V. K. Beswal & Associates**
Chartered Accountants

CA R. P. Laddha
Partner
Membership Number- 48195
Firm Reg No.:101083W

Place: Mumbai
Date : June 07, 2013

For and on behalf of Board of Directors
Prashant Agarwal
Managing Director

A. R. Mundra
Executive Director - Finance

Uday Mogre
Executive Director - Corporate

Prachi Deshpande
Company Secretary

Notes to Financial Statements

for the year ended 31st March 2013

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31.03.2013

1. Basis of preparation of financial Statements

The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis. The accounts are prepared on historical cost basis as a going concern and are consistent with generally accepted accounting principles.

2. Revenue Recognition

- a. Domestic sales are accounted for on dispatch of goods to customers. Gross Sales are net of sales returns and Excise Duty.
- b. Export sales are accounted for on the basis of dates of Bill of Lading. Gross Sales are inclusive of incentives/benefits, exchange rate difference realized during the year and net of sales returns.
- c. Revenue from Job work is recognized when services are rendered.

3. Fixed Assets

Fixed assets are stated at cost of acquisition less depreciation. Cost includes taxes, duties, freight, installation and other direct or allocated expenses up to the date of commercial production and net of CENVAT credit and Subsidy received, if any.

4. Depreciation on Fixed Assets

Depreciation on Fixed Assets is provided on 'Straight Line Method' at rates prescribed in Schedule - XIV to the Companies Act, 1956.

Depreciation on fixed assets added /disposed off during the year is provided on prorata basis.

5. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit & loss account as and when an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

6. Expenditure during construction period

The expenditure incurred and attributable interest & financing costs incurred prior to commencement of commercial production including Trial Run Expenses in respect of new project & substantial expansion of existing facilities are capitalized to the respective assets.

7. Investments

Current investments are carried at the lower of cost and quoted / fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

8. Foreign Currency

- a. Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions or that approximates the actual rate. The realized exchange gains/ losses are recognized in the Profit & Loss account. All foreign currency current assets and liabilities are translated in rupees at the rates prevailing on the date of balance sheet.
- b. In respect of branches, which are integral foreign operations, all transactions are translated at average rates. Branch monetary assets and liabilities are restated at the rates prevailing on the date of balance sheet.

9. Employee Benefits

- a. Short Term Employee Benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- b. Post employment benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The defined benefit obligation is provided for on the basis of an actuarial valuation on projected unit cost method.

Notes to Financial Statements

for the year ended 31st March 2013

- c. Long Term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The liabilities on account of leave encashment have been provided on basis of an actuarial valuation on projected unit cost method.

10. Taxation

- a. Provision for current tax is made with reference to taxable income computed for the accounting period, for which the financial statements are prepared by applying the tax rates as applicable.
- b. Deferred tax is recognised subject to the consideration of prudence, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized and carried forward to extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

11. Borrowing Cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

12. Government Grants:

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is netted off with the relevant expense. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

13. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes to the accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

14. Segmental Reporting:

The Company is mainly engaged in the business of manufacturing of textiles consisting of yarn, fabrics and garments. Considering the nature of business and financial reporting of the Company, the Company has only one segment viz; textile as reportable segment. The Company operates in Local & Export segments geographically. The sale for both is separately given, but due to the nature of business the assets/liabilities and expenses for these activities cannot be bifurcated separately.

The Company is also engaged in power generation through coal and windmills & manufacturing of buttons, however the same are not considered as reportable segment in accordance with AS- 17.

Note - 1 : Share Capital & Share Warrant

1A Share Capital

(₹ In Crores)

Particulars	March 31, 2013		March 31, 2012	
	Numbers	Amount	Numbers	Amount
Authorised				
Equity Shares of ₹10 each	150,000,000	150.00	150,000,000	150.00
	150,000,000	150.00	150,000,000	150.00
Issued, Subscribed & fully paid up				
Equity Shares of ₹10 each	134,600,000	134.60	134,600,000	134.60
Total	134,600,000	134.60	134,600,000	134.60

Notes to Financial Statements

for the year ended 31st March 2013

B Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares			
	March 31, 2013		March 31, 2012	
	Number	Amount	Number	Amount
At the beginning of the year	134,600,000	134.60	127,900,000	127.90
Shares Issued during the year *	-	-	6,700,000	6.70
At the end of the year	134,600,000	134.60	134,600,000	134.60

C Detail of shareholders holding more than 5% of shares in the company

Name of Shareholder	Equity Shares			
	March 31, 2013		March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Janardhan Agarwal	7,756,422	5.76%	7,756,422	5.76%
Reynold Shirting Limited	13,600,000	10.10%	13,600,000	10.10%
Bombay Rayon Clothing Limited	7,402,760	5.50%	7,402,760	5.50%
AAA United B.V.	51,000,400	37.89%	51,000,400	37.89%
Ashwell Holding Company Pvt Ltd.	28,420,000	21.11%	28,420,000	21.11%

D Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Aggregate No. of Shares (for last 5 Financial Years)
Equity Shares :	
Fully paid up pursuant to contract(s) without payment being received in cash	NIL
Fully paid up by way of bonus shares	NIL
Shares bought back	NIL

1B Share Warrant

(₹ in Crores)

Particulars	March 31, 2013		March 31, 2012	
	Number	Amount	Number	Amount
75 lacs warrants at ₹ 263 per warrant upfront money paid 25%	-	49.31	7,500,000	49.31

Note: The option for conversion of 75 Lacs warrants could not be exercised by the allottee within the prescribed period of 18 months ending on 04.04.2012. The company & allottee had filed an application before Securities & Exchange Board of India (SEBI) for refund of the upfront money of ₹ 4931.25 lacs. The said application was rejected by SEBI Vide it's Order dated August 10, 2012 and against the said order the company & the allottee had filed an appeal before Securities Appellate Tribunal which is pending for decision.

Notes to Financial Statements

for the year ended 31st March 2013

Note - 2 : Reserve and surplus

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
a. Securities Premium Account		
Opening balance	1,917.82	1,777.71
Add : On issue of Equity Shares	-	140.11
Closing Balance	1,917.82	1,917.82
b. General reserves		
Opening balance	37.00	37.00
Closing Balance	37.00	37.00
c. Profit & Loss Account		
Opening Balance	843.04	636.53
Add : Profit for the year	188.76	206.51
Closing Balance	1,031.80	843.04
Total	2,986.62	2,797.86

Note - 3 : Long term borrowings

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012	As on March 31, 2013	As on March 31, 2012
	Non-current		Current	
(A) Secured				
a) Term Loans				
- From Banks	1,492.43	1,305.80	353.90	262.34
Term Loans from banks are secured by first charge on all fixed assets except specific assets and second charge on the current assets of the company				
Out of the above term loans to the extent of ₹ 543.20 Crs are further secured by personal / corporate guarantees & collaterals provided by the promoters & by subsidiary company.				
b) Vehicle loans				
- From Banks	0.29	0.22	0.24	0.34
- From Other Parties	0.27	0.97	0.62	0.88
The vehicle loans from the banks and others are secured by hypothecation of specified vehicals against which the finance is obtained				
Default in repayment of loans and interest on Term Loans from banks of ₹ 95.85 Crores (104.25 Crores) as on 31-Mar-2013 and since unpaid of ₹ 64.43 crores (28.75 Crores)				
Total	1,492.99	1,306.99	354.76	263.56

Notes to Financial Statements for the year ended 31st March 2013

Note - 4 : Deferred Tax Liability (Net)

(₹ in Crores)

Particulars		As on March 31, 2013	As on March 31, 2012
Deferred tax liability			
Depreciation as per Companies Act for the year		271.22	217.23
Depreciation as per Income Tax Act for the year		427.92	510.04
Depreciation for Last Year		36.07	-
	Total	192.77	292.81
Deferred tax liability	(A)	65.52	97.26
Deferred tax assets			
Expenditure to be disallowed u/s 43B -			
Employee Benefits		5.27	6.12
Depreciation for last year		-	-0.50
	Total	5.27	5.62
Deferred tax assets	(B)	1.79	1.87
Net Deferred Tax	(A) - (B)	63.73	95.39
Add: Net Deferred Tax Liability (Opening)		261.09	165.70
Total		324.82	261.09

Note - 5 : Long Term Provisions

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
Employee benefits	6.28	0.98
Total	6.28	0.98

Note - 6: Short term borrowings

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
Secured		
- Working Capital loans	1,928.24	1,562.75
Working capital Loans from banks are secured by hypothecation of all current assets and second charge on the fixed assets except specific assets of the company		
Out of the above term loans to the extent of ₹ 863.42 Crs are further secured by personal / corporate guarantees & collaterals provided by the promoters & by subsidiary company.		
Unsecured		
a) Commercial Paper from bank	-	189.24
a) Commercial Paper from others	-	23.48
c) Other Loans		
- From Banks	51.94	101.66
- From Other Parties	136.58	49.72
Total	2,116.76	1,926.85

Notes to Financial Statements

for the year ended 31st March 2013

Note - 7 : Trade payables

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
Mirco, small and medium enterprises	1.01	1.71
Others	670.92	444.80
Total	671.93	446.51

The details of amount outstanding to Micro, Small and Medium Enterprises Based on available information is as under :

Particulars	As on March 31, 2013	As on March 31, 2012
Principal amount due and remaining unpaid	0.91	1.71
Interest due on above and unpaid interest	0.10	–
Interest paid	–	–
Payment made beyond the appointed date during the year	–	–
Interest due and payable for the period of delay	0.10	–
Interest accrued and remaining unpaid	0.10	–
Amount of further interest remaining due and payable in succeeding year.	0.10	–
Total	1.71	

Note - 8 : Other Current Liabilities

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
(i) Statutory dues	40.71	10.34
(ii) Outstanding expenses	26.85	23.48
(iii) Current maturities of Term Loans from banks*	353.90	262.34
(iv) Current maturities of Vehicle loans from banks*	0.24	0.34
(v) Current maturities of Vehicle loans from others*	0.62	0.88
* Refer Note No. 3 of the Balance Sheet		
(vi) Interest accrued but not due on borrowings	1.15	3.14
(vii) Interest accrued & due on borrowings	40.65	43.57
(ix) Unclaimed Dividend#	0.06	0.06
(x) Unclaimed shares application money#	–	0.02
Total	464.18	344.17

These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

Note - 9 : Short Term Provisions

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
Provision for Current Tax (net)	32.19	25.67
Employee benefits	9.73	9.76
Total	41.92	35.43

Notes to Financial Statements for the year ended 31st March 2013

Note - 10 : Fixed Assets

(₹ in Crores)

Particulars	GROSS BLOCK			Depreciation			NET BLOCK	
	As on 1.04.12	Additions	Deductions / Adjustments	As on 31.03.13	For the year	Deduction	As on 31.03.13	As on 31.03.12
Tangible Assets								
Land	133.04	1.33	6.04	128.33	-	-	128.33	133.04
Buildings	709.46	4.53	-	713.99	23.23	-	644.16	662.86
Furniture & Fixtures Office equipment	63.11	1.61	-	64.72	3.81	-	52.78	54.98
Motor Car & Vehicles	15.66	0.62	0.56	15.72	1.53	0.27	9.26	10.46
Plant & Machinery	3,305.63	367.43	0.77	3,672.29	240.87	0.24	2,978.91	2,852.88
Computer	7.82	0.26	-	8.08	1.05	-	2.53	3.32
	4,234.72	375.78	7.37	4,603.13	270.49	0.51	3,815.97	3,717.54
Intangible Assets								
Computer -Software	8.79	0.52	0.15	9.16	0.73	0.03	6.97	7.30
Total	4,243.51	376.30	7.52	4,612.29	271.22	0.54	3,822.94	3,724.84
Previous Year	3,169.81	1,074.11	0.41	4,243.51	217.23	0.19	3,724.84	
Capital Work in Progress							128.96	51.75

Notes to Financial Statements

for the year ended 31st March 2013

Note - 11 : Non-current investments

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
Trade Investments	–	–
Others		
Quoted Investment		
In Equity Shares of Subsidiary -fully paid up		
STI India Ltd - 21750000 Shares (21379722 shares)of ₹10 each	64.12	62.94
Market Value ₹42.96 crores (PY ₹ 57.83 crores)		
Un quoted Investment		
In Equity Shares of subsidiaries-fully paid up		
DPJ Clothing Ltd 420 Shares of GBP 1 each	13.43	13.43
BRFL Bangladesh Pvt Ltd 17752 (1000) shares of BDT 100/- each	0.12	0.12
Bombay Rayon Holdings Ltd 35142500 Shares of ₹ 10/- each	35.14	35.14
In Equity Shares others - fully paid up		
Islampur Integrated Textiles Park Pvt ltd. 7500000 Shares of ₹ 10/- each	7.50	7.50
Latur Integrated Textiles Park Pvt ltd. 7220000 shares of ₹10/- each	7.22	7.22
Jankalyan Sahkari Bank Ltd. 90100 Shares of ₹ 10/- each	0.09	0.09
Scotts Fashionciti India Limited 10000 Shares of ₹ 10/- each	0.01	0.01
	14.00	14.00
Arihant Organics Pvt Ltd 500 shares of ₹100/- each	4.50	4.50
Unquoted		
In Debentures of subsidiary - fully paid up		
STI India Ltd 32180000 Debentures	10.66	10.66
Total	156.79	155.61

Note - 12 : Long-term loans and advances

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
a. Security Deposits		
Unsecured, considered good	47.02	36.81
	47.02	36.81
b. Advances to Subsidiaries		
Unsecured, considered good	335.40	323.29
	335.40	323.29
TOTAL	382.42	360.10

Notes to Financial Statements

for the year ended 31st March 2013

Note -13 : Current Investments

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
In Mutual Fund unquoted fully paid up		
AXIS EQUITY FUND - DIVIDEND OPTION		
2000000.00 Units	-	2.00
AXIS TRIPLE ADVANTAGE FUND - DIVIDEND PAYOUT		
50000.00 units	-	0.05
FIDELITY EQUITY FUND - DIVIDEND		
69335.307 Units	-	0.15
FIDELITY EQUITY FUND - GROWTH		
40162.256 Units	-	0.10
FIDELITY INDIA GROWTH FUND - GROWTH		
116306.118 Units	-	0.10
FIDELITY INDIA SPECIAL SITUATIONS FUND - GROWTH		
70781.427 Units	-	0.10
SBI CAPITAL PROTECTION ORIENTAL FUND - SERIES - I		
2000000.00 Units	-	2.00
SBI GOLD EXCHANGE TRADED SCHEME - GROWTH		
666.000 Units	-	0.10
SBI MAGNUM BALANCED FUND - GROWTH		
217438.574 Units	1.00	1.00
SBI CONTRA FUND - REGULAR PLAN - DIVIDEND		
409332.788 Units	1.00	1.00
DBG-UNION KBC DYNAMIC BOND FUND-GROWTH		
94086.097 Units	0.10	-
TATA- INDO GLOBAL INFRASTRUCTURE FUND - GROWTH		
200000.000 Units	0.20	0.20
UTI - DIVIDEND YIELD FUND - DIVIDEND		
846937.566 Units	-	1.20
UTI - INFRASTRUCTURE FUND - GROWTH PLAN		
509253.732 Units	-	1.71
UTI MASTER VALUE FUND DIVIDEND PLAN		
504456.030 units	-	1.19
UTI - OPPORTUNITY FUND - DIVIDEND PLAN		
800541.728 Units	-	1.16
UTI - TOP 100 FUND - GROWTH PLAN		
104123.282 Units	-	0.25
AXIS CAPITAL PROTECTION ORIENTED FUND - SERIES 3 -GROWTH PLAN		
99990.00 units	0.10	0.10
SBI -SHF - ULTRA SHORT TERM FUND - RETAIL PLAN - DAILY DIVIDEND		
961.686 Units	-	0.10
SBI GOLD FUND -GROWTH		
200000.00 Units	-	0.20
SBI DEBT FUND SERIES - 367 DAYS- 6 GROWTH		
100000.00 Units	-	0.10
Total	2.40	12.80

Notes to Financial Statements

for the year ended 31st March 2013

Note - 14 : Inventories

(As certified by the management)

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
a. Raw Materials (Valued at cost)	791.64	713.26
b. Work-in-progress (Valued at cost)	631.68	527.22
c. Finished goods (Valued at lower of cost or net realisable value)	642.14	416.37
d. Stores and spares (Valued at cost)	196.38	116.24
Total	2,261.85	1,773.10

Note - 15 : Trade Receivables

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
Unsecured, considered good		
Over Six months	71.84	36.18
Others	646.59	424.89
Total	718.43	461.07

Note - 16 : Cash and cash equivalents

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
Balances with banks		
On current accounts	48.99	83.30
(Balance with bank includes earmarked balances of ₹ 0.08 crores (₹ 0.25 Crores))		
Bank deposits	40.89	34.16
Bank deposits with more than 12 months maturity- (₹ 7.34 Crores P.Y. ₹ 9.33 Crores)		
Cash on hand	1.27	1.02
Total	91.15	118.48

Note - 17: Short-term loans and advances

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
Advances receivable in cash or kind or for value to be received	6.35	83.31
Advances to Subsidiaries	210.00	210.00
Balance with Government Authorities	240.27	142.73
MAT Credit Entitlement	154.66	133.09
Deposits	113.14	76.65
Total	724.42	645.77

Note - 18 : Other Current Assets

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
Insurance claim receivable	0.05	0.23
Interest receivable	–	0.04
Total	0.05	0.28

Notes to Financial Statements

for the year ended 31st March 2013

Note - 19 : Revenue from operations

(₹ in Crores)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Revenue from operations		
Sale of products :		
Finished goods		
Gross Sales	3,200.02	2,737.13
Less: Excise Duty	5.23	2.17
	3,194.79	2,734.96
Total	3,194.79	2,734.96

Details of Sales

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Finished goods sold		
Domestic	1,972.85	1,414.02
Export	1,227.17	1,323.11
Total	3,200.02	2,737.13

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Domestic		
Fabric	1,836.27	1,349.86
Yarn	70.18	37.67
Garment	41.78	21.00
Others	24.62	5.50
	1,972.85	1,414.02
Export		
Fabric	131.09	268.21
Yarn	15.74	23.82
Garment	1,080.13	1,028.38
Others	0.21	2.70
	1,227.17	1,323.11
Total	3,200.02	2,737.13

Note - 20 : Other income

(₹ in Crores)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest Income	4.56	5.13
Profit on sale of Investment	0.65	0.31
Profit on Sale of Assets	0.12	-
Dividend Income	0.16	0.39
Exchange fluctuation gain	9.84	5.36
Miscellaneous Income	3.69	3.12
Total	19.02	14.30

Notes to Financial Statements

for the year ended 31st March 2013

Note - 21 : Cost of materials consumed

(₹ in Crores)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Inventory at the beginning of the year	713.26	582.86
Add : Purchase	2,022.90	1,839.51
	2,736.16	2,422.37
Less : Inventory at the end of the year	791.64	713.26
Total	1,944.52	1,709.11

Details of Materials Consumed

(₹ in Crores)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Cotton	157.53	16.81
Yarn	449.09	387.21
Fabric	1,084.99	1,018.87
Others	252.91	286.21
Total	1,944.52	1,709.11

Note - 22 : Increase (-) / decrease (+) in inventories

(₹ in Crores)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Inventory at the end of the year		
Finished Goods	642.14	416.37
Work-in-progress	631.68	527.22
	1,273.82	943.59
Inventory at the beginning of the year		
Finished Goods	416.37	274.39
Work-in-progress	527.22	347.69
Wastage	-	
	943.59	622.08
Increase (-) / decrease (+) in inventories	(330.23)	(321.51)

Note - 23 : Employee benefit expenses

(₹ in Crores)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Salaries & wages	211.12	199.50
Contributions to provident and other fund	28.66	20.45
Workmen & Staff welfare expenses	11.14	10.21
Total	250.92	230.16

Notes to Financial Statements

for the year ended 31st March 2013

Note - 24 : Finance costs

(₹ in Crores)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest expense	239.81	188.25
Bank Charges	38.25	33.28
Total	278.06	221.53

Note - 25 : Depreciation and amortization expenses

(₹ in Crores)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Depreciation of tangible assets	270.49	215.87
Amortization of intangible assets	0.73	1.36
Total	271.22	217.23

Note - 26 : Other expenses

(₹ in Crores)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Stores & spares consumption	69.99	48.47
Packing material and expenses	24.86	14.38
Power and fuel (net)	64.34	61.77
Water charges	11.79	8.90
Job Charges for:		
Yarn	42.92	32.28
Process	1.29	2.98
Weaving	17.28	15.93
Design & development & Others	96.15	76.01
Rent	33.08	19.58
Rates and taxes	4.18	4.60
Insurance	2.37	1.51
Keyman insurance	0.10	0.13
Repair and maintenance		
Plant and machinery	3.27	5.03
Building	1.44	1.17
Vehicles	0.58	0.45
Others	3.12	3.30
Advertising and bussiness promotion	1.41	2.71
Books & Periodicals	0.04	0.11
Commission and brokerage	11.13	8.40

Notes to Financial Statements

for the year ended 31st March 2013

(₹ in Crores)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Travelling and conveyance	11.69	9.68
Transportation	41.46	27.31
Communication costs	4.62	5.75
Printing and stationary	2.22	2.64
Legal and professional fees	7.98	6.02
Director's remuneration	9.15	9.12
Directors' sitting fees	0.03	0.03
Auditor's remuneration	0.64	0.50
Environmental Control Expenses	6.45	4.82
Security Service Charges	6.69	6.29
Donation	0.66	0.64
Loss on sale of Fixed Assets	0.15	0.07
Loss on sale of Investment	1.31	
Miscellaneous expenses	7.01	4.52
Total	489.40	385.10
Payment to Auditors		
For Audit Fee	0.51	0.38
For Tax Audit Fee	0.05	0.03
For Certification & Others	0.08	0.08
Total	0.64	0.50

Note 27: As per Accounting Standard 15 "Employee Benefits", the disclosure of Employee benefits as defined in the Accounting Standard are given below:

Defined Benefit Plan:

Gratuity

(₹ In Crores)

	Particulars	As on March 31, 2013	As on March 31, 2012
1	Assumption		
	Discount Rate	8.00%	8.00%
	Salary Escalation	5.00%	5.00%
2	Present value of Obligation		
	Present value of obligations as at beginning of year	6.552	8.147
	Interest cost	0.519	0.650
	Current Service Cost	3.361	3.764
	Benefits Paid	(0.606)	(2.096)
	Prior Year Charge	0.736	-
	Actuarial (gain)/ loss on obligations	(3.433)	(2.954)
	Present value of obligations as at end of year	7.129	7.511

Notes to Financial Statements

for the year ended 31st March 2013

(₹ In Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
3 Fair value of plan assets		
Fair value of plan assets at beginning of year	0.907	2.013
Expected return on plan assets	0.070	0.135
Contributions	0.471	1.507
Benefits Paid	(0.606)	(2.096)
Actuarial (gain)/ loss on obligations	0.010	(0.002)
Fair value of plan assets at the end of year	0.852	1.557
Funded status	(5.400)	(5.955)
4 Actuarial Gain/Loss recognized		
Actuarial (gain)/ loss on obligations	(3.433)	(2.954)
Actuarial (gain)/ loss for the year - plan assets	(0.010)	(0.002)
Actuarial (gain)/ loss on obligations	(3.443)	(2.956)
Actuarial (gain)/ loss recognized in the year	(3.443)	(2.956)
5 The amounts to be recognized in the balance sheet		
Present value of obligations as at the end of year	7.129	7.511
Fair value of plan assets as at the end of the year	0.852	1.557
Funded status	(6.277)	(5.955)
6 Expenses Recognized in statement of Profit and loss		
Current Service cost	3.361	3.764
Interest Cost	0.519	0.650
Expected return on plan assets	(0.070)	(0.135)
Net Actuarial (gain)/ loss recognized in the year	(3.443)	(2.954)
Expenses to be recognized in statement of Profit and loss	0.641	1.328

Leave Encashment

(₹ In Crores)

Particulars	As on March 31, 2013
1 Assumption	
Discount Rate	8.00%
Salary Escalation	5.00%
2 Present value of Obligation	
Present value of obligations as at beginning of year	3.084
Interest cost	0.110
Current Service Cost	1.038
Benefits Paid	(3.431)
Prior Year Charge	-
Actuarial (gain)/ loss on obligations	2.871
Present value of obligations as at end of year	3.672
3 Fair value of plan assets	
Fair value of plan assets at beginning of year	-
Expected return on plan assets	-
Contributions	-
Benefits Paid	-

Notes to Financial Statements

for the year ended 31st March 2013

(₹ In Crores)

Particulars	As on March 31, 2013
Actuarial (gain)/ loss on obligations	-
Fair value of plan assets at the end of year	-
Funded status	-
4 Actuarial Gain/Loss recognized	
Actuarial (gain)/ loss on obligations	2.871
Actuarial (gain)/ loss for the year - plan assets	-
Actuarial (gain)/ loss on obligations	-
Actuarial (gain)/ loss recognized in the year	2.871
5 The amounts to be recognized in the balance sheet	
Present value of obligations as at the end of year	3.672
Fair value of plan assets as at the end of the year	-
Funded status	-
6 Expenses Recognized in statement of Profit and loss	
Current Service cost	1.038
Interest Cost	0.110
Expected return on plan assets	-
Net Actuarial (gain)/ loss recognized in the year	2.871
Expenses to be recognized in statement of Profit and loss	4.018

* Previous year leave encashment is determined on the basis of estimate made by management.

Note 28: Related Party Disclosure

Sr	Name of Related Party	Relationship
a)	STI India Ltd.	Subsidiary Company
b)	DPJ Clothing Ltd.	Subsidiary Company
c)	Bombay Rayon Holdings Ltd.	Subsidiary Company
d)	BRFL Bangladesh Pvt. Ltd.	Subsidiary Company
e)	BRFL Europe B.V.	Subsidiary Company
f)	BRFL Italia S.R.L.	Subsidiary Company
a)	Latur Integrated Textile Park Pvt. Ltd.	Other Related Parties
b)	Islampur Integrated Textile Park Pvt. Ltd.	Other Related Parties
c)	STI Sanoh India Limited	Other Related Parties
d)	Kagal Industrial Textile Technology Park Pvt. Ltd.	Other Related Parties
e)	Reynold Shirting Ltd.	Other Related Parties
f)	Bombay Rayon Clothing Ltd.	Other Related Parties
g)	Bestsellers Retail India Pvt. Ltd.	Other Related Parties
h)	Best United Lifestyles Pvt. Ltd.	Other Related Parties
i)	Best United India Comforts Pvt. Ltd.	Other Related Parties
j)	Bestseller Wholesale India Pvt. Ltd.	Other Related Parties
k)	B. R. Machine Tools Pvt. Ltd.	Other Related Parties
l)	Ashwell Holding Company Pvt. Ltd.	Other Related Parties

Notes to Financial Statements for the year ended 31st March 2013

Sr	Name of Related Party	Relationship
m)	Arihant Organics Pvt. Ltd	Other Related Parties
n)	J.D. Agarwal Foundation	Other Related Parties
a)	Mr. Janardhan Agarwal, Non Executive Chairman	Key Managerial Personnel
b)	Mr. Aman Agarwal, Vice Chairman	Key Managerial Personnel
c)	Mr. Prashant Agarwal, Managing Director	Key Managerial Personnel
d)	Mr. Uday Mogre, Executive Director –Corporate	Key Managerial Personnel
e)	Mr. A.R. Mundra, Executive Director –Finance	Key Managerial Personnel
a)	Mrs. Bimla Devi Agarwal	Relative
b)	Mrs. Vinita Agarwal	Relative

Transactions with related parties

	Current Year	Previous Year
Transaction with Subsidiaries		
Purchase	NIL	19.03
Sales	9.02	20.5
Loans & Advances Given / paid	12.28	29.68
Investments	NIL	0.11
Share Application Money Given	0.45	NIL
Loan received back	NIL	8.65
Rent paid	0.01	NIL
Job Work Charges Paid	41.85	28.62
Transaction with Other Related Parties		
Rent paid	34.46	29.46
Purchases	3.51	7.16
Sales	0.83	0.9
Sales of Services	0.29	0.33
Rent deposit given	8	NIL
Loans & Advances Given / paid	NIL	36.49
Loan received back	36.49	NIL
Preferential Allotment(Conversion of Warrants to Eq. Shares)	NIL	146.81
Advance Received	20.98	NIL
Job Work charges Paid	32.89	9.96
Transactions with Key Managerial Personnel & their Relatives		
Director Remuneration	9.15	9.12
Rent Deposit Given	NIL	1.13
Rent Paid	0.54	0.5
Donation Paid	0.44	0.29

Notes to Financial Statements

for the year ended 31st March 2013

Note 29:

Promoters and Subsidiary company provided personal/corporate guarantee & collaterals to the extent of ₹ 1557.49 Crores for securing the Term Loan and working capital loan facilities obtained by the company from banks.

Note - 30 : C.I.F. Value of Imports

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
(a) Stores & Spares	9.93	24.17
(b) Capital Goods	2.09	1.84
(c) Raw Materials	49.29	196.06

Note - 31 : Expenditure in Foreign Currency

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
(a) Foreign Traveling	0.66	1.36
(b) Commission on Export Sales	1.86	2.43
(c) Business Promotions	0.17	0.03
(d) Others	6.35	1.05

Note - 32 : Earning in Foreign Exchange

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
FOB value of Exports	1079.76	1223.69

Note - 33 : Remittance in Foreign Currency on account of Dividend

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
(a) No. of non-resident shareholders	-	2
(b) No. of Equity shares held	-	18096340
(c) Amount of dividend paid(₹in Crores)	-	2.71
(d) Financial year to which it relates	-	2010-11

Note - 34 : Imported & Indigenous consumption

	As on 31.03.2013		As on 31.03.2012	
	₹ in Crores	%	₹ in Crores	%
(a) Raw Materials:				
Imported	54.86	2.82 %	38.46	2.25%
Indigenous	1889.66	97.18%	1670.65	97.75%
(b) Stores and Spares:				
Imported	12.82	18.32%	10.89	22.47%
Indigenous	57.17	81.68%	37.58	77.53%

Note 35 : During the year ₹ 359.10 Crores being Trial Run Expenses for the company's projects completed but as trials, were capitalized.

Notes to Financial Statements

for the year ended 31st March 2013

Note - 36 : Contingent Liabilities Not Provided For :

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
(i) Bills Discounted with Banks under Letter of credits or otherwise.	7.14	9.75
(ii) Bank Guarantee	2.82	7.76
(iii) Disputed demand outstanding related to Income tax (The matters are pending with Income Tax Authorities)	60.02	1.97

Note 37: Capital Commitments

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
Estimated amount of Capital Contracts remaining to be executed (net of advances) 04.07 10.05	4.07	10.05

Note 38: Earning Per Share:

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
(i) No of Shares at the beginning of the year	134600000	127900000
(ii) No of Shares at the beginning of the year	134600000	134600000
(iii) Weighted average number of Equity Shares outstanding during the year	134600000	133268219
EPS		
(i) Net Profit available for Equity Shareholders (₹ in crores)	196.66	206.51
(ii) Basic Earning Per Share (in ₹)	14.02	15.50
(iii) Diluted Earning Per Share (in ₹)	14.02	14.67

Note 39: Previous year figures have been re-grouped/reclassified wherever/necessary to make them comparable with current year.

As per our report attached
For **V. K. Beswal & Associates**
Chartered Accountants

CA R. P. Laddha
Partner
Membership Number- 48195
Firm Reg No.:101083W

Place: Mumbai
Date : June 07, 2013

For and on behalf of Board of Directors
Prashant Agarwal
Managing Director

A. R. Mundra
Executive Director - Finance

Uday Mogre
Executive Director - Corporate

Prachi Deshpande
Company Secretary

Bombay Rayon Fashions Limited

Statement Under Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

(₹ In Lacs)

A)	Subsidiary Company	Bombay Rayon Holdings Limited	DPJ Clothing Ltd	BRFL Europe B.V.	BRFL Italia S.r.l.	STI India Ltd	BRFL Bangladesh P Limited
1.	Financial year of the Subsidiary Company ended on	31st March 2013	31st March 2013	31st March 2013	31st March 2013	31st March 2013	31st March 2013
2	Date from which it became subsidiary companies	23rd February, 2007	22nd February, 2007	5th September, 2005	5th May, 2008	27th October, 2010	23rd November, 2010
3	Country of Incorporation	India	U.K.	Netherlands	Italy	India	Bangladesh
4	(a) No. of Shares held by the Company & face value	3,51,42,500 Equity shares of ₹ 10/- each	420 Ordinary Shares of £ 1 each	2,48,000 Ordinary Shares of € 1 each*	50,10,000 Equity shares of € 1*	2,13,79,722 Equity shares of ₹ 10/- each	17,752 Ordinary shares of Tk 100 each
	(b) Extent of holding	100%	70%	100%*	100%*	75%	100%
5	Net aggregate amount of subsidiary's Profit/(Loss) so far as it concerns the members of the Holding Company						
	(a) Not dealt with in the accounts of the Holding Company						
	For the Financial Year ended 31st March, 2013 (₹ in lacs)	240.80	(163)	(5.6)	(5082.41)	(932.71)	-
	For the Previous Financial years of the Subsidiary since it became a Subsidiary (₹ in lacs)	228.85	117.47	(7.14)	(3984.80)	15.18	N. A
	(b) Dealt with in the accounts of the Holding Company						
	For the Financial year ended 31st March 2013	NIL	NIL	NIL	NIL		
	For the Previous financial year ended 31st March 2012	NIL	NIL	NIL	NIL		

* held by Bombay Rayon Holdings Ltd

Financial Information of Subsidiary Companies for the FY 2012-13

(₹ in lacs)

Particulars	Subsidiary Companies					
	Bombay Rayon Holdings Ltd	STI India Ltd	DPJ Clothing Ltd*	BRFL Europe B.V.*	BRFL Italia S.r.l.*	BRFL Bangladesh Pvt Ltd
Capital	3,514.00	2,900.00	0.44	161.00	3,349.00	11.65
Reserves	495.30	(4,058.92)	954.55	603.00	(30,087.41)	7.00
Total Assets	43,506.01	10,616.61	2,417.26	766.00	33,637.82	174.00
Total Liabilities	53,192.03	12,975.46	1,462.00	2.00	50,190.00	155.00
Investments	13,696.00	1,199.93	–	–	–	–
Turnover	480.00	4,865.95	3,080.55	–	7,382.59	–
Profit/(Loss) before Taxation	363.07	(1,193.71)	(244.44)	(4.37)	(6,133.41)	–
Provision for Taxation	122.27	(261.00)	11.00	(1.25)	1,051.00	–
Profit/(Loss) after Taxation	240.80	(932.71)	(233.33)	(5.63)	(5,082.41)	–
Proposed Dividend	–	–	–	–	–	–

* In case of foreign subsidiaries figures are as considered in the Consolidated Balance Sheet of the Company as on 31.03.2012 after conversion into Indian Rupee.

Independent Auditors Report on the Consolidation Financial Statements

To,
The Board of Directors of
Bombay Rayon Fashions Limited

Report on the Consolidation Financial Statements

1. We have audited the accompanying Consolidated financial statements of BOMBAY RAYON FASHIONS LIMITED (the "Company") and its subsidiaries i.e STI India Limited, Bombay Rayon Holding Limited, DPJ Clothing Limited, BRFL Italia S.R.L, BRFL Europe B.V. and BRFL Bangladesh Private Limited (collectively referred to as (the Group), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the management on the financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31,2013;
 - b) In the case of the Consolidated Statements of profit, of the Profit of the Group for the year ended on that date and
 - c) In the case of the Consolidated cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

1. In respect of the financial statements the subsidiary company M/s. BRFL Italia SRL the reporting dates have changed from March 31, 2013 to December 31, 2012. As a result the consolidation of this subsidiary has been done only for a period of 9 months i.e. April 1, 2012 to December 31, 2012 for the year ended March 31, 2013.
2. We report that in respect of BRFL Italia S.R.L, BRFL Europe B.V, DPJ Clothing Ltd,and BRFL Bangladesh Pvt. Ltd has not been audited. The financial statements has been certified by the management and has been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of the subsidiaries is based solely on the certified financial statements provided by the management.

Since, the financial statements for the financial year ended 31st March, 2013/ 31 December 12, which was compiled by the management of this company and not audited, any adjustments to their balances could have consequential effects on the attached consolidated financial statements. However, the size of this subsidiary in the consolidated position is not significant in relative terms.

The details of total assets and total revenues in respect of this subsidiary to the extent to which they are reflected in the consolidated financial statements are given below:

Certified by the Management	₹ in Crores	
	Total assets	Total revenues
Subsidiaries	369.95	104.65

Our opinion is not qualified in respect of other matters.

For **V.K. BESWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS

C.A. R.P. LADDHA
PARTNER

Membership Number – 48195
Firm Regn. No.: 101083W

Place - Mumbai
Dated: June 7th, 2013

Consolidated Balance Sheet as at 31st March 2013

(₹ In Crores)

Particulars	Note No.	As on March 31, 2013	As on March 31, 2012
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	1A	134.60	134.60
(b) Reserves and surplus	2	2,716.44	2,727.10
(c) Money Received against share warrant	1B	49.31	49.31
		2,900.36	2,911.02
Minority Interest		2.86	3.43
Non-current liabilities			
(a) Long-term borrowings	3	1,493.35	1,307.56
(b) Deferred Tax Liability (Net)		241.72	191.19
(c) Long-term provisions	4	6.40	14.68
		1,741.47	1,513.43
Current liabilities			
(a) Short-term borrowings	5	2,120.87	1,929.40
(b) Trade payables	6	733.16	501.25
(c) Other current liabilities	7	491.28	380.49
(d) Short-term provisions	8	62.17	26.28
		3,407.48	2,837.42
TOTAL		8,052.17	7,265.29
II. ASSETS			
Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		3,980.04	3,899.65
(ii) Intangible assets		159.73	256.64
(iii) Capital work-in-progress		132.25	52.31
(b) Non-current investments	10	45.32	45.32
(c) Long-term loans and advances	11	108.62	98.55
		4,425.96	4,352.47
Current assets			
(a) Current investments	12	2.40	12.80
(b) Inventories	13	2,320.37	1,864.19
(c) Trade receivables	14	673.30	432.32
(d) Cash and cash equivalents	15	97.11	130.69
(e) Short-term loans and advances	16	532.09	471.70
(f) Other current assets	17	0.94	1.12
		3,626.21	2,912.83
TOTAL		8,052.17	7,265.29

Notes are integral part of the balance sheet & profit & loss account

As per our report attached

For **V. K. Beswal & Associates**

Chartered Accountants

CA R. P. Laddha

Partner

Membership Number- 48195

Firm Reg No.:101083W

For and on behalf of Board of Directors

Prashant Agarwal

Managing Director

A. R. Mundra

Executive Director - Finance

Uday Mogre

Executive Director - Corporate

Place: Mumbai

Date : June 07, 2013

Prachi Deshpande

Company Secretary

Consolidated Statement of Profit and Loss Account

for the year ended 31st March 2013

(₹ In Crores)

Particulars	Note No.	For the year ending on March 31, 2013	For the year ending on March 31, 2012
Revenue from Operations	18	3,301.95	2,902.09
Other income	19	20.28	16.76
Total Revenue		3,322.23	2,918.86
Expenses:			
Cost of materials consumed	20	2,058.83	1,759.83
Changes in inventories of finished goods & work-in-progress	21	-387.77	-311.73
Employee benefits expense	22	290.81	285.31
Finance costs	23	278.77	222.53
Depreciation and amortization expense	24	290.54	233.72
Other expenses	25	553.22	475.86
Total expenses		3,084.40	2,665.52
Profit before extraordinary items and tax		237.83	253.33
Extraordinary Items			
Prior period Adjustments		0.01	3.59
Profit before tax		237.82	249.74
Adjustment for Tax expense:			
(1) Current tax		(66.16)	(62.55)
(2) Deferred tax		(50.53)	(75.46)
(3) MAT credit Entitlement		21.57	55.63
(4) Tax for earlier years		(14.04)	0.00
Profit after tax before Minority Interest		128.66	167.36
Minority Interest		(0.70)	0.50
Profit for the year		129.36	166.86
Earnings per equity share: (in ₹)			
Basic		9.56	12.52
Diluted		9.56	11.85

Notes are integral part of the balance sheet & profit & loss account

As per our report attached

For **V. K. Beswal & Associates**

Chartered Accountants

CA R. P. Laddha

Partner

Membership Number- 48195

Firm Reg No.:101083W

For and on behalf of Board of Directors

Prashant Agarwal

Managing Director

A. R. Mundra

Executive Director - Finance

Uday Mogre

Executive Director - Corporate

Place: Mumbai

Date : June 07, 2013

Prachi Deshpande

Company Secretary

Consolidated Cash Flow Statement

for the year ended 31st March 2013

(₹ In Crores)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and after Extraordinary items	237.83	253.33
Adjustment For :		
Depreciation and amortization expense	290.54	233.72
Finance costs	278.77	222.53
Interest & Dividend Income	-5.02	-5.67
Loss on sale of Assets	-0.16	0.07
Prior Period Adjustment	-142.40	-
Profit on sale of Investment	0.66	-0.56
Operative Profit before Working Capital Changes	660.22	703.42
Adjustment For :		
Trade Receivables	-240.98	59.38
Other Receivables, Loans & Advances	-48.71	-102.73
Inventories	-456.18	-485.12
Trade, Other payable & Provisions	537.75	109.86
Cash Generation from Operations	452.10	284.81
Direct Taxes	-56.18	-56.56
Net Cash Flow from operating activities	395.92	228.25
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase/Sale of Fixed Assets (Net)	-353.80	-465.77
Purchase/Sale of Investments (Net)	8.69	54.98
Increase in Capital Reserve	-	-
Increase/(decrease) in Foreign Exchange Fluctuation Reserve	4.13	20.75
Increase/(decrease) in Misc. Expenditure not w/off	-	-
Interest & Dividend Income	5.02	5.67
Net Cash used in investing activities	-335.95	-384.37
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from of issue of share capital & warrants	-	110.11
Proceeds from Borrowings	185.79	370.88
Interest on Term loans & Others	-278.77	-222.53
Increase/(decrease) in Minority Interest	-0.57	-0.09
Dividend paid (including Tax)	-	-23.11
Net Cash used in financing activities	-93.55	235.26
D. NET CHANGE IN CASH AND CASH EQUIVALENTS		
(A+B+C)	-33.58	79.14
Opening balance of cash & cash equivalents	130.69	51.55
Closing balance of cash & cash equivalents	97.11	130.69

As per our report attached
For **V. K. Beswal & Associates**
Chartered Accountants

CA R. P. Laddha
Partner
Membership Number- 48195
Firm Reg No.:101083W

Place: Mumbai
Date : June 07, 2013

For and on behalf of Board of Directors
Prashant Agarwal
Managing Director

A. R. Mundra
Executive Director - Finance

Uday Mogre
Executive Director - Corporate

Prachi Deshpande
Company Secretary

Notes to Consolidated Financial Statements

for the year ended 31st March 2013

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31.03.2013 (CONSOLIDATED)

(A) PRINCIPLES OF CONSOLIDATION

The Consolidated financial statements relate to Bombay Rayon Fashions Ltd. ("the company") and Components.

The Consolidated financial statements have been prepared on following basis:

- (a) The financial statement of the company and components are combined on line –by-line basis by adding together the book values of like items of assets liabilities income and expenses after fully eliminating intra group transactions resulting in unrealized profits/losses in accordance with accounting standard (AS) 21 "Consolidated Financial Statement" issued by the Institute of Chartered Accountants of India.
- (b) In case of foreign subsidiary, being non-integral foreign operations, revenue items are consolidated at the average exchange rate prevailing during the year. All assets and liabilities are converted at exchange rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserve.
- (c) Minority Interest's share of net profit of consolidated components for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- (d) Minority Interest's share of net assets of consolidated components is identified and presented in the consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.
- (e) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

(B) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis. The accounts are prepared on historical cost basis as a going concern and are consistent with generally accepted accounting principles.

(C) SIGNIFICANT ACCOUNTING POLICIES

a. Revenue Recognition

- a) Domestic sales are accounted for on dispatch of goods to customers. Gross Sales are net of sales returns
- b) Export sales are accounted for on the basis of dates of Bill of Lading. Gross Sales are inclusive of incentives/benefits, exchange rate difference realized during the year and net of sales returns.
- c) Revenue from Job work is recognized when services are rendered.

b. Fixed Assets:

Fixed assets are stated at cost of acquisition less depreciation. Cost includes taxes, duties, freight, installation and other direct or allocated expenses up to the date of commercial production and net of CENVAT credit and Subsidy & similar taxes in case of foreign subsidiary received, if any.

c. Depreciation on Fixed Assets:

- a) Depreciation on Fixed Assets is provided on 'Straight Line Method' at rates prescribed in Schedule - XIV to the Companies Act, 1956.
- b) Depreciation on fixed assets added /disposed off during the year is provided on prorata basis.

d. Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit & loss account as and when an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

e. Expenditure during construction period:

The expenditure incurred and attributable interest & financing costs incurred prior to commencement of commercial production including Trial Run Expenses in respect of new project & substantial expansion of existing facilities are capitalized.

Notes to Consolidated Financial Statements

for the year ended 31st March 2013

f. Investments:

Current investments are carried at the lower of cost and quoted / fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

g. Foreign Currency:

- a) Transactions in foreign currencies are recorded at the exchange rates notified by CBEC or at the exchange rate under related forward exchange contracts. The realized exchange gains / losses are recognized in the Profit & Loss account. All foreign currency current assets and liabilities are translated in rupees at the rates prevailing on the date of balance sheet.
- b) In respect of branches, which are integral foreign operations, all transactions are translated at monthly average rates. Branch monetary assets and liabilities are restated at the rates prevailing on the date of balance sheet.

h. Employee Retirement Benefits

- a. Short Term Employee Benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- b. Post employment benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The defined benefit obligation is provided for on the basis of an actuarial valuation on projected unit cost method.
- c. Long Term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The liabilities on account of leave encashment have been provided on basis of an actuarial valuation on projected unit cost method.

i. Taxation

- a) Provision for current tax is made with reference to taxable income computed for the accounting period, for which the financial statements are prepared by applying the tax rates as applicable.
- b) Deferred tax is recognized subject to the consideration of prudence, on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized and carried forward to extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

j. Borrowing Cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

k. Government Grants:

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is netted off with the relevant expense. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

l. Segmental Reporting:

The Company is mainly engaged in the business of manufacturing of textiles consisting of yarn, fabrics and garments. Considering the nature of business and financial reporting of the Company, the Company has only one segment viz; textile as reportable segment. The Company operates in Local & Export segments geographically. The sale for both is separately given, but due to the nature of business the assets/liabilities and expenses for these activities cannot be bifurcated separately.

The Company is also engaged in power generation through coal and windmills & manufacturing of buttons, however the same are not considered as reportable segment in accordance with AS- 17.

Notes to Consolidated Financial Statements

for the year ended 31st March 2013

m. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes to the accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

Note - 1 : Share Capital & Share Warrant

1A Share Capital

(₹ in Crores)

Particulars	March 31, 2013		March 31, 2012	
	Numbers	Amount	Numbers	Amount
Authorised				
Equity Shares of ₹10 each	150,000,000	150.00	150,000,000	150.00
	150,000,000	150.00	150,000,000	150.00
Issued, Subscribed & fully paid up				
Equity Shares of ₹10 each	134,600,000	134.60	134,600,000	134.60
Total	134,600,000	134.60	127,900,000	134.60

B Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares			
	March 31, 2013		March 31, 2012	
	Number	Amount	Number	Amount
At the beginning of the year	134,600,000	134.60	127,900,000	127.90
Shares Issued during the year *	-	-	6,700,000	6.70
At the end of the year	134,600,000	134.60	134,600,000	134.60

C Detail of shareholders holding more than 5% of shares in the company

Name of Shareholder	Equity Shares			
	March 31, 2013		March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Janardhan Agarwal	7,756,422	5.76%	7,756,422	5.76%
Reynold Shirting Limited	13,600,000	10.10%	13,600,000	10.10%
Bombay Rayon Clothing Limited	7,402,760	5.50%	7,402,760	5.50%
AAA United B.V.	51,000,400	37.89%	51,000,400	37.89%
Ashwell Holding Company Pvt Ltd.	28,420,000	21.11%	28,420,000	21.11%

D Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Aggregate No. of Shares (for last 5 Financial Years)
Equity Shares :	
Fully paid up pursuant to contract(s) without payment being received in cash	NIL
Fully paid up by way of bonus shares	NIL
Shares bought back	NIL

Notes to Consolidated Financial Statements

for the year ended 31st March 2013

1B Share Warrant

(₹ in Crores)

Particulars	March 31, 2013		March 31, 2012	
	Number	Amount	Number	Amount
75 lacs warrants at ₹263 per warrant upfront money paid 25%	–	49.31	7,500,000	49.31

Note: The option for conversion of 75 Lacs warrants could not be exercised by the allottee within the prescribed period of 18 months ending on 04.04.2012. The company & allottee had filed an application before Securities & Exchange Board of India (SEBI) for refund of the upfront money of ₹ 4931.25 lacs. The said application was rejected by SEBI Vide it's Order dated August 10, 2012 and against the said order the company & the allottee had filed an appeal before Securities Appellate Tribunal which is pending for decision.

Note - 2 : Reserve and surplus

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
a. Securities Premium Account		
Opening balance	1,955.55	1,815.44
Add : On issue of Equity Shares	–	140.11
Closing Balance	1,955.55	1,955.55
b. Capital Reserve on Consolidation		
On consolidation of subsidiaries	28.92	28.92
Less : Goodwill as per previous balance sheet	1.05	–
Closing Balance	27.87	28.92
c. General reserves		
Opening balance	37.00	37.00
Add : Transferred from Profit & Loss Account	–	–
Closing Balance	37.00	37.00
d. Capital Reserve	0.40	0.40
e. Profit & Loss Account		
Opening Balance	775.36	608.50
Add : Profit for the year	128.66	166.86
Less : Prior Period Adjustment as reinstatements of accounts (refer note no 34)	142.4	–
Closing Balance	761.62	775.36
f. Foreign Exchanges Fluctuation Reserves		
Opening balance	(70.13)	(90.88)
Add : Transferred from Profit & Loss Account	4.13	20.75
Closing Balance	(66.00)	(70.13)
Total	2,716.44	2,727.10

Notes to Consolidated Financial Statements

for the year ended 31st March 2013

Note - 3 : Long term borrowings

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
(A) Secured		
a) Term Loans		
- From Banks*	1492.79	1,306.37
* Term Loans from banks by BRFL (holding company) are secured by first charge on all its fixed assets except specific assets and second charge on the its current assets.		
Out of the above term loans to the extent of ₹ 543.20 Crs are further secured by personal / corporate guarantees & collaterals provided by the promoters & by subsidiary company.		
b) Vehicle loans		
- From Banks	0.29	0.22
- From Other Parties	0.27	0.97
The vehicle loans from the banks and others are secured by hypothecation of specified vehicle against which the finance is obtained.		
Default in repayment of loans and interest on Term Loans from banks of ₹ 95.85 Crores (104.25 Crores) as on 31-Mar-2013 and since unpaid of ₹ 64.43 crores (28.75 Crores)		
Total	1,493.35	1,307.56

Note - 4 : Long Term Provisions

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
Employee benefits	6.40	14.68
Total	6.40	14.68

Note - 5: Short term borrowings

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
Secured		
- Working Capital loans	1932.35	1,562.75
Working capital Loans from banks are secured by hypothecation of all current assets and second charge on the fixed assets except specific assets of the company		
Out of the above term loans to the extent of ₹ 863.42 Crs are further secured by personal / corporate guarantees & collaterals provided by the promoters & by subsidiary company.		
Unsecured		
a) Commercial Paper from bank	-	189.24
b) Commercial Paper from others	-	23.48
c) Other Loans		
- From Banks	51.94	104.21
- From Other Parties	136.58	49.72
Total	2,120.87	1,929.40

Notes to Consolidated Financial Statements

for the year ended 31st March 2013

Note - 6 : Trade payables

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
Mirco, small and medium enterprises	1.01	1.71
Others	732.15	499.54
Total	733.16	501.25

The details of amount outstanding to Micro, Small and Medium Enterprises Based on available information is as under :

Particulars	As on March 31, 2013	As on March 31, 2012
Principal amount due and remaining unpaid	0.91	1.71
Interest due on above and unpaid interest	0.10	–
Interest paid	–	–
Payment made beyond the appointed date during the year	–	–
Interest due and payable for the period of delay	0.10	–
Interest accrued and remaining unpaid	0.10	–
Amount of further interest remaining due and payable in succeeding year.	0.10	–
Total	1.01	1.71

Note - 7 : Other Current Liabilities

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
(i) Customer Deposits	0.22	–
(ii) Outstanding expenses	39.21	41.15
(ii) Accrued Employee Expenses	1.09	–
(iii) Current maturities of Term Loans from banks*	353.95	262.34
(iv) Current maturities of Vehicle loans from banks*	0.24	0.34
(v) Current maturities of Vehicle loans from others*	0.62	0.88
* Refer Note No. 3 of the Balance Sheet		
(vi) Interest accrued but not due on borrowings	1.15	3.14
(vii) Interest accrued & due on borrowings	40.65	43.57
(ix) Unclaimed Dividend*	0.06	0.06
(x) Unclaimed shares application money#	–	0.02
(xi) others	54.09	28.99
Total	491.28	380.49

These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

Note - 8 : Short Term Provisions

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
Provision for Current Income Tax (net)	35.46	26.28
Provision for Other Taxes (net)	14.85	–
Employee benefits	11.86	–
Total	62.17	26.28

Notes to Consolidated Financial Statements

for the year ended 31st March 2013

Note - 9 : Fixed Assets

₹ In crore

Particulars	GROSS BLOCK			Depreciation			NET BLOCK	
	Balance as at 01-04.2012	Additions	Deductions / Adjustments	Balance as at 31-03-2013	For the year	Deduction	Balance as at 31-03-2013	Balance as at 01-04.2012
Tangible Assets :								
Land	143.40	1.94	6.04	139.30	0.13	-	138.57	142.80
Buildings	812.55	8.04	1.34	819.25	25.74	0.26	730.66	749.44
Plant and Equipment	3,511.99	371.18	2.11	3,881.06	252.22	0.37	3,037.47	2,920.25
Vehicles	16.62	0.62	0.73	16.51	1.61	0.41	9.81	11.12
Computer	8.50	0.30	0.22	8.58	1.08	0.18	2.62	3.44
Furniture and Fixtures - Office equipment	88.94	2.90	11.13	80.71	4.98	1.52	60.90	72.59
Total	4,582.01	384.98	21.57	4,945.42	285.76	2.74	3,980.04	3,899.65
Intangible Assets :								
Goodwill, trademarks, Patents, right liciences etc.	283.45	-	97.83	185.62	3.62	3.93	151.80	249.32
Computer software	8.83	1.94	0.20	10.57	1.16	0.03	7.92	7.31
Total	292.28	1.94	98.03	196.19	4.78	3.96	159.73	256.64
Capital Work In Progress							132.25	52.31
Total							132.25	52.31
Intangible assets under Development								
Total	4,874.29	386.92	119.60	5,141.61	290.54	6.70	4,272.02	4,208.60
Previous Year	3727.38	1154.24	7.33	4874.29	233.72	4.42	4,208.60	

Notes to Consolidated Financial Statements

for the year ended 31st March 2013

Note - 10 : Non-current investments

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
Trade Investments	–	–
Others		
Un quoted Investment		
In Equity Shares others - fully paid up		
Islampur Integrated Textiles Park Pvt Ltd. 7500000 Shares of ₹ 10/- each	7.50	7.50
Latur Integrated Textiles Park Pvt Ltd. 7220000 shares of ₹10/- each	7.22	7.22
Jankalyan Sahkari Bank Ltd. 90100 Shares of ₹ 10/- each	0.09	0.09
Scotts Fashionciti India Limited 10000 Shares of ₹ 10/- each	0.01	0.01
Scotts Garments Limited 2000000 Shares of ₹ 10/- each	14.00	14.00
Arihant Organics Pvt Ltd 500 shares of ₹100 each	4.50	4.50
STI Sanoh India Limited 11999300 Shares of ₹ 10/- each	12.00	12.00
Total	45.32	45.32

Note - 11 : Long-term loans and advances

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
a. Security Deposits		
Unsecured, considered good	50.31	39.78
	50.31	39.78
b. Capital Advances		
Unsecured, considered good	58.15	58.77
	58.15	58.77
c. Other Loan & Advances		
Secured, considered good	0.15	–
Unsecured, considered good		
Doubtful	24.51	24.51
Less: Provision for doubtful advances	24.51	24.51
	0.15	–
Total	108.62	98.55

Notes to Consolidated Financial Statements

for the year ended 31st March 2013

Note -12 Current Investments

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
In Mutual Fund unquoted fully paid up		
AXIS EQUITY FUND - DIVIDEND OPTION		
2000000.00 Units	–	2.00
AXIS TRIPLE ADVANTAGE FUND - DIVIDEND PAYOUT		
50000.00 units	–	0.05
FIDELITY EQUITY FUND - DIVIDEND		
69335.307 Units	–	0.15
FIDELITY EQUITY FUND - GROWTH		
40162.256 Units	–	0.10
FIDELITY INDIA GROWTH FUND - GROWTH		
116306.118 Units	–	0.10
FIDELITY INDIA SPECIAL SITUATIONS FUND - GROWTH		
70781.427 Units	–	0.10
SBI CAPITAL PROTECTION ORIENTAL FUND - SERIES - I		
2000000.00 Units	–	2.00
SBI GOLD EXCHANGE TRADED SCHEME - GROWTH		
666.000 Units	–	0.10
SBI MAGNUM BALANCED FUND - GROWTH		
217438.574 Units	1.00	1.00
SBI CONTRA FUND-REGULAR PLAN - DIVIDEND		
409332.788 Units	1.00	1.00
DBG-UNION KBC DYNAMIC BOND FUND GROWTH		
94086.097 Units	0.10	–
TATA- INDO GLOBAL INFRASTRUCTURE FUND - GROWTH		
200000.000 Units	0.20	0.20
UTI - DIVIDEND YIELD FUND - DIVIDEND		
846937.566 Units	–	1.20
UTI - INFRASTRUCTURE FUND - GROWTH PLAN		
509253.732 Units	–	1.71
UTI MASTER VALUE FUND DIVIDEND PLAN		
504456.030 units	–	1.19
UTI - OPPORTUNITY FUND - DIVIDEND PLAN		
800541.728 Units	–	1.16
UTI - TOP 100 FUND - GROWTH PLAN		
104123.282 Units	–	0.25
AXIS CAPITAL PROTECTION ORIENTED FUND - SERIES 3 -GROWTH PLAN		
99990.00 units	0.10	0.10
SBI -SHF - ULTRA SHORT TERM FUND - RETAIL PLAN - DAILY DIVIDEND		
961.686 Units	–	0.10
SBI GOLD FUND -GROWTH		
200000.00 Units	–	0.20
SBI DEBT FUND SERIES - 367 DAYS- 6 GROWTH		
100000.00 Units	–	0.10
Total	2.40	12.80

Notes to Consolidated Financial Statements

for the year ended 31st March 2013

Note - 13 : Inventories

(As certified by the management)

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
a. Raw Materials (Valued at cost)	791.64	721.34
b. Work-in-progress (Valued at cost)	631.68	527.22
c. Finished goods (Valued at lower of cost or net realisable value)	699.42	416.01
d. Stores and spares (Valued at cost)	197.41	199.30
e. Wastage	0.22	0.32
Total	2,320.37	1,864.19

Note - 14 : Trade Receivables

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
Unsecured, considered good		
– Over Six months	87.67	36.18
– Others	585.63	396.14
Total	673.30	432.32

Note - 15 : Cash and cash equivalents

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
Balances with banks		
– On current accounts	54.14	93.90
– Bank deposits	40.89	34.16
Bank deposits with more than 12 months maturity- ₹ 7.34 Crores (P.Y. ₹ 9.33 Crores)		
Cash on hand	2.08	2.63
Total	97.11	130.69

Note - 16 : Short-term loans and advances

Particulars	As on March 31, 2013	As on March 31, 2012
Advances receivable in cash or kind or for value to be received	7.22	118.91
Balance with Government Authorities	240.89	143.04
MAT Credit Entitlement	154.66	133.09
Deposits	117.06	76.66
Others	12.26	–
Total	532.09	471.70

Notes to Consolidated Financial Statements

for the year ended 31st March 2013

Note - 17 : Other Current Assets

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
Insurance claim receivable	0.90	1.08
Interest receivable	0.04	0.04
Total	0.94	1.12

Note - 18: Revenue from operations

(₹ in Crores)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Revenue from operations		
Sale of products :		
Finished goods	3,273.01	2,870.31
Waste Sales	6.46	24.29
Gross Sales	3,279.47	2,894.60
Less: Excise Duty	5.23	2.17
	3,274.24	2,892.43
Sale of Services:	0.35	9.66
Others Revenue	27.36	-
Total	3,301.95	2,902.09

Note - 19 : Other income

(₹ in Crores)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest Income	4.86	5.28
Profit on sale of Investment	0.65	0.56
Profit on sale of Fixed Assets	0.33	-
Dividend Income	0.16	0.39
Exchange fluctuation gain	9.84	5.64
Miscellaneous income	4.44	4.89
Total	20.28	16.76

Note - 20 : Cost of materials consumed

(₹ in Crores)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Inventory at the beginning of the year	721.34	598.07
Add : Purchase	2,129.13	1,883.11
	2,850.47	2,481.18
Less : Inventory at the end of the year	791.64	721.34
Total	2,058.83	1,759.83

Notes to Consolidated Financial Statements

for the year ended 31st March 2013

Note - 21: Increase (-) / decrease (+) in inventories

(₹ in Crores)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Inventory at the end of the year		
Finished Goods	699.42	416.01
Work-in-progress	631.68	527.22
Wastage	0.22	0.32
	1,331.32	943.55
Inventory at the beginning of the year		
Finished Goods	416.01	281.22
Work-in-progress	527.22	349.13
Wastage	0.32	1.47
	943.55	631.82
Total	-387.77	-311.73

Note - 22 : Employee benefit expenses

(₹ in Crores)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Salaries & wages	246.84	251.55
Contributions to provident and other fund	30.69	21.70
Workmen & Staff welfare expenses	13.28	12.07
Total	290.81	285.31

Note - 23 : Finance costs

(₹ in Crores)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest expense	240.13	189.21
Bank Charges	38.64	33.32
Total	278.77	222.53

Note - 24 : Depreciation and amortization expenses

(₹ in Crores)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Depreciation of tangible assets	285.76	229.78
Amortization of intangible assets	4.78	3.94
Total	290.54	233.72

Notes to Consolidated Financial Statements

for the year ended 31st March 2013

Note - 25 : Other expenses

(₹ in Crores)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Stores & spares consumption	74.39	53.01
Packing material and expenses	27.78	17.41
Power and fuel (net)	88.16	82.45
Water charges	11.98	9.17
Job Charges for:		
Yarn	1.07	3.66
Process	1.29	2.98
Weaving	17.28	15.93
Compensation for Risk	18.38	–
Design & development & Others	96.15	76.01
Rent	45.59	40.79
Rates and taxes	4.29	5.94
Insurance	2.60	1.78
Keyman insurance	0.10	0.13
Repair and maintenance		
Plant and machinery	3.67	6.71
Building	1.58	1.35
Vehicles	0.58	0.45
Others	3.15	3.30
Advertising and bussiness promotion	1.49	2.75
Books & Periodicals	0.04	0.11
Commission and brokerage	11.13	9.08
Travelling and conveyance	12.73	10.61
Transportation	44.59	28.44
Communication costs	4.78	5.96
Printing and stationary	2.39	2.75
Legal and professional fees	13.05	6.59
Director's remuneration	11.27	11.15
Directors' sitting fees	0.04	0.04
Baddebts w/off	0.89	-
Auditor's remuneration	1.19	0.79
Environmental Control Exp	6.45	4.82
Security Service Charges	6.70	6.29
Donation	0.66	0.64
Loss on sale of Assets	0.17	0.07
Loss on sale of Investment	1.31	–
Miscellaneous expenses	36.3	64.69
Total	553.22	475.86

Notes to Consolidated Financial Statements

for the year ended 31st March 2013

Payments to auditor

(₹ in Crores)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
For Audit Fee	1.01	0.68
For Tax Audit Fee	0.08	0.03
For Certification & Others	0.10	0.08
Total	1.19	0.79

Note - 26 : Contingent Liabilities not provided for

(₹ In Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
(i) Bills Discounted with Banks under Letter of credits or otherwise.	7.14	9.75
(ii) Bank Guarantee	2.82	7.76
(iii) Claims against the company towards energy charges on Captive Generation.	4.90	4.90
(iv) Outstanding Amount of Madhya Pradesh Audhyogik Kendra Vikas Nigam Limited (MPAKVN) towards Land Acquisition Settlement.	–	0.32
(v) Estimated Interest amount payable on confirmed demand for sales and entry tax	0.73	0.65
(vi) Liability towards M/s Maharashtra State Cotton Grower Mktg. Federation on account of pending dispute under court of law.	0.74	0.74
(vii) Disputed Sales Tax/ Entry Tax Demands	0.64	0.68
(viii) Demand towards Show Cause Notice Issued by Additional commissioner of Central excise in the matter of wrong avilment of cenvat on packing material used in packing of cotton waste, amount inclusive of penalty.	0.11	0.11
(ix) Demand towards Show Cause Notice Issued by Excise Department for charging Additional Customs Duty ,including penalty, on the import of HSD on account of which dispute is pending in high court	0.66	0.66
(x) Demand towards Show Cause Notice Issued by Excise Department for charging Additional Custom Duty, including penalty, on the import of HSD on account of which dispute is pending under Appeal	0.27	0.27
(xi) Demand towards Show Cause Notice issued by Excise Department for removal/ Sale of waste in Domestic Tariff Area (DTA) in excess of permission granted to the company. Reply to show cause notices have already been filed before Commissioner (Customs & Excise), Indore.	–	21.29
(xii) Claim of Gujarat State Co-operative Cotton Federation Limited (GUJCOT) for cotton supplies, interest, carrying charges etc. disputed and not acknowledged by the Company.	103.85	103.85
(xiii) Disputed demand outstanding related to Income Tax (The appeals/rectification are pending with income tax authorities)	60.09	2.04

Notes to Consolidated Financial Statements

for the year ended 31st March 2013

Note - 27 : Capital Commitments

(₹ in Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
Estimated amount of Capital Contracts remaining to be executed (net of advances)	12.48	12.68

Note - 28 : Related Party Disclosure

Name of the Related Party

(A) Related parties where common control exists

- a Reynold Shirting Ltd.
- b Bombay Rayon Clothing Ltd.
- c Bestsellers Retail India Pvt. Ltd.
- d Best United Lifestyles Pvt. Ltd.
- e Best United India Comforts Pvt. Ltd.
- f Bestseller Wholesale India Pvt. Ltd.
- g B. R. Machine Tools Pvt. Ltd.
- h Latur Integrated Textile Park Pvt. Ltd.
- l Islampur Integrated Textile Park Pvt. Ltd.
- j STI Sanoh India Ltd.
- k Kagal Industrial Textile Technology Park Pvt. Ltd.
- l Ashwell Holding Company Pvt. Ltd.
- m J. D. Agarwal & Foundation Trust
- n Arihant Organics Pvt. Ltd.

(B) Key Managerial Personnel

Name of Personnel

- a Mr. Janardhan Agrawal
- b Mr. Aman Agrawal
- c Mr. Prashant Agrawal
- d Mr. Uday Mogre
- e Mr. A.R. Mundra
- f Dr. R.B. Baheti
- g Mrs. Bimla Devi Agarwal
- h Mrs. Vinita Agarwal

Designation

- Non Executive Chairman
Vice Chairman
Managing Director
Executive Director –Corporate
Executive Director –Finance
Non Executive Chairman
Relative of Director
Relative of Director

(C) Transactions with Related Parties

(₹ in Crores)

Transaction with Other Related Parties	Current year	Previous year
Lease Rentals paid	34.46	29.46
Purchase	3.51	7.16
Sales	0.83	0.90
Sales of Services	0.29	0.33
Rent deposit given	8.00	NIL

Notes to Consolidated Financial Statements

for the year ended 31st March 2013

(₹ in Crores)

Transaction with Other Related Parties	Current year	Previous year
Loans & Advances Given / Paid	NIL	36.49
Loan received Back	36.49	NIL
Advance Received	20.98	NIL
Job Work charges Paid	32.89	9.96
Rental Income	4.80	4.80
Preferential Allotment (Conversion of Warrant into Equity Shares)	NIL	146.81
Director Remuneration	10.35	10.12
Rent Deposit Given	NIL	1.13
Rent Paid	0.54	0.05
Donation Paid	0.44	0.29

Note 29 : Promoters and Subsidiary company provided personal/corporate guarantee & collaterals to the extent of ₹ 1557.49 Crores for securing the Term Loan and working capital loan facilities obtained by the company from banks.

Note 30: Earnings Per Share

₹ in Crore

Sr. No.	Particulars	As at 31.03.2013	As at 31.03.2012
(i)	No. of shares at the beginning of the year	134600000	127900000
(ii)	No. of Shares at the end of the year	134600000	134600000
(iii)	Weighted average number of Equity Shares outstanding during the year	134600000	133268219
	EPS		
(i)	Net Profit available for Equity Shareholder (₹ In Crore)	129.36	166.86
(ii)	Basic Earning Per Share (in ₹)	09.56	12.52
(iii)	Diluted Earning Per Share (in ₹)	09.56	11.85

Note : 31

(₹ in Crores)

Particulars	Current year	Previous year
C.I.F. Value of Imports:		
(a) Stores & Spares	10.67	25.11
(b) Capital Goods	2.97	10.92
(c) Raw Materials	49.29	196.06

Note : 32

(₹ In Crores)

Particulars	Current year	Previous year
Expenditure in Foreign Currency		
(a) Traveling	0.68	1.38
(b) Commission on Export Sales	1.86	2.49
(c) Business Promotions	0.17	0.03

Notes to Consolidated Financial Statements

for the year ended 31st March 2013

Note 33: Earning in Foreign Exchange

(₹ In Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
FOB value of Exports	1079.76	1246.26

Note 34: Remittance in Foreign Currency on account of Dividend

(₹ In Crores)

Particulars	As on March 31, 2013	As on March 31, 2012
(a) No. of non-resident shareholders	-	2
(b) No. of Equity shares held	-	18096340
(c) Amount of dividend paid (₹ in Crores)	-	2.71
(d) Financial year to which it relates	-	2010-11

Note 35: Imported & Indigenous consumption

(₹ In Crores)

Particulars	As on 31.03.2013		As on 31.03.2012	
	₹ in Crores	%	₹ in Crores	%
(a) Raw Materials:				
Imported	54.86	2.82%	38.46	2.25%
Indigenous	1889.66	97.18%	1670.65	97.75%
(b) Stores and Spares:				
Imported	13.55	18.21%	11.47	21.69%
Indigenous	60.84	81.79%	41.42	78.31%

Note 36 : During the financial year 2011-12 unaudited financial statements of subsidiary company M/s BRFL Italia S.R.L. were consolidated with the company. In the audited financial statements as at March 31, 2012 of BRFL Italia S.R.L. ₹142.40 crores is charged to Profit and Loss account on account of reinstatements of accounts. Therefore ₹ 142.40 crores is reduced from the brought forward opening balance of Profit and Loss account during the year.

Note 37 : In respect of the financial statements the subsidiary company M/s. BRFL Italia SRL the reporting dates have changed from March 31, 2013 to December 31, 2012. As a result the consolidation of this subsidiary has been done only for a period of 9 months i.e. April 01, 2012 to December 31, 2012 for the year ended March 31, 2013.

Note 38 : During the year ₹ 359.10 Crores being Trial Run Expenses for the company's projects completed but as trials, were capitalized.

Note 39: Previous year figures have been re-grouped / reclassified wherever necessary to make them comparable with current year.

As per our report attached
For **V. K. Beswal & Associates**
Chartered Accountants

CA R. P. Laddha
Partner
Membership Number- 48195
Firm Reg No.:101083W

Place: Mumbai
Date : June 07, 2013

For and on behalf of Board of Directors
Prashant Agarwal
Managing Director

A. R. Mundra
Executive Director - Finance

Uday Mogre
Executive Director - Corporate

Prachi Deshpande
Company Secretary

Notice

Notice is hereby given that the Twentieth Annual General Meeting of Bombay Rayon Fashions Limited will be held on Friday, September 27, 2013 at 4.00 p.m. at Walchand Hirachand Hall, Indian Merchant Chambers, Churchgate, Mumbai-400020 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, 2013 and the Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Janardhan Agrawal, who retires by rotation at ensuing Annual General Meeting and, being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Naseer Ahmed, who retires by rotation at ensuing General Meeting and, being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. A. R. Mundra, who retires by rotation at ensuing General Meeting and, being eligible offers himself for re-appointment.
5. 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 authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

6. 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, 309 and 310 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 Vice Chairman of the Company for a period of 3 years with effect from 1st June, 2013 to 31st May, 2016 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), 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 Agarwal, Vice Chairman shall be also entitled to performance bonus 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 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 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 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.”

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, 309 and 310 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 Agarwal as a Managing Director of the Company for a period of 3 years with effect from 1st June, 2013 to 31st May, 2016 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), 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 Agarwal.”

“RESOLVED FURTHER THAT notwithstanding anything contained hereinabove, Mr. Prashant Agarwal, Managing Director shall be also entitled to performance bonus 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 by way of salary, perquisites, allowances, incentives etc shall be treated as minimum remuneration payable to Mr. Prashant Agarwal, Managing Director, subject to the approval of 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 Agarwal, Managing Director 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, 309 and 310 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, 2013 to 31st May 2016 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), 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 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 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 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, 309 and 310 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 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, 2013 to 31st May 2016 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), 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 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 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 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 thought fit, to pass, with or without modification (s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. A. Arumugham who was appointed by the Board of Directors on 22nd August, 2013 as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and hold office upto the date of the ensuing Annual General Meeting of the Company and for the appointment of whom the Company has received a notice under Section 257 of the said Act from a shareholder proposing the candidature of Mr. A. Arumugham for the office of a Director of the Company, be and is hereby appointed as a Director of the Company.”

Bombay Rayon Fashions Limited

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

“RESOLVED THAT Mr. Babu Nambiar who was appointed by the Board of Directors on 22nd August, 2013 as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and hold office upto the date of the ensuing Annual General Meeting of the Company and for the appointment of whom the Company has received a notice under Section 257 of the said Act from a shareholder proposing the candidature of Mr. Babu Nambiar for the office of a Director of the Company, be and is hereby appointed as a Director of the Company.”

By Order of the Board of Directors,

Place: Mumbai
Dated: 22nd August, 2013

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 (Forty-eight hours) before the time fixed for holding the meeting.
3. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing such representative to attend and vote at the Meeting. Instrument of proxies submitted on behalf of other Bodies Corporates must be supported by appropriate resolution/authority, as applicable.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names shall be entitled to vote.
5. Members are requested to bring the attendance slip at the Annual General Meeting. Members who hold shares in dematerialized form are requested to write their Client ID and Depository ID and those who hold shares in physical form are requested to write their folio number in the attendance slip.
6. The Register of Members shall remain closed from Saturday September 21, 2013 to Friday September 27, 2013 (Both days inclusive).
7. 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
8. The Register of Director's Shareholding maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the Members at the Annual General Meeting.
9. As per clause 49 of the listing Agreement, information regarding Appointment/ re-appointment of directors and an explanatory statement pursuant to section 173 (2) of the Companies Act, 1956, in respect of Special Business Item 6 to 11 are annexed hereto.

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956

Item No. 6

Mr. Aman Agrawal has over 19 years of experience in textile industry. He is actively involved in running operations of production units and setting up of latest information technology in the Organisation. He has gained deep knowledge on the production aspect of the industry including overseas operations of subsidiary. He is B.Com and has completed his M.B.A from Australia. Mr. Aman Agrawal's knowledge & experience in operations will help the Organisation to make it more productive.

Considering the same, the Board of Directors of their Meeting held on August 22, 2013 on the recommendations made by the remuneration committee, has considered and approved the re-appointment of Mr. Aman Agrawal as Vice Chairman with a consolidated remuneration not exceeding ₹ 30,00,000/- per month for the period of 3 years commencing from 1st June, 2013 to 31st May, 2016 on the terms and conditions as enumerated in the resolution set out in the notice of Annual General Meeting.

The resolution mentioned under Item No. 6 of the notice is being proposed to seek your consent under Section 198, 269, 309, 311 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.

Except Mr. Aman Agrawal, Mr. Janardhan Agrawal and Mr. Prashant Agrawal, 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.7

Mr. Prashant Agrawal has over 17 years of experience in textile industry. He was the initiator for consolidating the operations of the Company by way of acquisition / mergers of various units. He is directing the streams of marketing, finance and corporate controls at the top for the growth. He is B.Tech in Chemical & M.S.-Chemical Engineering & Petroleum Refining (USA). It is expected to get the vital advantage of Mr. Prashant Agrawal's knowledge & experience for the Company's business strategies & policies for the future growth.

Considering the same, the Board of Directors of their Meeting held on August 22, 2013 on the recommendations made by the remuneration committee, has considered and approved the re-appointment of Mr. Prashant Agrawal as Managing Director with a consolidated remuneration not exceeding ₹ 30,00,000/- per month for the period of 3 years commencing from 1st June, 2013 to 31st May, 2016 on the terms and conditions as enumerated in the resolution set out in the notice of Annual General Meeting.

The resolution mentioned under Item No. 7 of the notice is being proposed to seek your consent under Section 198, 269, 309, 311 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.

Except Mr. Aman Agrawal, Mr. Janardhan Agrawal and Mr. Prashant Agrawal, 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.8

Mr. Uday Mogre has over 33 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, 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. Mr. Mogre is expected to play a very vital role in developing strategies towards sustaining growth & having good HR policies.

Considering the same, the Board of Directors at their Meeting held on August 22, 2013 on the recommendations made by the remuneration committee, has considered and approved the appointment of Mr. Uday Mogre as Executive Director – Corporate with a consolidated remuneration not exceeding ₹ 7,50,000/- per month for the period of 3 years commencing from 1st June, 2013 to 31st May, 2016 on the terms and conditions as enumerated in the resolution set out in the Notice of Annual General Meeting.

The resolution mentioned under Item No. 8 of the notice is being proposed to seek your consent under Section 198, 269, 309, 311 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.

Bombay Rayon Fashions Limited

Except Mr. Prashant Agrawal, Mr. Janardhan Agrawal and Mr. Aman Agrawal 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. 9

Mr. A. R. 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 medallist). He is an associate member of the Institute of Chartered Accountants of India and also of the Institute of Company Secretaries of India. 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, Working Capital Arrangements etc. Besides, he has deep understanding on Investment and Portfolio Management and Capital Market Operations. Under his guidance the company has been able to raise the level of corporate governance to the highest standards. Mr. Mundra had played a lead role in issue of Global Depository Receipts and listing of securities in overseas exchange. Mr. Mundra is expected to play a lead role in supervising the compliance of regulatory approval(s).

Considering the same, the Board of Directors at their Meeting held on August 22, 2013 on the recommendations made by the remuneration committee, has considered and approved the appointment of Mr. A. R. Mundra as Executive Director – Finance with a consolidated remuneration not exceeding ₹ 7,50,000/- per month for the period of 3 years commencing from 1st June, 2013 to 31st May, 2016 on the terms and conditions as enumerated in the resolution set out in the Notice of Annual General Meeting.

The resolution mentioned under Item No. 9 of the notice is being proposed to seek your consent under Section 198, 269, 309, 311 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. 10

Mr. A. Arumugham was appointed as an Additional Director of the Company during the year pursuant to the provisions of Section 260 of the Companies Act, 1956. Pursuant to the provisions of the said Section, the term of office of Mr. A. Arumugham as an Additional Director shall expire at the 20th Annual General Meeting of the Company. The Company has received notice under Section 257 of the Companies Act, 1956 from a shareholder proposing the candidature of Mr. A. Arumugham for the office as a Director of the Company. The Board recommends the appointment of Mr. A. Arumugham as Director of the Company.

Except Mr. A. Arumugham, none of the Directors are deemed to be concerned or interested in the said resolution.

The resolution vide item No. 10 is therefore proposed for the approval of the Members.

Item No. 11

Mr. Babu Nambiar representing as a Nominee of IDBI Bank was appointed as on the Company's Board as an Additional Director during the year pursuant to the provisions of Section 260 of the Companies Act, 1956. Pursuant to the provisions of the said Section, the term of office of Mr. Babu Nambiar shall expire at the 20th Annual General Meeting of the Company. The Company has received notice under Section 257 of the Companies Act, 1956 from a shareholder proposing the candidature of Mr. Babu Nambiar for the office as a Director of the Company. The Board recommends the appointment of Mr. Babu Nambiar as Director of the Company.

Except Mr. Babu Nambiar, none of the Directors are deemed to be concerned or interested in the said resolution.

The resolution vide item No. 11 is therefore proposed for the approval of the Members.

By Order of the Board of Directors,

Place: Mumbai
Dated: 22nd August, 2013

Prachi Deshpande
Company Secretary

REGISTERED OFFICE:

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



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 Mr./Ms. _____
of _____ of failing him/her Mr./Ms. _____
of _____ as my/our Proxy to attend and vote for me/us and on my/our behalf at the
Twentieth Annual General Meeting of the Company to be held on Friday, September 27, 2013 at Walchand Hirachand Hall,
Indian Merchant Chambers, Churchgate, Mumbai – 400 020 and at any adjournment thereof.

Signed on this _____ day of _____ 2013

Signature of Shareholder _____

Affix ₹ 1.00 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 then 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 Twentieth Annual General Meeting of the Company at at Walchand Hirachand Hall, Indian Merchant Chambers, Churchgate, Mumbai – 400 020, on September 27, 2013.

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 _____





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