



**Bombay Rayon Fashions Limited**  
**Annual Report**  
2016 - 2017

## Content

Corporate Information	1
Directors' Report	2
Report on Corporate Governance	29
Management Discussion & Analysis	48
Business Responsibility Report	53
Independent Auditor's Report	63
Balance Sheet	70
Statement of Profit & Loss	71
Cash Flow Statement	72
Notes to Financial Statements	73
Independent Auditor's Report on the Consolidated Financial Statement	97
Consolidated Balance Sheet	102
Consolidated Statement of Profit & Loss	103
Consolidated Cash Flow Statement	104
Notes to Consolidated Financial Statements	105
Notice	133

## Corporate Information

### Board of Directors

Mr. Janardan 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
Ms. Prachi Deshpande	Director-Secretarial & Corporate Affairs
Mr. Suresh Vishwasrao	Director
Mr. M. M. Agrawal	Director
Mr. A. Arumugham	Director
Mr. John Mathew	Director
Mr. Narayanan Raja	Nominee Director (State Bank of India)

### Company Secretary & Compliance officer

Ms. Prachi Deshpande

### Auditors

V. K. Beswal & Associates, Chartered Accountants

### Registered Office

Bombay Rayon Fashions Limited  
D-1<sup>st</sup> Floor, Oberoi Garden Estates,  
Chandivali Farms Road, Chandivali,  
Andheri (East), Mumbai-400 072  
Tel: 022 – 71068800/61068800  
Fax: 022 – 61068830  
CIN: L17120MH1992PLC066880  
E-mail: [investors@bombayrayon.com](mailto:investors@bombayrayon.com)  
Website: [www.bombayrayon.com](http://www.bombayrayon.com)

### Registrar & Share Transfer Agent

Link Intime India Pvt Ltd  
C 101, 247 Park,  
L B S Marg, Vikhroli West,  
Mumbai 400 083  
Tel No: +91 22 49186000  
Fax: +91 22 49186060  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)  
E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@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  
JM Financial ARC Ltd.  
Karnataka Bank Limited  
Karur Vysya Bank Ltd  
Oriental Bank of Commerce  
Punjab National Bank  
State Bank of India  
Standard Chartered Bank  
Union Bank of India

### Listing of Equity Shares

The Company's shares are listed on:

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

## Directors' Report

**Dear Members,**

Your Directors have pleasure in presenting the Twenty Fourth Annual Report of the Company together with the Audited Annual Accounts for the year ended 31<sup>st</sup> March, 2017.

### 1. FINANCIAL AND OPERATIONAL PERFORMANCE:

#### a. Financial Results

Financial and Operational Results of the Company for the year ended 31<sup>st</sup> March, 2017 as compared to the previous financial year, is summarized below:

(Rs. in crores)

Particulars	Standalone For the Financial Year Ended	
	31-03-2017	31-03-2016
Revenue from Operations	3876.96	4171.62
<b>Profit before Interest, Depreciation and Tax</b>	<b>620.74</b>	<b>812.14</b>
Less: Interest	671.75	596.65
<b>Profit/(Loss) before Depreciation and Tax</b>	<b>(51.01)</b>	<b>215.49</b>
Less: Depreciation and Amortization	161.51	165.78
<b>Profit / (Loss) before Tax</b>	<b>(212.52)</b>	<b>49.71</b>
Extra-ordinary items	-	-
Tax expenses	61.29	(26.29)
Minority interest	-	-
<b>Profit / (Loss) after tax</b>	<b>(151.23)</b>	<b>23.42</b>

#### b. Operations:

The total sales of the Company for the year under review were lowered by 7.6% to Rs. 3876.96 Crores as against Rs. 4171.62 Crores in previous financial year. The reduction in sale is due to general market conditions and stress on working capital. Due to lowered operations, the Company suffered loss of Rs. 151.23 crores during the financial year under review, compared to Rs.23.42 crores profit as per IND-AS of previous financial year.

#### c. Report on Performance of Subsidiaries:

A report on the performance and financial position of each of the subsidiaries are provided as **Annexure - I** and forms part of this report.

BRFL Europe B.V ceased to be a subsidiary of the company as the company is closed down and no other company has become subsidiary of the Company during the year under review.

#### Additional information on Subsidiary companies:

##### i. Bombay Rayon Holdings Limited (BRHL)

BRHL holds 100% Equity of foreign subsidiaries BRFL Italia S.r.l., Italy, & BRFL Italia Licensee S.R.L.

BRHL registered a Net loss of Rs. 2.91 crores for the year ended March 31, 2017.

##### ii. 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 captive consumption and the balance is sold.

STI has incurred a net Loss of Rs. 7.98 crores for the year ended March 31, 2017.

##### iii. 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.

##### 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 retail operations, being not viable in the current prevailing economic scenario, are totally closed and the brand 'GURU' is put on license model for various popular products.

##### v. BRFL Italia Licensee S.R.L

BRHL had subscribed in the equity shares of BRFL Italia licensee S.R.L, a company whom licenses for brand 'GURU' has been transferred.

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

The Company has yet to commence its operations.

#### d. Consolidated Accounts

The Consolidated Financial Statements of your Company for the financial year 2016-17 are prepared in compliance with applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, applicable Accounting Standards and the provisions of SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations"). The consolidated financial statements have been prepared on the basis of audited financial statements of your Company and audited and/or provisional financial statements of its subsidiaries, as approved by the Board of Directors of the said Companies. The Consolidated Financial Statement does not include the financials of BRFL Italia Licensee S.r.l, BRFL Italia S.r.l, DPJ Clothing Limited & BRFL Bangladesh Private Limited as the financial statements of these companies for the respective year ended were not available.

## e. Dividend:

Taking into accounts the losses of the Company, your Directors have not recommended any dividend for the financial year ended March 31, 2017.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top five hundred listed entities based on market capitalization are required to formulate a Dividend Distribution Policy. The Board has approved and adopted the Dividend Distribution Policy and the same is available on the Company's Website viz. [www.bombayrayon.com](http://www.bombayrayon.com)

## f. Transfer to reserve:

In view of loss incurred during the year under review, the board of directors has not recommended any amount to reserves.

## 2. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

## 3. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:

Full Particulars of Loans & Guarantees Given, Investments made and Securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the financial statement (Please refer to Notes 3, 4, 8 and 11 of the Standalone Financial Statement.)

## 4. PARTICULARS OF CONTRACTS/ ARRANGEMENTS/ TRANSACTIONS WITH RELATED PARTIES:

All contracts / arrangements / transactions, falling within the purview of Section 188 of the Companies Act, 2013, entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. None of the transactions entered into by the Company with related party were material in nature exceeding the limit 10% of annual standalone/consolidated turnover of the Company.

The particulars of contracts or arrangements with related parties are forming part of notes to Accounts in this Annual Report.

All Related party transactions are placed before the Audit Committee and subsequently before the Board for its approval. Omnibus approval is obtained on a yearly basis for transactions which are of repetitive nature as per the policy on Materiality of and Dealing with Related Party Transactions. The policy on related party transactions as approved by the Board of Directors has been uploaded on the website of the Company.

## 5. PAYMENT TO BANKERS AND STATUTORY AUTHORITIES:

During the year under review, there were delays in payment of dues to bankers as well as to statutory authorities

## 6. MATTERS RELATED TO CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL AND DECLARATION BY INDEPENDENT DIRECTORS:

### a. Changes in Board of Directors & Key Managerial Personnel:

#### I. Vacation of Office

During the year, there were no changes in the Directors or Key Managerial Personnel of the Company vacated the office.

#### II. Directors Retiring by Rotation

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Janardan Agrawal and Mr. A. R. Mundra, Directors will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, have offered themselves for re-appointment. In accordance with the provisions of the Act, none of the Independent Directors is liable to retire by rotation.

### b. Declaration by Independent Directors:

The Company has received and taken on record the declarations received from all the Independent Directors of the Company in accordance to Section 149(6) of the

# Bombay Rayon Fashions Limited

Companies Act, 2013 confirming their independence vis-a-vis the Company.

The Company is in the process of appointing one more Independent Director for complying with Regulation 17(1) (b) of Listing Regulations. The Nomination and Remuneration Committee of the Company is in the process of identifying a suitable person having requisite professional qualification, knowledge and experience, who fulfills the criteria as specified under Listing regulation as well as Section 149(6) read with Schedule IV of the Companies Act, 2013.

## 7. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES:

### a. Board Meetings:

Six meetings of Board of Directors were convened during the financial year under review details of which are furnished in the Corporate Governance report forming part of Annual report.

### b. Director's Responsibility Statement:

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited Annual Financial Statements of the Company for the financial year ended March 31, 2017, the Board of Directors hereby confirms that:

- a. in the preparation of the annual accounts for the financial year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. such accounting policies have been selected and applied consistently and the Directors 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 as at March 31, 2017, and of the Loss of the Company for that year;
- c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws

and that such systems were adequate and operating effectively.

## c. Committees:

### (I) Audit Committee:

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 Listing Regulations.

The composition of the Audit Committee is in conformity with the provisions of the said section. The Audit Committee comprises of:

1. Mr. A. Arumugham, Chairman, Independent Director
2. Mr. Suresh Vishwasrao, Independent Director
3. Mr. John Mathew, Independent Director
4. Mr. A. R. Mundra, Executive Director- Finance

The scope and terms of reference of the Audit Committee has been amended in accordance with the Act and with Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

### (II) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of Directors as constituted by the Board of Directors of the Company is in accordance with the requirements of Section 178 of the Companies Act, 2013 and Regulations 19 of Listing Regulations.

The composition of the Committee is as under:

1. Mr. Naseer Ahmed, Chairman, Independent Director
2. Mr. Suresh Vishwasrao, Independent Director
3. Mr. A. Arumugham, Independent Director
4. Mr. John Mathew, Independent Director

The Board on recommendation of the Nomination and Remuneration Committee has approved the policy setting out the criteria for review of responsibilities of the Directors positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees in accordance with the provisions of Section 178 of the Companies Act, 2013.

### (III) Stakeholders Relationship Committee:

The Stakeholders Relationship Committee of Directors was constituted pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of Listing Regulations.

The composition of the committee is as under:

1. Mr. Janardan Agrawal, Chairman
2. Mr. Prashant Agrawal, Managing Director
3. Mr. A.R. Mundra, Executive Director- Finance

The Company Secretary acts as the Secretary of the Stakeholders' Relationship Committee.

### d. Policies:

#### (I) Vigil Mechanism Policy:

In compliance of the requirements of section 177 of the companies Act, 2013, Regulation 22 of Listing Regulations and as measure of good Corporate Governance practice, the Board has formulated a Vigil Mechanism Policy. The policy comprehensively provides an opportunity for any employee/ Director of the Company to raise any issue concerning breaches, accounting policies or any act resulting in financial or reputation loss and misuse of office or suspected or actual fraud. The policy is adequate safeguard against victimization.

The Board of Directors of the Company has, pursuant to the provisions of Section 178(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed "Vigil Mechanism Policy" for Directors and Employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc. and the same is also hosted on the website of the Company.

The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Audit Committee.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

#### (II) Risk Management Policy:

The Board of Directors of the Company has designed Risk Management Policy and Guidelines to avoid events, situations or circumstances which may lead

to negative consequences on the Company's businesses, and define a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews.

### (III) Corporate Social Responsibility Policy:

As per the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee as under:

1. Mr. Suresh Vishwasrao - Independent Director (Chairman)
2. Mr. A. Arumugham- Independent Director
3. Mr. A. R. Mundra - Executive Director

The Company's Corporate Social Responsibility Policy is available on the web-site of the Company i.e. [www.bombayrayon.com](http://www.bombayrayon.com).

As there is net average loss incurred by the Company during the three preceding financial years the Company was not required to spend any amount towards Corporate Social Responsibility activities during the year under review.

### e. Annual Evaluation of Directors, Committee and Board:

Independent Directors had reviewed the performance of the Chairman and Executive Directors considering the performance of the Company during the financial year 2016-17. The Board of Directors in their meeting has reviewed the contribution made by each Independent Director by way of their timely advice for better corporate governance and compliances under the provisions of the laws as applicable to the Company. No commission is proposed to be paid to the Chairman or any of the Directors of the Company for financial year 2016-17.

### f. Details with respect to the Programme for Familiarisation of Independent Directors:

The last meeting of financial year 2016-17 was held in Tarapur at one of the factory of the Company. The Independent Directors were briefed by the factory head about the business model and other related information to make the directors familiarize with the Company operations. The policy of the Company on Familiarisation



## Bombay Rayon Fashions Limited

of Independent Director is put up on the website of the Company.

### g. Internal Control Systems:

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place and have been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

### 8. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

Pursuant to the Provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the requisite details are annexed herewith vide **Annexure II** and are also available at the Registered Office of Company for inspection during its working hours and any member interested in obtaining such information may directly write to the Company Secretary of Company and the same shall be provided on such request.

The information as required under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request by any member of the Company. In terms of Section 136 (1) of the Companies Act, 2013, the report and the Accounts are being sent to the members. Any member interested in obtaining copy of the same may write to the Company Secretary at the Registered Office of the Company.

### 9. Preferential allotment:

Your company has allotted 5,13,94,193 equity shares of Rs. 10/- each at a premium of Rs. 155.88 to the lenders of the Company on conversion of Funded Interest Term Loan (FITL) and Working Capital Term Loan (WCTL) amounting to Rs. 852,52,68,734/- pursuant to approvals received from the shareholders at their Extra-ordinary General Meeting held on May 9, 2016

Further Allotment of shares pursuant preferential issue was made to following lenders:-

1. On 3<sup>rd</sup> November 2016 to Union Bank of India for 2,991,921 equity Shares

2. On 5<sup>th</sup> May, 2017 Standard Chartered Bank 14,79,985 equity shares

During the year ICICI Bank Limited has vide its letter dated 6th October, 2016 informed the company about assignment of its loan to JM Financial Asset Reconstruction Company Limited. Pursuant to the provisions of the Companies Act, 2013, the resolution passed under section 62 (1) (c) of the Act is valid for the period of 12 months from the date of approval sought from the Shareholders. Accordingly the approval obtained in the Extra – Ordinary General Meeting held on 9th May, 2016 was to expire on 8th May, 2017. Hence, the company had approached the shareholders for allotment of equity shares to –

Name of the Lender	Debt Amount	No of Equity Shares
	(in Rs)	
Bank of India	424,099,922	2,556,667
JM Financial Asset Reconstruction Company Ltd.	131,099,940	790,330
<b>Total</b>	<b>555,199,862</b>	<b>33,46,997</b>

Accordingly, the shares has been allotted to aforesaid lenders on receipt of approval from the shareholders in the Extra – Ordinary General Meeting held on 20<sup>th</sup> May, 2017.

### • “S4A” SCHEME Implementation/Increase in Share Capital

Since the liquidity stress on the Company was increased during the year under review, the Lenders in their Joint Lender's Forum (“JLF”) Meeting held on October 7, 2016 deliberated on the various options and agreed to consider the S4A Scheme for the Company. The Lenders had decided to consider the S4A Scheme with the Reference Date as November 25, 2016. The Lenders at their JLF held on November 25, 2016, January 9, 2017 and January 16, 2017 have deliberated and agreed to convert part of their debt exposure which is considered as unsustainable into Equity shares and Optionally Convertible Debentures (OCDs) pursuant to implementation of the S4A Scheme in accordance with and as specified in the financing documents entered/to be entered by the Company with, inter alia, the Lenders for the purpose of implementation of the S4A Scheme (hereinafter referred to as the “S4A Agreements/ S4A Documents”).

Accordingly approvals from the shareholders had been sought at the Extra General Meeting held on 20 May 2017, for increase in the authorized capital of the company from Rs. 200,00,00,000/- (Rupees Two Hundred



Crores only) consists of 20,00,00,000 (Twenty Crores) equity shares of Rs. 10/- each to Rs. 365,00,00,000/- (Rupees Three Hundred Sixty Five Crores only) consists of 36,50,00,000 (Thirty Six crores Fifty Lakhs) equity shares of Rs. 10/- each and for issue of equity shares and Optionally Convertible Debentures to the Lenders. The allotment committee of the Board of Directors at its meeting held on May 24, 2017 allotted collectively to the lenders 107,345,243 Equity Shares of face value of Rs 10/- at a premium of Rs 136.03 /- per share aggregating Rs 15,67,56,25,835/- and 39,95,092 OCDs of face value Rs 1000/- each at par (carrying coupon rate 0.01% p.a ) aggregating to Rs 3,99,50,92,000/- on preferential basis as a part of the S4A Scheme as under :-

Sr. no.	Name of the Lenders	No. of Equity Shares	No. of OCDs
1.	State Bank of India	43,740,000	2,880,352
2.	Axis Bank	13,933,525	245,705
3.	Exim Bank	5,695,234	100,430
4.	Punjab National Bank	5,802,566	102,323
5.	Allahabad Bank	3,962,657	69,878
6.	Bank of India	4,476,163	78,933
7.	Karur Vysya Bank	1,793,453	31,626
8.	IDBI	832,576	14,682
9.	Corporation Bank	481,799	8,496
10.	Bank of Maharashtra	493,709	8,706
11.	Dena Bank	2,292,981	33,556
12.	Oriental Bank of Commerce	610,857	10,772
13.	Karnataka Bank	527,337	9,299
14.	Indian Bank	1,232,863	21,740
15.	JM Financial Asset Reconstruction Company Ltd	2,228,659	39,300
16.	Indian Overseas Bank	1,300,035	22,925
17.	Union Bank of India	7,636,693	134,666
18.	Central Bank of India	3,645,233	64,280
19.	Standard Chartered Bank	6,658,903	117,423
	<b>Total</b>	<b>107,345,243</b>	<b>3,995,092</b>

## 10. AUDITORS AND REPORTS:

### a. Statutory Auditors:

Pursuant to the provisions of Section 139 of the Companies Act, 2013, and Rules made thereunder the term of office of V.K. Beswal & Associates, Chartered Accountants, Mumbai (Firm Registration Number: 101083W) of the Company will conclude from the close of ensuing Annual General Meeting of the Company. The Board of Directors places on record its appreciation to the services rendered by V. K. Beswal & Associates, Chartered Accountants as the Statutory Auditors of the Company.

Subject to the approval of the Members and pursuant to Section 139 of the Companies Act, 2013, the Board of Directors of the Company has recommended the appointment of PR Agrawal & Awasthi Chartered Accountants (ICAI Firm Registration Number 117940 W) as the Statutory Auditors of the Company. Accordingly, the Board recommends the resolution in relation to appointment of Statutory Auditors, for the approval by the shareholders of the Company.

The Report of the Auditors on the financial statement for the year ended 31<sup>st</sup> March 2017 does not contain any qualification.

### b. Secretarial Audit Report for the year ended 31<sup>st</sup> March, 2017

The Board had appointed M/s. Rathi & Associates, Company Secretaries as Secretarial auditors for the financial year 2016-17. Secretarial Audit Report issued by Rathi & Associates in form MR-3 for the FY 2016-17 forms part of this report and marked as **Annexure III**.

The comments on the specific observations made in the above Secretarial Audit Report as under:-

1. The meeting of Board of Directors for approving unaudited financial result for the quarter ended 31<sup>st</sup> December, 2016 was scheduled to be held on 14th February 2017 but same was postponed and then was held on 6<sup>th</sup> March 2017. The Company had paid the penalty as levied by the Stock Exchanges.
2. There were some reconciliation problems related to unpaid dividend for financial year 08-09 amounting to Rs.200657.50 resulting into non-transfer of the same to Investor Education Protection Fund in time.
3. The Company is in the process of appointing one more Independent Director for complying with Regulation 17(1) of listing regulation.

# Bombay Rayon Fashions Limited

## c. Cost Auditors:

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Notifications / Circulars issued by the Ministry of Corporate Affairs from time to time, as per the recommendation of the Audit Committee, the Board of Directors at their meeting held on 30th May, 2017, appointed M/s. K. S. Kamalakara & Company, Cost Accountants as the Cost Auditors of the Company for the financial year 2017-18 at annual audit fee of Rs. 5,00,000/ subject to approval of the shareholder in ensuing Annual General Meeting.

## d. Internal Audit and Control:

M/s. Venkatram & Co., Firm Registration No. 004656S, Chartered Accountants, Internal Auditors of the Company has carried out internal audit and the findings of the Internal Auditors in their reports are discussed regularly in the meetings of the Audit Committee and corrective actions are taken as per the directions of the Audit Committee members.

## 11. FRAUD REPORTING:

There have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government.

## 12. OTHER DISCLOSURES:

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

### a. Extract of Annual Return:

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31<sup>st</sup> March, 2017 made under the provisions of Section 92(3) of the Act is attached as **Annexure IV** which forms part of this Report.

### b. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in **Annexure V** which forms part of this Report.

## c. Corporate Governance and Management Discussion & Analysis Reports:

The Company is committed to maintain the high standards of Corporate Governance and adheres to its requisites set out by the respective authorities. The report on Corporate Governance as stipulated under the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed vide **Annexure VI** and forms an integral part of this Annual Report.

Requisite certificate from the Auditors of the Company V. K. Beswal & Associates, Chartered Accountants, (Firm Registration Number: 101083W), confirming compliance with the conditions of Corporate Governance as stipulated in Chapter IV of Securities Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015) by the Company is attached as **Annexure VI (A)** and forms an integral part of this Annual Report.

Certificate issued by Managing Director and Executive Director of Company with regard to certification on Audited Financial Statement of the Company for financial year 2016-17 is also annexed herewith vide **Annexure VI (B)** and forms an integral part of this Annual Report.

The Company has laid down the Code of Conduct for all Board Members and Senior Management personnel of the Company. The declaration by CEO i.e. Managing Director of the Company related to the compliance of aforesaid Code of Conduct is also attached herewith vide **Annexure VII(C)** and forms an integral part of this Annual Report.

Management Discussion and Analysis Report for the year under review, as required pursuant to the provisions of Regulation 34 (Schedule V (B) of SEBI (LODR) Regulations, 2015) is annexed herewith vide **Annexure VII** and forms part of this Annual Report.

## d. General Disclosures:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions pertaining to these matters during F.Y. 2016-17:

- Details relating to acceptance of deposits covered under Chapter V of the Companies Act, 2013.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares and ESOS) to employees of the Company under any scheme.

- d. Instances with respect to voting rights not exercised directly by employees of the Company.
- e. There was no revision of the financial statements for the year under review.

Your Directors further state that:

- f. Neither the Managing Director nor the Whole-time Directors of the Company have received any remuneration or commission from any of the subsidiary Company.
- g. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- h. Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position, have occurred between the end of the financial year of the Company and date of this Annual Report.
- i. There was no change in the nature of business of company during F.Y. 2016-17.
- j. Pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, no case pertaining to sexual harassment at workplace has been reported to company during F.Y. 2016-17.

### 13. CAUTIONARY STATEMENT:

Statements in the directors' and management discussion and analysis describing the company's objectives, projections, estimates, expectations or predication may be "forward-looking statements" within the meaning of applicable securities laws and regulations, actual results could differ materially for those expressed or implied, important factors that could make difference to the company's operations include raw material availability and its prices, cyclical demand and pricing in the company's principle markets, changes in government regulations, tax regimes ,economic developments within India and the countries in which the company conducts business and other ancillary factors.

### 14. ACKNOWLEDGEMENTS AND APPRECIATION:

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company.

Your Directors records with sincere appreciation the valuable contribution made by employees at all levels and looks forward to their continued commitment to achieve further growth and take up more challenges that the Company has set for the future.

**For and on behalf of the Board of Directors**

**Janardan Agrawal**

**Chairman**  
**DIN: 00019497**

**Place: Mumbai**  
**Date: August 11, 2017**

### Registered Office Address:

D 1<sup>st</sup> Floor, Oberoi Garden Estates, Chandivali Farms,  
Chandivali, Andheri (East), Mumbai - 400072  
CIN: L17120MH1992PLC066880  
TEL No: +91 22 71068800 /61068800 Fax No: 61068830  
Mail:investors@bombayrayon.com  
Website: www.bombayrayon.com

## Annexure I

## Form AOC-1

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies  
(Accounts) Rules, 2014)**

## Part A- Detail of Subsidiary Companies

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures:

	Particulars	Subsidiary Companies (Rs. In Crores)					
		Bombay Rayon Holding Limited	STI India Limited	DPJ Clothing Limited	BRFL Italia S.r.l.	BRFL Bangladesh	BRFL Italia Licenses.
1.	Date since when subsidiary was acquired	23 <sup>rd</sup> Feb. 2007	27 <sup>th</sup> Oct. 2010	22 <sup>nd</sup> Feb. 2007	5 <sup>th</sup> May, 2008	23 <sup>rd</sup> Nov. 2010	31 <sup>st</sup> Dec. 2015
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	31 <sup>st</sup> Dec. 2016	31 <sup>st</sup> March, 2016	31 <sup>st</sup> Dec. 2016
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	INR	INR	1 GBP = INR 94.19	1 Euro = INR 74.10	1 Taka = INR 0.85	1 Euro = INR 74.10
4.	Share capital	35.14	29.00	0.01	33.49	0.12	1.85
5.	Other Equity	8.91	-37	4.95	(377.92)	0.20	(7.03)
6.	Total Assets			27.08	207.41	2.27	15.86
7.	Total Liabilities			22.11	551.84	2.35	21.03
8.	Investments	1.31	0	0.00	0.00	0.00	0.00
9.	Turnover	5.52	46.97	17.14	2.98	0.00	6.06
10.	Profit before taxation	-2.96	-7.98	(0.51)	(10.50)	0.00	(5.20)
11.	Provision for taxation	-1.285	0	0.00	0.00	0.00	0.00
12.	Profit after taxation	-2.91	-7.98	(0.51)	(10.50)	0.00	(5.20)
13.	Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00
14.	Extend of shareholding (in percentage)	100%	75%	70%	100%*	100%	100*

\* Held by Bombay Rayon Holding Limited

Notes: The following information shall be furnished at the end of the statement:

1. BRFL Bangladesh Pvt. Ltd. of the subsidiaries which are yet to commence operation
2. BRFL Europe B.V is ceased to be subsidiary of the company.
3. The Consolidated Financial Statement does not include the financials BRFL Italia Licensee S.r.l, BRFL Italia S.r.l, DPJ Clothing Limited & BRFL Bangladesh Private Limited as the financials statements of these companies for the respective year ended were not available.

## Annexure II

### The Companies Act, 2013, read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- I. Ratio of the remuneration of each Director & Key Managerial Personnel (KMP) to the Median Remuneration of the Employees (MRE) of the Company for the financial year 2016-17 against the performance of the Company is as under:

Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2016-17 (Rs. in Crore)	% increase in Remuneration in the Financial Year 2016-17	Ratio of Remuneration of each Director to MRE for Financial Year 2016-17
Mr. Aman Agrawal	2.57	NA	148.55
Mr. Prashant Agrawal	2.57	NA	148.55
Mr. A. R. Mundra	0.39	NA	22.54
Ms. Prachi Deshpande	0.26	NA	15.03

- II. The Median Remuneration of Employees (MRE) of the Company during the financial year was Rs. 172714/- previous period it was Rs.182555/-
- III. There is no increase in the remuneration of above employees in the F.Y 2016-2017.
- IV. There were 14720 permanent employees on the roll of Company as on March 31, 2017.
- v. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.
- VI. During the F.Y. 2016-17, there was no employee who is not directors but received remuneration in excess of the highest paid director.



## Annexure III

# SECRETARIAL AUDIT REPORT

### BOMBAY RAYON FASHIONS LIMITED

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,

The Members

**BOMBAY RAYON FASHIONS LIMITED**

Mumbai

Dear Sirs,

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in Annexure I, for the financial year ended on March 31, 2017, according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made there under to the extent applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) The Scheme for Sustainable Structuring of Stressed Assets (S4A) issued by the Reserve Bank of India.

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (ii) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; and
- (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

## Bombay Rayon Fashions Limited

Provisions of the following Regulations and Guidelines prescribed under the SEBI Act were not applicable to the Company the period of audit:-

- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iv) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and
- (v) The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013; and
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015");

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with other Acts, Laws and Regulations applicable specifically to the Company are as under;

- (i) Water (Prevention & Control of Pollution) Act, 1974;
- (ii) Air (Prevention & Control of Pollution) Act, 1981;
- (iii) Hazardous Waste (Management & Handling) Rules, 1989;
- (iv) Factories Act, 1948;
- (v) Labour laws and
- (vi) Environment (Protection) Act, 1986

During the year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except:

- *Unaudited financial results for quarter ended December 31, 2016 were submitted to the Stock exchanges after stipulated period of 45 days of the end of the said quarter. Hence, the provision of regulation 33(3)(a) of Listing Regulations, 2015 was not complied with. However, the Company has paid penalty as levied by the stock exchanges for the said non-compliance.*
- *Unpaid dividend amount of Rs. 200,658/- pertaining to final dividend declared on September 30, 2009, which was required to be transferred to the Investor Education and Protection Fund on December 4, 2016, is yet to be transferred.*

**We further report that:**

***The Board of Directors of the Company is not duly constituted as it does not have proper balance of Executive Directors, Non-Executive Directors and Independent Directors pursuant to first proviso of Regulation 17(1)(b) of the Listing Requirements, 2015. Since the Chairman of the Company is a Non-Executive Promoter Director, at least half of its total strength should consist of Independent Directors. The Board of Directors of the Company consists of eleven Directors out of which five Directors are Independent Directors, which is less than half. Thus the Company is yet to comply with the provisions of the said Regulation.***

The changes in the composition of the Board of Directors that took place during the year under report were carried out in compliance with the provisions of the Act,

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

There were no dissenting member's views and hence the same was not required to be captured and recorded as part of the minutes.

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

As regards event/action undertaken by the Company during the audit period which had a major bearing on the Company's affairs, we report that the Company converted outstanding loan amount of Rs. 9,325,968,508/- into 56,221,175 Equity Shares of Rs. 10/- each under the approved CDR Package of the consortium bankers. In this regard, in accordance with the approval of the shareholders under Section 62 and other applicable provisions of the Companies Act, 2013 with the SEBI (ICDR) Regulations, 2009 vide Special Resolution passed at the Extra-ordinary General Meeting held on May 9, 2016, the Company made a preferential issue of 56,321,428 Equity Shares of Rs. 10/- each at a value of Rs. 165.88 per share (inclusive of face value of Rs. 10/- each) in aggregate Rs. 9,342,598,478/- to the consortium of seventeen (17) banks towards conversion of their respective outstanding loans to the Company.

**For RATHI & ASSOCIATES**

COMPANY SECRETARIES

**HIMANSHU S. KAMDAR**

PARTNER

FCS No. 5171

C.P. No. 3030

Place: Mumbai

Date: August 11, 2017

Note: This report should be read with our letter of even date which is annexed as Annexure-II and forms an integral part of this report.

## Annexure I

### List of documents verified:

List of documents verified:

1. Memorandum & Articles of Association of the Company;
2. Annual Report for the financial year ended March 31, 2016;
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and Finance Committee held during the financial year under report along with Attendance Register;
4. Minutes of General Body Meeting held during the financial year under report.
5. Statutory Registers viz.
  - Register of Directors & Key Managerial Personnel;
  - Register of Loans, Guarantees and Security and Acquisition made by the Company (Form No. MBP-2);
  - Register of Charges (Form No. CHG-7);
  - Register of Contracts with Related Party and Contracts and Bodies etc. in which the Directors are interested (Form No. MBP-4);
6. Agenda papers submitted to all the Directors/members for the Board Meetings and Committee Meetings;
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184, 164(2), 149(7) and Schedule V of the Companies Act, 2013.
8. e-forms filed by the Company from time to time under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report;
9. Intimations received from all the Directors and Designated Employees under the Internal Code for Prohibition of Insider Trading Code.
10. Intimations/documents/reports/returns filed with the Stock Exchanges pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
11. Details of sitting fees paid to all Non-Executive & Independent Directors for attending the Meetings of the Board and Committees;
12. Intimations given to employees of the Company for closure of the trading window from time to time;
13. Various Policies made under the Companies Act, 2013, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

## Annexure II

To

The Members  
**Bombay Rayon Fashions Limited**  
Mumbai

Dear Sirs,

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

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

**For RATHI & ASSOCIATES**  
COMPANY SECRETARIES

**HIMANSHU S. KAMDAR**  
PARTNER

FCS No. 5171

C.P. No. 3030

Place : Mumbai  
Date : August 11, 2017

## Annexure IV

### Form No. M GT-9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

CIN	L17120MH1992PLC066880
Registration Date	21 / 05 / 1992
Name of the Company	BOMBAY RAYON FASHIONS LIMITED
Category / Sub-Category of the Company	Company Limited by shares. / Indian Non-Government Company.
Address of the Registered office and contact details	D-1st Floor, Oberoi Gardens Estates, Chandivali Farms Road, Chandivali, Andheri (East), Mumbai-400072. Tel no. 022-71068800/61068800 Fax no : 022-61068830
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. 101, 247 Park, L B S Marg, Vikhroli West Mumbai 400 083 Tel No: +91 22 49186000 Fax: +91 22 49186060 Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> E-mail: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	BRFL is a vertically integrated textile company, engaged in the manufacture of a wide range of fabrics and garments from state of the art production facilities.	14101	100%



## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable section
1	Bombay Rayon Holdings Limited, Add: D-6139, Oberoi Gardens Estates, Chandivali Farms Road, Chandivali, Andheri (East), Mumbai-400072	U17291MH2007PLC168067	Subsidiary Company	100%	2(87)
2	STI India Ltd., Add: Rau-Pithampur Link Road, Tehsil Mhow, Indore - 453332	L27105MP1984PLC002521	Subsidiary Company	75%	2(87)
3	DPJ Clothing Ltd., UK Add: 17-19, Church Road, Northfield, Birmingham, B31 2JZ	-	Subsidiary Company	70%	2(87)
4	BRFL Bangladesh Pvt. Ltd., Add: Siaam Tower, Level - 12, Plot - 5, Sector - 3, Uttara, Dhaka -1230 (Bangladesh)	-	Subsidiary Company	100%	2(87)

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

### i. Category-wise Share Holding as on 31st March, 2017:

Category of Shareholders	Shareholding at the beginning of the year - 2016				Shareholding at the end of the year - 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A Shareholding of Promoter and Promoter Group									
1 Indian									
A Individuals / Hindu Undivided Family	16999626	0	16999626	12.6297	16999626	0	16999626	9.1399	-3.4899
B Central Government / State Government(s)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c) Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d) Any Other (Specify)									
Persons Acting In Concert	5148680	0	5148680	3.8252	5148680	0	5148680	2.7682	-1.0570
Bodies Corporate	50738474	0	50738474	37.6957	50738474	0	50738474	27.2796	-10.4161
Sub Total (A)(1)	72886780	0	72886780	54.1507	72886780	0	72886780	39.1877	-14.9630
[2] Foreign									
A) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b) Government	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c) Institutions	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000

## Bombay Rayon Fashions Limited

Category of Shareholders	Shareholding at the beginning of the year - 2016				Shareholding at the end of the year - 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d) Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e) Any Other (Specify)									
Bodies Corporate	51000400	0	51000400	37.8903	51000400	0	51000400	27.4204	-10.4699
Sub Total (A)(2)	51000400	0	51000400	37.8903	51000400	0	51000400	27.4204	-10.4699
Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	123887180	0	123887180	92.0410	123887180	0	123887180	66.6081	-25.4329
(B) Public Shareholding									
[1] Institutions									
a) Mutual Funds / UTI	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
(b) Venture Capital Funds	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
(c) Alternate Investment Funds	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
(d) Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
(e) Foreign Portfolio Investor	1125821	0	1125821	0.8364	608326	0	608326	0.3271	-0.5094
(f) Financial Institutions / Banks	681873	0	681873	0.5066	52085591	0	52085591	28.0039	27.4973
(g) Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	'0.0000
(h) Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	'0.0000	0.0000
Any Other (Specify)									
Sub Total (B)(1)	1807694	0	1807694	1.3430	52693917	0	52693917	28.3309	26.9879
[2] Central Government/ State Government(s)/ President of India									
Central Government / State Government(s)	10	0	10	0.0000	10	0	10	'0.0000	0.0000
Sub Total (B)(2)	10	0	10	0.0000	10	0	10	'0.0000	0.0000
[3] Non-Institutions									
Individuals									
Individual shareholders holding nominal share capital upto Rs. 1 lakh.	752569	4304	756873	0.5623	776049	4304	780353	0.4196	-0.1428
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	869468	0	869468	0.6460	1233024	0	1233024	0.6629	0.0170
(b) NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	'0.0000
(c) Employee Trusts	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
(d) Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
(e) Any Other (Specify)									
Hindu Undivided Family	28817	0	28817	0.0214	239894	0	239894	0.1290	0.1076
Non Resident Indians (Non Repat)	1581	0	1581	0.0012	2450	0	2450	0.0013	0.0001
Non Resident Indians (Repat)	41658	0	41658	0.0309	41647	0	41647	0.0224	-0.0086

Clearing Member	289870	0	289870	0.2154	576864	0	576864	0.3102	0.0948
Bodies Corporate	6916849	0	6916849	5.1388	6538854	0	6538854	3.5156	-1.6232
Sub Total (B)(3)	8900812	4304	8905116	6.6160	9408782	4304	9413086	5.0610	-1.5550
Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	10708516	4304	10712820	7.9590	62102709	4304	62107013	33.3919	25.4329
Total (A)+(B)	134595696	4304	134600000	100.0000	185989889	4304	185994193	100.0000	0.0000
(C) Non Promoter - Non Public									
[1] Custodian/DR Holder	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
[2] Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
<b>Total (A)+(B)+(C)</b>	<b>134595696</b>	<b>4304</b>	<b>134600000</b>	<b>100.0000</b>	<b>185989889</b>	<b>4304</b>	<b>185994193</b>	<b>100.0000</b>	<b>0.0000</b>

## ii. Shareholding of Promoters:

Shareholder's Name	Shareholding At The Beginning Of The Year - 2016			Shareholding At The End Of The Year - 2017			% Change In Shareholding During The Year
	No.Of Shares Held	% Of Total Shares Of The Company	%Of Shares Pledged /Encumbered To Total Shares	No. Of Shares Held	% Of Total Shares Of The Company	%Of Shares Pledged/ Encumbered To Total Shares	
AAA United B V	51000400	37.8903	0.0000	51000400	27.4204	0.0000	-10.4699
Ashwell Holding Company Private Limited	28420000	21.1144	0.0000	28420000	15.2800	0.0000	-5.8344
Reynold Shirting Limited	13215714	9.8185	8.4812	13215714	7.1054	4.8473	-2.7131
Janardan Agarwal	7576140	5.6286	0.7576	7576140	4.0733	4.0733	-1.5553
Bombay Rayon Clothing Ltd	6602760	4.9055	4.8291	6602760	3.5500	3.4947	-1.3555
Prashant Agarwal	6085082	4.5209	3.4651	6085082	3.2717	3.1149	-1.2492
Vinita Agarwal	3815980	2.8351	2.8232	3815980	2.0517	2.0431	-0.7834
Aman Agarwal	3338404	2.4802	2.3031	3338404	1.7949	1.7949	-0.6853
B R Machine Tools Private Limited	2500000	1.8574	1.8574	2500000	1.3441	0.9409	-0.5132
Bimladevi Agarwal	413200	0.3070	0.0000	413200	0.2222	0.0000	-0.0848
Vedant Aman Agrawal	320000	0.2377	0.0000	320000	0.1720	0.0000	-0.0657
Payal Chaudhary	179300	0.1332	0.0000	179300	0.0964	0.0000	-0.0368
Janardhan Biseshwarlal Agarwal	156000	0.1159	0.0000	156000	0.0839	0.0000	-0.0320
Aayush Prashant Agrawal	120000	0.0892	0.0000	120000	0.0645	0.0000	-0.0246
Sushila Mukesh Agarwal	100000	0.0743	0.0000	100000	0.0538	0.0000	-0.0205
Priyanka Agarwal	44200	0.0328	0.0000	44200	0.0238	0.0000	-0.0091
<b>Total</b>	<b>123887180</b>	<b>92.0410</b>	<b>20.3091</b>	<b>123887180</b>	<b>66.6081</b>	<b>20.3091</b>	<b>-25.4329</b>

## Bombay Rayon Fashions Limited

### iii. Change in Promoters' Shareholding (Please Specify, If there is no Change):

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No. Of Shares Held	% Of Total Shares Of The Company	Date Of Transaction	No. Of Shares	No Of Shares Held	% Of Total Shares Of The Company
1	Aaa United B V	51000400	37.8903	-	-	51000400	27.4204
	At The End Of The Year			-	-	51000400	27.4204
2	Ashwell Holding Company Private Limited	28420000	21.1144	-	-	28420000	15.2800
	At The End Of The Year			-	-	28420000	15.2800
3	Reynold Shirting Limited	13215714	9.8185	-	-	13215714	7.1054
	At The End Of The Year			-	-	13215714	7.1054
4	Janardan Agarwal	7576140	5.6286	-	-	7576140	4.0733
	At The End Of The Year			-	-	7576140	4.0733
5	Bombay Rayon Clothing Ltd	6602760	4.9055	-	-	6602760	3.5500
	At The End Of The Year			-	-	6602760	3.5500
6	Prashant Agarwal	6085082	4.5209	-	-	6085082	3.2717
	At The End Of The Year			-	-	6085082	3.2717
7	Vinita Agarwal	3815980	2.8351	-	-	3815980	2.0517
	At The End Of The Year			-	-	3815980	2.0517
8	Aman Agarwal	3338404	2.4802	-	-	3338404	1.7949
	At The End Of The Year			-	-	3338404	1.7949
9	B R Machine Tools Private Limited	2500000	1.8574	-	-	2500000	1.3441
	At The End Of The Year			-	-	2500000	1.3441
10	Bimladevi Agarwal	413200	0.3070	-	-	413200	0.2222
	At The End Of The Year			-	-	413200	0.2222
11	Vedant Aman Agrawal	320000	0.2377	-	-	320000	0.1720
	At The End Of The Year			-	-	320000	0.1720
12	Payal Chaudhary	179300	0.1332	-	-	179300	0.0964
	At The End Of The Year			-	-	179300	0.0964
13	Janardhan Biseshwarlal Agarwal	156000	0.1159	-	-	156000	0.0839
	At The End Of The Year			-	-	156000	0.0839
14	Aayush Prashant Agrawal	120000	0.0892	-	-	120000	0.0645
	At The End Of The Year			-	-	120000	0.0645
15	Sushila Mukesh Agarwal	100000	0.0743	-	-	100000	0.0538
	At The End Of The Year			-	-	100000	0.0538
16	Priyanka Agarwal	44200	0.0328	-	-	44200	0.0238
	At The End Of The Year			-	-	44200	0.0238

## iv. Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No. Of Shares Held	% Of Total Shares Of The Company	Date Of Transaction	No. Of Shares	No Of Shares Held	% Of Total Shares Of The Company
1	STATE BANK OF INDIA	0	0			0	0
	Transfer			01 Jul 2016	231968	23196889	1.2676
	AT THE END OF THE YEAR					23196889	1.2676
2	AXIS BANK LIMITED	0	0			0	0.0000
	Transfer			01 Jul 2016	115869	11586959	0.6332
	Transfer			19 Aug 2016	16340	11603299	0.6341
	Transfer			26 Aug 2016	-12500	11590799	0.6334
	Transfer			09 Sep 2016	-20	11590779	0.6334
	Transfer			16 Sep 2016	-1170	11589609	0.6333
	Transfer			07 Oct 2016	2180	11591789	0.6334
	Transfer			11 Nov 2016	1820	11593609	6.2333
	Transfer			18 Nov 2016	-2800	11590809	6.2318
	Transfer			02 Dec 2016	550	11591359	6.2321
	Transfer			10 Feb 2017	1000	11592359	6.2326
	Transfer			24 Feb 2017	-3040	11589319	6.2310
	Transfer			17 Mar 2017	-300	11589019	6.2308
	Transfer			24 Mar 2017	-100	11588919	6.2308
	AT THE END OF THE YEAR					11588919	6.2308
3	STATE BANK OF PATIALA	0	0			0	0.0000
	Transfer			01 Jul 2016	318844	3188449	0.1742
	AT THE END OF THE YEAR					3188449	0.1742
4	UNION BANK OF INDIA	0	0			0	0.0000
	Transfer			03 Feb 2017	299192	2991921	1.6086
	AT THE END OF THE YEAR					2991921	1.6086
5	CENTRAL BANK OF INDIA	0	0			0	0.0000
	Transfer			01 Jul 2016	199722	1997226	0.1091
	AT THE END OF THE YEAR					1997226	0.1091
6	SBICAP SECURITIES LIMITED	0	0			0	0.0000
	Transfer			01 Jul 2016	187234	1872345	0.1023
	AT THE END OF THE YEAR					1872345	0.1023
7	EXPORT- IMPORT BANK OF	0	0			0	0.0000
	Transfer			01 Jul 2016	162095	1620955	0.0886
	AT THE END OF THE YEAR					1620955	0.0886

## Bombay Rayon Fashions Limited

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No. Of Shares Held	% Of Total Shares Of The Company	Date Of Transaction	No. Of Shares	No Of Shares Held	% Of Total Shares Of The Company
8	EPOCH SYNTHETICS PVT LTD	115312	0.8567			1153129	0.6200
	Transfer			08 Apr 2016	13703	1166832	0.8669
	Transfer			22 Apr 2016	30	1166862	0.8669
	Transfer			29 Apr 2016	-375	1166487	0.8666
	Transfer			06 May 2016	375	1166862	0.8669
	Transfer			17 Jun 2016	-400	1166462	0.6415
	Transfer			24 Jun 2016	75	1166537	0.6415
	Transfer			30 Jun 2016	-675	1165862	0.6371
	Transfer			01 Jul 2016	-1905	1163957	0.6360
	Transfer			08 Jul 2016	2905	1166862	0.6376
	Transfer			15 Jul 2016	5405	1172267	0.6406
	Transfer			22 Jul 2016	15032	1187299	0.6488
	Transfer			29 Jul 2016	1010	1188309	0.6493
	Transfer			12 Aug 2016	500	1188809	0.6496
	Transfer			19 Aug 2016	300	1189109	0.6498
	Transfer			09 Sep 2016	10000	1199109	0.6552
	Transfer			16 Sep 2016	99	1199208	0.6553
	Transfer			07 Oct 2016	-5239	1193969	0.6524
	Transfer			28 Oct 2016	-24997	1168972	0.6388
	Transfer			04 Nov 2016	191	1169163	0.6286
	Transfer			11 Nov 2016	922	1170085	0.6291
	Transfer			02 Dec 2016	268	1170353	0.6292
	Transfer			09 Dec 2016	-268	1170085	0.6291
	Transfer			30 Dec 2016	-446	1169639	0.6289
	Transfer			06 Jan 2017	-1417	1168222	0.6281
	Transfer			13 Jan 2017	189	1168411	0.6282
	Transfer			20 Jan 2017	-640	1167771	0.6279
	Transfer			27 Jan 2017	640	1168411	0.6282
	Transfer			03 Feb 2017	-427	1167984	0.6280
	Transfer			10 Feb 2017	427	1168411	0.6282
	Transfer			24 Feb 2017	-1000	1167411	0.6277
	Transfer			03 Mar 2017	1000	1168411	0.6282
	Transfer			10 Mar 2017	20000	1188411	0.6390
	Transfer			24 Mar 2017	7440	1195851	0.6430
	AT THE END OF THE YEAR					1195851	0.6430
9	PUNJAB NATIONAL BANK	0	0			0	0.0000
	Transfer			29 Jul 2016	116461	1164618	0.6364
	AT THE END OF THE YEAR					1164618	0.6364
10	ALLAHABAD BANK	0	0			0	0.0000
	Transfer			01 Jul 2016	114902	1149023	0.6279
	AT THE END OF THE YEAR					1149023	0.6279



## V. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr No.	Name	Shareholding at the beginning of the year - 2016		Transactions during the year		Shareholding at the end of the year - 2017	
		No. of Shares Held	% of Total Shares Of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares Of The Company
1.	Mr. Janardan Agarwal	7576140	5.6286	-	-	7576140	4.0733
2.	Mr. Aman Agarwal	3338404	2.4802	-	-	3338404	1.7949
3.	Mr. Prashant Agarwal	6085082	4.5209	-	-	6085082	3.2717
4.	Mr. A R Mundra	0	0	-	-	0	0
5.	Ms. Prachi Deshpande	75	0	-	-	75	0
6.	Mr. Narayanan Raja	0	0	-	-	0	0
7.	Mr. Naseer Ahmed	0	0	-	-	0	0
8.	Mr. Arunachalam	0	0	-	-	0	0
9.	Mr. Man Mohan Agrawal	0	0	-	-	0	0
10.	Mr. Suresh Shankar	0	0	-	-	0	0
11.	Mr. John Mathew	0	0	-	-	0	0

Note: There was no Increase / Decrease in Shareholding of Directors and Key Managerial Personnel during the year.

## VI. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment. 31.03.2017

(Rs. In Crores)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01/04/2016	5356.42	133.77	-	5490.19
i) Principal Amount	5238.72	128.05	-	5366.77
ii) Interest due but not paid	117.70	5.72	-	123.42
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	5356.42	133.77	-	5490.19
Change in Indebtedness during			-	
• Addition	1125.65	113.45	-	1239.1
• Reduction	903.13	151.77	-	1054.9
Net Change	222.52	-38.32	-	184.2
Indebtedness at the end of the financial year 31/03/2017	5578.94	95.45	-	5674.39
Principal Amount	5423.06	95.45	-	5518.51
ii) Interest due but not paid	155.88	-	-	155.88
iii) Interest accrued but not due			-	
Total (i+ii+iii)	5578.94	95.45	-	5674.39

# Bombay Rayon Fashions Limited

## VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager				Total Amount
		Mr. Aman Agrawal (Whole-Time Director)	Mr. Prashant Agrawal (Managing Director / CEO)	Mr. A.R. Mundra (Whole-Time Director-CFO)	Ms. Prachi Deshpande (Whole-Time Director / Company Secretary )	
1	Gross salary					
	(c) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14391000	14391000	2151000	1461000	30458000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	–		–
	© Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–		–
2	Stock Option	–	–	–		–
3	Sweat Equity	–	–	–		–
4	Commission					
	– as % of profit	–	–	–		–
	– others, specify	–	–	–		–
5	Others, please specify	–	–	–		–
	Leave Travel Allowance	1199256	1199256	179256	121752	2699520
	Medical Allowance	15000	15000	15000	15000	60000
	Bonus	1199250	1199250	179250	121750	2699500
	House Rent Allowance	7195500	7195500	1075500	730500	16197000
	Total (A)	24000006	24000006	3600006	2450002	54050020
	Ceiling as per the Act	Ceiling is as per Section 197 and Schedule V of the Companies Act, 2013				

## B. Remuneration to Other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Suresh Vishwasrao	Mr. Naseer Ahmed	Mr. A. Arumugham	Mr M.M. Agrawal	Mr. John Mathew	Mr. Narayanan Raja	
1.	Independent Directors							
	• Fee for attending board / committee meetings	240000	40000	40000	120000	240000		680000
	• Commission	-	-	-	-	-		-
	• Others, please specify	-	-	-	-	-		-
	Total (1)	240000	40000	40000	120000	240000		680000
2.	Other Non-Executive Directors	-	-	-	-	-		-
	• Fee for attending board / committee meetings	-	-	-	-	-	120000	120000
	• Commission	-	-	-	-	-		-
	• Others, please specify	-	-	-	-	-		-
	Total (2)					-	120000	120000
	Total (B)=(1+2)							800000

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTG:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	© Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	– as % of profit	-	-	-	-
	– others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Special Allowance	-	-	-	-
	Leave Travel Allowance	-	-	-	-
	Medical Allowance	-	-	-	-
	Bonus	-	-	-	-
	Total				

## VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no such cases of Penalties/ Punishment/ Compounding of Offences faced by the Company.

## Annexure V

**The information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2017 is given below and forms part of the Directors' Report.**

### **A. CONSERVATION OF ENERGY**

I. Steps taken or impact on conservation of energy. In line with the Company's commitment towards conservation of energy, all units continue with their efforts aimed at improving energy efficiency through innovative measures to reduce wastage and optimize consumption. Some of the measures taken by the Company in this direction at its textile units located at Bangalore, Tarapur, Islampur, Latur, are as under:

- i. Reducing power consumption in cooling towers.
- ii. Replacement of inefficient motors.
- iii. Installation of LEDs at several locations.
- iv. Installation of plant condensate recovery system for water conservation.
- v. Installation of automatic cut-off in suction motor of Gill Box in Combing and lighting system in Yarn room.
- vi. Installing efficient recovery equipment for cooling water for steaming machines.

#### **II. The steps taken by the company for utilizing alternate sources of energy.**

During the year under review, the Company utilized solar energy for water heating. In order to save water, the Company made its efforts to reuse cooling water in Ash handling plant.

#### **III. The Capital investment on energy conservation equipment.**

No Capital Investment of last year 2016-17 on energy conservation equipment.

### **B. TECHNOLOGY ABSORPTION**

I. The efforts made by the Company towards technology absorption. Innovation and Technology are synonymous with BRFL. The investment in technology acts as a catalyst and enables the Company to be innovative and regularly launch world-class textile products.

II. The benefits derived like product improvement, cost reduction, product development or import substitution.

III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - NOT APPLICABLE

IV. The expenditure incurred on Research and Development. NIL

### **C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

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. 38,39, 40, of and Note to Financial Statements

## Annexure VI

### Report on Corporate Governance

**The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2017, in terms of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").**

---

Bombay Rayon Fashions Limited ("the Company") strives to follow the best corporate governance practices, develop best policies/guidelines, communicate and train all its employees in order to foster a culture of compliance and obligation at every level of the organization.

#### 1. Company's Philosophy on code of Corporate Governance.

Your Company is 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 endeavors 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 viz. 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.

Your Company confirms compliance to the Corporate Governance requirements as enshrined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as 'Listing Regulations'].

#### 2. Board of Directors.

##### a) Composition of the Board:

The Company has an optimum combination of Executive and Non-Executive Directors. As on March 31, 2017, the Board comprised of the 11 Directors, of which four Directors are Executive Directors and Seven Directors are Non-Executive Directors, of which five are independent directors and one is a Nominee Director appointed by State Bank of India.

The composition of the Board of Directors of the Company is not in accordance with the Regulation 17(1) of the Listing Regulations. The Company is in the process of appointing one more Independent Director for complying with Regulation 17(1) of listing regulation. The Nomination and Remuneration Committee of the Company is in the process of identifying a suitable person having requisite professional qualification, knowledge and experience, who fulfills the criteria as specified under Section 149(6) read with Schedule IV of the Companies Act, 2013 and as per listing regulations.

##### b) Board Meetings:

During the year under review, 6 (Six) Meetings of the Board of Directors of the Company were convened on May 02, 2016, May 20, 2016, August 05, 2016, September 13, 2016, December 13, 2016 and March 06, 2017. The previous Annual General Meeting of the Company was held on 23<sup>rd</sup> September, 2016.

The Company Secretary prepares the agenda and the explanatory notes, in consultation with the Managing Director and Executive Director – Finance and circulates the same in advance to the Directors. Every Director

## Bombay Rayon Fashions Limited

is free to suggest inclusions of items in the agenda. The Board meets at least once every quarter to review, inter alia, the quarterly results together with the Operations and Performance of the Company. 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. 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 as per Regulation 17 of listing regulation, approvals of the Board are taken for all major events. The Board also reviews the Compliance report of all laws applicable to the Company. The Managing Director keeps the Board appraise of the overall performance of the Company.

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

Name of Director & DIN	Category	No. of Board meetings attended during the year	Whether previous AGM attended	No. of other		
				Directorships*	Committee Memberships#	Committee Chairmanships\$
Mr. Janardan Agrawal DIN: 00019497	Chairman, Promoter, Non-Executive; Non-Independent	2	No	3	-	1
Mr. Naseer Ahmed DIN: 00027095	Non-Executive; Independent	2	No	2	-	-
Mr. Aman Agrawal DIN: 00019534	Vice- Chairman, Promoter, Executive; Non- Independent	1	Yes	4	-	-
Mr. Prashant Agrawal DIN: 00019464	Managing Director, Promoter, Executive; Non- Independent	6	Yes	4	1	-
Mr. A. R. Mundra DIN: 00019234	Whole-time Director, , Executive; Non-Independent	6	Yes	1	4	-
Mr. Suresh Vishwasrao DIN: 00837235	Non-Executive; Independent	6	Yes	2	2	-
Mr. M. M. Agrawal DIN: 00681433	Non-Executive; Independent	6	No	4	1	-
Mr. A. Arumugham DIN: 00350163	Non-Executive; Independent	1	No	3	-	1
Mr. John Mathew DIN: 01632626	Non-Executive; Independent	6	Yes	1	2	-
Ms. Prachi Deshpande DIN: 02975271	Whole-time Director; Executive; Non-Independent	6	Yes	1	1	-
Mr. Narayanan Raja DIN: 00503400	Non-Executive; Nominee Director	6	No	4	-	-

**Note:** Except that Mr. Aman Agrawal & Mr. Prashant Agrawal being sons of Mr. Janardan Agrawal, no other director is related whether directly or indirectly to any other director listed above.

\* Directorships in Private Companies, Foreign Companies and the Companies under Section 8 of the Companies Act, 2013 are excluded.

# \$ Memberships and Chairmanships of Audit Committee and Stakeholders Relationship Committee have been considered.



### c) Appointment / re-appointment of Directors:

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Janardan Agrawal and Mr. A R Mundra will retire by rotation at the ensuing Annual General Meeting and the necessary details of the said directors have been provided in Notice of AGM.

### d) Details pertaining to the Non-Executive Directors' Shareholding and Compensation and disclosures:

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

In accordance with the Special resolution passed by Shareholders of the Company at their Annual General Meeting held on September 23, 2016, Mr. Janardan Agrawal, the Non – Executive Chairman is entitled for a commission @ 1% of the net profits. However, due to loss in the financial year ended 31<sup>st</sup> March, 2017, no commission has been paid.

The detail of shareholding of Non-executive Directors:

Except Mr. Janardan Agrawal who holds 7576140 equity shares of the Company, no other non-executive director hold any equity shares in the Company.

### FAMILIARISATION PROGRAMME FOR DIRECTORS

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company.

In addition to the above, the familiarization program for Independent Directors forms part of the Board process. At the quarterly Board meetings of the Company held during the financial year 2016-17, the Independent Directors have been updated on the developments in the Company and the Company's performance. The details of the familiarisation program for Independent Directors are available on the Company's website at [www.bombayrayon.com](http://www.bombayrayon.com) and the web link for the same is as follows <http://www.bombayrayon.com/pdfs/familiarization.pdf>

## 3. Audit Committee:

### a. Brief Description of Audit Committee:

The Board has constituted Audit Committee with well-qualified member. All Members of the Audit Committee possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. The Audit Committee acts as a link between the Management, Statutory Auditors, Internal Auditors and the Board of Directors and oversees the financial reporting process.

Audit Committee of the Company has been constituted and its composition is in accordance with the provisions of Section 177 of the Companies Act, 2013, and in terms with Regulation 18 of Listing Regulations.

### b. Terms of Reference of the Audit Committee:

The role of the Audit Committee includes the following:

- I. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- II. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- 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 and auditors' report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - 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;

## Bombay Rayon Fashions Limited

- e. Compliance with listing and other legal requirements relating to financial statements;
- f. Disclosure of any related party transactions;
- g. Modified opinion(s) in the draft audit report;
- 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, rights 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- VII. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- VIII. Approval or any subsequent modification of transactions of the listed entity with related parties;
- IX. Scrutiny of inter-corporate loans and investments;
- X. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- XI. Evaluation of internal financial controls and risk management systems;
- XII. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- XIII. 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;
- XIV. Discussion with internal auditors of any significant findings and follow up there on;
- XV. 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;
- XVI. 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;
- XVII. 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;
- XVIII. To review the functioning of the whistle blower mechanism;
- XIX. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- XX. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

### **The Audit Committee shall mandatorily review the following information:**

- i. Management discussion and analysis of financial condition and results of operations;
- ii. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iv. Internal audit reports relating to internal control weaknesses; and
- v. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- vi. Statement of deviations:

- a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

### C. Composition of Audit Committee and Number of Meetings Attended:

Four meetings of the Audit Committee were held during the financial year. These were held on May 20, 2016, August 5, 2016, September 13, 2016, December 13, 2016 and March 6, 2017. The attendance each of the Committee Member is under:

Sr. No.	Name of the Committee Members	Designation	No. of meeting held during the year	No. of meetings attended
1.	Mr. A. Arumugham	Chairman	5	1
2.	Mr. Suresh Vishwasrao	Member	5	5
3.	Mr. A. R. Mundra	Member	5	5
4.	Mr. John Mathew	Member	5	5

The Audit Committee invites Senior Executives, Representatives of the Statutory Auditors of the Company & Head of the Internal Audit Department, whenever it considers appropriate, in the meetings. The Company Secretary of the Company acted as the Secretary of the Committee for the financial year 2016-17.

### 4. Nomination and Remuneration Committee ("NRC"):

#### a) Brief description of Terms of reference:

The Nomination and Remuneration Committee of the Company has been constituted in accordance with the provisions pursuant to Regulation 19 of Listing Regulations and Section 178 of the Companies Act, 2013 ("the Act") and its composition is as per the said Regulations and provisions of the Act.

The Committee has the mandate to review and recommend compensation/ remuneration payable to the Managing Director, Whole-time Directors and Senior Management of the Company. Its function also includes administering of 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 Managing Director, Whole-time Directors, committees of the Board and Senior Management of the Company for the abovementioned purpose and may have requisite parameters as it may deem fit.

In addition to the above role, Committee also perform the following other roles;

- I. to formulate criteria for determining qualifications, positive attributes and independence of a Director and oversee the succession management process for the Board and senior management employees;
- II. to recommend the Board a policy relating to the remuneration of the Directors, KMPs and other employees of the Company;
- III. to formulate criteria for evaluation of Independent Directors and the Board;
- IV. to devise a policy on Board Diversity;
- V. to carry out evaluation of every Director's performance;
- VI. to identify persons who are qualified to become Director and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- VII. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

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

During the financial year ended 31<sup>st</sup> March, 2017, 1 (one) meeting on August 05, 2016 was held in which following members of the Committee were present:

## Bombay Rayon Fashions Limited

Sr. No.	Name of the Committee Member	Designation	Presence
1.	Mr. Naseer Ahmed	Chairman	No
2.	Mr. Suresh Vishwasrao	Member	Yes
3.	Mr. A. Arumugham	Member	No
4.	Mr. John Mathew	Member	Yes

### c) Performance Evaluation Criteria for Independent Directors:

The Board of Directors has formulated performance evaluation criteria of Independent Directors of the Company. The Performance Evaluation of Independent Directors is carried out on the basis of the said performance evaluation criteria and their role, expertise, skills, leadership qualities, strategic direction to align company's value and standards, effective decision making ability, Initiative on knowledge updates and internal controls.

As required under Section 149 of the Companies Act, 2013 read with Schedule IV to the Act and Regulation 25 of Listing Regulations, the Meeting of Independent Directors of the Company was held on March 06, 2017 inter-alia to review the performance of non-independent Directors, the Chairperson of the Company and Board as a whole and to assess the quality, quantity and flow of information between the management and the Board. The said meeting was attended by all the Independent Directors of the Company.

### 5. Remuneration of Director:

- i. There are no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company, except otherwise stated in the Report;

Except the Chairman of the Company, all the Non-executive Directors receive sitting fees for attending Board Meetings, Audit Committee Meetings and Nomination and Remuneration Committee Meetings.

The sitting fees paid to Non-Executive Directors are within the limits prescribed under the Companies Act, 2013 read with the relevant Rules. The non executive directors, except Chairman, have been paid sitting fees of Rs. 20,000/- per meeting for attending Board & Committee meetings.

Details of the sitting fees paid during the financial year 2016-17 are as under:

Name of the Director	Sitting fees paid (Amount in Rs.)		
	Board Meeting	Nomination and Remuneration Committee	Audit Committee
Mr. Naseer Ahmed	40,000	0	0
Mr. Suresh Vishwasrao	1,20,000	20,000	1,00,000
Mr. M. M. Agrawal	1,20,000	0	0
Mr. A. Arumugham	20,000	0	20,000
Mr. John Mathew	1,20,000	20,000	1,00,000
Mr. Narayanan Raja (Nominee Director)	1,20,000	0	0

### ii. Remuneration to Executive Directors:

Except the Chairman of the Company, all the Non-executive Directors receive sitting fees for attending Board Meetings, Audit Committee Meetings and Nomination and Remuneration Committee Meetings. Mr. Aman Agrawal, Whole-time Director & Vice Chairman, Mr. Prashant Agrawal, Managing Director, Mr. A.R Mundra, Executive Director – Finance and Ms. Prachi Deshpande, Director-Secretarial and Corporate Affairs are the Executive Directors of the Company.

Details of remuneration paid to the Executive Directors of the Company during the year ended March 31, 2017 is as under:

(Rs.in Crores)

Name of the Executive Directors	Designation	Salary & Allowances	Contribution to PF	Total
Mr. Aman Agrawal	Whole-time Director & Vice-Chairman	2.40	0.17	2.57
Mr. Prashant Agrawal	Managing Director	2.40	0.17	2.57
Mr. A R Mundra	Executive Director-Finance	0.36	0.03	0.39
Ms. Prachi Deshpande	Director-Secretarial and Corporate Affairs	0.24	0.02	0.26

None of the above mentioned Directors of the Company is receiving any fixed components and performance linked incentives on the basis of the performance criteria or by way of services contract. Further to that, Stock option was also not provided to any of the Directors during the period.

## 6. Stakeholders Relationship Committee:

The Committee is responsible for matters related to transfer/transmission of shares, satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services. The Committee is headed by Mr. Janardan Agrawal, Chairman and Ms. Prachi Deshpande, Company Secretary is the Compliance officer of the Company who oversees the redressal of investor grievances.

The Composition of Stakeholders Relationship Committee was consisting of following members:

1. Mr. Janardan Agrawal	Chairman
2. Mr. Prashant Agrawal	Managing Director
3. Mr. A. R. Mundra	Executive Director – Finance

During the financial year ended 31<sup>st</sup> March, 2017, this Committee had 4 (Four) meetings i.e. May 20, 2016, September 13, 2016, October 27, 2016 and March 06, 2017 in which following members of the Committee has attended the meetings:-

Name of Committee Members	Designation	No. of meetings held during the year	No. of meetings attended
Mr. Janardan Agrawal	Chairman	4	2
Mr. Prashant Agrawal	Member	4	4
Mr. A. R. Mundra	Member	4	4

## Details of Investors' Grievances received, solved and pending during the year.

Quarter Ended	Pending at the beginning of the quarter	Received during the quarter	Disposed of during the quarter	Remaining during the quarter
30 <sup>th</sup> June, 2016	Nil	Nil	Nil	Nil
30 <sup>th</sup> September, 2016	Nil	1	1	Nil
31 <sup>st</sup> December, 2016	Nil	2	2	Nil
31 <sup>st</sup> March, 2017	Nil	Nil	Nil	Nil

During the year, there were few requests from shareholders for routine corporate actions viz., Change of address/supply of copy of Annual Report/ Splitting/ Consolidation/ Dematerialisation and rematerialisation of Shares etc. All requests or complaints received directly from investors. NSE, BSE and SEBI (SCORES) were attended promptly and none of the requests or complaints was pending at the end of the year.

## Bombay Rayon Fashions Limited

### 7. 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 are as under:

Financial Year	Date, Time and Venue of AGM	Special Resolutions passed
2015-16	a. 23/09/2016 b. 11.30 a.m. c. Sheila Raheja Hall” Rotary Service Centre, Rotary Chowk, Juhu Tara Road, Santacruz (West), Mumbai -400 049	a. Approval for Adoption of new set of Articles of Association of the Company. b. Approval for payment of commission for a period of five years to Mr. Janardan Agrawal, Non-Executive Chairman c. Re-appointment of Mr. Aman Agrawal as Whole-time director of the Company for a period of three years, d. Re-appointment of Mr. Prashant Agrawal as Managing Director of the Company for a period of three years. e. Re-appointment of Mr. A.R. Mundra as Whole-time Director of the Company for a period of three years. f. Re-appointment of Ms. Prachi Deshpande, as Director Whole-time Director of the Company for a period of three years.
2014-15	a. 29/09/2015 b. 4.00 P.M. c. Sheila Raheja Hall” Rotary Service Centre, Rotary Chowk, Juhu Tara Road, Santacruz (West), Mumbai -400 049	a. Approval for Alteration in the Articles of Association of the Company; b. Approval for mortgage, pledge, hypothecate or charge, in addition to the existing mortgages, hypothecation(s) and charges created up to an amount not exceeding Rs. 7,000 Crores; c. Approval of borrowing power not exceeding an amount of Rs. 7,000 crores over and above the paid-up capital, free reserves and securities premium account; d. Approval for Increase in Authorized Share Capital upto Rs. 200 Crores.; e. Approval for payment of Remuneration to Ms. Prachi Deshpande, Director-Secretarial & Corporate Affairs.
2013-14	a.27/09/2014, b.12.30 P.M. c. Kilachand Conference Room, Indian Merchant Chambers, Churhgate, Mumbai-400 020	Approval and Adoption of New Set of Articles of Association.

## (ii) Extra Ordinary General Meeting:

2016-17	a. 27/04/2016* b. 11.30 A.M. c. 1st Floor, Sheila Raheja Hall" Rotary Service Centre, Rotary Chowk, Juhu Tara Road, Santacruz (West), Mumbai -400 049	Issue of 5,44,70,553 fully paid-up equity shares having face value of Rs. 10/- each, at a price of Rs. 165.88/- per equity share on preferential basis in terms of ICDR Regulations, pursuant to conversion of Rs. 9,03,55,76,868/- consisting of WCTL and/ or FITL by the CDR Banks in terms of the CDR Package.
	a. 09/05/2016 b. 11.30 A.M. c. 2 <sup>nd</sup> Floor, Sheila Raheja Hall" Rotary Service Centre, Rotary Chowk, Juhu Tara Road, Santacruz (West), Mumbai -400 049	Issue of 5,63,21,428 fully paid-up equity shares having face value of Rs. 10/- each, at a price of Rs. 165.88/- per equity share on preferential basis in terms of ICDR Regulations in pursuant to conversion of Rs. 9,34,25,98,477/- consisting of WCTL and/ or FITL by the CDR Banks in terms of the CDR Package.

**\*Note:** Since the number of shares to be allotted was increased consequent to increase in amount of WCTL and/or FITL for conversion, it was required to call another Extra-ordinary General Meeting.

Therefore approval granted from the members of the Company at the Extra-ordinary General Meeting dated 27<sup>th</sup> April 2016 stands null and void.

**Postal Ballot:** There was no special resolution passed through the Postal Ballot during the Financial Year 2016-17.

## 8. Means of Communication

The quarterly, half-yearly and yearly financial results of the Company are published in newspapers in compliance with the Regulation 33 of Listing Regulations.

Details of publication of financial results for the year under review are given below:

Description	Date of Board Meeting	Date of Publication	Name of Newspaper	Language
Un-audited Financial Results for the quarter ended June 30, 2016	13/09/2016	14/09/2016	The Financial Express	English
			Navshakti	Marathi
Un-audited Financial Results for the quarter / half year ended September 30, 2016	13/12/2016	15/12/2016	The Financial Express	English
			Nav shakti	Marathi
Un-audited Financial Results for the quarter ended December 31, 2016	06/03/2017	07/03/2017	The Financial Express	English
			Nav shakti	Marathi
Audited Financial Results for the quarter and financial year ended March 31, 2017	30/05/2017	02/06/2017	The Financial Express	English
			Nav shakti	Marathi

## Bombay Rayon Fashions Limited

- The Financial results, official news releases and the presentations made to Institutional Investors and Analysts, if any, are also displayed on the Company's website [www.bombayrayon.com](http://www.bombayrayon.com) in addition to same being disseminated by the National Stock Exchange of India Limited (NSE) on [www.nseindia.com](http://www.nseindia.com) and BSE Limited (BSE) on [www.bseindia.com](http://www.bseindia.com) as the copies of the financial results and official press releases are sent to the Stock Exchanges from time to time.
- Management Discussion and Analysis Report forms a part of this Annual Report.

### 9. General Shareholder Information:

#### a) Annual General Meeting

<b>Date</b>	26 <sup>th</sup> September 2017
<b>Time</b>	11.30 A.M.
<b>Venue</b>	Sheila Raheja hall, Rotary Service Centre, Rotary Chowk, Juhu Tara Road, Santacruz (West), Mumbai-400 049
<b>Financial Year ended</b>	1 <sup>st</sup> April 2016 to 31 <sup>st</sup> March 2017
<b>Book Closure date</b>	19 <sup>th</sup> September, 2017 to 26 <sup>th</sup> September, 2017
<b>Dividend</b>	Considering the loss incurred in the current financial year, the Board has not recommended any dividend for the financial year under review.
<b>Registered Office</b>	D-1 <sup>st</sup> Floor, Oberoi Garden Estates, Chandivali Farms Road, Chandivali, Andheri (East), Mumbai - 400 072 E-mail: <a href="mailto:investors@bombayrayon.com">investors@bombayrayon.com</a> Web-site: <a href="http://www.bombayrayon.com">www.bombayrayon.com</a> Tel No.: 022-61068800/71068800 Fax No.: 022-61068830
<b>List of Stock Exchanges</b>	<b>1) National Stock Exchange of India Limited (NSE)</b> Address: Exchange Plaza, 5th Floor, Plot No.C/1, G. Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051.  <b>2) BSE Limited (BSE)</b> Address: Phiroze Jeejeebhoy Tower, Dalal Street Mumbai - 400 001
<b>Listing Fees</b>	The Company has paid Annual Listing Fees to both the Stock Exchanges.
<b>Custodian Fees to Depositories</b>	The Company has paid fees for year ended 2016-17 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
<b>Stock Code</b>	NSE: BRFL BSE: 532678
<b>ISIN of Company' Equity Shares:</b>	INE589G01011
<b>Corporate Identification Number (CIN)</b>	L17120MH1992PLC066880

#### b) Financial reporting for the quarter/year ending (tentative and subject to change)

For the Quarter ended	Tentative Date
June 30, 2017	By August 14, 2017
September 30, 2017	By October 14, 2017
December 31, 2017	By February 14, 2017
March 31, 2017	By May 30, 2017

#### c) Stock Market Price Data:

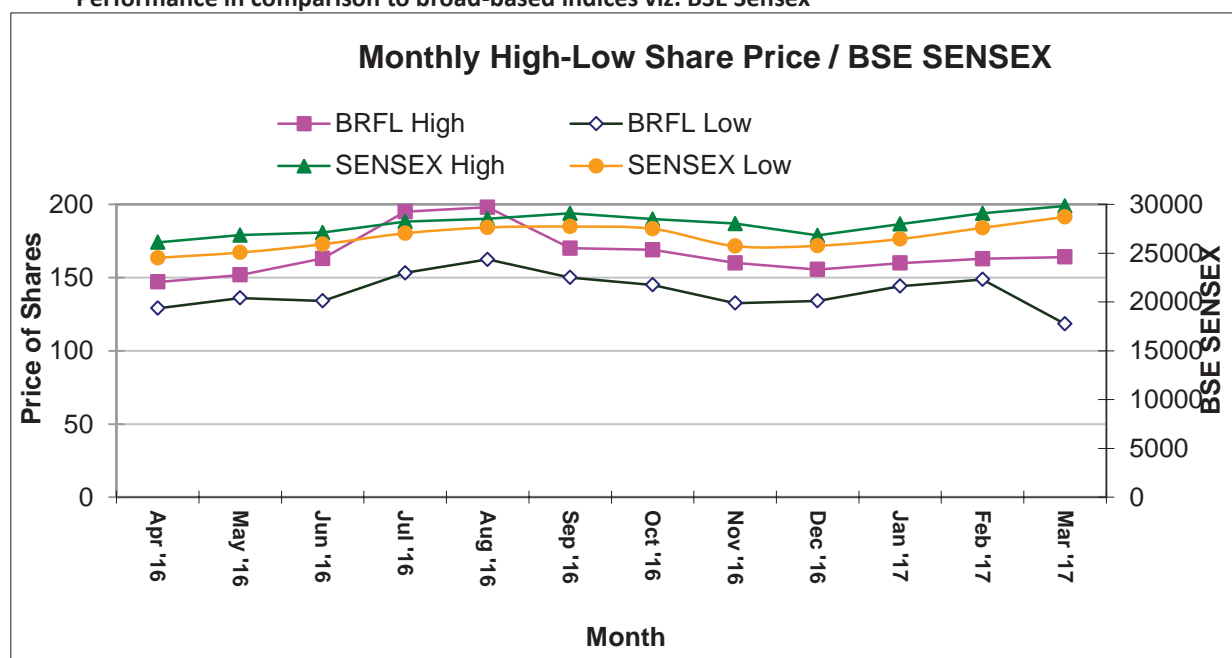
Monthly high and low prices of the Company's Equity Shares and performance in comparison to BSE Sensex and NSE Nifty from April, 2016 to March, 2017 are noted herein below:



## A. BSE LIMITED &amp; NATIONAL STOCK EXCHANGE OF INDIA LIMITED

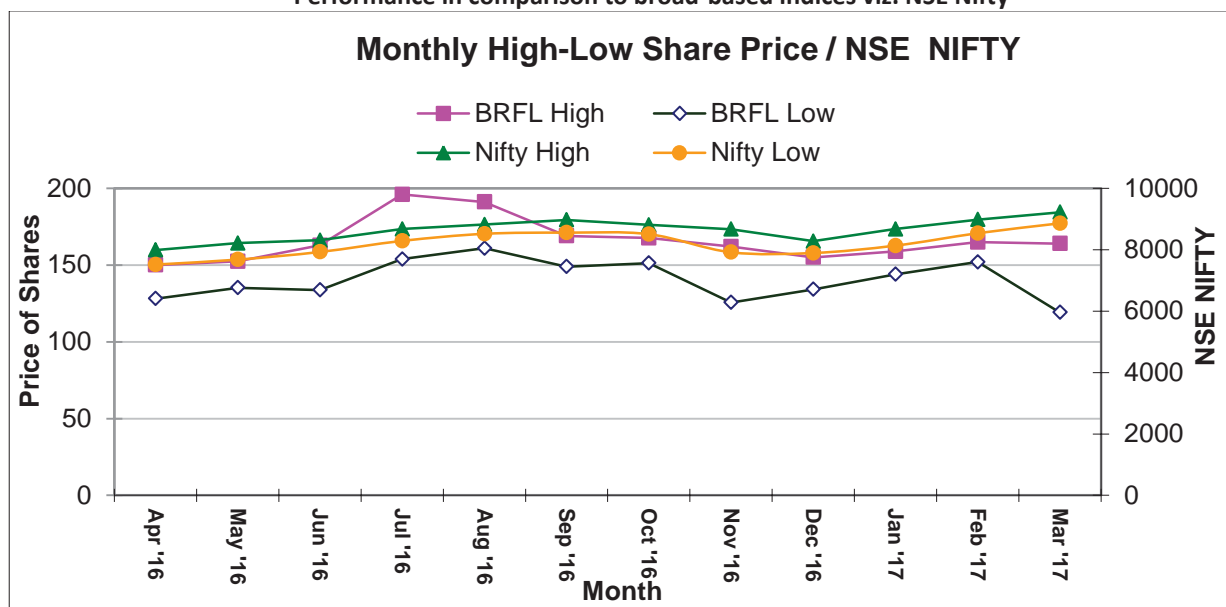
Month	BRFL ON BSE		BSE Sensex		No. of Share Trade	BRFL ON NSE		NIFTY		No. of Shares Trade
	High	Low	High	Low		High	Low	High	Low	
Apr-16	147	129	26100.54	24523.2	154818	150.00	128.15	7992	7516.8	6,11,278
May-16	151.8	136	26837.2	25057.93	259542	152.40	135.25	8213.6	7678.3	5,44,581
Jun-16	163	134.1	27105.41	25911.33	360728	162.80	133.80	8308.1	7927.0	16,91,874
Jul-16	194.9	153.2	28240.2	27034.14	801583	196.00	153.90	8674.7	8287.5	19,07,260
Aug-16	198	162.4	28532.25	27627.97	113245	191.05	161.00	8819.2	8518.1	5,77,164
Sep-16	170	150	29077.28	27716.78	97342	169.00	149.00	8968.7	8555.2	4,47,418
Oct-16	168.9	145	28477.65	27488.3	84464	167.60	151.25	8806.9	8506.1	4,37,293
Nov-16	160	132.55	28029.8	25717.93	127739	161.95	125.60	8669.6	7916.4	4,18,024
Dec-16	155.5	134.05	26803.76	25753.74	239084	155.00	134.20	8274.9	7893.8	2,89,129
Jan-17	159.8	144.15	27980.39	26447.06	818967	158.90	144.00	8672.7	8133.8	14,63,138
Feb-17	162.8	148.65	29065.31	27590.1	1424140	164.90	152.00	8982.1	8537.5	47,08,178
Mar-17	164	118.35	29824.62	28716.21	3215160	164.00	119.20	9218.4	8860.1	1,22,71,67

Performance in comparison to broad-based indices viz. BSE Sensex



## Bombay Rayon Fashions Limited

Performance in comparison to broad-based indices viz. NSE Nifty



**d) Registrar and Share Transfer Agent:**

For both Physical and Demat (Common Registry)

**Link Intime India Pvt Ltd**

C 101, 247 Park,  
L B S Marg, Vikhroli West,  
Mumbai 400 083  
Tel No: +91 22 49186000  
Fax: +91 22 49186060  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)  
E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**e) Share Transfer System:**

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 Stakeholder Relationship Committee meets as often as required. As per the requirements Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as 'Listing Regulations'] and to expedite the process of share transfers, the Board has delegated powers of share transfer to the Stakeholder Relationship Committee (erstwhile Share Transfer Committee) comprising of Mr. Janardan Agrawal, Non-executive Director, Mr. Prashant Agrawal, Whole-time Director and Mr. A.R. Mundra, Whole-time Director, who attend to matters pertaining to share transfer once in a fortnight, as may be required.

## f) Distribution of Shareholding:

- Distribution of Shareholding as at March 31, 2017:

No. of Equity Shares held	Shareholders		Shares	
	Number	%	Number	%
1- 500	5827	92.92	459511	0.25
501-1000	144	2.30	118079	0.06
1001-2000	94	1.50	140234	0.08
2001-3000	25	0.40	63853	0.03
3001-4000	13	0.21	45925	0.02
4001-5000	12	0.19	56670	0.03
5001-10000	34	0.54	253519	0.14
100001 and above	122	1.95	184856402	99.39
<b>TOTAL</b>	<b>6271</b>	<b>100.00</b>	<b>18,59,94,193</b>	<b>100.00</b>

- Category wise Shareholding as at March 31, 2017:

Category of Shareholder	No. of Shares	% of Total Share Capital
Promoter Group	123887180	66.61
Mutual Funds and UTI	0	0.00
Banks/Financial Institutions/ Insurance Companies	52085591	28.00
Central Government	10	0.00
Foreign Institutional Investors	608326	0.33
Private Corporate Bodies	6538854	3.52
Non-Resident Indians	44097	0.02
Clearing Member	576864	0.31
Public	2253271	1.21
Foreign Company	-	-
Depository Receipts	-	-
Other Foreign Portfolio Investor	-	-
<b>TOTAL</b>	<b>18,59,94,193</b>	<b>100</b>

## g) Dematerialization of Shares and Liquidity:

The Equity Shares of the Company are compulsorily traded in dematerialized form as mandated by the Securities and Exchange Board of India (SEBI). The Company has connectivity with National Securities Depository Limited (NSDL) as well as the Central Depository Services (India) Limited (CDSL) for Demat facility. As on 31<sup>st</sup> March, 2017, except 4304 Equity shares, entire equity share capital is held in the demat form with NSDL and CDSL.

Physical and Demat Shares as on March 31, 2017		
	No of Shares	Percent
Held in dematerialised form in NSDL	18,28,47,974	98.31
Held in dematerialised form in CDSL	31,41,915	1.69
Physical Shares	4,304	0.00
<b>Total</b>	<b>18,59,94,193</b>	<b>100</b>

## Bombay Rayon Fashions Limited

### h) Outstanding Global Depository receipt (GDRs)/American Depository Receipt (ADRs) /Warrants or any Convertible Instruments, conversion date, 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 except 39,95,092 Optionally Convertible Debentures ("OCD") issued by the Company to the consortium member bankers in May, 2017 on the preferential basis in pursuant to Scheme for Sustainable Structuring of Stressed Assets (S4A).

As per the terms of the issue of the said OCD the said securities will be converted into equity with in period of 18 months.

### i) Plant Locations:

#### FACTORY LOCATION

##### ▪ WEAVING AND YARN DYEING

- Maharashtra – Navi Mumbai and Tarapur, Dist. Thane
- Silvassa
- Karnataka – Bangalore

##### ▪ PROCESSING

- Maharashtra -Tarapur
- Karnataka - Bangalore

##### ▪ GARMENTING

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

### j) Address for Correspondence:

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

#### Link Intime India Pvt Ltd

C 101, 247 Park,  
L B S Marg, Vikhroli West,  
Mumbai 400 083  
Tel No: +91 22 49186000  
Fax: +91 22 49186060  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)  
E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

#### Secretarial & Legal Department

Bombay Rayon Fashions Limited,  
D-1<sup>st</sup> Floor, Oberoi Garden Estates,  
Chandivali Farms Road, Chandivali,  
Andheri (East), Mumbai - 400 072.  
Tel: 022 – 6106 8800/7106 8800  
Fax: 022 – 61068830  
Web-site: [www.bombayrayon.com](http://www.bombayrayon.com)  
E-mail: [investors@bombayrayon.com](mailto:investors@bombayrayon.com)

## 10. Disclosures.

### i. Related Party Transactions:

During the year under review, apart from the transactions reported in Notes to accounts, there were no material significant related party transactions with the Promoters, Directors, Management, Subsidiaries and other Related Parties. None of the contracts/transactions with Related Parties had a potential conflict with the interest of the Company at large. The interest of Director, if any, in the transactions are disclosed at Board Meetings and the interested Director does not participate in the discussion or vote on such transactions. Details of transactions with related parties are placed before the Audit Committee on a quarterly basis. All transactions entered into between the Company and Related Parties were in the ordinary course of business and at arm's length.

## ii. Compliances by the Company:

The Company has complied with the requirements of the Stock Exchanges, SEBI or any other statutory authority on any matter related to capital markets during the last three years and no penalties, strictures have been imposed against it by such authorities during such period except submission of un-audited financial results for quarter ended December 31, 2016 to the Stock exchanges within 45 days of the end of the quarter. However, the Company has duly paid penalty to the respective stock exchanges as levied for the said non-compliance.

## iii. Whistle Blower Policy and Access of personnel to the Audit Committee:

The Company has set up a Vigil mechanism by way of a Whistle Blower Policy as required under Section 177(9) of the Companies Act, 2013. The Company's personnel have access to the Chairman of the Audit Committee in exceptional circumstances. No person of the Company has been denied access to the Audit Committee and there are no instances of any such access.

## iv. Discretionary Requirements under Regulation 27 of Listing Regulation:

The status of compliance with discretionary recommendations of the Regulation 27 of the Listing Regulations with Stock Exchanges is provided below:

**Non-Executive Chairman's Office:** Chairman's office is separate from that of the Managing Director & CEO. However, the same is now maintained by the Chairman himself.

**Shareholders' Rights:** As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.

**Modified Opinion in Auditors Report:** The Auditor report of the Company's financial statement for the year 2016-17 does not contain any modified opinion.

**Separate posts of Chairman and Managing Director:** The Chairman of the Board is a Non-executive Director and his position is separate from that of the Managing Director.

**Reporting of Internal Auditor:** The Internal Auditor reports directly to the Audit Committee.

## v. Web-site:

The Company's Web-site [www.bombayrayon.com](http://www.bombayrayon.com) contains a special dedicated section 'Investor Relations' where the information pertaining to the Financial Results, Shareholding Pattern, Corporate Governance, Annual Reports, Listing Information, policies etc. is available and can be downloaded.

## vi. Web Links for Policies:

Sr. No.	Name of Policy	Web-Link
1.	Policy for determining 'material' subsidiaries	<a href="http://www.bombayrayon.com">www.bombayrayon.com</a>
2.	Policy on dealing with related party transactions	<a href="http://www.bombayrayon.com">www.bombayrayon.com</a>

## vii. Commodity price risk/ foreign Exchange Risk and Hedging:

The Company is not dealing in commodities and hence disclosure relating to Commodity price risks and commodity hedging activities is not required.

## 11. Compliance with Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR)

The Company has complied with corporate governance requirements specified in regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations, except with respect to Regulation 17(1) (b) viz composition of board.

# Bombay Rayon Fashions Limited

## 12 Code of Conduct:

The Company has laid down a Code of Conduct for the Members of the Board and the Senior Management in accordance with the Regulation 17(5) of Listing Regulations. All the members of the Board and the Senior Management have affirmed compliance with the Code of Conduct as on 31<sup>st</sup> March, 2017 and a declaration to that effect signed by the Managing Director is enclosed and marked as **Annexure VI-C** of this report.

The code of conduct has been hosted on the website of the Company at [www.bombayrayon.com](http://www.bombayrayon.com).

### i. Risk management policy:

The Company has laid down procedures for risk assessment and its minimization. These are reviewed by the Board to ensure that the management manages the risk through a properly defined framework.

### CEO/CFO Certification:

A Certificate signed by Mr. Prashant Agrawal, Managing Director & Chief Executive Officer and Mr. A.R Mundra, Whole-time Director & Chief Financial Officer was placed before the Board of Directors at its meeting held on May 30, 2017 in compliance with Regulation 17(8) of Listing Regulations is attached to this report and marked as **Annexure VI-B**.

### ii. Detail of shares lying in Suspense account:

Pursuant to Schedule V (F) of Listing Regulations the details are as following:

Unclaimed Shares as on April 1, 2016		Details of Shareholders approached during the Financial Year 2016-17 for the claiming of shares		Details of Shareholders to whom the shares have been transferred during the Financial Year 2016-17		Unclaimed Shares as on March 31, 2017*	
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	-	-	-	-	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.

### k) 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. While opening Accounts with Depository Participants (DP's), you may have given your Bank Account details, which will be used by the Company for printing on dividend warrants for remittance of dividend. However, members who wish to receive dividend in a Bank Account, other than the one specified while opening the Depository Account, may notify DP's about any change in bank account details. Members are requested to furnish complete details of their bank accounts including MICR codes of their Banks to their DP's.

### l) Shares held in Physical Form:

In order to provide protection against fraudulent encashment of dividend warrants, the members are requested to provide, if not provided earlier, their bank Account numbers, names and address of the Bank, quoting Folio numbers to the Company's Registrar and Transfer Agent to incorporate the same on the dividend warrants.

Place: Mumbai  
Date: August 11, 2017

Prashant Agrawal  
Managing Director

## Annexure VI A

### AUDITOR CERTIFICATE

To

The Members of

**Bombay Rayon Fashions Limited**

We have examined the compliance of conditions of Corporate Governance by **Bombay Rayon Fashions Limited** ("the Company") for the year ended March 31, 2017, as stipulated in regulations para E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have conducted examination on the basis of the relevant records and documents maintained by the Company and furnished to us for the purpose of the review and the information and explanations given to us by the Company during the course of such review.

The compliance of regulations of Corporate Governance is the responsibility of the management. Our examinations were limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the regulations of Corporate Governance. It is neither an 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 regulations of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except for:

1. Composition of Board which is not as per the Regulation 17(b) of the Listing Regulations; and
2. Delay in submission of unaudited quarterly financial results for the quarter ended 31<sup>st</sup> December 2016.

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**

Firm Reg. No. 101083W

CA K. V. Beswal

Partner

M. No. 131054

Place : Mumbai

Date : August 11, 2017

## Annexure VI B

### 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 :

- I. We have reviewed Financial statements and the cash flow statement for the year ended March, 2017 and that to the best of our knowledge and belief :
  - These statements do not contain any materially untrue statement untrue statement or omit any material fact or contain statements that might be misleading ;
  - 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.
- II. 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 violate the Company's code of conduct.
- III. We accept responsibility for establishing and maintaining internal controls for financial reporting and the 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.
- IV. We have indicated to the Auditors and audit committee---
  - Significant changes in internal control over financial reporting during the year;
  - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
  - 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.

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

**Prashant Agrawal**  
Managing Director

Place: Mumbai  
Date: 30<sup>th</sup> May 2017



## Annexure (VI) C

### DECLARATION REGARDING COMPLIANCES OF COMPANY'S CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL OF COMPANY:

This is to confirm that the Company has adopted a Code of Conduct for its Directors and Senior Management Personnel of the Company.

I confirm on the basis of declarations received, that the Directors and Senior Management Personnel of the Company have complied with the Code of Conduct of company in respect to Financial Year ended on 31<sup>st</sup> March, 2017.

For the purpose of this declaration, Senior Team Management Members comprise of the category of General Manager and above including all functional heads.

Place: Mumbai  
Date: 30<sup>th</sup> May, 2017

**Prashant Agrawal**  
Managing Director

## ANNEXURE VII

### Management Discussion and Analysis

#### INDUSTRY STRUCTURE AND DEVELOPMENT

##### Global Textile & Apparel Market Overview –

Global apparel consumption is US\$ 1.7 trillion which is expected to grow at a CAGR of 4% to reach US\$ 2.6 trillion by 2025. Fastest growth (12%) is expected to be witnessed in India followed by China (10%).

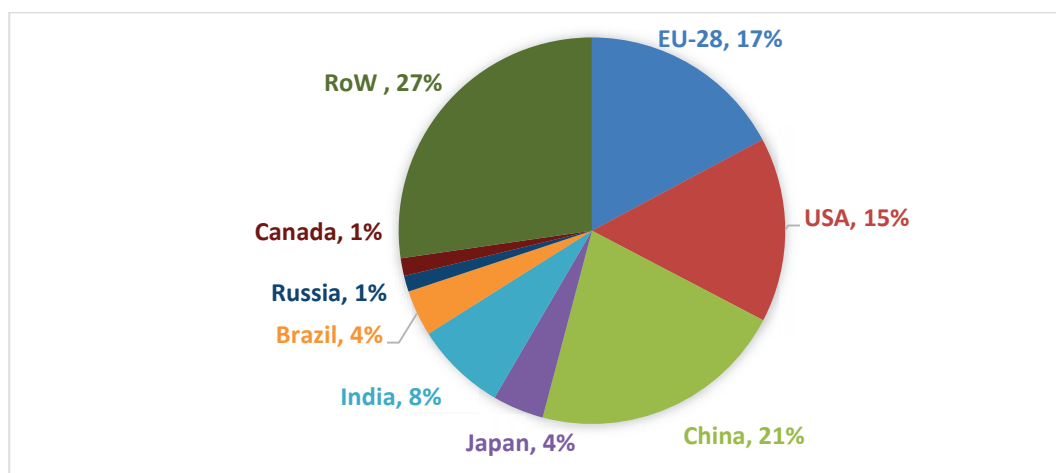
Table 1: Current and future global apparel market size (US\$ bn)

S. No.	Region	2016	2025 (P)	CAGR
1	EU-28	399	441	1%
2	USA	326	397	2%
3	China	212	550	10%
4	Japan	99	110	1%
5	<b>India</b>	<b>63</b>	<b>196</b>	<b>12%</b>
6	Brazil	61	99	5%
7	Russia	25	34	3%
8	Canada	31	38	2%
	RoW	470	700	4%
	<b>Total</b>	<b>1,686</b>	<b>2,563</b>	<b>4%</b>

Source: UN Comtrade and Wazir Analysis

China will be the largest apparel market by 2025 with a share of 21% in global apparel market. EU and USA will continue dominating the global apparel markets with 17% and 15% share, respectively. India will have 8% share in global apparel market in 2025 which currently stands at approx. 4.5%.

Table 2: Projected market share 2025



Source: UN Comtrade and Wazir Analysis

Global textile and apparel trade in 2016 stood at US\$ 720 bn. T&A trade is cyclical in nature where couple of years' growth is followed by trade decline. However, trade has grown at a CAGR of 2% from 2010 to 2016. Apparel is the single largest category which has a share of 55% in the global textiles and apparel trade in 2016. China is the largest

exporter of textiles and apparel with a share of approx. 38% in global T&A trade. China is followed by India with an approximate share of 5% in global textile and apparel trade.

### **Indian Textile and Apparel Market Overview**

Indian textile and apparel market is estimated at US\$ 124 billion in 2016. Domestic consumption of textile and apparel is valued at US\$ 84 bn. for 2016. Within this, apparel retail contributes ~ US\$ 63 bn., technical textiles contributes ~ US\$ 15 bn. and home textiles contributes ~ US\$ 6 bn. While export is estimated at US\$ 40 billion with US\$ 23 billion and US\$ 17 billion of textile and apparel export respectively.

#### *Category wise Exports*

Apparel is the largest category exported from India having a share of 48% in the total textile and apparel exports during 2016-17 which has increased considerably from 39% in 2012-13. Home Textiles is the second largest category exported from India with a share of 14% in 2016-17 followed by fabric, handicrafts and yarn with a share of 12%, 12% and 11% respectively. Share of fiber & filament has declined from 13% & 4% in 2012-13 to 7% & 3% in 2016-17 respectively. This indicates that slowly and gradually India's export product mix is getting shifted towards value added products.

#### *SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:*

The Company is engaged in the business of manufacturing and sale of textile accordingly this is the only single reportable segment.

### **OUTLOOK**

As a Company Bombay Rayon Fashions Limited is optimistic about future as well as its growth path. The Company is confident in the ability to grow its business organically with the reduction debts burden on its conversion in to equity.

#### **SWOT Analysis of Indian Textile Industry:**

##### **Strength**

- Nation's textile industry has potential to double its rise in the next 7 years; China is losing advantage in textile because of rising power costs, labour costs and focus on domestic market;
- Major exporting countries like Bangladesh are also facing geopolitical issues;
- Country's major costs such as cotton, yarn, power, wages, dyes and chemicals are internationally competitive;
- Make in India campaign covering 25 sectors including the textile and garment industry has been launched. An investment opportunities for foreign companies and entrepreneurs are present across the complete value chain of synthetics, value-added and specialty fabrics, fabric processing set-ups for the following:
  - Natural and synthetic textiles,
  - Technical textiles,
  - Garments, and
  - Retail brands.
- Govt also allows 100% FDI through the automatic route in the textile sector through 'Make in India' initiative;
- Technology Upgradation Fund Scheme launched in 1999 has also given a major boost to this sector; the scheme is continuing through the 12th plan with a massive focus on power looms

##### **Weaknesses**

- Preferential tax regime whereby the textile sector has not received its due under the FTP despite being one of the biggest job providers in the nation;

## Bombay Rayon Fashions Limited

- Huge tariff barriers are faced by the industry on account of preferential tariff arrangements;
- Duty sops of only 2% were given to mainstream cotton textile products, whereas higher rates were given for handlooms, carpets, coir products under the merchandise exports from India scheme (MEIS);
- Man made textile industry that is highly capital intensive and can attract FDI has been discriminated against through the cotton industry; liberal MEIS benefit under FTP has not been granted to this sector;
- Benefits for exporting textiles in major emerging markets for MMF textiles have been stopped in the new FTP;
- Old machines, more than 10 years old, especially in the weaving sector is another problem plaguing the industry. While the global textile industry is advancing technologically, local textile industry still relies on import of second hand textile machineries;
- Rigid labour laws have stymied the growth of the sector where labour involvement is maximum;
- Lack of economies of scale and paucity of large manufacturing capacities is also a weakness of the Indian textile sector.

### Opportunities and threats for the company

#### Opportunities:

- Large and growing domestic market with rise of middle class in small cities and towns.
- Growth of organized retail would increase the consumption of apparel
- Increasing presence of international brands and retailers in India
- Slow-down in China's economy will provide additional opportunities to Indian exporters
- Increasing support from Government to garment sector is expected to increase garment exports from India.
- Implementation of GST will help the company in realizing better supply chain efficiencies

#### Threats

- Exchange rate fluctuation impacting exports profitability (Rupee appreciation vis-à-vis US dollar)
- Uncertain global market demand scenario and political environment
- Liquidity issues leading to under-utilisation of plant capacities which increases the fixed operating cost for the company.

### Key Risks & Mitigation Measures

Various risks associated with the Company's business along with proposed mitigation measures have been discussed in the Section below.

Table 3 : Key Risks and Mitigation Measures

Risk		Mitigation Measures
Management Risk	Any changes in key management personnel can cause delays in decision making and information flow which may affect the overall business.	The core management team of the Company is highly experienced in the areas of sourcing, operations, marketing and distribution. Company is also planning to strengthen MIS department for better planning and control to smoothen the decision making process.
Raw Material Procurement	Raw material cost is the major cost of overall operational cost and any major changes in raw material prices could affect the profit margins which affects the overall business of company.	BRFL procures cotton from its select group of suppliers. Company has built long term relationship with the suppliers that will help company to negotiate on prices even in critical situations.
Operation and Maintenance	Company is equipped with latest machinery and technology. However any limitations of working capital availability will cause risk of lack of spare parts, which will cause risk of decrease in productivity of machineries.	Company has a planned mechanism for constant preventive maintenance to keep all the machines functional in good condition.
Market Risk	Demand for Indian textile products is expanding in the domestic and export markets. Further, the Company has a strong marketing and distribution network in the domestic and export markets as well as locational advantage. However the change in different macro-economic and micro economic factors could affect the business.	Company plans to hedge the different market risks by better forecasting of market trends and change in policies and change their business strategy accordingly.
Financial risk	Company has prepared projections for its business based on realistic assumptions and its capabilities. However, due to external circumstances In case of EBITDA falling below the estimated projections, it may have an adverse impact on the company's profitability and eventually impact debt servicing capabilities.	Company is focussed on maintaining its margins at a level where it can balance between its operational requirement and the amount required for debt servicing. Post S4A implementation, company's debt level will come down significantly. This will further improve the debt serviceability of company.
Foreign Exchange Risk	BRFL has significant export turnover and therefore has a substantial natural foreign exchange risk in its export receivables.	The Company suitably hedges its receivables by entering into forward contracts and importing raw materials.
Environmental Risk	The chemicals that are used to bleach and colour textiles can damage the environment. Most of the textile machineries cause noise, sound and air pollution. Over-usage of natural resources like plants, water, etc., depletes or disturbs ecological balance.	Company is meeting the norms and conditions related to environment defined under law. Company has also installed a RO plant at Tarapur unit to compensate the recent water cut by NGT.
Power cost	Power cost for the industrial use is constantly increasing over the years and puts the burden on profit margins.	Company will plan to utilize its in-house power plant at full capacity to minimize the power cost.

## Bombay Rayon Fashions Limited

### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to S. Venkatram & Co., a reputed firm of Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism. The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

The total sales of the Company for the year under review were lowered by 7.6% to Rs. 3876.96 Crores as against Rs. 4171.62 Crores in previous financial year. The reduction in sale is due to general market conditions and stress on working capital. Due to lowered operations, the Company suffered loss of Rs. 151.23 crores during the financial year under review, compared to profit of Rs. 23.42 crores of previous financial year.

### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS:**

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. The Company has a structured induction process at all locations and management development programs to upgrade skills of managers. Objective appraisal systems based on Key Result Areas (KRAs) are in place for senior management staff. The Company is committed to nurturing, enhancing and retaining top talent through superior Learning & Organizational Development. This is a part of Corporate HR function and is a critical pillar to support the organization's growth and its sustainability in the long run. Total employees strength of the Company as on 31<sup>st</sup> March 2017 was 14720.

## BUSINESS RESPONSIBILITY REPORT

### ➤ Section A: General Information about the Company

1.	Corporate Identity Number (CIN)	L17120MH1992PLC066880
2.	Name of the Company	Bombay Rayon Fashionons Limited
3.	Registered address	D -1st Floor , Oberoi Garden Estates, Chandivali Farms Road, Chandivali , Andheri (East ), Mumbai - 400 072
4.	Website	www.bombayrayon.com
5.	Email id	investors@bombayrayon.com
6.	Financial year reported	2016-17
7.	Sector(s) that the Company is engaged in	The Company Operates in a Single Segment of Manufacture and Sale of Textile
8.	List three key products / services that the Company manufactures/ provides (as in balance sheet)	(a) Garments (b) Fabrics
9.	Total number of locations where business activity is undertaken by the Company  Number of international locations (Provide details of major five) Number of national locations	<b>a) Plant Locations:</b> <b>FACTORY LOCATION</b> <b>WEAVING AND YARN DYEING</b> – Maharashtra – Navi Mumbai and Tarapur, Dist. Thane – Silvassa – Karnataka – Bangalore  <b>PROCESSING</b> – Maharashtra -Tarapur – Karnataka - Bangalore  <b>GARMENTING</b> – Maharashtra – Navi Mumbai, Islampur, Latur, Ichalkaranji – Karnataka - Bangalore – Tamilnadu - Chennai – Kerala – Thiruvananthapuram
10.	Markets served by the Company - Local / State / National / International	ALL Local/State/National/International

### ➤ Section B: Financial Details of the Company

1.	Paid up Capital of the Company	Rs.18,59,941,930 Cr. as on 31 <sup>st</sup> March 2017
2.	Total turnover	Total revenue 3898.63 Cr. as on 31 <sup>st</sup> March 2017
3.	Total profit after tax	Net loss (151.23) Cr. 31.03.2017
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	Not Applicable as average net profit of the three Proceeding years is negative.
5.	List of activities in which expenditure in four above was incurred:	N.A.

## Bombay Rayon Fashions Limited

Details	
Admin Expenses - salary for CSR resource	N.A.
Amount spent towards admin charges for Give India (FY2017)	
Amount contributed to Light of Life Trust sponsorship of fundraising event Deep India	
Amount contributed to Misc activities during India Smile Challenge	
Amount spent towards supporting a staff member state level body building champion	
Contribution CSR Trust (Projects will be undertaken by the Group CSR Trust in accordance with applicable Rules/ Regulations)	
<b>Total Amount Spent</b>	

### ➤ Section C: Other Details

1.	Does the Company have any Subsidiary Company / Companies?	As on 31 March 2017 the Company has 6 Subsidiary including 4 foreign subsidiaries
2.	Does the subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).	The Subsidiaries are separate entities and hence they follow BR Initiatives as per the rules and regulation applicable to them.
3.	Does any other entity / entities (e.g. suppliers, distributors etc.), that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	<p>The Company has not mandated any supplier, distributor etc., to participate in BR Initiatives of the Company. However, they are encouraged to adopt BR Initiatives and follow the concept expected from responsible businesses.</p> <p>It is difficult to establish the extent of their support in Company's BR initiatives.</p>

### ➤ Section D: BR Information

1.	Details of Director / Directors responsible for BR	
	a) Details of the Director / Directors responsible for the implementation of the BR policy / policies	Mr. Prashant Agrawal, Managing Director,
	DIN	00019464
	Name	Mr. Prashant Agrawal
	Designation	Managing Director,



**1. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N)**

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility:

Principle 1	P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	P2	Businesses should provide goods and services that are safe, and contribute to sustainability throughout their life cycle
Principle 3	P3	Businesses should promote the wellbeing of all employees
Principle 4	P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
Principle 5	P5	Businesses should respect and promote human rights
Principle 6	P6	Businesses should respect, protect and make efforts to restore the environment
Principle 7	P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	P8	Businesses should support inclusive growth and equitable development
Principle 9	P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to national / international standards? If yes, specify?	The Policies confirm to the nine principles of National Voluntary Guidelines (NVGs) for Business Responsibility Report								
4.	Has the policy been approved by the Board? If yes, has it been signed by the MD / Owner / CEO appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link to view the policy online?	View restricted to the respective stakeholders.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement its policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The Company is working on developing and improving its system for evaluating the implementation of the policies.  The policies are evaluated from time to time and updated								

## Bombay Rayon Fashions Limited

### 2. If answer to question at Sr. No. 1 against any principle, is 'No', please explain why? (Tick up to two options)

- Not Applicable

		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	--	--	--	--	--	--	--	--	--
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles	--	--	--	--	--	--	--	--	--
3.	The Company does not have financial or manpower resources available for the task	--	--	--	--	--	--	--	--	--
4.	It is planned to be done within next six months	--	--	--	--	--	--	--	--	--
5.	It is planned to be done within next one year	--	--	--	--	--	--	--	--	--
6.	Any other reason (please specify)	--	--	--	--	--	--	--	--	--

### 3. Governance related to BR

1.	Indicate the frequency with which the Board of Directors, Committee of the Board or the CEO assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year	There is no defined frequency. However, the BR performance of the Company is periodically assessed by the Management.
2.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing the report? How frequently it is published?	This is the first Business Responsibility Report of the Company and the Company proposes to publish BR Annually, as a part of annual report

## ➤ Section E: Principle wise Performance

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

1.	Does the policy relating to ethics, Transparency and accountability cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors /NGOs / Others?	<p>Bombay Rayon Fashions Ltd. considers Corporate Governance as an integral part of good management. As a result, the Company has adopted a Code of Business Conduct &amp; Ethics ('the Code'). This Code is applicable to the Board of Directors and all employees of the Company. The members of the Board of Directors and the members of the Senior Management of the Company are required to affirm semi-annual compliance of this code.</p> <p>This Code requires the Directors and employees of the Company to act honestly, fairly, ethically and with integrity. This Code helps the Directors and employees to conduct themselves in professional, courteous and respectful manner and also to ensure that their independent judgement is not sub-ordinated.</p> <p>The Corporate Governance framework is further supported by a Vigil Mechanism Policy which serves as a mechanism for its Directors and employees to report any genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct without fear of reprisal, and hence to help ensure the Company continues to uphold its high standards.</p>
2.	How many stakeholder complaints were received in the past financial year and what percentage was satisfactorily resolved by the management?	<p>The Company takes action on the complaints and provides a suitable reply to the stakeholders on immediate basis. The details of shareholder complaints received and resolved during the financial year are given in the Corporate Governance Report.</p>

## Bombay Rayon Fashions Limited

### Principle 2: Product Lifecycle Sustainability

**Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

1.	List three of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities	<p>The Company has no main products two products of the company are</p> <ol style="list-style-type: none"> <li>1. Fabrics</li> <li>2. Garmenting</li> </ol> <p>The Company has set up effluent treatment plant at in processing unit at Doddabalapur &amp; Tarapur R O Plant at Tarapur for proper discharge of water to safeguard environment.</p>
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material and so on) per unit of product (optional)	--
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?	BRFL has established an effective inter-department communication mechanism enabling the purchases department to act according to production and sales forecasts for the forthcoming quarters to ensure optimum raw material procurement. The Company strives to reduce the weight and volume of the materials that it uses for packaging and volume of the materials that it uses for packaging and supports initiatives to use recycled materials.
4.	Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what initiatives were taken to improve their capacity and capability of local and small vendors?	The Company encourages local procurement of goods and services around its plants proximity and region. Several community development and training initiatives are regularly conducted to help people in skill development.
5.	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling them (separately as <5%, 5-10%, >10%)? Also provide details thereof, in about 50 words or so	The Company endeavours to manage the environmental impacts of organizational activities, products and services. The percentage of recycling of products and waste falls in the range of 5-10%. effective utilization of hot water between Dyeing & Finishing Departments, Waste Water Recycling etc., are some examples that are in practice by the Company.

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

1.	Total number of employees.	As on March 31, 2017, the strength of the permanent employees on roll workforce stands at a total of 14720	
2.	Total number of employees hired on temporary / contractual / casual basis	As on March 31, 2017, the strength of employees hired on temporary / contractual / casual basis stands at a total of 1871.	
3.	Total number of permanent women employees	As on March 31, 2017, the strength of permanent women employees stands at a total of 6417	
4.	Total number of permanent employees with disabilities	As on March 31, 2017, the number of permanent employees with disabilities associated with the Company stands at a total of 71.	
5.	Do you have an employee association that is recognized by the Management?	Yes at Bangalore Mill Division	
6.	What percentage of your permanent employees are members of this recognised employee association?	Bangalore Unit in Mill Division total Number of Employee 429 out of 49.18% of recognised employee association	
7.	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	NIL	
8.	What percentage of your under-mentioned employees that were given safety and skill up-gradation training in the last year?	Category	%
		Permanent employees	87.29
		Permanent women employees	43.59
		Casual / temporary / contractual employees	12.71
		Employees with disabilities	0.48

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

1.	Has the Company mapped its internal and external stakeholders? Yes / No	Yes, the Company has mapped its key internal and external stakeholders.
2.	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?	<p>The Company engages with its stakeholders on an ongoing basis. It is committed to the welfare of marginalized and vulnerable sections of the society and endeavours to meet the expectations of the said stakeholders.</p> <p>The Company has also identified specific areas like educating and training underprivileged /vulnerable stakeholders which help them in improving their standard of living.</p>
3.	Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?	Not Applicable as average net profit of the three Proceeding years is negative.

## Bombay Rayon Fashions Limited

### Principle 5: Human Rights

#### Businesses should respect and promote human rights

1.	Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The Company remains committed to respect and protect human rights. The Company's Code of Business Conduct & Ethics and the human resource practices cover most of these aspects. The Company does not hire child labour, forced labour or involuntary labour. The Company never discriminates between its employees.  This practice extends to the Bombay Rayon Fashions Ltd
2.	How many stakeholder complaints were received in the past financial year and what percent was satisfactorily resolved by the Management?	No complaint was received in FY 2016-17.

### Principle 6: Environmental Management

#### Businesses should respect, protect, and make efforts to restore the environment

1.	Does the policies related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The Company its policy on environment Protection which applicable to all its business places. The Subsidiaries are encouraged to adopt the practices of Company.
2.	Does the Company have strategies / initiatives to address global environmental issues, such as climate change, global warming, and others? If yes, please give hyperlink for webpage etc.	No. The Company is in the process to initiate the strategies and initiatives on the same.
3.	Does the Company identify and assess potential environmental risks? Y / N	Yes. The Company has a Risk Management mechanism in place to identify and assess existing and potential environmental risks across its operations.
4.	Project(s) related to Clean Development Mechanism	NO
5.	Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy and so on? If yes, please give hyperlink to web page and others.	No in the process .
6.	Are the emissions / waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Yes, the emissions/waste generated by the Company are within the permissible limits given by CPCB/SPCB .
7.	Number of show cause / legal notices received from CPCB / SPCB, which are pending (i.e. not resolved to satisfaction) as on the end of the financial year	The Notice was received from NGT during the financial year & the same was solved by setting up RO Plant.

## Principle 7: Public Advocacy

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

1.	Does the Company represent in any trade and chambers/ association? If yes, name only those major ones that the Company deals with	NO
2.	Has the Company advocated / lobbied through the above associations for the advancement or improvement of public good? If yes, specify the broad areas (drop box: governance and administration, economic reforms, inclusive development policies, energy security, water, food security, sustainable business principles and others)	From time to time, the Company has been raising various issues like coal quality, energy, security tariff hike, textile development policies, energy security, water food security sustainable Business Principles, other;

## Principle 8: Inclusive Growth

**Businesses should support inclusive growth and equitable development**

1.	Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, provide details thereof	The Company is under process to undertake projects/program.
2.	Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organisation?	In house team The Company is under process to undertake projects/program.
3.	Has the Company done any impact assessment for its initiative?	The Company is under process.
4.	What is the Company's direct contribution to community development projects (Amount in? and the details of the projects undertaken)?	The Company has not yet contributed as the programs are not yet undertake.
5.	Has the Company taken steps to ensure that this community development initiative is successfully adopted by the community?	The steps are not yet taken.

## Bombay Rayon Fashions Limited

### Principle 9: Value for Customers

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

1.	What percentage of customer complaints / consumer cases is pending, as on the end of the financial year?	<p>The Company's uncompromising commitment to providing good products and services to customers is supported by its concern for the safety of its customers. A well-established system is in place for dealing with customer feedback and complaints.</p> <p>Customers are provided multiple options to connect with the Company through email, telephone feedback forms, etc.</p> <p>All complaints are appropriately addressed and resolved.</p>
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks	Yes the Company displays product information on the products label.
3.	Cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behavior during the last five years and pending as on the end of the financial year.	Nil
4.	Did the Company carry out any consumer survey / consumer satisfaction trends?	Customers Satisfaction Survey is carried out by the Company every year to gauge Customers sentiments and to take appropriate measures to increase customer satisfaction.



## INDEPENDENT AUDITOR'S REPORT

To,

**The Members of Bombay Rayon Fashions Limited**

### Report on the Standalone Ind AS Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of **Bombay Rayon Fashions Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (**herein after referred to as "standalone Ind AS financial statements"**)

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

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements, that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind As) specified under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Standalone Ind AS 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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

## Bombay Rayon Fashions Limited

including the Ind AS, of the state of affairs of the Company as at 31 March 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - The Balance sheet, the statement of profit and loss, the statement of cash flow and the statement of changes in equity dealt with by this report are in agreement with the books of account.
  - In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind As) specified under Section 133 of the Act, read with relevant rule issued thereunder.
  - On the basis of the written representations received from the directors as on 31 March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
  - We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date and our report dated 30.05.2017 as per Annexure II expressed.
  - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:
    - As detailed in Note 42 to the standalone Ind AS financial statements, the Company has disclosed the impact of pending litigations on its standalone Ind AS financial statements;
    - The company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - The Company has not transferred the requisite amount which was required to be transferred to the Investor Education and Protection Fund by the company. The details of which is as under:-

Sr. No.	Financial Year	Amount (Rs.)
1.	2008-09	2,00,658/-

- The company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with of books of accounts maintained by the company. Refer Note 45 to the standalone Ind AS financial statements.

**For V.K BESWAL & ASSOCIATES**  
Chartered Accountants

**CA V.K. Beswal**  
Partner  
M No- 30426  
Firm Registration No:101083W

Place: Mumbai  
Date: 30.05.2017

## Annexure I to the Auditor's Report even date CARO 2016:

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. The title deeds in respect of all immovable properties are held in the name of the company.

2. In respect of Inventories:

As explained to us physical verification of inventory has been conducted during the year at reasonable intervals by the management and 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, secured or unsecured granted by the Company to other Companies, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

- a. The Company has granted interest free advances to a Subsidiary company covered in the register maintained u/s 189 of the Companies Act, 2013.
- b. In respect of the Long term Loan the principal amount is repayable over a period of 5 to 7 years.
- c. In respect of the said Loan, there are no overdue amounts. (in consideration with Note No 46 to the Notes to accounts of the Ind As Standalone Financial Statements).

4. The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of Loans granted during the year. There are no Investments & Securities made or any guarantees given during the year.

5. During the year the company has not accepted any deposits from public or by any means hence the said clause 3(v) of the said order is not applicable to the Company.

6. As per the information and explanations provided to us, we are of the opinion that in pursuant to the prescribed rules by Central Government, the Company had maintained cost records u/s. 148(1) (d) of the Companies Act, 2013, however we have not done a detailed examination of the same.

7. In respect of Statutory Dues:

- (a) According to record of the Company produced before us, the Company has not been regular in depositing the undisputed statutory dues and there have been delays in depositing undisputed statutory dues with the appropriate authorities. According to the information and explanations given, no undisputed amounts payable in respect of sales tax, customs duty, excise duty/cess were outstanding as at 31.03.2017 for a period of more than six months from the date they became payable except as given below:

## Bombay Rayon Fashions Limited

Statement of Arrears of statutory dues outstanding for more than six months as at 31st March 2017:

(Rs.in Crores)		
Sr. No	Nature of Dues	Amount
1.	Provident Fund	15.25
2.	Employee State Insurance Contribution	2.70
3.	Profession Tax	1.00
4.	Tax Collected at Source	0.15
5.	Property Tax	2.99
6.	Service Tax	0.67
7.	Tax Deducted at Source	4.82
8.	Excise Duty	0.15
9.	Income Tax	11.70
	<b>Total</b>	<b>39.43</b>

- (b) According to the records of the company there are no dues of Income-Tax, sales tax, wealth tax, service tax, customs duty, excise duty/cess which have not been deposited on account of any dispute except as given below.

(Rs.in Crores)			
Nature of the Act	Amount	Period to which the amount relates	Forum where dispute is pending
Employees Provident Funds and Miscellaneous Provision Act, 1952	<b>6.27</b>	2000-01 to 2015-16	Employees Provident Funds Appellate Tribunal. New Delhi
Employee State Insurance Contribution	<b>2.70</b>	2011-12 to 2015-16	ESI. Court, Bangalore
Income Tax Act, 1961	<b>0.38</b>	AY 2012-13	CIT (A)-54, Mumbai
Income Tax Act, 1961	<b>33.39</b>	AY 2013-14	CIT(A)-54, Mumbai
<b>Total</b>	<b>42.74</b>		

8. In our opinion and according to the information and explanations given to us, there have been delays in repayment of dues to financial institutes and banks during the year, as on 31.03.2017 the amount due and remaining unpaid on account of principal and interest to lenders is given below:

(Rs.in Crores)			
Particulars	Overdue in Principal	Overdue in Interest	Total Overdue
Upto 30 days	21.88	25.67	47.55
From 31 days To 60 days	5.40	21.78	27.18
From 61 days To 90 days	5.40	22.37	27.77
Above 91 days	46.07	86.05	132.12
<b>Total</b>	<b>78.75</b>	<b>155.87</b>	<b>234.62</b>

Total outstanding amount on account of repayment of term loans of Rs. 78.75 Crores and interest of Rs. 155.87 Crores due and unpaid as on 31.03.2017 was considered as part of unsustainable debt and accordingly was cleared in full on 24.05.2017 upon conversion into equity shares under Scheme of Structuring of Stressed Assets. (in consideration with Note No 34 to the Notes to accounts of the Ind As Standalone Financial Statements)

9. During the year the Company has raised fund by way of term loans and utilized for the purpose for which they were obtained. Company has not raised any fund by way of initial public offer or further public offer (including debt instruments).
10. 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.
11. The Company has paid Managerial remuneration during the year according to the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. 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 not a Nidhi Company. Hence, in our opinion the clause does not apply to the company.
13. The Company has disclosed all the transactions with the related parties in the Financial Statements during the year and the transactions are in compliance with sections 177 and 188 of Companies Act, 2013.
14. During the year under consideration, pursuant to the CDR Scheme, Funded Interest Term Loan and Working Capital Term Loan amounting to Rs.851.09 crores has been allotted to lenders on account of conversion into equity shares as a preferential allotment of equity shares and term thereof are not prejudicial to the interest of the Company.
15. According to the provisions of section 192 of Companies Act, 2013 the company has not entered into any non-cash transactions with directors or persons connected with him during the year hence no comments under this clause are called for.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, hence this clause is not applicable and no comments under this clause are called for.

**For V.K BESWAL & ASSOCIATES**  
Chartered Accountants

**CA VK BESWAL**  
Partner  
Membership Number- 30426  
Firm Registration No:101083W

Place: Mumbai  
Date: 30.05.2017

## Annexure II

### Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the standalone Ind AS financial statements of **Bombay Rayon Fashions Limited** ("the Company") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

#### Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the criteria being specified by management. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

#### Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles including the Ind AS. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles including Ind AS, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the criteria being specified by management.

**For V.K BESWAL & ASSOCIATES**

Chartered Accountants

**CA V. K. Beswal**

Partner

Membership Number- 30426

Firm Registration No:101083W

Place: Mumbai

Date: 30.05.2017

**Balance Sheet** as at 31<sup>st</sup> March 2017

(Rs. In Crores)

	PARTICULARS	Note	31st March, 2017	31st March, 2016	1st April, 2015
	<b>ASSETS</b>				
	<b>Non-current assets</b>				
a)	Property, Plant & Equipment	2	3,175.69	3,325.11	3,491.96
b)	Capital work-in-progress		8.94	0.15	10.94
c)	Other Intangible Assets	2	1.27	2.59	4.10
d)	Financial Assets				
	(i) Investments	3	146.57	146.52	149.49
	(ii) Loans	4	156.07	150.15	144.21
	(iii) Other Financial Assets	5	2.10	2.27	0.29
e)	Other Non-current Assets	6	37.15	63.69	120.59
	<b>Total Non-current Assets</b>		<b>3,527.79</b>	<b>3,690.48</b>	<b>3,921.58</b>
	<b>Current assets</b>				
a)	Inventories	7	3,646.34	3,121.42	2,755.23
b)	Financial Assets				
	(i) Investments	8	-	0.11	0.11
	(ii) Trade receivables	9	1,472.29	1,275.31	1,024.20
	(iii) Cash and cash equivalents	10	53.19	81.83	86.48
	(iv) Loans	11	72.09	87.73	81.63
c)	Current Tax Assets	12	197.49	198.77	181.00
d)	Other current assets	13	247.68	241.41	215.52
	<b>Total Current Assets</b>		<b>5,689.08</b>	<b>5,006.58</b>	<b>4,344.17</b>
	<b>TOTAL ASSETS</b>		<b>9,216.86</b>	<b>8,697.06</b>	<b>8,265.75</b>
	<b>EQUITY AND LIABILITIES</b>				
a)	Share Capital	14	185.99	134.60	134.60
b)	Other Equity	15	2,468.62	1,820.16	1,796.74
	<b>Total Equity</b>		<b>2,654.61</b>	<b>1,954.76</b>	<b>1,931.34</b>
	<b>LIABILITIES</b>				
<b>1)</b>	<b>Non-current liabilities</b>				
a)	Financial Liabilities				
	(i) Borrowings	16	1,702.77	2,681.36	2,788.21
b)	Employee Benefit obligation	17	12.35	10.30	8.18
c)	Deferred Tax Liability	18	130.53	195.87	170.06
	<b>Total Non-current Liabilities</b>		<b>1,845.65</b>	<b>2,887.52</b>	<b>2,966.46</b>
<b>2)</b>	<b>Current liabilities</b>				
a)	Financial Liabilities				
	(i) Borrowings	19	3,635.81	2,718.59	2,444.79
	(ii) Trade payables	20	541.89	739.68	633.72
	(iii) Other Financial Liabilities	21	471.11	338.41	246.82
b)	Other Current Liabilities	22	50.15	40.48	30.11
c)	Provisions	23	5.42	5.40	12.50
d)	Current Tax Liabilities	24	12.22	12.22	-
	<b>Total Current Liabilities</b>		<b>4,716.60</b>	<b>3,854.78</b>	<b>3,367.95</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,216.86</b>	<b>8,697.06</b>	<b>8,265.75</b>
Notes are integral part of the balance sheet & profit & loss account		1			

As per our report of even date

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

Chartered Accountants

**C.A.V.K. Beswal**

Partner

Membership Number- 30426

Firm Reg No.:101083W

Place : Mumbai

Date : 30th May, 2017

For and on behalf of Board of Directors

**Aman Agrawal**

Vice-Chairman

**A.R. Mundra**

Executive Director-Finance

**Prashant Agrawal**

Managing Director

**Prachi Deshpande**Director-Secretarial &  
Corporate Affairs,  
Company Secretary



## Profit and Loss Statement for the year ended 31<sup>st</sup> March 2017

(Rs. In Crores)

	PARTICULARS	Note	31st March, 2017	31st March, 2016
<b>INCOME :</b>				
	Revenue from Operations	25	3,876.96	4,171.62
	Other Income	26	21.67	54.40
	<b>Total Revenue</b>		<b>3,898.63</b>	<b>4,226.02</b>
<b>EXPENDITURE :</b>				
	Cost of raw materials consumed	27	2,748.96	2,894.82
	Changes in inventories of finished goods, work-in-progress and waste	28	(278.49)	(256.02)
	Employee benefits expenses	29	254.65	248.75
	Finance costs	30	671.75	596.65
	Depreciation and amortization expenses	31	161.51	165.78
	Other expenses	32	552.77	526.32
	<b>Total Expenditures</b>		<b>4,111.15</b>	<b>4,176.31</b>
	<b>Profit/(Loss) before exceptional items and tax</b>		<b>(212.52)</b>	<b>49.71</b>
<b>Exceptional Items :</b>				
	Prior year adjustments		-	-
	<b>Profit/(Loss) before tax</b>		<b>(212.52)</b>	<b>49.71</b>
<b>Tax expenses :</b>				
	Current Tax		-	(12.22)
	Deferred tax	33	65.34	(25.81)
	Short/(Excess) Provision of Tax		(4.05)	-
	Mat Credit Entitlement		-	11.74
	<b>Profit / (Loss) for the year</b>		<b>(151.23)</b>	<b>23.42</b>
	Other Comprehensive Income		-	-
	Total Other Comprehensive Income		-	-
	<b>Total Comprehensive Income for the year</b>		<b>(151.23)</b>	<b>23.42</b>
	Earnings per equity share of Rs.10 each			
	Basic & Diluted (in Rs.)		(8.68)	1.74
	Weighted average equity shares used in computing earning per equity shares			
	Basic and Diluted		174238136	134600000
	Notes are integral part of the balance sheet & profit & loss account			

As per our report of even date

For **V.K.Beswal & Associates**  
Chartered Accountants  
**C.A.V.K. Beswal**  
Partner  
Membership Number- 30426  
Firm Reg No.:101083W  
Place : Mumbai  
Date : 30th May, 2017

**Aman Agrawal**  
Vice-Chairman  
**A.R. Mundra**  
Executive Director-Finance

For and on behalf of Board of Directors

**Prashant Agrawal**  
Managing Director  
**Prachi Deshpande**  
Director-Secretarial &  
Corporate Affairs,  
Company Secretary

# Cash Flow Statement for the year ended 31<sup>st</sup> March 2017

(Rs. In Crores)

	PARTICULARS	31st March, 2017	31st March, 2016
<b>A.</b>	<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
	Net Profit / (Loss) before Tax and after Extraordinary items	(212.52)	49.71
	Adjustment For :		
	Depreciation	161.51	165.78
	Interest & Finance charges	671.75	596.65
	Interest received	(8.13)	(8.06)
	Dividend received	-	-
	Profit (-) / Loss (+) on sale of Investments	(0.02)	2.88
	Profit (-) / Loss (+) on sale of Fixed Assets	(4.73)	2.96
	<b><u>Operative Profit before Working Capital Changes</u></b>	<b>607.86</b>	<b>809.92</b>
	Adjustment For :		
	Trade and Other Receivables	(193.35)	(290.94)
	Inventories	(524.92)	(366.19)
	Provision For Gratuity & Bonus	2.08	(4.99)
	Trade & Other payable*	392.13	305.92
	<b>Cash Generation from Operations</b>	<b>283.79</b>	<b>453.72</b>
	Direct Taxes	(2.77)	(6.04)
	<b>Net Cash Flow from operating activities</b>	<b>281.02</b>	<b>447.69</b>
<b>B.</b>	<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
	Sale / Purchase of Fixed Assets	11.72	67.30
	Sale of Investment (Net)	0.08	-
	Dividend received	-	-
	Interest Received	8.13	8.06
	<b>Net Cash used in investing activities</b>	<b>19.92</b>	<b>75.36</b>
<b>C.</b>	<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
	Increase/Decrease in Borrowings**	246.60	55.04
	Interest Paid	(576.19)	(582.73)
	<b>Net Cash used in financing activities</b>	<b>(329.58)</b>	<b>(527.70)</b>
<b>D.</b>	<b>Net Change In Cash And Cash Equitant (A+B+C)</b>	<b>(28.64)</b>	<b>(4.65)</b>
	Cash and Cash Equivalents (Opening)	81.83	86.48
	Cash and Cash Equivalents (Closing)	53.19	81.83
	* Including Letter of Credits		
	** Excluding Letter of credits		
	Notes : 1. Figures in brackets represent cash outflows.		
	2. Previous year figures have been regrouped wherever necessary.		

As per our report of even date

For **V.K.Beswal & Associates**  
Chartered Accountants  
**C.A.V.K. Beswal**  
Partner  
Membership Number- 30426  
Firm Reg No.:101083W  
Place : Mumbai  
Date : 30th May, 2017

**Aman Agrawal**  
Vice-Chairman  
**A.R. Mundra**  
Executive Director-Finance

For and on behalf of Board of Directors

**Prashant Agrawal**  
Managing Director  
**Prachi Deshpande**  
Director-Secretarial &  
Corporate Affairs,  
Company Secretary

## Notes to Financial Statements for the year ended 31/03/2017

### Statement of Changes in Equity –

#### A. Equity share capital

	Numbers	INR in Crores
Balance as at 1 April 2015	134,600,000	134.60
Changes in equity share capital during 2015-16	-	-
<b>Balance as at 31 March 2016</b>	<b>134,600,000</b>	<b>134.60</b>
Balance as at 1 April 2016	134,600,000	134.60
Changes in equity share capital during 2016-17	51,394,193	51.39
<b>Balance as at 31 March 2017</b>	<b>185,994,193</b>	<b>185.99</b>

#### B. Other equity

	Reserves and surplus				Total other Equity
	Securities premium	Retained earnings	General Reserve	Money recd against Share Warrants	
Balance as at 1 April 2015	1,917.82	(207.39)	37.00	49.31	1,796.74
Profit for the year	-	23.42	-	-	23.42
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	23.42	-	-	23.42
<b>Balance as at 31 March 2016</b>	<b>1,917.82</b>	<b>(183.97)</b>		<b>49.31</b>	<b>1,820.16</b>
Balance as at 1 April 2016	1,917.82	(183.97)	37.00	49.31	1,820.16
Issue of Equity Share Capital	799.69	-	-	-	799.69
Profit/(Loss) for the year	-	(151.23)	-	-	(151.23)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	(151.23)	-	-	(151.23)
<b>Balance as at 31 March 2017</b>	<b>2,717.51</b>	<b>(335.20)</b>	<b>37.00</b>	<b>49.31</b>	<b>2,468.62</b>

Accompanying notes are forming part of financial statements

As per our report of even date

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

Chartered Accountants

**C.A.V.K. Beswal**

Partner

Membership Number- 30426

Firm Reg No.:101083W

Place : Mumbai

Date : 30th May, 2017

**Aman Agrawal**

Vice-Chairman

**A.R. Mundra**

Executive Director-Finance

For and on behalf of Board of Directors

**Prashant Agrawal**

Managing Director

**Prachi Deshpande**

Director-Secretarial &

Corporate Affairs,

Company Secretary

## Notes to Financial Statements for the year ended 31/03/2017

### Note 1 SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31.03.2017

#### 1. Basis of preparation of financial Statements

The standalone Ind AS financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, the provision of the Companies Act, 2013 (to the extent notified) and guideline issued by Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment rules, 2016.

The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 first time adoption of Indian Accounting Standards generally accepted in India as prescribed under section 133 of the Act read with rule 7 of Companies (Accounts) Rules, 2016 which was the previous GAAP.

The accounting policies adopted in the preparation of standalone Ind AS financial statement are consistent with those of previous year.

#### 2. Use Of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions effect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenditure during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding these estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### 3. Revenue Recognition

- I. Domestic sales are accounted for on dispatch of goods to customers. Gross Sales are net of sales returns and Excise Duty.
- II. Export sales are accounted for on the basis of dates of Bill of Lading. Gross Sales are inclusive of incentives/benefits, and net of sales returns.
- III. Revenue from Job work is recognized when services are rendered.
- IV. Interest income is recognized on accrual basis.

#### 4. Property, plant and equipment:

Fixed assets are stated at cost of acquisition less accumulated depreciation if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready to use, as intended by management. The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives are as follows:

## Notes to Financial Statements for the year ended 31/03/2017

Building-Residential (RCC)	60 years
Building-Residential (Non-RCC)	30 years
Factory Building	30 years
Office Premises	60 years
Plant & machinery	25 years
Vehicles	8 years
Computer	03 years
Furniture	10 years
Office Equipment	05 years

Depreciation methods, useful lives and residual value are reviewed periodically, including at each financial year end.

“Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use the assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013”.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under ‘Capital work – in - progress’. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

### 5. Intangible assets:

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over the irrespective individual estimated useful lives on a straight – line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

### 6. 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.

### 7. 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.

## Notes to Financial Statements for the year ended 31/03/2017

### 8. Investments

#### A. Financial instruments

##### i. Financial assets

##### 1. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognized using trade date accounting.

##### 2. Subsequent measurement

##### a. Financial assets carried at amortised costs: (AC)

Financial assets are subsequently measured at amortised costs if it is held within a business model and whose objective is to hold the asset in order to collect the contractual cash flows and contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal interest on the principal amount outstanding.

##### b. Financial assets at fair value through other comprehensive income: (FVTOCI)

A financial assets is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal interest on the principal amount outstanding.

##### c. Financial assets at fair value through profit and loss (FVTPL)

Financial assets which are not classified in any of the above categories are subsequently fair valued through profit or loss.

##### 3. Equity instruments

All equity investments are measured at fair value, with value changes recognised in the statement of profit and loss, except for those equity investments for which the company has elected to present the value changes in 'other comprehensive income'.

##### 4.

##### 5. Investment in Subsidiaries and Associates and Joint Venture :

The company has accounted for its investments in Subsidiaries and Associates and Joint Venture at cost and at amortised cost.

### 9. Foreign Currency

#### Functional Currency

The functional currency of the company is the Indian Rupee. The financial statements are presented in Indian Rupees (Rounded off to Crores).

#### Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

## Notes to financial statements for the year ended 31/03/2017

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cashflow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

### 10. 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.
- 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.

### 11. 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.

### 12. 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.

### 13. 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.

### 14. 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.

### 15. 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 financial statements for the year ended 31/03/2017

### Note - 2 : Property, plant and equipment

Details of the property, plant and equipment & Intangible Assets their carrying amounts are as follows:

(Rs. In Crores)

	Free Hold Land	Lease Hold Land	Site Development	Factory Building	Non Factory Building	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computer	TOTAL	Computer Software
<b>Gross carrying amount</b>												
Balance as at 1 April 2016	8.03	112.86	-	688.09	19.48	3,768.26	52.20	21.47	12.42	16.06	4,698.87	9.91
Additions	-	0.42	-	0.93	0.33	9.38	2.32	0.21	0.72	0.15	14.45	0.34
Disposals	-	-	-	2.94	-	5.49	-	3.12	-	-	11.55	-
Balance as at 31 March 2017	8.03	113.29	-	686.09	19.81	3,772.16	54.51	18.56	13.13	16.20	4,701.77	10.24
<b>Depreciation and amortization</b>												
Balance as at 1 April 2016	-	-	-	134.81	3.35	1,167.05	31.11	11.36	11.13	14.95	1,373.75	7.32
Disposal	-	-	-	0.86	-	4.09	-	2.59	-	-	7.53	-
Depreciation	-	-	-	21.03	0.30	125.44	8.67	1.93	0.22	0.28	159.86	1.85
Balance as at 31 March 2017	-	-	-	156.98	3.65	1,288.40	39.77	10.71	11.35	15.22	1,526.08	8.97
Carrying amount as at 31 March 2017	8.03	113.29	-	529.10	16.16	2,483.76	14.74	7.85	1.78	0.98	3,175.69	1.27

	Free Hold Land	Lease Hold Land	Site Development	Factory Building	Non Factory Building	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computer	TOTAL	Computer Software
<b>Gross carrying amount</b>												
Balance as at 1 April 2015	8.03	116.32	-	687.88	31.36	3,766.98	50.87	16.51	12.04	15.67	4,706.65	9.77
Additions	-	0.38	-	4.31	0.22	8.49	1.34	5.58	0.38	0.40	21.09	0.15
Disposals	-	3.84	-	4.10	13.10	7.20	0.01	0.61	0.00	0.01	28.87	0.01
Balance as at 31 March 2016	8.03	112.86	-	688.09	19.48	3,768.26	52.20	21.47	12.42	16.06	4,698.87	9.91
<b>Depreciation and amortization</b>												
Balance as at 1 April 2015	-	-	-	112.77	3.91	1,039.61	22.54	10.03	11.00	14.83	1,214.69	5.67
Disposal	-	-	-	1.02	0.92	2.59	-	0.53	-	0.01	5.07	-
Depreciation	-	-	-	23.07	0.36	130.02	8.57	1.86	0.13	0.13	164.13	1.65
Balance as at 31 March 2016	-	-	-	134.81	3.35	1,167.05	31.11	11.36	11.13	14.95	1,373.75	7.32
Carrying amount as at 31 March 2016	8.03	112.86	-	553.28	16.13	2,601.22	21.09	10.11	1.29	1.11	3,325.11	2.59
Carrying amount as at 31 March 2015	8.03	116.32	-	575.11	28.45	2727.36	28.33	6.48	1.04	0.84	3491.96	4.10



## Notes to financial statements for the year ended 31/03/2017

### Note - 3 : Non-current investments

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
<b>Investment in Equity instruments :</b>			
<b>In Subsidiaries</b>			
<b>Quoted Shares</b>			
Fully paid up 21750000 Equity Shares of Rs. 10/- each of STI India Limited	64.12	64.12	64.12
<b>Unquoted Shares</b>			
Fully paid up 420 Equity Shares of GBP 1/- each of DPJ Clothing Limited	13.43	13.43	13.43
Fully paid up 17752 Equity Shares of BDT 100/- each of BRFL Bangladesh Pvt. Limited	0.12	0.12	0.12
Fully paid up 35142500 Shares of Rs. 10/- each of Bombay Rayon Holdings Limited	35.14	35.14	35.14
<b>In Other Related Parties</b>			
<b>Unquoted Shares</b>			
Fully paid up 3800000 Shares of Rs. 10/- each of Islampur Integrated Textiles Park Pvt. Limited	3.80	3.80	3.80
Fully paid up 3620000 Shares of Rs. 10/- each of Latur Integrated Textiles Park Pvt. Limited	3.62	3.62	3.62
Fully paid up 180 Shares of Rs. 100/- each of Arihant Organics Pvt. Limited	1.62	1.62	4.50
<b>In Others</b>			
Fully paid up 5001 Shares of Rs. 100/- each of Raja Ram Bhapu Sahakari Bank Ltd	0.05	-	-
Fully paid up 10000 Shares of Rs. 10/- each of Scotts Fashionciti India Limited	0.01	0.01	0.01
Fully paid up 90100 Shares of Rs. 10/- each of Jankalyan Sahakari Bank Ltd	-	-	0.09
Fully paid up 2000000 Shares of Rs. 10/- each of Scotts Garments Limited	14.00	14.00	14.00
<b>Investment in Debenture instruments :</b>			
<b>In Subsidiaries</b>			
<b>Unquoted</b>			
32180000 Debentures of STI India Limited	10.66	10.66	10.66
<b>Total</b>	<b>146.57</b>	<b>146.52</b>	<b>149.49</b>
<b>Aggregate Value of Quoted Investment</b>	<b>64.12</b>	<b>64.12</b>	<b>64.12</b>
<b>Market Value of Quoted Investment</b>	<b>33.28</b>	<b>39.15</b>	<b>20.66</b>
<b>Aggregate Value of Unquoted Investment</b>	<b>82.45</b>	<b>82.40</b>	<b>85.37</b>

## Notes to financial statements for the year ended 31/03/2017

### Note - 4 : Loans

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
<b>Security Deposits</b>			
Unsecured, considered good			
Dues from Cos in which Directors are interested	27.55	29.44	29.44
Others	21.65	18.41	12.21
	49.20	47.85	41.65
<b>Other Loans</b>			
Inter Corporate Deposits	106.87	102.30	102.56
	106.87	102.30	102.56
<b>Total</b>	<b>156.07</b>	<b>150.15</b>	<b>144.21</b>

### Note - 5 : Other Financial Assets

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
Bank Deposit having maturity over 12 Months	2.10	2.27	0.29
<b>Total</b>	<b>2.10</b>	<b>2.27</b>	<b>0.29</b>
Balance with banks to the extent held as margin money	2.10	2.27	0.29

### Note - 6 : Other Non-Current Assets

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
Capital Advances	37.15	63.69	120.59
<b>Total</b>	<b>37.15</b>	<b>63.69</b>	<b>120.59</b>

### Note - 7 : Inventories

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
Raw Materials (Valued at cost)	1,238.81	987.28	889.42
Work-in-progress (Valued at cost)	1,124.49	989.45	979.66
Finished goods (Valued at lower of cost or net realisable value)	1,116.02	972.57	726.34
Stores and Spares (Valued at cost) (Refer Note No 46)	167.02	172.12	159.81
(As certified by Management)			
<b>Total</b>	<b>3,646.34</b>	<b>3,121.42</b>	<b>2,755.23</b>

## Notes to financial statements for the year ended 31/03/2017

### Note - 8 : Investments

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
<b>In Mutual Fund:</b>			
Quoted : CP5G-Union KBC Protection Oriented Fund-Growth 105070 Units	-	0.11	0.11
	-	<b>0.11</b>	<b>0.11</b>
<b>Market Value of Quoted Investment</b>	-	0.12	0.13

### Note - 9 : Trade Receivables

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
Unsecured, Considered Good			
Dues from Cos in which Directors are interested	<b>2.17</b>	2.17	1.99
Others (Refer Note No 46)	<b>1,470.12</b>	1,273.14	1,022.21
<b>Total</b>	<b>1,472.29</b>	<b>1,275.31</b>	<b>1,024.20</b>

### Note - 10 : Cash and cash equivalents

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
<b>Balances with banks</b>			
Balance with Banks	<b>45.21</b>	34.47	32.43
Cash on hand	<b>1.54</b>	1.37	4.86
Bank Deposit	<b>6.44</b>	45.99	49.19
<b>Total</b>	<b>53.19</b>	<b>81.83</b>	<b>86.48</b>
<i>Earmarked Balance with banks for unclaimed dividend</i>	<b>0.04</b>	0.04	0.04
<i>Balance with banks to the extent held as margin money</i>	<b>6.44</b>	45.99	49.19

### Note - 11 : Loans

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
Unsecured, considered good			
Advances to Subsidiary Co. (Refer Note No 46)	<b>72.09</b>	87.73	81.63
<b>Total</b>	<b>72.09</b>	<b>87.73</b>	<b>81.63</b>

## Notes to financial statements for the year ended 31/03/2017

### Note - 12 : Current Tax Assets

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
Mat Credit Entitlement	163.69	166.38	154.65
Income Tax (net)	33.80	32.39	26.35
<b>Total</b>	<b>197.49</b>	<b>198.77</b>	<b>181.00</b>

### Note - 13 : Other current assets

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
Advances other than Capital Advances	45.29	4.35	9.24
Balance with Government authorities:			
-Other than Income Tax	158.98	203.97	206.29
Others (Interest Receivable)	43.41	33.09	-
<b>Total</b>	<b>247.68</b>	<b>241.41</b>	<b>215.52</b>

### Note : 14 Share Capital

(Rs. In Crores)

A	Authorised Share Capital	Equity Share		Preference Shares	
		Number	Amount	Number	Amount
	Beginning of the year at 1 April 2015	150,000,000	150.00	-	-
	Increase/(decrease) during the year	50,000,000	50.00	-	-
	Total shares authorised as at 31 March 2016	200,000,000	200.00	-	-
	Total shares authorised as at 1 April 2016	200,000,000	200.00	-	-
	Increase/(decrease) during the year	-	-	-	-
	<b>Total authorised share capital as at 31 March 2017</b>	<b>200,000,000</b>	<b>200.00</b>	-	-

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of INR 10 per share.

(Rs. In Crores)

B	Issued, Subscribed & fully Paid Up	Equity Share		Preference Shares	
		Number	Amount	Number	Amount
	Balance as at 1 April 2015	134,600,000	134.60	-	-
	Changes during the period	-	-	-	-
	Balance as at 31 March 2016	134,600,000	134.60	-	-
	Balance as at 1 April 2016	134,600,000	134.60	-	-
	Changes during the period	51,394,193	51.39	-	-
	<b>Shares issued and fully paid as at 31 March 2017</b>	<b>185,994,193</b>	<b>185.99</b>	-	-

## Notes to financial statements for the year ended 31/03/2017

(Rs. In Crores)

C		31-Mar-17	31-Mar-16	1st April, 2015
	Shares held by holding/ultimate holding company including shares held by subsidiaries or associates of the holding company/ultimate holding company	-	-	-

### D Details of shareholders holding more than 5% shares in the company

(Rs. In Crores)

	31-Mar-17		31-Mar-16		1st April, 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
State Bank of India	23196889	12.47%	-	-	-	-
Axis Bank	11586959	6.23%	-	-	-	-
Janardan Agarwal	7576140	4.07%	7576140	5.63%	7576140	5.63%
Reynold Shirting Ltd	13215714	7.11%	13215714	9.82%	13215714	9.82%
AAA United B.V.	51000400	27.42%	51000400	37.89%	51000400	37.89%
Ashwell Holding Company Pvt.Ltd.	28420000	15.28%	28420000	21.11%	28420000	21.11%

### E. Disclosure pursuant to Part I of Schedule III to the Companies Act, 2013

Particulars	Aggregate No. of Shares (for last 5 Financial Years)
<b>Equity Shares :</b>	
Fully paid up pursuant to contract(s) without payment being received in cash	NIL
Fully paid up pursuant to scheme of CDR *	51,394,193
Fully paid up by way of bonus shares	NIL
Shares bought back	NIL

\*Refer Note No 34

## Notes to financial statements for the year ended 31/03/2017

### Note 15 - Other Equity

(Rs. In Crores)

PARTICULARS	As at 31 March 2017	As at 31 March 2016
<b>Securities Premium Account</b>		
Opening Balance	1,917.82	1,917.82
(+)/(-) Transfer	799.69	-
Closing Balance	2,717.51	1,917.82
<b>Retained Earnings</b>		
Opening balance	(183.97)	(207.39)
(+) Net Profit / (Net Loss) for the current year	(151.23)	23.42
Closing Balance	(335.20)	(183.97)
<b>General Reserves</b>		
Opening Balance	37.00	37.00
(+)/(-) Transfer	-	-
Closing Balance	37.00	37.00
<b>Money Recd against Share Warrants</b>		
Opening Balance	49.31	49.31
(+)/(-) Transfer	-	-
Closing Balance	49.31	49.31
<b>Total</b>	<b>2,468.62</b>	<b>1,820.16</b>

'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 Rs. 4931.25 lacs. The said application was rejected by SEBI vide its Order dated August 10, 2012 and the appeal made against the said order was dismissed by Securities appellate Tribunal (SAT) vide their order dated June 28, 2013. Further to that, an appeal filed before Supreme Court by the Company and the Promoters is pending, keeping the status quo with no further communication from SEBI in this regard.

## Notes to financial statements for the year ended 31/03/2017

### Note - 16 : Borrowings

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
<b>Secured Loans</b>			
<b>a) Term Loans from Banks</b>	<b>1,507.23</b>	2,448.83	2,644.47
<i>Term Loans from Banks are secured by First pari-passu charge on entire Fixed Assets of the company alongwith collateral of first pari-passu charge on entire current assets of the Company and further secured by personal gurantee of promoters, corporate gurantees/ collaterals provided by the subsidiary company and other companies of promoters, pledge of promoter shares and hypothecation of 'Bombay Rayon' Brand.</i>			
<i>Refer Note 34(7)</i>			
<b>b) Vehicle Loans</b>			
From Banks	<b>2.63</b>	1.55	0.05
From Others	<b>0.80</b>	0.54	0.55
<i>The vehicle loans from the banks and others are secured by hypothecation of specified vehicles against which the finance is obtained</i>			
<b>Unsecured Loans</b>			
<b>a) From Related Parties :</b>			
i) Advances from Subsidiary	<b>40.25</b>	40.25	-
ii) From Promoters	<b>96.66</b>	96.66	96.66
<b>b) From Others</b>	<b>55.20</b>	93.52	46.49
<b>Total</b>	<b>1,702.77</b>	<b>2,681.36</b>	<b>2,788.21</b>

### Note - 17 : Provisions

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
For Employee Benefits:			
Gratuity	<b>12.35</b>	10.30	8.18
<b>Total</b>	<b>12.35</b>	<b>10.30</b>	<b>8.18</b>

## Notes to financial statements for the year ended 31/03/2017

### Note - 18 : Deferred tax Liability (Net)

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
<b>Deferred tax liability</b>			
Net Block as per Companies Act	3,055.65	3,206.81	3,371.71
Net Block as per Income Tax Act	1,491.55	1,726.35	2,019.35
Difference on account of fixed assets	1,564.10	1,480.46	1,352.36
Deferred tax liability (A)	483.31	457.47	417.88
<b>Deferred tax assets</b>			
Expenditure to be disallowed u/s 43B -			
Employee Benefits	17.77	15.70	20.69
Interest Not paid	18.77	187.12	220.05
Carry forward Depreciation	884.19	643.78	561.24
Carry forward Loss	220.93	-	-
	1,141.66	846.60	801.98
Deferred tax assets (B)	352.78	261.60	247.82
Net Deferred Tax (Liability) (Closing)	130.53	195.87	170.06
[ Refer Note No.: 33 ]			

### Note - 19 : Borrowings

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
<b>From Banks</b>			
<b>Secured Loans</b>			
<b>Working Capital Loans from Banks</b>	3,635.81	2,718.59	2,444.79
<i>Working capital Loans from banks are secured by First pari-passu charge on entire current Assets of the Company alongwith collateral of First pari-passu charge on entire Fixed Assets of the Company and further secured by personal guarantee of promoters, corporate guarantees/collaterals provided by the subsidiary company and other companies of promoters, pledge of promoter shares and hypothecation of BRFL Brand.</i>			
<b>Total</b>	<b>3,635.81</b>	<b>2,718.59</b>	<b>2,444.79</b>



## Notes to financial statements for the year ended 31/03/2017

### Note - 20 : Trade payables

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
<b>Unsecured :</b>			
Trade Payables	541.89	739.68	633.72
<b>Total</b>	<b>541.89</b>	<b>739.68</b>	<b>633.72</b>

### Note - 21 : Other Financial Liabilities

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
Outstanding expenses	38.60	43.36	29.77
Current maturities of Long Term Debts (refer note 16)	276.59	234.70	170.61
Interest Accrued (refer note 34(7))	155.88	60.31	46.40
Unclaimed Dividend	0.04	0.04	0.04
	<b>471.11</b>	<b>338.41</b>	<b>246.82</b>

### Note - 22 : Other Current Liabilities

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
Statutory dues	50.15	40.48	30.11
<b>Total</b>	<b>50.15</b>	<b>40.48</b>	<b>30.11</b>

### Note - 23 : Provisions

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
<b>Provision for employee benefits :</b>			
Bonus	5.42	5.40	12.50
<b>Total</b>	<b>5.42</b>	<b>5.40</b>	<b>12.50</b>

### Note - 24 : Current Tax Liabilities

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
Income Tax (Net)	12.22	12.22	-
<b>Total</b>	<b>12.22</b>	<b>12.22</b>	<b>-</b>

## Notes to financial statements for the year ended 31/03/2017

### Note - 25 : Revenue from operations

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016
<b>Revenue from operations</b>		
<b>Sale of product :</b>		
Traded goods	-	-
Other goods	3,823.78	4,127.42
<b>Sale of service :</b>		
Jobwork receipt	53.18	44.20
<b>Total</b>	<b>3,876.96</b>	<b>4,171.62</b>
<b>Detail of Sales</b>		
<b>Domestic</b>		
Fabrics	3,195.97	3,401.84
Yarns	5.42	13.56
Garments	9.13	20.92
Others	25.30	29.67
	<b>3,235.82</b>	<b>3,465.99</b>
<b>Export</b>		
Fabrics	61.21	65.76
Yarns	-	1.43
Garments	526.42	594.15
Others	0.33	0.09
<b>Total</b>	<b>587.96</b>	<b>661.43</b>

### Note - 26 : Other income

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016
Interest Income (TDS of Rs.0.57 Crores (P.Y Rs.0.69 Crores)	8.13	8.06
Dividend Income	-	-
Profit on sale of Investments	0.02	-
Profit on sale of assets	5.11	19.67
Exchange fluctuation gain	2.75	14.38
Miscellaneous income	5.66	12.29
<b>Total</b>	<b>21.67</b>	<b>54.40</b>

### Note - 27 : Cost of Materials consumed

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016
Inventory at the beginning of the year	987.28	889.42
Add : Purchase	3,000.49	2,992.68
	<b>3,987.77</b>	3,882.10
Less : Inventory at the end of the year	1,238.81	987.28
	<b>2,748.96</b>	<b>2,894.82</b>

## Notes to financial statements for the year ended 31/03/2017

### Note - 28 : Increase (-) / decrease (+) in inventories

(Rs. In Crores)		
PARTICULARS	31st March, 2017	31st March, 2016
<b>Inventory at the end of the year</b>		
Finished Goods	1,116.02	972.57
Work-in-progress	1,124.49	989.45
	2,240.51	1,962.02
<b>Inventory at the beginning of the year</b>		
Finished Goods	972.57	726.34
Work-in-progress	989.45	979.66
	1,962.02	1,706.00
<b>Increase (-) / decrease (+) in inventories</b>	<b>(278.49)</b>	<b>(256.02)</b>

### Note - 29 : Employee benefit expenses

(Rs. In Crores)		
PARTICULARS	31st March, 2017	31st March, 2016
Salaries & wages	225.73	219.42
Contributions to provident and other fund	17.87	17.71
Staff welfare expenses	11.05	11.62
<b>Total</b>	<b>254.65</b>	<b>248.75</b>

### Note - 30 : Finance costs

(Rs. In Crores)		
PARTICULARS	31st March, 2017	31st March, 2016
Interest expense	664.25	587.05
Bank Charges	7.50	9.60
<b>Total</b>	<b>671.75</b>	<b>596.65</b>

### Note - 31 : Depreciation & Amortization Expenses

(Rs. In Crores)		
PARTICULARS	31st March, 2017	31st March, 2016
Depreciation on Tangible Assets	159.86	164.13
Amortization of Intangible Assets	1.65	1.65
<b>Total</b>	<b>161.51</b>	<b>165.78</b>

## Notes to financial statements for the year ended 31/03/2017

### Note - 32 : Other expenses

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016
Stores & spares consumption	109.56	103.70
Packing material and expenses	14.30	17.67
Power and fuel	120.36	110.90
Water charges	14.64	14.38
Job Charges for		
Yarn	63.45	58.37
Process	2.29	1.34
Weaving	23.92	22.63
Design & development & Others	58.92	50.02
Rent	13.27	25.83
Rates and taxes	6.36	4.79
Insurance	3.02	2.64
Keyman Insurance	0.77	0.72
Repair and maintenance		
Plant and machinery	5.71	5.61
Building	1.64	2.55
Vehicles	0.42	0.50
Others	2.94	2.24
Advertising and business promotion	5.15	2.61
Books & Periodicals	0.20	0.21
Commission on sale	4.65	1.56
Traveling and conveyance	10.95	10.84
Transportation	37.05	33.99
Communication Expenses	3.79	3.86
Printing and stationary	2.08	2.26
Legal and professional fees	12.76	9.42
Director's Remuneration	5.83	5.38
Director's sitting fees	0.08	0.06
Auditor's remuneration	0.96	0.98
Environmental Control Expenses	0.55	0.40
Security Service Charges	5.66	5.22
Loss on sale of fixed assets	0.38	2.96
Loss on sale of Investment	-	2.88
Miscellaneous expenses	21.11	19.80
<b>Total</b>	<b>552.77</b>	<b>526.32</b>
<b>Payments to auditor</b>		
For Audit Fee	0.41	0.46
For Tax Audit Fee	0.52	0.47
For Certification & Others	0.03	0.05
<b>Total</b>	<b>0.96</b>	<b>0.98</b>

## Notes to financial statements for the year ended 31/03/2017

### Note - 33 : Differed Tax

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016
Net Deferred Tax (Liability) (Closing)	130.53	195.87
Less : Net Deferred Tax (Liability) (Opening)	195.87	170.06
	-65.34	25.81

### Note 34 - Corporate debt restructuring (CDR)

1	During the F.Y.2013-14, the Company's proposal for restructuring of its debts was approved by Corporate Debt Restructuring Cell ("CDR Cell") vide Letter of Approval (LOA) dated September 27, 2013. The cut off date (COD) for implementation of CDR was 1st April, 2013. The Company has executed Master Restructuring Agreement ('MRA') with CDR Lenders on September 30, 2013.
2	Lenders with the approval of CDR EG shall have the right to recompense the reliefs/ sacrifices/ waivers extended by respective CDR Lenders as per the CDR guidelines. The recompense payable is contingent on various factors including improved performance of the Company and many other conditions, the outcome of which is currently materially uncertain. Recompense amount comes to Rs.526.98 crores.
3	During the year, CDR lenders have approved to convert the outstanding loans of Rs. 934.26 crores Funded Interest Term Loan (FITL) and Working Capital Term Loan (WCTL) into equity. Till 31 <sup>st</sup> March, 2017 total amount of Rs. 852.53 Crores of FITL & WCTL was converted by the Lenders and accordingly 51394193 equity shares were allotted to them at a price of Rs. 165.88 per shares
4.	Pursuant to the successful conversion of the outstanding loan of FITL & WCTL into equity shares as per the details given above, the company became compliant to the requirement of minimum public share holding of 25% in the listed companies as per the SEBI guidelines. The company has received an order from SEBI u/s 11(1), 11(2)(1), 11(4) & 11B of the SEBI Act, 1992 dated 09 <sup>th</sup> March, 2017 to this effect.
5.	After close of Financial Year on 5 <sup>th</sup> May, 2017 and further on 24 <sup>th</sup> May, 2017, total amount of Rs. 80.07 crores of FITL & WCTL was into equity shares converted by Lenders and accordingly 48,26,982 equity shares were allotted to them at a price of Rs. 165.88 per share. ( FV of the equity share Rs. 10)
6.	After close of Financial Year on 24 <sup>th</sup> May 2017, the Company has entered into a Framework Agreement with the CDR Lenders for their approval under Scheme of Sustainable Structuring of Stressed Assets (S4A) in terms of RBI circular dated 13 <sup>th</sup> June, 2016 according to which unsustainable loans of Rs. 2249.74 crores was converted into Equity Shares and optionally convertible debentures(OCD). Accordingly CDR Lenders were allotted 10,73,45,243 equity shares at a price of Rs.146.03 per share and 39,95,092 "OCDs" of Rs. 1000/- each. On 24 <sup>th</sup> May, 2017.
7.	Total outstanding amount on account of repayment of term loans of Rs. 78.75 Crores and interest on Term loans and working capital loan of Rs. 155.87 Crores due and unpaid as on 31.03.2017 was considered as part of unsustainable debt and accordingly was cleared in full on 24.05.2017 upon the above conversion.

## Notes to financial statements for the year ended 31/03/2017

**Note 35:** 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

(Rs. In Crores)

Sr. No.	Particulars	As on 31.03.2017	As on 31.03.2016
<b>1</b>	<b>Assumption</b>		
	Discount Rate	7.66%	7.96%
	Salary Escalation	5.00%	5.00%
<b>2</b>	<b>Present value of Obligation</b>		
	Present value of obligations as at beginning of year	10.30	8.52
	Interest cost	0.82	0.68
	Current Service Cost	3.27	2.92
	Liability Transferred In	-	-
	Benefits Paid	(1.82)	(1.60)
	Prior Year Charge	-	-
	Actuarial (gain)/ loss on obligations	(0.22)	(0.22)
	Present value of obligations as at end of year	12.35	10.30
<b>3</b>	<b>Fair value of plan assets</b>		
	Fair value of plan assets at beginning of year	0.08	0.33
	Expected return on plan assets	0.01	0.03
	Contributions	0.01	-
	Assets Transferred In	-	-
	Benefits Paid	-	(0.27)
	Actuarial (gain)/ loss on obligations	-	0.01
	Fair value of plan assets at the end of year	0.10	0.08
<b>4</b>	<b>Actuarial Gain/Loss recognized</b>		
	Actuarial (gain)/ loss on obligations	(0.22)	(0.22)
	Actuarial (gain)/ loss for the year - plan assets	-	0.01
	Actuarial (gain)/ loss on obligations	(0.22)	(0.21)
	Actuarial (gain)/ loss recognized in the year	(0.22)	(0.21)
<b>5</b>	<b>The amounts to be recognized in the balance sheet</b>		
	Present value of obligations as at the end of year	(12.35)	(10.30)
	Fair value of plan assets as at the end of the year	0.1	0.08
	Funded status	(12.25)	(10.22)
<b>6</b>	<b>Expenses Recognized in statement of Profit and loss</b>		
	Current Service cost	3.27	2.92
	Interest Cost	0.81	0.68
	Expected return on plan assets	(0.01)	(0.03)
	Net Actuarial (gain)/ loss recognized in the year	(0.22)	(0.21)
	Expenses to be recognized in statement of Profit and loss	3.86	3.36

## Notes to financial statements for the year ended 31/03/2017

### Note 36: 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
g)	BRFL Italia Licenses 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)	Kagal Industrial Textile Technology Park Pvt. Ltd.	Other Related Parties
d)	Reynold Shirting Ltd.	Other Related Parties
e)	Bombay Rayon Clothing Ltd.	Other Related Parties
f)	Bestsellers Retail India Pvt. Ltd.	Other Related Parties
g)	Best United Lifestyles Pvt. Ltd.	Other Related Parties
h)	Best United India Comforts Pvt. Ltd.	Other Related Parties
i)	Bestseller Wholesale India Pvt. Ltd.	Other Related Parties
j)	B. R. Machine Tools Pvt. Ltd.	Other Related Parties
k)	Ashwell Holding Company Pvt. Ltd.	Other Related Parties
l)	Clinvent Real Estates Pvt. Ltd	Other Related Parties
a)	Mr. Janardan 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)	Ms. Prachi Deshpande	Key Managerial Personnel
e)	Mr. A.R. Mundra, Executive Director –Finance	Key Managerial Personnel
a)	Mrs. Bimla Devi Agarwal	Relative of KMP
b)	Mrs. Vinita Agarwal	Relative of KMP

### Transactions with related parties

Transaction with Subsidiaries	(Rs. In Crores)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Purchases	0.17	0.02
Sales	2.91	4.32
Loans/Advances Given / paid	-	15.85
Loan/Advances Received Back	15.89	9.75
Loans/Advances Taken	-	40.25
Rent paid	0.01	0.01
Job Work Charges Paid	31.51	35.99
<b>Transaction with Other Related Parties</b>		
Rent paid	5.67	14.91
Purchases	230.08	127.04
Sales	6.50	0.34
Rent deposit received back	0.75	-
Job Work charges Paid	14.90	19.97
<b>Transactions with Key Managerial Personnel &amp; their Relatives</b>		
Director Remuneration	5.82	5.38
Rent Paid	-	0.17

## Notes to financial statements for the year ended 31/03/2017

### Note 37:

Promoters and Subsidiary companies have provided personal/corporate guarantee & collaterals for securing the term loans and working capital loan facilities availed by the company restricted up to the realizable value of assets provided as security.

### Note 38 : C.I.F. Value of Imports

		(Rs. In Crores)	
		For the year ended March 31, 2017	For the year ended March 31, 2016
a)	Stores & Spares	3.03	5.39
b)	Capital Goods	0.30	6.69
c)	Raw Materials & Others	156.90	39.92

### Note 39 : Expenditure in Foreign Currency

		(Rs. In Crores)	
		For the year ended March 31, 2017	For the year ended March 31, 2016
a)	Foreign Traveling	0.52	0.73
b)	Commission on Export Sales	0.48	0.24
c)	Others	3.94	1.35

### Note 40 : Earning in Foreign Exchange

		(Rs. In Crores)	
		For the year ended March 31, 2017	For the year ended March 31, 2016
	FOB value of Exports	529.67	600.63

### Note 41 : Imported & Indigenous Consumption

		(Rs. In Crores)			
		For the year ended March 31, 2017		For the year ended March 31, 2016	
		Value	%	Value	%
a)	Raw Materials:				
	Imported	153.81	5.60%	48.34	1.67%
	Indigenous	2595.15	94.40%	2846.42	98.33%
b)	Stores and Spares:				
	Imported	10.61	9.68%	11.67	11.25%
	Indigenous	98.95	90.32%	92.03	88.75%



## Notes to financial statements for the year ended 31/03/2017

### Note 42 : Contingent Liabilities Not Provided For

(Rs. In Crores)

	Particulars	As at March 31, 2017	As at March 31, 2016
a)	Bills Discounted with Banks under Letter of credits or otherwise.	15.87	85.39
b)	Bank Guarantee	4.61	3.45
c)	Employees State Insurance Contribution	2.70	2.93
d)	Employees Provident Fund	6.27	6.54
e)	Demand outstanding related to Income tax	62.49	68.40

### Note: 43 : Earning Per Share

(Rs. In Crores)

		As at March 31, 2017	As at March 31, 2016
	<b>Particulars</b>		
a)	No of Shares at the beginning of the year	134600000	134600000
b)	No of Shares at the end of the year	185994193	134600000
c)	Weighted average number of Equity Shares outstanding	174238136	134600000
	<b>EPS</b>		
a)	Net Profit/ (Loss) available for Equity Shareholders (Rs in	(151.23)	23.42
b)	Basic Earning Per Share (in Rs.)	(8.68)	1.74
c)	Diluted Earning Per Share (in Rs.)	(8.68)	1.74

### Note: 44 Note on CSR

Pursuant to section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 including further amendments thereto, a company has to spend, in every financial year, at least 2% of the average net profits of the company made during the last three years immediately preceding financial year, as per the objects mentioned in the Rules.

The company has no average net profits during the immediately preceding last three financial years, the provisions of section 135 of the Companies Act, 2013 are not applicable.

### Note: 45 Disclosure on Specified Bank Note (SBNs)

During the year the company had specified bank notes or other denomination as defined in MCA notification G.S.R. 308(E) dated March, 31, 2017 on the details of specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016 is given below:

(In Rs)

Particulars	SBNs	Other denomination notes	Total
Closing cash on held as on November 8, 2016	12,69,96,000	2,30,74,579	15,00,70,579
(+) Permitted receipts	-	1,64,02,327	1,64,02,327
(-) Permitted payments	-	3,55,61,646	3,55,61,646
(-) Cash deposited in bank	<u>12,69,96,000</u>	<u>12,922</u>	<u>12,70,08,922</u>
Closing cash in hand as on Dec 30, 2016	-	<u>39,02,338</u>	<u>39,02,338</u>

## Notes to financial statements for the year ended 31/03/2017

### Note: 46

- The company adopted Indian Accounting Standards ("Ind AS") from 1 April 2016 and accordingly these results has been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34, Interim Financial Reporting prescribed under section 133 of the companies act 2013 read with the relevant rules issued there under and other accounting pronouncements generally accepted in India. Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS 34.

#### Reconciliation of equity as on 01.04.2015 & 31.03.2016 as previously reported under Previous GAAP to Ind AS

(Rs in Crores)

Particulars	As on 31.03.2016	As on 01.04.2015
Equity reported under Indian GAAP	2716.04	2667.19
Adjustments		
Impact on account of measuring deferred tax as per Ind AS	(118.33)	(97.46)
Impact on account of expected credit loss on advances given to subsidiary	(459.19)	(459.19)
Impact on account of expected Loss on trade receivable and others (net)	(179.20)	(179.20)
Impact on account of depreciation on Spares and Spares transferred to Plant and Machinery from inventory	(4.56)	-
Equity reported under Indian Ind AS	1954.76	1931.34

#### Reconciliation of Profit for the year ended 31.3.2016 as per Indian GAAP and as per Ind AS :

(Rs in Crores)

Particulars	As on 31.03.2016
Net Profit reported under Indian GAAP	48.85
<b>Adjustments:</b>	
Impact on account of measuring deferred tax as per Ind AS	(20.87)
Impact on account of depreciation on Spares and Spares transferred to Plant and Machinery	(4.56)
Net Profit reported under Ind AS	23.42

**Note: 47** Previous year figures have been re-grouped/reclassified wherever/necessary to make them comparable with current year.

As per our report of even date

For **V.K.Beswal & Associates**  
Chartered Accountants  
**C.A.V.K. Beswal**  
Partner  
Membership Number- 30426  
Firm Reg No.:101083W  
Place : Mumbai  
Date : 30th May, 2017

**Aman Agrawal**  
Vice-Chairman  
**A.R. Mundra**  
Executive Director-Finance

For and on behalf of Board of Directors  
**Prashant Agrawal**  
Managing Director  
**Prachi Deshpande**  
Director-Secretarial &  
Corporate Affairs,  
Company Secretary

## Independent Auditor's Report on the Consolidated Ind AS Financial Statements

To,

**The Members Bombay Rayon Fashions Limited**

### Report on the Consolidated Ind AS Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of **Bombay Rayon Fashions Limited** (herein referred to as "the Holding Company"), and its subsidiaries (the holding company and its subsidiaries together referred to as "the Group") comprising of the Balance Sheet as at 31 March 2017, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement and the consolidated statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (**herein after referred to as "consolidated Ind AS financial statements"**)

### Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Management is responsible for the preparation of these financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind As) specified under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Group; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the directors of the holding company, as aforesaid.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the holding Company's preparation of the consolidated Ind AS 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Management, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

## Bombay Rayon Fashions Limited

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 including the Ind AS, of the consolidated state of affairs of the group as at 31 March 2017, and its consolidated financial performance including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### Other Matters

- (a) Ind AS Financial statements of Two subsidiaries which reflect total assets of **Rs.247.39** crores as at March 31, 2017, total revenues of **Rs.53.07** crores and net cash inflows amounting to **Rs.0.39** crores for the year then ended, have been audited by us.
- (b) We have not audited the Ind AS financial statements/ Ind AS financial information of 1 subsidiary, whose Ind AS financial statement/ Ind AS financial information reflect the total assets of **Rs.2.62 crores** as at 31<sup>st</sup> March, 2017, no revenue and net cash outflows amounting to **Rs 0.30 Lacs** for the year on that date, as considered in the consolidated Ind AS financial statements. These Ind AS financial statements/ Ind AS financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relate to the amounts and disclosures included in respect of these subsidiaries and our reports in terms of sub section (3) & (11) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited Ind AS financial statements/Ind AS financial information. In our opinion and according to information and explanations given to us by the management, these Ind AS financial statements /Ind AS financial information are not material to the Group.
- (c) In case of four subsidiaries the financial statements as at 31<sup>st</sup> March, 2017 are not available (Refer Note-45).

Our opinion on the consolidated Ind AS financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the Ind AS financial statements/ Ind AS financial information certified by the management.

### Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS Financial Statements;
  - In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books and report of the other auditors.
  - The Consolidated Balance sheet, the Consolidated statement of profit and loss, the consolidated statement of cash flow and the consolidated statement of changes in equity dealt with by this report are in agreement with the books of account.
  - In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards (Ind As) specified under Section 133 of the Act, read with relevant rule issued thereunder.
  - On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2017 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;

- f. We have also audited the internal financial controls over financial reporting (IFCoFR) of the Group as of 31 March 2017 in conjunction with our audit of the consolidated Ind AS financial statements of the Group for the year ended on that date and our report dated 30<sup>th</sup> May 2017 as per Annexure I expressed.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated position of the Group- Refer note 33 to the Consolidated financial statements;
  - ii. The group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. The Company has not transferred the requisite amount which was required to be transferred to the Investor Education and Protection Fund by the company. The details of which is as under:-

Sr. No.	Financial Year	Amount (Rs.)
1.	2008-09	2,00,658/-

- iv. The consolidated Ind AS financial statements disclose as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with of books of accounts maintained by the holding company and its subsidiaries. Refer Note 44 to the consolidated Ind AS financial statements.

**For V.K BESWAL & ASSOCIATES**  
Chartered Accountants

**CA V. K. Beswal**  
Partner  
M No-30426  
Firm Registration No:101083W

**Place: Mumbai**  
**Date: 30<sup>th</sup> May 2017**

## Annexure I

### Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated Ind AS financial statements of **Bombay Rayon Fashions Limited** ("the Holding Company") and its Subsidiary companies (the holding company and its subsidiaries together referred to as "the Group"), as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the holding company and its subsidiaries incorporated in India as of that date.

#### Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are the companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the criteria being specified by management. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Group's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's IFCoFR.

#### Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles including the Ind AS. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles including Ind AS, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised

acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Holding Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the criteria being specified by management.

**For V.K BESWAL & ASSOCIATES**

Chartered Accountants

**CA V. K. Beswal**

(Partner)

Place: Mumbai

Date: 30<sup>th</sup> May 2017

Membership Number-30426

Firm Registration No:101083W

# Consolidated Balance Sheet as at 31<sup>st</sup> March 2017

(Rs. In Crores)

	PARTICULARS	Note	31st March, 2017	31st March, 2016	1st April, 2015
	<b>ASSETS</b>				
	<b>Non-current assets</b>				
a)	Property, Plant & Equipment	2	3,305.13	3,458.01	3,633.63
b)	Capital work-in-progress		11.59	4.51	14.61
c)	Other Intangible Assets	2	146.99	148.24	152.28
d)	Financial Assets				
	(i) Investments	3	23.10	23.05	37.93
	(ii) Loans	4	205.54	208.85	149.49
	(iii) Other Financial Assets	5	2.10	2.27	-
e)	Other Non-current Assets	6	37.38	63.69	176.60
			3,731.83	3,908.62	4,164.54
	<b>Current assets</b>				
a)	Inventories	7	3,651.24	3,126.13	2,760.26
b)	Financial Assets				
	(i) Investments	8	-	0.11	0.11
	(ii) Trade receivables	9	1,419.61	1,295.52	963.24
	(iii) Cash and cash equivalents	10	75.62	103.88	88.93
	(iv) Loans	11	0.26	-	10.19
c)	Current Tax Assets	12	200.33	199.92	181.00
d)	Other current assets	13	273.41	268.03	232.23
			5,620.47	4,993.59	4,235.96
	<b>TOTAL ASSETS</b>		<b>9,352.30</b>	<b>8,902.21</b>	<b>8,400.51</b>
	<b>EQUITY AND LIABILITIES</b>				
	<b>Equity</b>				
a)	Share Capital	14	185.99	134.60	134.60
b)	Other Equity	15	2,531.12	1,893.54	1,818.93
			2,717.11	2,028.14	1,953.53
	<b>LIABILITIES</b>				
1)	<b>Non-current liabilities</b>				
	<b>Minority Interest</b>		1.49	1.49	1.76
a)	Financial Liabilities				
	(i) Borrowings	16	1,665.34	2,642.59	2,741.73
b)	Provisions	17	14.59	11.80	9.18
c)	Deferred Tax Liability	18	139.15	195.86	156.86
			1,820.57	2,851.74	2,909.53
2)	<b>Current liabilities</b>				
a)	Financial Liabilities				
	(i) Borrowings	19	3,635.93	2,718.67	2,509.55
	(ii) Trade payables	20	590.16	859.87	690.46
	(iii) Other Financial Liabilities	21	481.05	345.95	272.43
b)	Other Current Liabilities	22	86.81	72.84	35.49
c)	Provisions	23	6.62	10.20	26.26
d)	Current Tax Liabilities	24	14.06	14.80	3.26
			4,814.62	4,022.33	3,537.45
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,352.30</b>	<b>8,902.21</b>	<b>8,400.51</b>
	Notes are integral part of the balance sheet & profit & loss account	1			

As per our report of even date

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

Chartered Accountants

**C.A.V.K. Beswal**

Partner

Membership Number- 30426

Firm Reg No.:101083W

Place : Mumbai

Date : 30th May, 2017

**Aman Agrawal**

Vice-Chairman

**A.R. Mundra**

Executive Director-Finance

For and on behalf of Board of Directors

**Prashant Agrawal**

Managing Director

**Prachi Deshpande**

Director-Secretarial &amp;

Corporate Affairs,

Company Secretary



## Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2017

(Rs. In Crores)

	PARTICULARS	Note	31st March, 2017	31st March, 2016
<b>INCOME :</b>				
	Revenue from Operations	25	3,894.86	4,209.58
	Other income	26	22.23	103.45
	<b>Total Revenue</b>		<b>3,917.09</b>	<b>4,313.03</b>
<b>EXPENDITURE :</b>				
	Cost of Material Consumed	27	2754.47	2,911.06
	Changes in inventories of finished goods, work-in-progress and	28	(278.81)	(255.67)
	Employee benefits expenses	29	273.71	278.77
	Finance costs	30	672.55	597.32
	Depreciation and amortization expenses	31	166.55	180.86
	Other expenses	32	545.80	531.69
	<b>Total Expenditures</b>		<b>4,134.27</b>	<b>4,244.03</b>
	<b>Profit before extraordinary items and tax</b>		<b>(217.18)</b>	<b>69.00</b>
	<b>Extraordinary Items :</b>			
	Prior year adjustments		(0.07)	-
	Deferred Tax		(7.57)	-
	<b>Profit before tax</b>		<b>(224.82)</b>	<b>69.00</b>
	<b>Tax expenses :</b>			
	Current Tax		(0.74)	(13.32)
	Deferred tax		64.29	(39.00)
	Short/(Excess) Provision of Tax		(2.76)	-
	Mat Credit Entitlement		1.75	11.74
	<b>Profit (Loss) after tax before Minority Interest</b>		<b>(162.28)</b>	<b>28.42</b>
	Minority Interest		-	(0.15)
	<b>Profit (Loss) for the year</b>		<b>(162.28)</b>	<b>28.57</b>
	Other Comprehensive Income		-	-
	Total Other Comprehensive Income		-	-
	<b>Total Comprehensive Income for the year</b>		<b>(162.28)</b>	<b>28.57</b>
	Earnings per equity share of Rs. 10 each			
	Basic & Diluted (in Rs.)			
	Weighted average equity shares used in computing earning per equity shares		(9.32)	2.12
	Basic and Diluted		174238136	134600000
	Notes are integral part of the balance sheet & profit & loss account			

As per our report of even date

For **V.K.Beswal & Associates**  
Chartered Accountants  
**C.A.V.K. Beswal**  
Partner  
Membership Number- 30426  
Firm Reg No.:101083W  
Place : Mumbai  
Date : 30th May, 2017

**Aman Agrawal**  
Vice-Chairman  
**A.R. Mundra**  
Executive Director-Finance

For and on behalf of Board of Directors

**Prashant Agrawal**  
Managing Director  
**Prachi Deshpande**  
Director-Secretarial &  
Corporate Affairs,  
Company Secretary

# Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March 2017

(Rs. In Crores)

	PARTICULARS	31st March, 2017	31st March, 2016
<b>A.</b>	<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
	Net Profit / (Loss) before Tax and after Extraordinary items	-224.82	69.00
	Adjustment For :		
	Depreciation	166.55	180.86
	Minority Interest	-	0.15
	Extraordinary Items	7.64	-
	Interest & Finance Charges	672.55	597.32
	Interest & Dividend received	-8.46	-11.40
	Profit (-) / Loss (+) on sale of Investments	-0.02	-42.12
	Profit (-) / Loss (+) on sale of Assets	-4.73	-16.71
	<b><u>Operative Profit before Working Capital Changes</u></b>	<b>608.71</b>	<b>777.11</b>
	Adjustment For :		
	Trade and Other Receivables	-99.94	-306.60
	Inventories	-525.11	-365.87
	Trade & Other payable	-258.87	188.83
	<b>Cash Generation from Operations</b>	<b>-275.21</b>	<b>293.47</b>
	Prior Period Item	-0.07	49.43
	Direct Taxes	-2.91	-8.97
	<b>Net Cash Flow from operating activities</b>	<b>-278.19</b>	<b>333.93</b>
<b>B.</b>	<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
	Purchase of Fixed Assets(Net)	-14.77	25.60
	Sale of Investment (Net)	0.08	57.00
	Increase in Foreign Exchange Fluctation Reserve	0.17	-3.39
	Interest & Dividend Received	8.46	11.40
	<b>Net Cash used in investing activities</b>	<b>-6.07</b>	<b>90.61</b>
<b>C.</b>	<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
	Increase/ Decrease in Borrowings	832.97	127.68
	Interest on Term Loans & Others	-576.98	-537.01
	Decrease in Minority Interest	-	-0.27
	<b>Net Cash used in financing activities</b>	<b>255.99</b>	<b>-409.60</b>
<b>D.</b>	Net Change In Cash And Cash Equivalents (A+B+C)	-28.26	14.95
	Cash and Cash Equivalents (Opening)	103.88	88.93
	Cash and Cash Equivalents (Closing)	75.62	103.88
Notes :	1. Figures in brackets represent cash outflows.		
	2. Previous year figures have been regrouped wherever necessary.		

As per our report of even date

For **V.K.Beswal & Associates**  
Chartered Accountants  
**C.A.V.K. Beswal**  
Partner  
Membership Number- 30426  
Firm Reg No.:101083W  
Place : Mumbai  
Date : 30th May, 2017

**Aman Agrawal**  
Vice-Chairman  
**A.R. Mundra**  
Executive Director-Finance

For and on behalf of Board of Directors

**Prashant Agrawal**  
Managing Director  
**Prachi Deshpande**  
Director-Secretarial &  
Corporate Affairs,  
Company Secretary

## Notes to Consolidated Financial Statements for the year ended 31/03/2017

### Statement of Changes in Equity –

#### A. Equity share capital

	Numbers	INR in Crores
Balance as at 1 April 2015	134,600,000	135
Changes in equity share capital during 2015-16	-	-
Balance as at 31 March 2016	134,600,000	135
Balance as at 1 April 2016	134,600,000	135
Changes in equity share capital during 2016-17	51,394,193	51
Balance as at 31 March 2017	185,994,193	186

#### B. Other equity

(Rs. In Crores)

	Reserves and surplus					Foreign Exchange Fluctuation Reserve*	Money recd against Share Warrants	Total other Equity
	Securities premium	Retained earnings	Capital Reserve	Capital Reserve of Consolidation	General Reserve			
Balance as at 1 April 2015	1,955.55	-179.11	0.40	27.87	37.00	-72.09	49.31	1,818.93
Employee share-based compensation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-3.39	-	-3.39
Profit for the year	-	28.57	-	-	-	-	-	28.57
Prior Period Items	-	49.43	-	-	-	-	-	49.43
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	78.00	-	-	-	-3.39	-	74.61
Balance as at 31 March 2016	1,955.55	-101.11	0.40	27.87	37.00	-75.48	49.31	1,968.15
Balance as at 1 April 2016	1,955.55	-101.11	0.40	27.87	37.00	-75.48	49.31	1,893.54
Dividends	799.69	-	-	-	-	-	-	799.69
Transfer during the year	-	-	-	-	-	0.17	-	0.17
Issue of share capital	-	-	-	-	-	-	-	-
Profit for the year	-	-162.28	-	-	-	-	-	-162.28
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-162.28	-	-	-	-	-	-162.28
Balance as at 31 March 2017	2,755.24	-263.38	0.40	27.87	37.00	-75.31	49.31	2,531.13
* Refer note no.46								

As per our report of even date

For **V.K.Beswal & Associates**  
*Chartered Accountants*  
**C.A.V.K. Beswal**  
 Partner  
 Membership Number- 30426  
 Firm Reg No.:101083W  
 Place : Mumbai  
 Date : 30th May, 2017

For and on behalf of Board of Directors

**Aman Agrawal**  
 Vice-Chairman  
**A.R. Mundra**  
 Executive Director-Finance

**Prashant Agrawal**  
 Managing Director  
**Prachi Deshpande**  
 Director-Secretarial &  
 Corporate Affairs,  
 Company Secretary

## Notes to Consolidated Financial Statements for the year ended 31/03/2017

### Note - 1

#### **SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31.03.2017**

##### **(A) PRINCIPLES OF CONSOLIDATION**

The Consolidated Ind AS financial statements relate to Bombay Rayon Fashions Ltd. ("the company") and its Subsidiaries.

##### **Basis of preparation of financial statements**

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in Note 47

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### **Basis of consolidation**

Bombay Rayon Fashions Limited consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

##### **Use of estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and

## Notes to Consolidated Financial Statements for the year ended 31/03/2017

subjective judgements and the use of assumptions in these financial statements. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

### (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, and net of sales returns.
- c) Revenue from Job work is recognized when services are rendered.
- d) Interest income is recognized on accrual basis.
- e) Rental income is recognized on accrual basis.

#### b. Property, plant and equipment:

Fixed assets are stated at cost of acquisition less accumulated depreciation if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready to use, as intended by management. The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Lease hold Land	99 years
Site Development	99 years
Building-Residential (RCC)	60 years
Building-Residential (Non-RCC)	30 years
Factory Building	30 years
Office Premises	60 years
Plant & machinery	25 years
Vehicles	8 years
Computer	03 years
Furniture	10 years
Office Equipment	05 years

Depreciation methods, useful lives and residual value are reviewed periodically, including at each financial year end.

## Notes to Consolidated Financial Statements for the year ended 31/03/2017

“Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use the assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013”.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under ‘Capital work – in - progress’ .Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably .Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred .The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

**c. Intangible assets:**

Intangible assets are stated at cost less accumulated amortization and impairment .Intangible assets are amortized over the irrespective individual estimated useful lives on a straight – line basis ,from the date that they are available for use .The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence ,demand ,competition ,and other economic factors (such as the stability of the industry ,and known technological advances ), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

**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.

**f. Investments:**

**A Financial instruments**

**i Financial assets**

**1. Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognized using trade date accounting.

**2. Subsequent measurement**

**a. Financial assets carried at amortised costs: (AC)**

## Notes to Consolidated Financial Statements for the year ended 31/03/2017

Financial assets are subsequently measured at amortised costs if it is held within a business model and whose objective is to hold the asset in order to collect the contractual cash flows and contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal interest on the principal amount outstanding.

**b. Financial assets at fair value through other comprehensive income: (FVTOCI)**

A financial assets is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal interest on the principal amount outstanding.

**c. Financial assets at fair value through profit and loss (FVTPL)**

Financial assets which are not classified in any of the above categories are subsequently fair valued through profit or loss.

**3. Equity instruments**

All equity investments are measured at fair value, with value changes recognised in the statement of profit and loss, except for those equity investments for which the company has elected to present the value changes in 'other comprehensive income'.

**Foreign Currency:**

The functional currency of the company is the Indian Rupee. The financial statements are presented in Indian Rupees (Rounded off to crore, one crore equals ten millions).

**Transactions and translations**

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cashflow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

**g. 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.

## Notes to Consolidated Financial Statements for the year ended 31/03/2017

- 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.

**h. 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.

**i. 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.

**j. 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.

**k. 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.

**l. 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.



## Notes to Consolidated Financial Statements for the year ended 31/03/2017

### Note - 2 : Property, plant and equipment

Details of the property, plant and equipment & Intangible Assets their carrying amounts are as follows:

(Rs. In Crores)

	Free Hold Land	Lease Hold Land	Site Development	Factory Building	Non Factory Building	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computer	TOTAL	Computer Software	Goodwill & Brands /trademarks	others	TOTAL
<b>Gross carrying amount</b>															
Balance as at 1 April 2016	8.71	123.16	2.98	716.46	94.62	3,979.15	53.49	21.96	21.37	17.17	5,039.06	19.60	201.90	1.36	222.86
Additions	-	0.42	-	2.49	0.33	9.40	2.32	0.21	0.72	0.15	16.03	0.41	-	-	0.41
Disposals	-	-	-	2.94	-	5.49	-	3.12	0.14	0.00	11.69	-	-	-	-
Net exchange differences/adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	8.71	123.58	2.98	716.01	94.94	3,983.06	55.81	19.04	21.96	17.31	5,043.40	20.01	201.90	1.36	223.27
<b>Depreciation and impairment</b>															
Balance as at 1 April 2016	-	1.15	0.26	153.27	11.42	1,335.74	31.62	11.77	19.81	16.02	1,581.05	9.90	64.12	0.60	74.62
Disposal	-	-	-	0.86	-	4.09	-	2.59	0.13	0.00	7.66	-	-	-	-
Depreciation	-	0.10	0.03	23.79	1.49	128.18	8.81	1.96	0.23	0.29	164.89	1.66	-	-	1.66
Balance as at 31 March 2017	-	1.25	0.30	176.20	12.91	1,459.83	40.43	11.14	19.91	16.30	1,738.27	11.56	64.12	0.60	76.28
Carrying amount as at 31 March 2017	8.71	122.33	2.69	539.81	82.03	2,523.23	15.37	7.90	2.05	1.01	3,305.13	8.45	137.78	0.76	146.99

	Free Hold Land	Lease Hold Land	Site Development	Factory Building	Non Factory Building	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computer	TOTAL	Computer Software	Goodwill & Brands /trademarks	others	TOTAL
<b>Gross carrying amount</b>															
Balance as at 1 April 2015	8.71	126.62	2.98	716.24	106.28	3,976.06	51.68	17.03	20.86	16.77	5,043.23	9.81	211.53	1.37	222.71
Additions	-	0.38	-	4.31	1.44	10.29	1.91	5.63	0.52	0.40	24.90	0.17	-	-	0.17
Disposals	-	3.84	-	4.10	13.10	7.20	0.10	0.71	0.00	0.01	29.06	0.01	-	-	0.01
Net exchange differences/adjustment	-	-	-	-	-	-	-	-	-	-	-	(9.63)	9.63	0.01	0.01
Balance as at 31 March 2016	8.71	123.16	2.98	716.46	94.62	3,979.15	53.49	21.96	21.37	17.17	5,039.06	19.60	201.90	1.36	222.86
<b>Depreciation and impairment</b>															
Balance as at 1 April 2015	-	1.01	0.23	128.87	10.79	1,202.91	22.96	10.50	16.96	15.38	1,409.60	5.71	64.12	0.60	70.43
Disposal	-	-	-	1.02	0.92	2.59	0.06	0.62	-	0.01	5.22	-	-	-	-
Depreciation	-	0.14	0.03	25.42	1.55	135.41	8.72	1.89	2.85	0.65	176.67	4.19	-	-	4.19
Balance as at 31 March 2016	-	1.15	0.26	153.27	11.42	1,335.74	31.62	11.77	19.81	16.02	1,581.05	9.90	64.12	0.60	74.62
Carrying amount as at 31 March 2016	8.71	122.01	2.72	563.19	83.20	2,643.41	21.87	10.19	1.57	1.15	3,458.01	9.70	137.78	0.76	148.24
Carrying amount as at 31 March 2015	8.71	125.61	2.75	587.38	95.49	2,773.15	28.73	6.53	3.90	1.39	3,633.63	4.10	147.41	0.77	152.28

**Notes to Consolidated Financial Statements** for the year ended 31/03/2017**Note - 3 : Non-current investments**

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
<b>Investment in Equity instruments :</b>			
<b>In Other related parties</b>			
Unquoted : (Fully paid up) 3800000 Shares of Rs. 10/- each of Islampur Integrated Textiles Park Pvt. Limited	3.80	3.80	3.80
Unquoted : (Fully paid up) 3620000 Shares of Rs. 10/- each of Latur Integrated Textiles Park Pvt. Limited	3.62	3.62	3.62
Unquoted : (Fully paid up) 10000 Shares of Rs. 10/- each of Scotts Fashionciti India Limited	0.01	0.01	0.01
Unquoted : (Fully paid up) 2000000 Shares of Rs. 10/- each of Scotts Garments Limited	14.00	14.00	14.00
Unquoted : (Fully paid up) 180 Shares of Rs. 100/- each of Arihant Organics Pvt. Limited	1.62	1.62	4.50
Unquoted : (Fully paid up) 11999300 Shares of Rs. 10/- each of STI Sanoh India Limited	-	-	12.00
<b>In others</b>			
Unquoted : (Fully paid up) 5001 Shares of Rs. 100/- each of Raja Ram Bhapu Sahakari Bank Ltd	0.05		
Unquoted : (Fully paid up) 90100 Shares of Rs. 10/- each of Jankalyan Sahakari Bank Ltd	-	-	0.09
	-	-	-
<b>Total</b>	<b>23.10</b>	23.05	37.93
<b>Aggregate Value of Quoted Investment</b>	-	-	-
<b>Market Value of Quoted Investment</b>	-	-	-
<b>Aggregate Value of Unquoted Investment</b>	<b>23.10</b>	<b>23.05</b>	<b>37.93</b>

## Notes to Consolidated Financial Statements for the year ended 31/03/2017

## Note - 4 : Loans

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
<b>Capital Advances</b>			
Unsecured, considered good	0.05	0.05	-
	0.05	0.05	-
<b>Security Deposits</b>			
Unsecured, considered good			
Others	53.32	52.18	46.79
	53.32	52.18	46.79
<b>Other loans and advances</b>			
Intercompany Deposits	-	-	-
Intercompany Deposits	152.18	156.62	102.71
Doubtful	24.51	24.51	24.51
Less: Provision for Doubtful advances	24.51	(24.51)	(24.51)
	152.18	156.62	102.71
<b>Total</b>	<b>205.54</b>	<b>208.85</b>	<b>149.49</b>

## Note - 5 : Other Financial Assets

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
Bank Deposit having maturity over 12 Months	2.10	2.27	-
<b>Total</b>	<b>2.10</b>	<b>2.27</b>	<b>-</b>
Balance with banks to the extent held as margin money	2.10	2.27	-

## Note - 6 : Other Non-Current Assets

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
Others Advances	37.38	63.69	176.60
<b>Total</b>	<b>37.38</b>	<b>63.69</b>	<b>176.60</b>

## Notes to Consolidated Financial Statements for the year ended 31/03/2017

### Note - 7 : Inventories

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
<b>(As certified by Management)</b>			
Raw Materials (Valued at cost)	1,238.81	987.28	889.42
Work-in-progress (Valued at cost)	1,124.49	989.45	979.66
Finished goods (Valued at lower of cost or net realisable value)	1,119.67	976.22	729.82
Stores and Spares (Valued at cost)	167.64	172.83	160.90
Wastage(Valued at Net Realisable Value)	0.45	0.13	0.30
Packing material (Valued at cost)	0.16	0.19	-
Oil & Lubricant (Valued at cost)	0.03	0.03	-
Goods in Transit	-	-	0.17
[Refer Note no. 46]			
<b>Total</b>	<b>3,651.24</b>	<b>3,126.13</b>	<b>2,760.26</b>

### Note - 8 : Investments

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
<b>In Mutual Fund:</b>			
Quoted : CP5G-Union KBC Protection Oriented Fund-Growth 105070 Units	-	0.11	0.11
	-	<b>0.11</b>	<b>0.11</b>
<b>Market Value of Quoted Investment</b>	-	0.12	0.13

### Note - 9 : Trade Receivables

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
Unsecured, Considered Good	<b>1,419.61</b>	1,295.52	963.24
[Refer Note no. 46]			
<b>Total</b>	<b>1,419.61</b>	<b>1,295.52</b>	<b>963.24</b>

### Note - 10 : Cash and cash equivalents

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
<b>Balances with banks</b>			
Balance with Banks	<b>63.78</b>	98.68	83.41
Cash on hand	<b>1.61</b>	1.41	5.52
Bank Deposit	<b>6.45</b>	-	-
Money in Transit	<b>3.79</b>	3.79	-
<b>Total</b>	<b>75.62</b>	<b>103.88</b>	<b>88.93</b>

## Notes to Consolidated Financial Statements for the year ended 31/03/2017

## Note - 11 : Loans

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
<b>Loans to Other Parties:</b>			
Advances receivable in cash or kind	0.26	-	10.19
<b>Total</b>	<b>0.26</b>	<b>-</b>	<b>10.19</b>

## Note - 12 : Current Tax Assets

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
Mat Credit Entitlement	165.43	166.38	154.65
Income Tax (Net)	34.90	33.54	26.35
<b>Total</b>	<b>200.33</b>	<b>199.92</b>	<b>181.00</b>

## Note - 13 : Other current assets

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
<b>Advances other than Capital Advances</b>			
Balance with Government authorities:			
-Other than Income Tax	159.09	204.08	208.23
Advances other than Capital Advances	45.86	4.93	-
<b>Other Receivables</b>			
Other Current Assets	43.43	33.11	-
Insurance Claim Receivable	-	-	0.85
Others	25.02	25.91	23.15
<b>Total</b>	<b>273.41</b>	<b>268.03</b>	<b>232.23</b>

## Note : 14 Share Capital

(Rs. In Crores)

A	Authorised Share Capital	Equity Share		Preference Shares	
		Number	Amount	Number	Amount
	Beginning of the year at 1 April 2015	150,000,000	150.00	-	-
	Increase/(decrease) during the year	50,000,000	50.00	-	-
	Total shares authorised as at 31 March 2016	200,000,000	200.00	-	-
	Total shares authorised as at 1 April 2016	200,000,000	200.00	-	-
	Increase/(decrease) during the year	-	-	-	-
	<b>Total authorised share capital as at 31 March 2017</b>	<b>200,000,000</b>	<b>200.00</b>	<b>-</b>	<b>-</b>
	<b>Terms/rights attached to equity shares</b>				
	The company has only one class of equity shares having par value of INR 10 per share.				

**Notes to Consolidated Financial Statements** for the year ended 31/03/2017

(Rs. In Crores)

B	Issued, Subscribed & fully Paid Up	Equity Share		Preference Shares	
		Number	Amount	Number	Amount
	Balance as at 1 April 2015	134,600,000	134.60	-	-
	Changes during the period	-	-	-	-
	Balance as at 31 March 2016	134,600,000	134.60	-	-
	Balance as at 1 April 2016	134,600,000	134.60	-	-
	Changes during the period	51,394,193	51.39	-	-
	Shares issued and fully paid as at 31 March 2017	<b>185,994,193</b>	<b>185.99</b>	-	-

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

(Rs. In Crores)

Name of the shareholder	31st March, 2017		31st March, 2016		01st April 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
State Bank of India	23,196,889	12.47%	-	-	-	-
Axis Bank	11,586,959	6.23%	-	-	-	-
Janardan Agarwal	7,576,140	4.07%	7,576,140	5.63%	7576140	5.63%
Reynold Shirting Ltd	13,215,714	7.11%	13,215,714	9.82%	13215714	9.82%
AAA United B.V.	51,000,400	27.42%	51,000,400	37.89%	51000400	37.89%
Ashwell Holding Company Pvt.Ltd.	28,420,000	15.28%	28,420,000	21.11%	28420000	21.11%

**D Disclosure pursuant to Part I of Schedule III to the Companies Act, 2013**

(Rs. In Crores)

Particulars	Aggregate No. of Shares (for last 5 Financial Years)
<b>Equity Shares :</b>	
Fully paid up pursuant to contract(s) without payment being received in cash	-
Fully paid up pursuant to scheme of CDR *	51,394,193
Fully paid up by way of bonus shares	NIL
Shares bought back	NIL
*Refer Note No 36	

## Notes to Consolidated Financial Statements for the year ended 31/03/2017

## Note 15 - Other Equity

(Rs. In Crores)

PARTICULARS	As at 31 March 2017	As at 31 March 2016
<b>Capital Reserve</b>		
Opening Balance	0.40	0.40
(+)/(-) Transfer	-	-
Closing Balance	0.40	0.40
<b>Securities Premium Account</b>		
Opening Balance	1,955.55	1,955.55
(+)/(-) Transfer	799.69	-
Closing Balance	2,755.24	1,955.55
<b>Retained Earnings</b>		
Opening balance	-101.11	-179.11
In Compliance with Ind AS		-
(+) Net Profit / (Net Loss) for the current year	-162.28	28.57
(+) Prior Period Item	-	49.43
Closing Balance	-263.39	-101.11
<b>General Reserves</b>		
Opening Balance	37.00	37.00
(+)/(-) Transfer	-	-
Closing Balance	37.00	37.00
<b>Capital Reserve on consolidation</b>		
Opening Balance	27.87	27.87
(+)/(-) Transfer	-	-
Closing Balance	27.87	27.87
<b>Foreign Exchange Fluctuation Reserve</b>		
Opening Balance	-75.48	-72.09
(+)/(-) Transfer	0.17	-3.39
Closing Balance	-75.31	-75.48
<b>Money Recd against Share Warrants</b>		
Opening Balance	49.31	49.31
(+)/(-) Transfer	-	-
Closing Balance	49.31	49.31
<b>Total</b>	<b>2,531.12</b>	<b>1,893.54</b>

'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 Rs. 4931.25 lacs. The said application was rejected by SEBI vide its Order dated August 10, 2012 and the appeal made against the said order was dismissed by Securities appellate Tribunal (SAT) vide their order dated June 28, 2013. Further to that, an appeal filed before Supreme Court by the Company and the Promoters is pending, keeping the status quo with no further communication from SEBI in this regard.

## Notes to Consolidated Financial Statements for the year ended 31/03/2017

### Note - 16 : Borrowings

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
<b>Secured Loans</b>			
<b>a) Term Loans from Banks</b>	1,507.23	2,448.83	2,644.47
<i>Term Loans from Banks are secured by First pari-passu charge on entire Fixed Assets of the company alongwith collateral of first pari-passu charge on entire current assets of the Company and further secured by personal gurantee of promoters, corporate gurantees/collaterals provided by the subsidiary company and other companies of promoters, pledge of promoter shares and hypothecation of 'Bombay Rayon' Brand.</i>			
<i>Refer Note 36(7)</i>			
<b>b) Vehicle Loans</b>			
From Banks	2.63	1.56	0.05
From Others	0.80	0.53	0.55
<i>The vehicle loans from the banks and others are secured by</i>			
<b>Unsecured Loans</b>			
<b>a) From Related Parties :</b>			
ii) From Promoters	96.66	96.66	96.66
	-		-
<b>b) From Others</b>	58.02	95.01	-
<b>Total</b>	<b>1,665.34</b>	<b>2,642.59</b>	<b>2,741.73</b>

### Note - 17 : Provisions

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
For Employee Benefits:			
Gratuity	13.76	11.80	9.18
Leave Encashment	0.83	-	-
<b>Total</b>	<b>14.59</b>	<b>11.80</b>	<b>9.18</b>



## Notes to Consolidated Financial Statements for the year ended 31/03/2017

## Note - 18 : Deferred tax Liability (Net)

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
<b>Deferred tax liability</b>			
Net Block as per Companies Act	3,116.09	3,206.81	3,434.49
Net Block as per Income Tax Act	1,525.94	1,726.35	2,044.74
Difference	1,590.15	1,480.46	1,389.75
Deferred tax liability (A)	<b>491.92</b>	<b>457.46</b>	<b>429.43</b>
<b>Deferred tax assets</b>			
Expenditure to be disallowed u/s 43B -			
Employee Benefits	17.77	15.70	22.76
Interest Not paid	18.77	187.12	220.05
Carry forward Depreciation	884.19	643.78	639.29
Carry forward Loss	220.93	-	-
	1,141.66	846.60	882.10
Deferred tax assets (B)	<b>352.77</b>	<b>261.60</b>	<b>272.57</b>
Net Deferred Tax Liability on timing difference	139.15	195.86	156.86
<b>Reversal of Deferred Tax Liability</b>			
Net Deferred Tax Liability on timing difference	139.15	195.86	
Less : Net Deferred Tax (Liability) (Opening)	203.44	156.86	
Net Deferred Tax (Assets) to be recognized in Profit & Loss	-64.29	39.00	
[ Refer Note No.: 46]			

**Notes to Consolidated Financial Statements** for the year ended 31/03/2017**Note - 19 : Borrowings**

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
<b>From Banks</b>			
<b>Secured Loans</b>			
<b>Working Capital Loans from Banks</b>	3,635.93	2,718.67	2,463.06
<i>Working capital Loans from banks are secured by First pari-passu charge on entire current Assets of the Company alongwith collateral of First pari-passu charge on entire Fixed Assets of the Company and further secured by personal guarantee of promoters, corporate guarantees/collaterals provided by the subsidiary company and other companies of promoters, pledge of promoter shares and hypothecation of BRFL Brand.</i>			
<b>Form Other Parties</b>			
Unsecured, considered good	-	-	46.49
<b>Total</b>	<b>3,635.93</b>	<b>2,718.67</b>	<b>2,509.55</b>

**Note - 20 : Trade payables**

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
<b>Unsecured :</b>			
Trade payables	590.16	859.87	690.46
<b>Total</b>	<b>590.16</b>	<b>859.87</b>	<b>690.46</b>

**Note - 21 : Other Financial Liabilities**

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
Outstanding expenses	48.55	50.89	55.38
Current maturities of Long Term Debts	276.59	234.70	217.01
Unclaimed Dividend	0.04	0.04	0.04
Interest Accrued (refer note 36(7))	155.88	60.31	-
	<b>481.05</b>	<b>345.95</b>	<b>272.43</b>

## Notes to Consolidated Financial Statements for the year ended 31/03/2017

## Note - 22 : Other Current Liabilities

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
Customer deposits & Advances	0.04	0.10	0.13
Accrued salaries and benefits	2.91	1.97	2.53
Short term provision for employees benefits	3.22	3.39	-
Statutory dues	80.64	67.37	32.83
<b>Total</b>	<b>86.81</b>	<b>72.84</b>	<b>35.49</b>

## Note - 23 : Provisions

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
<b>Provision for employee benefits :</b>			
Gratuity	0.47	-	-
Leave Encashment	0.14	-	-
Bonus	6.01	10.20	26.26
<b>Total</b>	<b>6.62</b>	<b>10.20</b>	<b>26.26</b>

## Note - 24 : Current Tax Liabilities

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
Income Tax (Net)	14.06	14.80	3.26
<b>Total</b>	<b>14.06</b>	<b>14.80</b>	<b>3.26</b>

## Note - 25 : Revenue from operations

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016
<b>Revenue from operations</b>		
<b>Sale of product :</b>		
Traded goods	8.87	-
Other goods	3,825.33	4,152.94
<b>Sale of service :</b>		
Jobwork receipt	55.14	45.28
Rental Income	5.52	5.52
Service Charges	-	5.84
<b>Total</b>	<b>3,894.86</b>	<b>4,209.58</b>

**Notes to Consolidated Financial Statements** for the year ended 31/03/2017**Note - 26 : Other income**

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016
Interest Income	8.45	8.40
Dividend Income	0.00	3.00
Profit on sale of Investments	0.02	45.00
Profit on sale of assets	5.11	19.68
Exchange fluctuation gain	2.75	14.40
Insurance Claim Received	0.00	0.02
Miscellaneous income	5.89	12.95
<b>Total</b>	<b>22.23</b>	<b>103.45</b>

**Note - 27 : Cost of Materials consumed**

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016
Inventory at the beginning of the year	987.28	889.42
Add : Purchase	3,006.00	3,008.92
	3,993.28	3,898.34
Less : Inventory at the end of the year	1,238.81	987.28
	<b>2,754.47</b>	<b>2,911.06</b>

**Note - 28 : Increase (-) / decrease (+) in inventories**

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016
<b>Inventory at the end of the year</b>		
Finished Goods	1,119.67	976.22
Work-in-progress	1,124.49	989.45
Wastage	0.45	0.13
	<b>2,244.61</b>	<b>1,965.80</b>
<b>Inventory at the beginning of the year</b>		
Finished Goods	976.22	730.17
Work-in-progress	989.45	979.66
Wastage	0.13	0.30
	<b>1,965.80</b>	<b>1,710.13</b>
<b>Increase (-) / decrease (+) in inventories</b>	<b>-278.81</b>	<b>-255.67</b>

## Notes to Consolidated Financial Statements for the year ended 31/03/2017

### Note - 29 : Employee benefit expenses

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016
Salaries & wages	240.06	239.93
Contributions to provident and other fund	19.51	19.35
Gratuity & Bonus	1.27	1.41
Staff welfare expenses	12.87	18.08
<b>Total</b>	<b>273.71</b>	<b>278.77</b>

### Note - 30 : Finance costs

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016
Interest expense	665.04	587.69
Bank Charges	7.50	9.63
<b>Total</b>	<b>672.55</b>	<b>597.32</b>

### Note - 31 : Depreciation & Amortization Expenses

(Rs. In Crores)

PARTICULARS	31st March, 2017	31st March, 2016
Depreciation on Tangible Assets	164.89	176.67
Depreciation on Intangible Assets	1.66	4.19
<b>Total</b>	<b>166.55</b>	<b>180.86</b>

**Notes to Consolidated Financial Statements** for the year ended 31/03/2017**Note - 32 : Other expenses****(Rs. In Crores)**

<b>PARTICULARS</b>	<b>31st March, 2017</b>	<b>31st March, 2016</b>
Stores & spares consumption	168.12	106.28
Packing material and expenses	15.35	19.56
Power and fuel	80.75	132.05
Fiber Processing & Handling Expenses	0.60	0.93
Water charges	14.82	14.60
Staff Recruitment	0.45	0.03
Freight & Forwarding	-	0.17
<b>Job Charges for</b>		
Yarn	31.94	22.38
Process	2.29	1.34
Weaving	23.92	22.63
Design & development & Others	58.93	50.04
Rent	13.30	25.85
Rates and taxes	6.75	5.23
Insurance	3.26	2.88
Keyman Insurance	0.77	0.72
<b>Repair and maintenance</b>		
Plant and machinery	5.99	5.97
Building	1.71	2.73
Vehicles	0.42	0.50
Others	2.97	2.40
Advertising and business promotion	5.17	2.63
Books & Periodicals	0.20	0.34
Commission on sale	4.74	1.61
Traveling and conveyance	11.50	11.57
Transportation	37.06	34.06
Communication Expenses	3.89	4.02
Printing and stationary	2.13	2.34
Legal and professional fees	13.07	10.25
Director's Remuneration	5.82	5.38
Computer Expenses	-	
Director's sitting fees	0.09	0.10
Auditor's remuneration	1.17	1.25
Contract Labour	-	0.47
Environmental Control Expenses	0.55	0.40
Security Service Charges	5.66	5.22
Freight & Forwarding	0.01	-
Loss on sale of fixed assets	0.38	2.97
Loss on sale of Investment	-	2.88
Bad Debts	0.33	0.13
Miscellaneous expenses	21.68	29.78
<b>Total</b>	<b>545.80</b>	<b>531.69</b>
<b>Payments to auditor</b>		
For Audit Fee	0.62	0.65
For Tax Audit Fee	0.52	0.52
For Certification & Others	0.03	0.08
<b>Total</b>	<b>1.17</b>	<b>1.25</b>

## Notes to Consolidated Financial Statements for the year ended 31/03/2017

### Note 33: CONTINGENT LIABILITIES NOT PROVIDED FOR

(Rs. In Crores)

	Particulars	As at 31.03.2017	As at 31.03.2016
(i)	Bills Discounted with Banks under Letter of credits or otherwise.	15.87	85.39
(ii)	Bank Guarantee	4.61	3.5
(iii)	Claims against the company towards energy charges on Captive Generation.	4.90	4.90
(iv)	Estimated Interest amount payable on confirmed demand for sales and entry tax	-	0.94
(v)	Liability towards M/s Maharashtra State Cotton Grower Mktg. Federation on account of pending dispute under court of law.	0.74	0.74
(vi)	Disputed Sales Tax/ Entry Tax Demands	0.63	0.63
(vii)	Demand towards Show Cause Notice Issued by Additional commissioner of Central excise in the matter of wrong availment of cenvat on packing material used in packing of cotton waste, amount inclusive of penalty.	0.11	0.11
(viii)	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
(ix)	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
(x)	Claim of Gujarat State Co-operative Cotton Federation Limited (GUJCOT) for cotton supplies, interest, carrying charges etc. disputed and not acknowledged by the Company.(Refer Note: 34)	42.25	42.25
(xi)	Employees Provident Fund	6.27	6.54
(xii)	Employees State Insurance Contribution	2.70	2.93
(xiii)	Disputed demand outstanding related to Income Tax (The appeals/rectification are pending with income tax authorities)	62.49	52.47

### Note – 34:

In STI India Limited - With repeal of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) w.e.f 1<sup>st</sup> December, 2016 reference made of the Company as Sick Company to the Board for Industrial and Financial Reconstruction (BIFR) and the proceedings pending before BIFR stands abated with a provision of liberty to make the reference to the National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code, 2016 within one hundred eight (180) days of such repeal;

### Note 35 – Capital commitments

(Rs. In Crores)

Particulars	As on 31.03.2017	As on 31.03.2016
Estimated amount of Capital Contracts remaining to be executed (net of advances)	NIL	0.53

**Notes to Consolidated Financial Statements** for the year ended 31/03/2017**Note 36 - Corporate debt restructuring (CDR**

1	During the F.Y.2013-14, the Company's proposal for restructuring of its debts was approved by Corporate Debt Restructuring Cell ("CDR Cell") vide Letter of Approval (LOA) dated September 27, 2013. The cut off date (COD) for implementation of CDR was 1st April, 2013. The Company has executed Master Restructuring Agreement ('MRA') with CDR Lenders on September 30, 2013.
2	Lenders with the approval of CDR EG shall have the right to recompense the reliefs/ sacrifices/ waivers extended by respective CDR Lenders as per the CDR guidelines. The recompense payable is contingent on various factors including improved performance of the Company and many other conditions, the outcome of which is currently materially uncertain. Recompense amount comes to Rs.526.98 crores.
3	During the year, CDR lenders have approved to convert the outstanding loans of Rs. 934.26 crores Funded Interest Term Loan (FITL) and Working Capital Term Loan (WCTL) into equity. Till 31 <sup>st</sup> March, 2017 total amount of Rs. 852.53 Crores of FITL & WCTL was converted by the Lenders and accordingly 51394193 equity shares were allotted to them at a price of Rs. 165.88 per shares.
4.	Pursuant to the successful conversion of the outstanding loan of FITL & WCTL into equity shares as per the details given above, the company became compliant to the requirement of minimum public share holding of 25% in the listed companies as per the SEBI guidelines. The company has received an order from SEBI u/s 11(1), 11(2)(1), 11(4) & 11B of the SEBI Act, 1992 dated 09 <sup>th</sup> March, 2017 to this effect.
5.	After close of Financial Year on 5 <sup>th</sup> May, 2017 and further on 24 <sup>th</sup> May, 2017, total amount of Rs. 80.07 crores of FITL & WCTL was covered into equity shares by Lenders and accordingly 48,26,982 equity shares were allotted to them at a price of Rs. 165.88 per share.
6	After close of Financial Year, on 24 <sup>th</sup> May, 2017, the Company has entered into a Framework Agreement with the CDR Lenders for their approval under Scheme of Sustainable Structuring of Stressed Assets (S4A) in terms of RBI circular dated 13 <sup>th</sup> June, 2016 according to which unsustainable loans of Rs. 2249. 74 crores were converted into Equity Shares. Accordingly CDR Lenders were allotted 10,73,45,243 equity shares at a price of Rs.146.03 per share and 39,95,092 Optionally Convertible Debentures ("OCDs") of Rs. 1000/- each.
7.	Total outstanding amount on account of repayment of term loans of Rs. 78.75 Crores and interest on Term loans and working capital loan of Rs. 155.87 Crores due and unpaid as on 31.03.2017 was considered as part of unsustainable debt and accordingly was cleared in full on 24.05.2017 upon the above conversion.



## Notes to Consolidated Financial Statements for the year ended 31/03/2017

**Note – 37: As per Accounting Standard 15 “Employee benefits as defined in the Accounting Standard are given below**

### Defined Gratuity Plan:

#### Gratuity

	Particulars	As on 31.03.2017	As on 31.03.2016
<b>1</b>	<b>Assumption</b>		
	Discount Rate	7.66%	7.96%
	Salary Escalation	5.00%	5.00%
<b>2</b>	<b>Present value of Obligation</b>		
	Present value of obligations as at beginning of year	13.15	10.80
	Interest cost	1.05	0.86
	Current Service Cost	3.73	3.41
	Liability Transferred In	-	-
	Past service cost	-	-
	Benefits Paid	-2.01	-1.83
	Actuarial (gain)/ loss on obligations	-0.1	-0.1
	Present value of obligations as at end of year	15.83	13.15
<b>3</b>	<b>Fair value of plan assets</b>		
	Fair value of plan assets at beginning of year	1.72	1.98
	Expected return on plan assets	0.15	0.17
	Contributions	0.04	0.07
	Assets Transferred In	-	-
	Benefits Paid	-0.19	-0.48
	Actuarial (gain)/ loss on obligations	0.01	0
	Fair value of plan assets at the end of year	1.70	1.72
	Funded Status	1.98	1.22
<b>4</b>	<b>Actuarial Gain/Loss recognized</b>		
	Actuarial (gain)/ loss on obligations	-0.35	-0.35
	Actuarial (gain)/ loss for the year - plan assets	-	0.01
	Actuarial (gain)/ loss on obligations	-0.09	-0.08
	Actuarial (gain)/ loss recognized in the year	-0.09	0.08
<b>5</b>	<b>The amounts to be recognized in the balance sheet</b>		
	Present value of obligations as at the end of year	-8.87	-7.45
	Fair value of plan assets as at the end of the year	-1.50	-1.55
	Funded status	-10.37	-9.00
<b>6</b>	<b>Expenses Recognized in statement of Profit and loss</b>		
	Current Service cost	3.73	3.42
	Past service Cost	-	-
	Interest Cost	1.04	0.84
	Expected return on plan assets	-0.15	0.17
	Net Actuarial (gain)/ loss recognized in the year	-0.08	-0.07
	Expenses to be recognized in statement of Profit and loss	4.56	4.04

## Notes to Consolidated Financial Statements for the year ended 31/03/2017

### Note – 38: 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.
	I	Islampur Integrated Textile Park Pvt. Ltd.
	J	Kagal Industrial Textile Technology Park Pvt. Ltd.
	K	Ashwell Holding Company Pvt. Ltd.
	L	Clinvent Real Estate Pvt. Ltd.

#### (B) Key Managerial Personnel and their relatives

	Name	Designation
A	<b>For Holding Company</b>	
	Mr. Janardan Agrawal	Non Executive Chairman
	Mr. Aman Agrawal	Vice Chairman
	Mr. Prashant Agrawal	Managing Director
	Mr. A.R. Mundra	Executive Director –Finance
	Ms. Prachi Deshpande	Director-Secretarial & Corporate Affairs, Company Secretary
	Mrs. Bimla Devi Agarwal	Relative of Director
	Mrs. Vinita Agarwal	Relative of Director
B	<b>For Subsidiary</b>	
	Dr. R.B. Baheti	Non Executive Chairman
	Mr. Prashant Agrawal	Managing Director
	Mr. Aman Agrawal	Vice – Chairman
	Mr. Mukesh Maheshwari	Chief Financial Officer
	Mr. Deepesh Nayak	Company Secretary

#### (C) Transactions with Related Parties

(Rs. In Crores)

	Particulars	Current year	Previous year
	<b>Transaction with Other Related Parties</b>		
	Rent paid	5.67	14.91
	Purchase	230.08	127.04
	Sales	6.50	0.34
	Job Work charges Paid	14.90	19.99
	Sales – Job Work Income	-	-
	Rent deposit received back	0.75	-
	Rental Income	5.52	5.52
	Dividend Received	-	3.00
	<b>Transaction with Key managerial personnel &amp; other Relatives</b>		
	Director Remuneration	5.82	5.38
	Rent Paid	-	0.17
	Salary	1.54	1.47

## Notes to Consolidated Financial Statements for the year ended 31/03/2017

### Note 39: Earnings Per Share

(Rs. In Crore)

Sr. No.	Particulars	Current year	Previous year
(i)	No. of shares at the beginning of the year	134600000	134600000
(ii)	No. of Shares at the end of the year	185994193	134600000
(iii)	Weighted average number of Equity Shares outstanding during the year	174238136	134600000
	<b>EPS</b>		
(i)	Net (loss) available for Equity Shareholder (Rs. In Crore)	(162.28)	28.57
(ii)	Basic Earning Per Share (in Rs.)	(9.32)	2.12
(iii)	Diluted Earning Per Share (in Rs.)	(9.32)	2.12

### Note 40: C.I.F. Value of Imports

(Rs. In Crores)

Particulars	Current year	Previous Year
(a) Stores & Spares	3.03	6.09
(b) Capital Goods	0.3	6.69
(c) Raw Materials	156.9	39.92

### Note 41: Expenditure in Foreign Currency

(Rs. In Crores)

Particulars	Current year	Previous Year
(a) Traveling	0.53	0.81
(b) Commission on Export Sales	0.48	0.24
(c) Others	3.94	1.35

### Note 42: Earning in Foreign Exchange

Particulars	Current year	Previous year
FOB value of Exports	529.67	602.64

### Note 43: Note on CSR

Pursuant to section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 including further amendments thereto, a company has to spend, in every financial year, at least 2% of the average net profits of the company made during the last three years immediately preceding financial year, as per the objects mentioned in the Rules.

There being no average net profits during the immediately preceding last three financial years in respect of Holding as well as Indian Subsidiary, the provisions of section 135 of the Companies Act, 2013 are not applicable.

## Notes to Consolidated Financial Statements for the year ended 31/03/2017

### Note: 44: Disclosure on Specified Bank Note (SBNs)

During the year the company and its subsidiaries had specified bank notes or other denomination as defined in MCA notification G.S.R. 308(E) dated March, 31, 2017 on the details of specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016 is given below:

(In Rs.)

Particulars	SBNs	Other denomination notes	Total
Closing cash on held as on November 8, 2016	12,70,61,500	2,30,76,051	15,01,37,551
(+) Permitted receipts	-	1,74,86,277	1,74,86,277
(-) Permitted payments	-	3,64,33,153	3,64,33,153
(-) Cash deposited in bank	<u>12,70,61,500</u>	<u>12,922</u>	<u>12,70,74,422</u>
Closing cash in hand as on Dec 30, 2016	-	41,16,253	41,16,253

### Note 45: Note on Subsidiary

List of Subsidiaries that have not been consolidated with the reasons for **NOT** consolidating the financials for FY 16-17, therefore the figures are not comparable to the previous year figures:

Sr. No	Name of Subsidiary	Reasons
1)	BRFL Europe B.V.	Not Consolidated as Financial Statements are not available as the company is under the process of liquidation.
2)	BFRL Italia S.R.L.	Not Consolidated as Financial Statements are not available as the company is under the process of liquidation.
3)	BRFL Italia Licenses S.R.L	Not Consolidated as Financial Statements are not available.
4)	DPJ Clothing Ltd	Not Consolidated as Financial Statements are not available.

## Notes to Consolidated Financial Statements for the year ended 31/03/2017

### Note 46 :

1. The Holding company and its subsidiaries has adopted Indian Accounting Standards ("Ind AS") from 1 April 2016 and accordingly these results has been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34, Interim Financial Reporting prescribed under section 133 of the companies act 2013 read with the relevant rules issued there under and other accounting pronouncements generally accepted in India. Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS 34.

### Reconciliation of equity as on 01.04.2015 & 31.03.2016 as previously reported under Previous GAAP to Ind AS

(Rs in Crores)		
Particulars	As on	
Retained Earnings	31st March, 2016	1st April, 2015
Equity reported under Indian GAAP	2,483.66	2,355.74
<b>Adjustments</b>		
Impact on account of measuring <b>deferred tax</b> as per Ind AS	(260.05)	(239.18)
Impact on account of Foreign Fluctuation Exchange Reserve	(27.88)	-
Impact on account of expected Loss on trade receivable and others (net)	(163.03)	(163.03)
Impact on account of depreciation on Spares of Plant and Machinery	(4.56)	-
Equity reported under Indian Ind AS	2,028.14	1,953.53

### Reconciliation of Profit for the year ended 31.3.2016 as per Indian GAAP and as per Ind AS:

(Rs in Crores)	
Particulars	As on 31.03.2016
Net Profit reported under Indian GAAP	54.00
<b>Adjustments:</b>	
Impact on account of measuring deferred tax as per Ind AS	(20.87)
Impact on account of depreciation on Spares of Plant and Machinery	(4.56)
Net Profit reported under Ind AS	28.57

**Note to Consolidated Financial Statement** for the year ended 31/03/2017

**Note 47: Additional Information pursuant to Para 2 of General Instructions for preparation of consolidated financial statements :**

Name of the Entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
BRFL (Parent Co.)	98.47%	2,654.61	93.28%	(151.23)	-	-	91.11%	(151.23)
Subsidiaries								
- Indian								
1) STI India Limited	-0.30%	(8.00)	4.92%	(7.98)	-	-	6.51%	(7.98)
2) Bombay Rayon Holdings Limited	1.63%	44.06	1.79%	(2.91)	-	-	2.38%	(2.91)
- Foreign								
1) DPJ Clothing	0.18%	4.96	0.00%	-	-	-	0.00%	-
2) BRFL Bangladesh Private limited	0.01%	0.31	0.00%	-	-	-	0.00%	-
Total	100.00 %	2,695.94	100.00 %	(162.12)	-	-	100.00%	(162.12)

**Note 48:**

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

As per our report of even date

For **V.K.Beswal & Associates**  
*Chartered Accountants*  
**C.A.V.K. Beswal**  
 Partner  
 Membership Number- 30426  
 Firm Reg No.:101083W  
 Place : Mumbai  
 Date : 30th May, 2017

**Aman Agrawal**  
 Vice-Chairman  
**A.R. Mundra**  
 Executive Director-Finance

For and on behalf of Board of Directors

**Prashant Agrawal**  
 Managing Director  
**Prachi Deshpande**  
 Director-Secretarial &  
 Corporate Affairs,  
 Company Secretary

## Notice

**NOTICE is hereby given that the Twenty fourth Annual General Meeting of the Shareholders of BOMBAY RAYON FASHIONS LIMITED** will be held on Tuesday, 26<sup>th</sup> September, 2017 at Sheila Raheja Hall, Rotary Service Centre, Rotary Chowk, Juhu Tara Road, Santacruz (West), Mumbai – 400 049, at 11:30 a.m. to transact the following business:

---

### **ORDINARY BUSINESS:**

1. To consider and adopt:
  - a) the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March 2017 comprising of Balance sheet as at 31<sup>st</sup> March 2017, Statement of Profit & Loss Accounts and Cash Flow for the financial year ended on that date along with the reports of the Board of Directors and the Auditors thereon; and
  - b) the audited consolidated financial statement of the Company and its subsidiaries for the financial year ended 31<sup>st</sup> March 2017 comprising of Balance sheet as at 31<sup>st</sup> March 2017, Statement of Profit & Loss Accounts and Cash Flow for the financial year ended on that date along with the report of the Auditors thereon.
2. To appoint a Director in place of Mr. Janardan Agrawal (DIN – 00019497), who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. A. R. Mundra (DIN – 00019234), who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) M/s. P. R. Agrawal & Awasthi, Chartered Accountants, registered with the Institute of Chartered Accountants of India (ICAI) bearing registration number 117940W, be and are hereby appointed as Statutory Auditors of the Company, in place of M/s. VK Beswal & Associates, Chartered Accountants, for a period of five years i.e. to hold office from conclusion of this Annual General Meeting till conclusion of the Twenty Ninth Annual General Meeting of the Company, subject to ratification of their appointment in every annual general meeting, and the Board of Directors be authorized to fix their remuneration and out-of-pocket expenses, as may be mutually agreed upon by the Board of Directors and the Statutory Auditors;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and/or Ms. Prachi Deshpande, Director of Secretarial & Corporate Affairs, be and are hereby severally authorized to do all such acts and take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.”

### **SPECIAL BUSINESS:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and appointment as made by the Board upon recommendation of the Audit Committee of the Company M/s. K. S. Kamalakara & Co., Cost Accountants, Bangalore (Firm Registration No. 000296), Cost Auditors, to conduct the audit of the cost records of the Company for the financial year 2017-18 at payment of remuneration of Rs. 5,00,000/- (Rupees Five lacs only) plus applicable

## Bombay Rayon Fashions Limited

Government Taxes and reimbursement of travelling and actual out of pocket expenses incurred in relation to performance of their duties, be and is hereby ratified and approved;

**RESOLVED FURTHER THAT** any one of the Directors of the Company or the Company Secretary be and is hereby authorised to do all such acts, deeds and things as are necessary to give effect to the resolution."

6. **Issue of balance Equity Shares and Optionally Convertible Debentures pursuant to implementation of the BRFL S4A Scheme:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 42, 62, 71 of the Companies Act, 2013 including any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory amendments thereto or re-enactment thereof for the time being in force and hereinafter collectively referred as "Act"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended including vide SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2017) (hereinafter refer to as "ICDR Regulations"), the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011 (as amended including vide SEBI (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2017) (the "Takeover Regulations") and other applicable guidelines, clarifications, rules, regulations issued by the Securities and Exchange Board of India, the Listing Agreement entered into between the Company and BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI LODR Regulations"), Reserve Bank of India (RBI) Circulars dated 13<sup>th</sup> June, 2016 and circular no. DBR.NO.BP.BC.33/21.04.132/2016-17 dated 10th November, 2016 ("RBI S4A Circulars"), Reserve Bank of India (RBI) Circular No. DBR.BP.BC.No.101/21.04.132/ 2014-15 dated 8th June 2015 ("RBI SDR Circular"), any other applicable laws in force, and provisions of the Memorandum and Articles of Association of the Company and subject to such approval(s), consent(s), permission(s), sanction(s), if required, of concerned statutory authorities and subject to such condition(s) and modification(s) as may be imposed or prescribed by any of them while granting such approvals, consents, permissions sanctions, and which may be agreed to by the Board (hereinafter which term shall be deemed to include any Committee constituted/to be constituted by the Board to exercise its powers, including the powers conferred by this resolution), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot from time to time, on Preferential basis;

- (i) Upto 1,93,10,061 (One Crore Ninety Three Lakhs Ten Thousand Sixty One) Equity Shares of face value Rs. 10/- each ("Equity Shares"), being the balance shares pursuant to RBI S4A scheme, at a price of Rs. 140.50 per equity shares (being the price calculated with reference to the 'Reference Date,' i.e. November, 25, 2016), as determined pursuant to guidelines for determining the conversion price as specified in the RBI SDR Circular, to State Bank of India ('the Bank'), in such manner and on such terms and conditions as may be determined by the Board in accordance with the S4A Agreements / S4A Documents executed by the Company as per the BRFL S4A Scheme approved for implementation by the Company in terms of the S4A Circulars, based on the consent received from State Bank of India for subscribing to the Equity Shares of the Company by appropriating the outstanding loan/debt of Rs. 271,30,63,571/- (Rupees Two Seventy One Crores Thirty Lakhs Sixty Three Thousand Five Hundred Seventy One only).
- (ii) Upto 1,06,732 Optionally Convertible Debentures ("OCDs") of the Company of face value of Rs. 1000/- each, in one or more tranches, for a value not exceeding Rs.10,67,32,000/- (Rupees Ten Crores Sixty Seven Lakhs Thirty Two Thousand only) to State Bank of India, in such manner and on



such terms and conditions as may be determined by the Board in accordance with the S4A Agreements/S4A Documents executed by the Company as per the BRFL S4A Scheme approved for implementation by the Company in terms of the S4A Circulars, based on the consents received from State Bank of India for subscribing to the OCDs of the Company, with an option to apply for such number of fully paid equity shares of the Company of face value of Rs. 10/- each, at an issue price determined in accordance with the applicable law including the applicable guidelines of the RBI (hereinafter Equity Shares and OCDs collectively referred to as “the Securities”), at any time in terms of the S4A Documents by the lender or holder of OCDs:

### **RESOLVED FURTHER THAT**

- a) The Reference Date in relation to pricing of the aforesaid issue of Equity Shares, in accordance with the RBI SDR Circular would be 25th November, 2016, being the date when the JLF accorded its approval for implementation of the BRFL S4A Scheme.
- b) The consideration for the allotment of securities which is by the outstanding loan/debt due to the proposed allottees/Lenders payable by the Company under Part B Debt, as per the terms of the BRFL S4A Scheme, will be appropriated at the time of allotment of the securities.
- c) The OCD holders shall have right to apply for such number of fully paid up Equity Shares of the Company of face value of Rs.10/- at any time in terms of the S4A Documents upon exercise of option for conversion of debentures into equity shares in accordance with the applicable law;
- d) Allotment of the equity shares pursuant to conversion of Securities be made only in dematerialised form;
- e) The Equity Shares to be issued and allotted (including those as a result of conversion of OCDs) be listed and traded on the floor of BSE Ltd (BSE) and National Stock Exchange of India Ltd (NSE) and be subject to the provisions of the Memorandum and Articles of Association of the Company;
- f) The Equity Shares to be issued and allotted (including those as a result of conversion of OCDs) and the OCDs shall be subject to the provisions of the applicable law (including to the extent applicable subject to the lock-in provisions under the SEBI ICDR Regulations);
- g) The Equity Shares to be issued and allotted (including those as a result of conversion of OCDs) shall rank pari passu with the existing equity shares of the Company in all respects including that of payment of dividend, if any and the Company shall, at all times, maintain sufficient un-issued equity shares for the above purpose and;
- h) The Board / Committee be and is hereby authorized to decide and/or modify the terms and conditions of allotment of Securities including the terms of conversion of Securities into equity shares of the Company in accordance with the provisions of extant Regulations.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board /Committee be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue or allotment of aforesaid Securities and listing of the Equity Shares with the stock exchange(s) as appropriate and for the purpose of giving effect to the above, the Board/Committee be and is hereby authorized to agree, make, accept all such term(s), condition(s), modification(s) and alteration(s) as it may deem fit including condition(s), modification(s) and alteration(s) stipulated or required by any relevant authority or under applicable laws, rules, regulations or guidelines and give such directions and instructions as may be necessary to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said

## Bombay Rayon Fashions Limited

Securities and to do all acts, deeds and things in connection therewith and incidental thereto as the Board/Committee in its absolute discretion may deem fit, including without limitation, issuing clarifications on the offer, making any application etc., to the concerned statutory and regulatory authorities, issue and allotment of the Securities, to execute necessary documents and enter into contracts, arrangements, other documents (including for appointment of agencies, intermediaries and advisors for the issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board/Committee in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board and any Committee thereof be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company respectively and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolutions, including making necessary filings and applications etc., with the stock exchanges and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental and/or regulatory authorities and to appoint any merchant bankers or other professional advisors, consultants and legal advisors to give effect to the aforesaid resolution.”

By Order of the Board  
For **Bombay Rayon Fashions Limited**

**Prachi Deshpande**  
Company Secretary

Place: Mumbai  
Dated: August 28, 2017

**Registered Office Address:**

D 1st Floor, Oberoi Garden Estates, Chandivali Farms,  
Chandivali, Andheri (East),  
Mumbai – 400072

**CIN:** L17120MH1992PLC066880

**TEL No:** +91 22 -61068800/7106 8800, **Fax No** :+91 22 61068830

**Mail:** investors@bombayrayon.com, **Website:**www.bombayrayon.com

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND, AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A 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 (Forty Eight) hours before the time fixed for the commencement of the meeting. Proxies submitted on behalf of the companies, etc, must be supported by appropriate resolution/authority, as applicable. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days of notice in writing given to the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a duly certified true copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
5. Any members proposes to seek any clarification on the accounts requested to send the queries to the Company at its registered office at least seven days prior to the date of Annual General Meeting to enable the management to compile the relevant information to reply to the same in the meeting.
6. The Register of Directors' and Key Managerial Personnel and their Shareholding maintained under Section 170 and Register of contracts or arrangement in which director are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
7. The Register of the Members and the Share Transfer Books of the Company will remain closed from Tuesday, 19<sup>th</sup> September, 2017 to Tuesday, 26<sup>th</sup> September, 2017.
8. The Explanatory Statement pursuant to Section 102(2) of the Companies Act, 2013, for ordinary business and Special Business, as required under SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 are annexed hereto.
9. Member's attending the meeting are requested to bring with them, their copy of Annual Report and attendance slip attached herewith.
10. The Annual Accounts of the Indian Subsidiary Companies shall be available at the Registered Office of the Company for inspection by any shareholder. The copies of the accounts of Indian subsidiaries required by any shareholders will be provided on written request to the Company Secretary of the Company at the Registered Office of the Company.
12. Relevant documents referred to in the accompanying Notice and the Statements are open for inspection by the members at the Registered Office of the Company on 19<sup>th</sup> September, 2017 to 25<sup>th</sup> September, 2017 all working days, except on the date of the Meeting.
13. Members who hold share(s) in dematerialized form are requested to write their Client ID and DP ID and those who hold share(s) in physical form are requested to write their folio number in the attendance slip.
14. Members who would like to receive notices, letters, annual reports, documents and any other correspondence by electronic mode are requested to register their email addresses and changes therein, from time to time, with

## Bombay Rayon Fashions Limited

Company's Registrar and Transfer Agent in respect of share(s) held in physical form and with respective Depository Participants (DP) where the share(s) are held in dematerialized form. Shareholders holding share(s) in physical form can send their email address for registration to [investors@bombayrayon.com](mailto:investors@bombayrayon.com) quoting the Folio Number and Name of the Company.

15. To ensure prompt receipt of communication, avoid loss in postal transit and reduce paper consumption besides entailing other benefits, the members are requested to provide their email IDs to the depositories who are holding their shares in demat form and the members who are holding their shares in physical form may send the duly filled form to our Registrar and Share Transfer Agent Link Intime India private limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 for sending the document in electronic form.
16. Pursuant to the provisions of Section 124 of the Companies Act, 2013, the Company is under process for transferring the unpaid or unclaimed dividends upto the financial year 2009-2010, to the Investor Education & Protection Fund (the IEPF) established by the Central Government.
17. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic/demat form, the nomination form may be filed with the respective Depository Participant.
18. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 24<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (hereinafter referred to as 'CDSL'). The instructions for members for voting electronically are as under:-
  - (A) (i) The remote e-voting period begins on Saturday, 23<sup>rd</sup> September, 2017 at 9.00 a.m. and ends on Monday, 25<sup>th</sup> September, 2017 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) 19<sup>th</sup> September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iii) Click on Shareholders.
  - (iv) Now, select "Bombay Rayon Fashions Limited" from the drop down menu & click on "Submit"
  - (v) Now enter your user ID.
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (vi) Next enter the Image Verification as displayed and Click on Login.
  - (vii) If you are holding shares in demat form and had logged on [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for Bombay Rayon Fashions Limited.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians:

## Bombay Rayon Fashions Limited

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(B) In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:

Please follow all steps from sl. no. (i) to sl. no. (xix) above, to cast vote.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

The voting rights of shareholders shall be in proportion to their share(s) of the paid up equity share capital of the Company as on the cut-off date (record date) of 19<sup>th</sup> September, 2017. A person who is not a member as on the cut-off date should treat this notice for information purposes only. Member, who has voted electronically, shall not be entitled to vote at the Meeting.

19. The Company has appointed Mr. Himanshu S. Kamdar, Practicing Company Secretary, as a scrutinizer (the 'Scrutinizer') for conducting the voting and remote e-voting process for the Annual General Meeting in a fair and transparent manner.
20. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
21. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
22. The results declared along with the Scrutinizer's Report shall be placed on the Company's web-site [www.bombayrayon.com](http://www.bombayrayon.com) and on the web-site of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Ltd., where the shares of the Company are listed, and on the notice Board of its Registered and Corporate Offices.

23. In terms of Regulation 44 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Ballot Form is annexed. A member desiring to exercise vote by Ballot shall complete the enclosed Ballot Form with assent (for) or dissent (against) and send it to Mr. Himanshu S. Kamdar, Scrutinizer, C/o Link Intime India Private Limited, Unit: Bombay Rayon Fashions Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 49186000 Fax: +91 22 49186060, E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) so as to reach him on or before Monday, September 25, 2017, by 5.00 p.m. Any Ballot Form received after the said date shall be treated as if the reply from the Members has not been received.

**By Order of the Board  
For Bombay Rayon Fashions Limited**

**Prachi Deshpande  
Company Secretary**

Place: Mumbai  
Dated: August 28, 2017

**Registered Office Address:**

D 1st Floor, Oberoi Garden Estates, Chandivali Farms,  
Chandivali, Andheri (East),  
Mumbai – 400072

**CIN:** L17120MH1992PLC066880

**TEL No:** +91 22 6106 8800/7106 8800

**Fax No :** +91 22 6106 8830

**Mail:** [investors@bombayrayon.com](mailto:investors@bombayrayon.com)

**Website:** [www.bombayrayon.com](http://www.bombayrayon.com)

# Bombay Rayon Fashions Limited

## ANNEXURE TO THE NOTICE

### Explanatory Statement pursuant to Section 102 of the Companies Act, 2013:

#### Item No. 5:

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, payment of remuneration to M/s. K. S. Kamalakara & Co., Cost Accountants, Bangalore (Firm Registration No. 000296) as considered and approved by the Board of Directors, as per the recommendation of the Audit Committee, for the Financial Year 2017-18 of Rs. 5,00,000/- per annum and reimbursement of out of pocket expenses and taxes as may be applicable to the Cost Auditors, Subject to approval of shareholders of the company.

The Board recommends the resolution for the approval of the Members.

None of the persons specified in Section 102 of the Companies Act, 2013 namely the Promoters, Directors, Key Managerial Persons, Relatives of Promoters, Directors and Key Managerial Persons or the entities comprising the interest of Promoters, Directors or Key Managerial Persons, are concerned or interested in the above resolutions.

#### Item No. 6:

### Agenda Item No. 6 : Issue of balance Equity Shares and Optionally Convertible Debentures pursuant to implementation of the BRFL S4A Scheme:

The banks and financial institutions described below ("Lenders") had discussed on various resolution options to address the liquidity stress on the Company post implementation of CDR and conversion of part of debt into equity share and recommended the Scheme for Sustainable Structuring of Stressed Assets ("S4A Scheme" or "BRFL S4A Scheme") introduced by the Reserve Bank of India ("RBI") pursuant to its circular dated June 13, 2016 and subsequently revised pursuant to circulars dated November 10, 2016 ("S4A Circulars"):

Sr. No.	Name of the Lenders	Sr. No.	Name of the Lenders
1	State Bank of India including its merged subsidiaries	11	Dena Bank
2	Axis Bank	12	Oriental Bank of Commerce
3	Exim Bank	13	Karnataka Bank
4	Punjab National Bank	14	Indian Bank
5	Allahabad Bank	15	JM Financial Asset Reconstruction Company Ltd.
6	Bank of India	16	Indian Overseas Bank
7	Karur Vysya Bank	17	Union Bank of India
8	IDBI	18	Central Bank of India
9	Corporation Bank	19	Standard Chartered Bank
10	Bank of Maharashtra		

The Lenders in their Joint Lender's Forum ("JLF") Meeting held on October 7, 2016 deliberated on the various resolution options for the Company. Pursuant to the JLF Meeting held on November 25, 2016, the Lenders had decided to consider the S4A Scheme with the Reference Date as November 25, 2016. The Lenders at their JLF Meeting held on November 25, 2016 agreed to convert part of their debt exposure, which is considered as unsustainable, into Equity shares and Optionally Convertible Debentures (OCDs) pursuant to implementation of the S4A Scheme in accordance with and as specified in the financing documents entered/to be entered by the Company with, inter alia, the Lenders for the purpose of implementation of the S4A Scheme (hereinafter referred to as the "S4A Agreements/ S4A Documents").



Pursuant to the implementation of the S4A Scheme which has been adopted by the Joint Lenders Forum of the Lenders (JLF) on November 25, 2016 (Reference Date) and agreed by the JLF on January 9, 2017 and January 16, 2017 and approved by Overseeing Committee (OC) set up by Indian Banking Association in consultation with Reserve Bank of India and in terms of the S4A Agreements, the Company had allotted 10,73,45,243 equity shares of face value of Rs. 10/- each at a price of Rs. 146.03 per equity shares amounting to Rs. 1567,56,25,835/- and 39,95,092 OCDs of face value of Rs. 1000/- amounting to Rs. 399,50,92,000/- to the following lenders on 24<sup>th</sup> May, 2017 pursuant to approval received from the shareholders in a duly convened Extra- Ordinary General Meeting held on 20<sup>th</sup> May, 2017 as against the approval received from the shareholders for allotment of 12,66,55,304 equity shares to the lenders:-

Sr. No.	Name of the Lenders	Sr.	Name of the Lenders
1	State Bank of India including its merged subsidiaries	11	Dena Bank
2	Axis Bank	12	Oriental Bank of Commerce
3	Exim Bank	13	Karnataka Bank
4	Punjab National Bank	14	Indian Bank
5	Allahabad Bank	15	JM Financial Asset Reconstruction Company Ltd.
6	Bank of India	16	Indian Overseas Bank
7	Karur Vysya Bank	17	Union Bank of India
8	IDBI	18	Central Bank of India
9	Corporation Bank	19	Standard Chartered Bank
10	Bank of Maharashtra		

State Bank of India (SBI), one of the lender was allotted 4,37,40,000 equity shares instead of 630,50,061 equity shares that were required to be issued in terms of the BRFL S4A Scheme so as to ensure that the requirement of giving of an open offer to the public in case the holding of SBI in the Company exceeds 25% in terms of the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011 are not triggered.

Further Securities and Exchange Board of India (SEBI) had amended Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 & Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, vide it's two different notifications both dated 14<sup>th</sup> August, 2017 as Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) (Amendment) Regulations, 2017 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2017. Pursuant to amendment in SEBI Takeover Regulation any acquisition of shares by the lenders pursuant to conversion of their debt as part of a debt restructuring scheme implemented in accordance with the guidelines specified by the Reserve Bank of India is exempted from giving open offer to the public in case such acquisition exceeds the threshold limit of 25%, provided that the conditions specified under sub- regulation (5) of regulation 70 of the ICDR Regulations are complied with. SEBI has vide SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2017 also substituted Regulation 70 (5) of the ICDR Regulations by a new sub- regulation which provides for determination of the conversion price for preferential issues of specified securities to be made to the lenders pursuant to conversion of their debt based upon the guidelines specified by RBI and which shall be in compliance with the applicable provisions of the Companies Act, 2013.

Reserve Bank of India (RBI) Circulars dated 13<sup>th</sup> June, 2016 and circular no. DBR.NO.BP.BC.33/21.04.132/2016-17 dated 10th November, 2016 ("RBI S4A Circulars") has not provided any specific guidelines for pricing of equity shares in case of implementation of S4A. The pricing guidelines are provided in RBI Reserve Bank of India (RBI) Circular No. DBR.BP.BC.No.101/21.04.132/ 2014-15 dated 8th June 2015 ("RBI SDR Circular") which is given hereunder –

## Bombay Rayon Fashions Limited

(i) conversion of outstanding debt (principal as well as unpaid interest) into equity instruments should be at a 'Fair Value' which will not exceed the lowest of the following, subject to the floor of 'face value' (restrictions under section 53 of the companies act, 2013)-

a) Market value (for listed companies): average of the closing prices of the instrument on a recognized stock exchange during the ten trading days preceding the 'reference date' indicated at (ii) below;

b) Break – up Value : Book value per share to be calculated from the Company's latest audited balance sheet (without considering 'revaluation reserves,' if any) adjusted for cash flows and financials post the earlier restructuring; the balance sheet should not be more than a year old. In case the latest balance sheet is not available this breakup value shall be Rs. 1.

ii) the above fair value will be decided at a 'reference date' which is the date of JLF's decision to implement SDR (in case of other restructuring the respective date of JLF's decision for implementation of that particular restructuring plan).

Accordingly, the pricing for allotment of Equity Shares under BRFL S4A Scheme to SBI will be the lowest of the following –

(a) Average of closing price of the ten trading days preceding the reference date i.e 25<sup>th</sup> November, 2016 being the date on which JLF has taken decision for implementation of BRFL S4A Scheme; which is Rs. 140.50 &

(b) Book value per share to be calculated from the Company's latest audited balance sheet i.e balance sheet of 31<sup>st</sup> March, 2016 available on the reference date which is Rs 198.12."

As per Section 62 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, in order to enable the Lenders to convert the outstanding loans or any other financial assistance already availed from the Lenders or as may be availed from the Lenders, from time to time, by the Company, at their option, into Equity Shares and OCDs of the Company, approval would require to be sought from shareholders of the Company by way of Special Resolution.

Further Section 62 of the Act, SEBI ICDR Regulations, the provisions of the Listing Agreement and SEBI LODR Regulations provides, inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 62 unless the shareholders of the Company in general meeting decide otherwise.

Further, as per Section 42 of the Act and the Rule 14 of the Companies (Prospectus of Securities) Rules, 2014, a company shall not make private placement of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the shareholders of the company by a special resolution.

Furthermore, as per Section 71 of the Act, the issue of debentures with option to convert such debentures into shares, wholly or partly, requires to be approved by a special resolution passed at a general meeting.

The special resolution, if passed, will have the effect of allowing the Board/Committee to issue and allot Securities to the above mentioned proposed allottee / Lender, on a preferential basis, who is the existing members of the Company.

Since the proposed Special Resolution at Item No.6 result in issue of Securities of the Company to proposed allottees/ Lenders on a preferential basis, who is the member of the Company, in the manner laid down under Section 62 (1) (c) of the Companies Act, 2013, the consent of the shareholders is being sought pursuant to the provisions of Section 42, 62, 71 and all other applicable provisions of the Act and the rules framed thereunder, SEBI ICDR Regulations, the Listing Agreement and the SEBI LODR Regulations.

Accordingly, the Board recommends the resolution as set out in Item No.6, to enable the Lender, in terms of the S4A Agreements entered and as may be specified under the financing documents already executed o in respect of the

Financial Assistance availed, at their option, to convert the whole or part of their respective outstanding Financial Assistances into Equity Shares and OCDs of the Company, and to permit the Company to issue the said Securities to the members of the Company in the manner and upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined.

Equity Shares to be issued and allotted (including arising from conversion of OCDs), would be listed on BSE and NSE, subject to obtaining necessary regulatory approvals, if any.

**The following details of the proposed preferential issue of the Securities are disclosed in accordance with the provisions of the Act read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions of the law, relevant disclosures/details are given below:**

**a) Objects/purpose of the Preferential Issue:**

The object of the issue is to comply with the S4A Scheme for the Company.

**b) Total number of shares or other Securities to be issued:**

The Board intends to offer, issue and allot-

- (i) Upto 1,93,10,061 (One Crore Ninety Three Lakhs Ten Thousand Sixty One) Equity Shares of face value Rs. 10/- each, being the balance shares pursuant to RBI S4A scheme, at a price of Rs. 140.50 per equity shares (being the price calculated with reference to the 'Reference Date,' i.e. November, 25, 2016), as determined pursuant to guidelines for determining the conversion price as specified in the RBI SDR Circular to State Bank of India ('the Bank'), in such manner and on such terms and conditions as may be determined by the Board in accordance with the S4A Agreements / S4A Documents executed by the Company as per the BRFL S4A Scheme approved for implementation by the Company in terms of the S4A Circulars, based on the consent received from State Bank of India for subscribing to the Equity Shares of the Company by appropriating the outstanding loan/debt of Rs. 271,30,63,571/- (Rupees Two Seventy One Crores Thirty Lakhs Sixty Three Thousand Five Hundred Seventy One only).
- (ii) Upto 1,06,732 Optionally Convertible Debentures ("OCDs") of the Company of face value of Rs. 1000/- each, in one or more tranches, for a value not exceeding Rs.10,67,32,000/- (Rupees Ten Crores Sixty Seven Lakhs Thirty Two Thousand only) inter alia, to State Bank of India, in such manner and on such terms and conditions as may be determined by the Board in accordance with the S4A Agreements/S4A Documents executed by the Company as per the BRFL S4A Scheme approved for implementation by the Company in terms of the S4A Circulars, based on the consents received from State Bank of India for subscribing to the OCDs of the Company, with an option to apply for such number of fully paid equity shares of the Company of face value of Rs. 10/- each, at an issue price determined in accordance with the applicable law including the applicable guidelines of the RBI (hereinafter Equity Shares and OCDs collectively referred to as "the Securities"), at any time in terms of the S4A Documents by the lender or holder of OCDs:

**c) Pricing of Preferential Issue:**

In accordance with regulation 70 (5) of the ICDR Regulations, the conversion price for preferential issues of specified securities to be made to the lenders pursuant to conversion of their debt is based upon the guidelines specified by Reserve Bank of India (RBI) being the i.e RBI Circular No. DBR.BP.BC.No.101/21.04.132/ 2014-15 dated 8th June 2015 ("RBI SDR Circular") in the instant case. Accordingly the Equity Shares are priced at the lowest of the following -

- a) Average of closing price of the ten trading days preceding the reference date i.e 25th November, 2016 being

## Bombay Rayon Fashions Limited

the date on which JLF has taken decision for implementation of S4A; which is Rs. 140.50 &

- b) Book value per share to be calculated from the Company's latest audited balance sheet i.e balance sheet of 31st March, 2016 available on the reference date which is Rs 198.12."
- d) Basis on which the price has been arrived at alongwith report of the registered valuer:  
The same is not applicable as in the present case the pricing is in terms of the ICDR Regulations/ RBI Guidelines.
- e) Relevant Date with reference to which the price has been arrived at:  
i) the Reference Date in relation to pricing of the aforesaid issue of Equity Shares, in accordance with the RBI SDR Circular would be 25th November, 2016, being the date when the JLF accorded it's approval for implementation S4A in the Company in it's meeting.
- f) The class or classes of persons to whom the allotment is proposed to be made:  
The allotment is proposed to be made to State Bank of India, a Lender of the Company as per BRFL S4A Scheme.
- g) The intention/proposal of the Promoters, Directors, Key Managerial Personnel of the Company to Subscribe to the Offer:  
None of the Promoters, Directors and Key Managerial Personnel of the Company intends to subscribe to the proposed preferential offer.
- h) Proposed time within which allotment will be completed:  
The Company shall complete the allotment of Securities within the time period as applicable pursuant to the Companies Act, 2013
- i) The identity of the proposed allottee, maximum number of equity shares proposed to be issued and the percentage of post issue capital that may be held by the proposed allottee:

Proposed Allottee	Natural person who ultimately controls the Proposed Allottee	Maximum no. of equity shares to be allotted	Pre-Issue Shareholding		Post Issue Shareholding	
			No. of shares	%	No. of shares	%
State Bank of India	N.A	1,93,10,061	7,36,44,471	24.70%	9,29,54,532	29.28%

*The above post-issue shareholding assumes subscription of the entire upfront equity shares and allotment thereof, by the Company but does not include the conversion of the OCDs by the Lenders into equity shares of the Company. Upon Lenders exercising its right to convert the OCDs into equity shares, the above post- issue shareholding pattern, would undergo change accordingly.*

The number of equity shares mentioned above to be allotted to the said lender and consequently the total number of equity shares thereon may vary upon acceptance of the same by the said lender on determination of unsustainable loan amount after reconciliation/confirmation and in pursuant to any applicable laws and regulations etc.

- j) the change in control, if any in the Company that would occur consequent to the preferential offer
- the existing promoters of the Company will continue to be in control of the company and there will not be any change in the management or control of the company as a result of the proposed preferential allotment, except a corresponding change in the shareholding pattern as well as voting rights.
- k) **Number of persons to whom allotment on preferential basis has been made in terms of number of securities as well as price:**

**Post March 31, 2017 and up to the date of this Notice, following allotments were made on conversion of debt into equity:**

S no.	Name of the Bank	No. of Shares	S no.	Name of the Bank	No. of Shares
1	State Bank of India	7,36,44,471	11	Central Bank of India	5642459
2	Axis Bank	25522444	12	Exim Bank	7316189
3	Bank of India	7032853	13	Allahabad Bank	5111680
4	IDBI	832576	14	KarurVysya Bank	2212430
5	Corporation Bank	481799	15	Indian Overseas Bank	1860078
6	Bank of Maharashtra	493709	16	Punjab National Bank	6967184
7	Oriental Bank of Commerce	610857	17	Union Bank of India	10628614
8	Karnataka Bank	527337	18	Indian Bank	1232863
9	JM Financial Asset Reconstruction Company Ltd.	3018989	19	Standard Chartered Bank	8138888
10	Dena Bank	2292981		<b>TOTAL</b>	<b>16,35,68,401</b>

- l) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

Copies of the valuation report of the registered valuer shall be placed before the shareholders at the ensuing Annual General Meeting.

- m) The pre issue and post issue shareholding pattern of the company:

The pre issue and post issue shareholding pattern of the company after considering the preferential issue to be made to the Lenders is provided hereunder:

Particulars	Prior to Allotment		Post Allotment	
	Shareholding	% to paid up capital	Shareholding	% to paid up capital
Promoters				
Indian Promoters	44466780	14.91	44466780	14.01
Ashwell Holdings	28420000	9.53	28420000	8.95
AAA United B. V	51000400	17.10	51000400	16.06
<b>Total</b>	<b>123887180</b>	<b>41.55</b>	<b>123887180</b>	<b>39.02</b>
Public				
Bankers	16,35,68,401	54.86	18,28,78,462	57.60
Others	10710837	3.59	10710837	3.37
<b>Total</b>	<b>29,81,66,418</b>	<b>100.00</b>	<b>31,74,76,479</b>	<b>100.00</b>

## Bombay Rayon Fashions Limited

The number of equity shares mentioned above to be allotted to the said lenders and consequently the total number of equity shares thereon may vary upon acceptance of the same by the said lender on determination of unsustainable loan amount after reconciliation/confirmation and in pursuant to any applicable laws and regulations etc.

**The company will ensure compliances with all applicable laws and regulations at the time of allotment of equity shares.**

**n) Undertaking to re-compute the price:**

The same is not applicable in present case.

**o) Undertaking to put under Lock-in till the recomputed price is paid**

The same is not applicable in present case.

**p) Certificate from Statutory Auditor:**

A copy of certificate from the statutory auditors certifying that the proposed preferential issue of the Securities is being made in accordance with the provision of applicable law and the same shall be placed before the shareholders at the ensuing Annual General Meeting.

**q) Lock – in period:**

The Equity Shares allotted to SBI shall , to the extent applicable, be subject to the lock-in provisions under the SEBI ICDR Regulations.

The Equity Shares to be issued and allotted as a result of conversion of OCDs, shall, to the extent applicable, be subject to the lock-in provisions under the SEBI ICDR Regulations.

The shareholding of SBI prior to this proposed issue shall be subject to lock-in to the extent applicable in accordance with the provisions of the applicable law.

**r) Other Terms –**

Terms for Issue of OCDs of the Company as per the S4A Documents executed/to be executed by the Company:

- A part of the Part B Debt of the Company as per the terms of S4A Scheme, will be converted into Optionally Convertible Debenture (OCD) of face value Rs.1000 each which shall be issued as per the existing security structure.
- The OCDs shall have a coupon @ 0.01% p.a. payable annually on the OCDs on the last date of every financial year. The OCDs shall also have Yield to Maturity (YTM) @[ 11.05%] p.a. Compounded annually payable at the time of payment of installments
- Promoter to have the right of first refusal to buy OCDs/Equity shares (if converted) in case the lenders decide to sell in the open market as per extant regulations.
- Existing security of the Company to continue as per the terms of debt (being converted into OCD) with the respective Lenders subject to the terms of the S4A Agreements executed/to be executed by the Company.
- SEBI registered Trustee to be appointed as the Debenture Trustee for the Company.

The offer, issue and allotment of the Securities of the Company may be transferable by the allottee(s) to any person subject to the provisions of the applicable law, on the same terms and conditions, at the absolute discretion of the Board of Directors of the Company.

With reference to disclosure specified in Part G of Schedule VIII of SEBI (ICDR) Regulations, 2009, neither the issuer nor any of its promoters or directors are willful defaulters.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise, in the aforesaid Special Resolutions mentioned at Item No 6 of this Notice.

All documents referred to in the accompanying Notice and the Explanatory Statement would be available for inspection at the Registered Office of the Company between 11.00 am to 1 pm on all working days except Saturdays, upto and including the date of the Annual General Meeting of the Company.

**By Order of the Board  
For Bombay Rayon Fashions Limited**

**Prachi Deshpande  
Company Secretary**

Place: Mumbai  
Date: August 28, 2017

**Registered Office Address:**

D 1st Floor, Oberoi Garden Estates, Chandivali Farms,  
Chandivali, Andheri (East),  
Mumbai – 400072

**CIN:** L17120MH1992PLC066880

**TEL No:** +91 22 6106 8800/7106 8800

**Fax No** :+91 22 6106 8830

**Mail:** investors@bombayrayon.com

**Website:** www.bombayrayon.com

## Bombay Rayon Fashions Limited

### ANNEXURE TO THE ITEM NO. 2 & 3 OF THE NOTICE

#### **BRIEF PROFILE OF PERSON PROPOSED TO BE RE-APPOINTED AS DIRECTOR AT THE ENSUING ANNUAL GENERAL MEETING:**

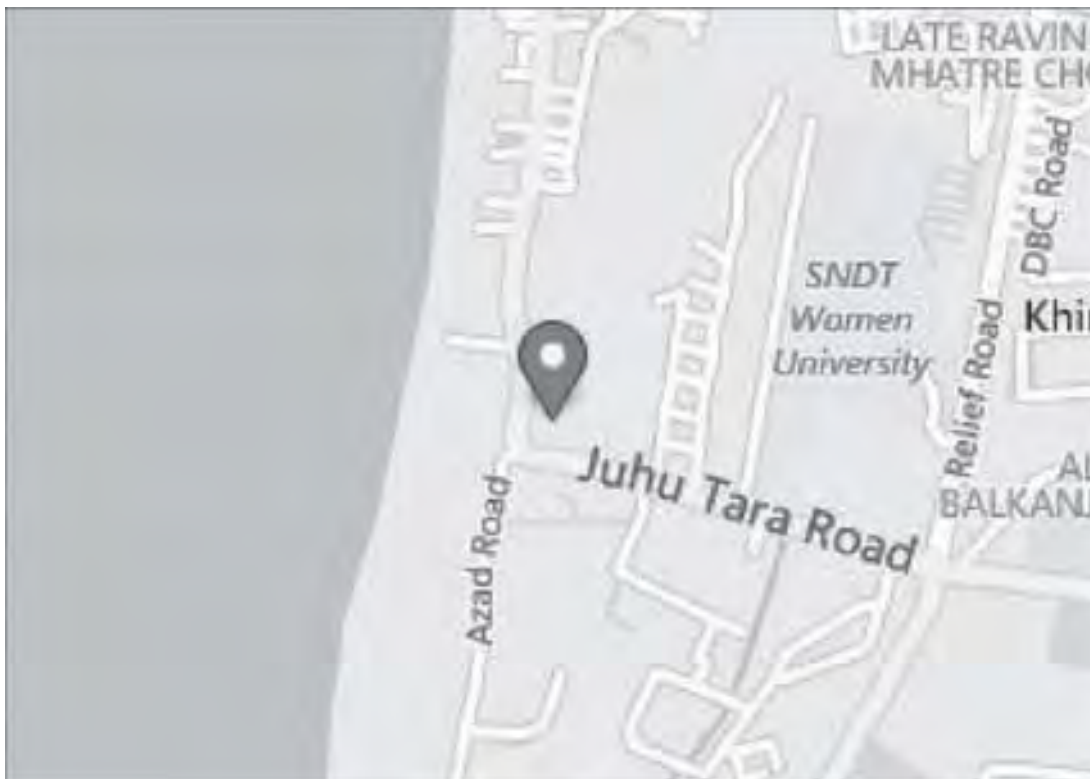
As required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards - 2, Disclosures pertaining to the proposed to be re-appointment of following Director are as under:

<b>Name of the Director</b>	<b>Mr. Janardan Agrawal</b>	<b>Mr. A. R. Mundra</b>
<b>Age</b>	68	61
<b>Date of appointment on the Board</b>	24/08/1992	16/05/2005
<b>Education Qualification</b>	B. Com	B.Com, L.L.B, ACA, ACS
<b>Background details, Recognition or awards and Experience &amp; Expertise</b>	Mr. JD Agrawal is the key person behind the establishment and growth of the Bombay Rayon Group. He founded the Company in the year 1986 and as a Chairman, has led the Company to greater heights of success with a strategic approach. He has brought innovations in the business. Be it the establishment of the Bombay Rayon brand of fabrics in the local retail market or a unique trend of bi-annual presentation of the Company's collections to the trade. Under his guidance, the Company has gained international recognition. He holds a Bachelor degree in Commerce.	Mr. A. R. Mundra has an experience of over 36 years in Finance, commercial and managerial related matters. His core strength lies in fund procurement, internal controls, organizational systems and strategic planning. He was awarded (a) 'SamajShri' for excellence in management by Indian Institute of Management Executives, Mumbai in 1994 (b) National awards for CFO Excellence – Best CFO with exemplary all round performance, Mumbai 2016. (c) The Middle East CFO Leadership awards for CFO Excellence – Best CFO with exemplary all round performance, Dubai 2016. 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 managing the issue of various securities including Global Depository Receipts and listing thereof at overseas exchange.
<b>Shareholding in the Company</b>	75,76,140	NIL
<b>Terms and Condition of appointment /Reappointment</b>	Retires by rotation and eligible for re-appointment.	Retires by rotation and eligible for re-appointment.
<b>Other brief terms also required to be stated</b>	None	None



<b>Details of Remuneration sought to be paid</b>	--	--
<b>Remuneration last drawn</b>	NIL	Rs. 36.00 Lakhs
<b>Number of Meetings attended during the year</b>	2 of 6	6 of 6
<b>Relationship with other Director, Manager and other Key Managerial Personnel of the Company</b>	Father of Mr. Aman Agrawal ,Vice-Chairman and Mr. Prashant Agrawal, Managing Director	None
<b>Other membership/Chairmanship of Committees of the Boards</b>	<b>Stakeholder relationship committee-Chairman</b>  (i) Bombay Rayon Fashions Limited	<b>Audit Committee-Member</b>  (i) Bombay Rayon Fashions Limited (ii) STI India Limited <b>Stakeholder relationship committee-Member</b>  (i) STI India Limited  <b>Nomination Remuneration Committee-Member</b>  (i) STI India Limited
<b>Directorship in other Indian Public Limited Companies as on 31st March 2017</b>	1.Reynold Shirting Limited, 2.Bombay Rayon Holdings Limited, 3. Bombay Rayon Clothing Limited	(i) STI India Limited

### MAP OF AGM



### **Address:**

Sheila Raheja Hall, Rotary Service Centre,  
Rotary Chowk, Juhu Tara Road,  
Santacruz (West), Mumbai – 400 049.

### **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 company or its Registrar in respect of physical holding.



## BOMBAY RAYON FASHIONS LIMITED

Registered Office: **D 1st Floor, Oberoi Garden Estates, Chandivali Farms,**  
Chandivali, Andheri (East), Mumbai - 400072. • Tel: 022-61068800/71068800 • Fax : 022-61068830  
Website: [www.bombayrayon.com](http://www.bombayrayon.com) Email: [investors@bombayrayon.com](mailto:investors@bombayrayon.com)

IN: L17120MH1992PLC066880

### ATTENDANCE SLIP

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]  
24<sup>th</sup> Annual General Meeting

*Registered Folio No.			
DP ID No.		Client ID No.	

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the Twenty Fourth Annual General Meeting of the Company to be held at Sheila Raheja Hall, Rotary Service Centre, Rotary Chowk, Juhu Tara Road, Santacruz (West), Mumbai – 400 049 at 11:30 a.m. on Tuesday, September 26<sup>th</sup>, 2017.

\_\_\_\_\_  
Name of the member / proxy (in BLOCK letters)  
proxy

\_\_\_\_\_  
Signature of the member /

Note: Member \ Proxy must bring the Attendance slip to the Meeting and hand it over duly signed, at the registration counter.

\*Applicable only in case of investors holding shares in Physical form



## BOMBAY RAYON FASHIONS LIMITED

Registered Office: **D 1st Floor, Oberoi Garden Estates, Chandivali Farms,**  
Chandivali, Andheri (East), Mumbai - 400072. • Tel: 022-61068800/71068800 • Fax : 022-61068830  
Website: [www.bombayrayon.com](http://www.bombayrayon.com) Email: [investors@bombayrayon.com](mailto:investors@bombayrayon.com)

IN: L17120MH1992PLC066880

**Form No. MGT-11**

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]  
24<sup>th</sup> Annual General Meeting

Name of the Member(s)	
Address	
Email ID	
Folio No. / Client ID	DP ID:

I/we, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

Name Address	Email-ID	Signature : _____ or falling him/her
Name Address	Email-ID	Signature : _____ or falling him/her
Name Address	Email-ID	Signature : _____ or falling him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24<sup>th</sup> Annual General Meeting of Bombay Rayon Fashions Limited, to be held on Tuesday, September 26, 2017, at 11.30 a.m. at Sheila Raheja Hall, Rotary Service Centre, Rotary Chowk, Juhu Tara Road, Santacruz (West), Mumbai – 400 049, and/or any adjournment(s) thereof in respect of such resolutions as set out in this notice:

Resolution No.	Resolution	Vote (See Note no. 3)		
		For	Against	Abstain
Ordinary Business				
1.	Adoption of Audited Financial Statement (Standalone and Consolidated) together with the Report of the Board of Directors and Auditors for the financial year ended March 31, 2017			
2.	Approval for appointment of a Director in place of Mr. Janardan Agrawal who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment			
3.	Approval for appointment of a Director in place of Mr. A. R. Mundra, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment			
4.	Appointment of M/s. P. R. Agrawal & Awasthi, Chartered Accountants, as Statutory Auditors of the company and to authorize the Directors to fix their remuneration.			
Special Business				
5.	Ratification of appointment and remuneration payable to M/s K.S. Kamalakara & Co., Cost Auditors.			
6.	Issue of Balance Equity Shares and Optionally Convertible Debentures in terms of ICDR Regulations pursuant to implementation of the BRFL S4A Scheme.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

1) Signature of Proxy Holder: \_\_\_\_\_

2) Signature of Proxy Holder: \_\_\_\_\_

Signature of Member(s): \_\_\_\_\_

Affix  
₹.1.00  
Revenue  
Stamp

Note:

- This form of proxy in order to be effective should be duly completed and deposited at Registered Office at D - 1st Floor, Oberoi Garden Estates, Chandivali Farms, Chandivali, Andheri (East), Mumbai – 400 072, not less than 48 hours before the commencement of the Meeting.
- A person can act as Proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total Share Capital of the Company. A member holding more than ten percent of the total Share Capital of the Company may appoint a single person as a proxy and such person cannot act as a proxy for any other person or shareholder.
- It is optional to indicate your preference. If you leave the “For”, “Against” or “Abstain” column blank, your Proxy will be entitled to vote in the manner as he/she may deem appropriate.





Bombay Rayon Fashions Limited  
[www.bombayrayon.com](http://www.bombayrayon.com)