



**INTEGRATING**  
FIBRE • FABRIC • FASHION • FUTURE



Bombay Rayon Fashions Limited  
Annual Report 2011-12



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# Integrating

fibre fabric fashion future

*Man domesticated the cotton plant 7000 years ago. It was in the Indus valley in India that cotton was first grown, spun and woven into cloth as early as 3000 B.C. It was from India that cotton and textiles reached Egypt and later, Europe.*

*The history of cotton evolution and progress is interesting. In the modern era, and the invention of the machine, the fortunes and dynamics of the industry were to become one of the most*

*and the role it has played in the evolution of mankind is as intriguing as it is. The industrial revolution in England made fibre of different kinds changed the textile industry and paved way for what important industries in the new world.*

*The textile industry today has come a long way from its simple beginnings. Today, it has a long and*

*complex value chain of spinning fibre into yarns, weaving yarns into fabrics, making fabrics into garments, and converting garments into fashion. Each link in the value chain itself has its own sub-set of variations and permutations that require diverse skill-sets and specialised knowledge. The final garment has to go through numerous steps and many stages at multiple units, before it can be placed on the shelf.*

*As the value-chain becomes lengthier and more complex, delivery times get longer. In today's day and age when fashion spans keep getting shorter, success becomes a derivative of speed - speed to reach the shelves first.*

*At Bombay Rayon Fashions Limited, we deliver end-to-end solutions to our customers by ensuring shortest mind-to-market and time-to-market cycles. From design to delivery, from sample to stitched, we have integrated the entire textile value chain.*

*At Bombay Rayon Fashions Limited, we have taken integration beyond processes and operations. Because in the world of fashion, anticipating tomorrow's trend today differentiates leaders.*

*At Bombay  
Rayon Fashions  
Limited, our  
leadership comes from*

*Integrating*

*Fibre Fabric Fashion Future*





# Integrating fibre

*Fibre forms the first step of the textile process. Fibre is spun into yarns, which is then woven into fabrics. The quality and availability of fibre is therefore, quintessential and critical.*

*At Bombay Rayon Fashions importance of fibre in the That is why today, at Bombay complete control over a*

*Limited, we understand the profound textile value chain.*

*Rayon Fashions Limited, we have diverse range of fibres :*

*Cotton*

*Polyester*

*Tencel*

*Modal*

*Lycra*

*Blends*

*Integrating yarn dyeing facility ensures seamless transition in case grey yarn needs dyeing before weaving. Bombay Rayon Fashions Limited has two yarn dyeing facilities at Doddaballapur in Bangalore and at Tarapur in Maharashtra. Depending upon end use as fabric or in garmenting, grey yarn made from the Company's unit at Indore or procured from other manufacturers is dyed as per order specification using latest technology machinery.*

*With captive spinning capacity for cotton and speciality yarn, we pick up the best quality yarn from leading manufacturers of India.*







# Integrating fabric

*Fabric is the intermediate part of the textile value chain. It is fabric that adds functionality to the yarn through the process of weaving.*

*Fashions Limited, we have our various locations, in the state of where we weave yarn integrating*

*At Bombay Rayon own weaving facilities at Maharashtra and Karnataka fibre with fabrics.*

*We weave a wide range of fabrics using latest technology and Picanol to ensure highest*

*fabrics like cotton, viscose, polyester of air jet looms imported from Toyota quality and top finish.*

*The woven fabric is then processed depending on the final requirement. The processing stages include dyeing of fabric, screen printing and ammonia processing.*

*Bombay Rayon Fashions Limited has the latest technology and machines for screen-printing. Designs are prepared on advanced cad-cam design equipments and are engraved on rotary screens using photo exposure.*

*This process adds the value addition in printing on the fabric.*

*Ammonia processing technology is used to increase tear strength of the fabric and make them softer to touch as also increase the wrinkle recovery angle after washing to enable non-iron process. Finally, the finished fabric is packed using the state-of-the-art La Mechanica machines.*

*We integrate our multi-fibres into multi-fabrics.*

*We have established the largest fabric processing capacity of 700,000 meters per day at Tarapur.*







# Integrating fashion

*Spinning fibres into yarns and weaving yarns into fabric sets the stage for the most dramatic transformation in the textile process – fashion!*

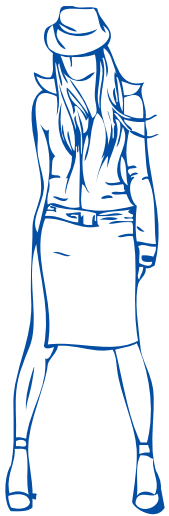
*At Bombay Rayon Fashions to have integrated fashion the capabilities and resources to our buyers – manufacturers brands selling garments and Rayon Fashions Limited.*

*With our integrated finished endless range of choices to suit their varied and exacting requirements. With fabrics that reflect latest trends in fashion, Bombay Rayon Fashions Limited has emerged as one of the preferred suppliers for most garment manufacturers in India.*

*Today, we are the largest garment manufacturers in India with massive manufacturing facilities in Maharashtra, Karnataka, Kerala and Tamil Nadu. We specialise in men's shirts, ladies tops and kids wear. We also make men and ladies bottom-wear. We supply to designer garments to top labels in the world, matching their requirement in terms of fabric, design, stitching and finishing. In fact, we have integrated design into fashion and taken it to a new level: our in-house designers are a step ahead and create design collections well in advance of the approaching season for buyers. This helps in shorter turnaround cycles and enables buyers to turnaround their stocks faster, and be at the top of the fashion cycle in their markets.*

*At Bombay Rayon, design and designer garments is our niche and speciality.*







# Integrating future

*From the time a design is put on the shelf for the to-Market (MTM) cycle.*

*In other words, the industry is be demanded tomorrow - the*

*Future is not only about*

*In the textile business, the*

*viewpoints of anthropology, social and political drivers of change, technological advances, behavioural sciences, psychology, scenario-planning, and many more such disciplines and faculties. This understanding of the emerging world of tomorrow needs to be factored in with the realities of today. Only then will solutions for future be in view.*

*At Bombay Rayon Fashions Limited, our entire strategic thinking flows out of our holistic understanding about the future. Whether it is in augmenting our spinning and weaving capacities to increasing our fabric processing capacities, every step and action is taken with a view to the future.*

*It is this unique integration of future into fibres, fabrics and fashion that has made Bombay Rayon Fashions Limited one of the most dynamic and professionally managed textile groups in the world processing over 200 million meters of fabric and manufacturing over 88 million pieces of garment, each garment woven with passion of over 24,000 employees.*

*At Bombay Rayon Fashions Limited, we are ready, READY TO BE EVERY WEAR.*





# Chairman's Message

*Dear Shareholders,*

*It is always a pleasure to connect with you annually and share with you the progress and prospects of your Company.*

*The year 2012 was a challenging year caused by uncertain global macro-economic situation, particularly the Greek debt-repayment crisis. Within the country, inflation remained the key cause of worry, impacting all input costs and putting margins under tremendous pressure. The textile industry too was affected by this overall sense of uncertainty that led to a slowdown in growth, which in turn, impacted demand.*

*In the ready-made garment, India continues to enjoy advantages of raw material availability, particularly cotton and other fibres, and labour. There is a tremendous scope for ready-made garment segment to garner larger share of the global market, where India is still a relatively low player with around 3.5%. Countries like Japan, South Korea, Australia, South America and Latin America are very promising. To capitalise on this opportunity, the industry needs to make significant investments across the value chain.*

*At Bombay Rayon Fashions Limited, we have been driving consolidation by integrating the entire textile value chain : from fibre to fabric to fashion to future. Integrating of resources and capabilities, of strengths and skills, of vision and venture is critical and crucial for a sustained competitive advantage in the emerging textile space. Fashion cycles are getting shorter and this is putting immense pressure on global labels and brands to source from vertically integrated players who have in-house capability to deliver end-to-end solutions.*

*We delivered a steady and satisfactory performance for FY 2012, thanks largely due to the power of integration.*

*Our Net Sales increased to ₹ 2,734.96 cr. for the current year, as against ₹ 2,254.84 cr. in the previous year, an increase of over 21%.*

*Our EBITD increased to ₹ 746.40 cr. for the current year, as against ₹ 564.36 cr. in the previous year, an increase of over 32%. Our EBITD margin also improved to 27.29% for the current year from 25.04% in the previous year.*

*Our Net Profit for the year was ₹ 206.51 cr. against ₹ 226.69 cr. for the previous year. This marginal decline was due to higher finance cost and depreciation.*

*In FY2013, we plan to capitalise on all our existing facilities by consolidation. We are confident that as the largest vertically integrated textile company in the country, we will continue to achieve impressive gains both in terms of new geographies as well as higher operational efficiencies, and continue to deliver outstanding value to our stakeholders.*

*I thank all our customers, suppliers, bankers, investors, and last but not the least, all our employees at Bombay Rayon Fashions Limited who continue to achieve stellar results.*

*Sincerely*

*Janardan Agrawal*

*Chairman*

# Financial Snapshot

(₹ in million)

	2011-12	2010-11	2009-10
<b>Financial Information</b>			
Total Income	27492.70	22783.27	16304.26
Earnings Before Depreciation, Finance Charges and Tax	7464.00	5643.55	4031.79
Profit Before Tax	3076.40	2824.78	2415.70
Profit After Tax	2065.10	2267.00	1759.19
Earnings Per share (Basic) (in ₹)	15.50	19.06	18.90
<b>Financial Position</b>			
Equity Share Capital	1346.00	1279.00	1119.00
Reserves and Surplus	27978.60	24512.37	17974.17
Net Worth	29817.70	26651.52	19295.82
Gross Block	42435.00	31698.06	20914.37
Net Block	37248.30	28681.78	19259.21
Investments	1684.10	2227.22	4394.81
<b>Key Ratios</b>			
EBIDTA Margin	27.29	25.03%	24.97%
Debt Equity Ratio	1.08	1.17	1.29



# 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*  
*Mr. Uday Mogre - Executive Director- Corporate*  
*Dr. B. S. Bhesania - Director*  
*Mr. S. B. Agarwal - Director*  
*Dr. Pravin P. Shah - Director*  
*Mr. Suresh Vishwasrao - Director*  
*Mr. M. M. Agrawal - Director*  
*Mr. Mukul Sarkar - Nominee Director - EXIM Bank*

## *Company Secretary*

*Ms. Prachi Deshpande*

## *Auditors*

*V. K. Beswal & Associates, Chartered Accountants*

## *Registered Office*

*Bombay Rayon Fashions Limited*  
*D-1st Floor, Oberoi Garden Estates,*  
*Chandivali, Andheri (East), Mumbai - 400 072.*

## *Registrar & Share Transfer Agent*

*Link Intime India Private Limited*  
*C-13, Pannalal Silk Mills Compound,*  
*L. B. S. Marg, Bhandup, Mumbai - 400 078.*

## *Bankers/Term Lenders*

*Axis Bank Limited*  
*Allahabad Bank*  
*Bank of India*  
*Bank of Maharashtra*  
*Central Bank of India*  
*Citi Bank N.A*  
*Corporation Bank*  
*DENA Bank*  
*Export-Import Bank of India*  
*Indian Bank*  
*IDBI Bank Limited*  
*Indian Overseas Bank Limited*  
*ICICI Bank Limited*  
*Karnataka Bank Limited*  
*Karur Vysya Bank Limited*  
*Oriental Bank of Commerce*  
*Punjab National Bank*  
*State Bank of Bikaner and Jaipur*  
*State Bank of India*  
*State Bank of Hyderabad*  
*State Bank of Mysore*  
*State Bank of Patiala*  
*State Bank of Travancore*  
*Standard Chartered Bank*  
*Union Bank Of India*

## *Listing of Equity Shares*

*The Company's shares are listed on the National Stock Exchange of India Ltd. ("NSE") and Bombay Stock Exchange Limited ("BSE").*

# Directors' Report

## Dear Shareholders,

Your Directors have pleasure in presenting their Report on the operations of the Company together with the Audited Accounts for the financial year ended March 31, 2012.

(₹ in crores)

Particulars	As at March 31, 2012	As at March 31, 2011
Sales	2734.96	2254.84
<b>Profit before Interest, Depreciation and Tax</b>	<b>746.40</b>	564.36
<b>Less: Interest</b>	<b>221.53</b>	145.21
<b>Profit before Depreciation and Tax</b>	<b>524.87</b>	419.15
<b>Less: Depreciation</b>	<b>217.23</b>	136.67
<b>Profit before Extraordinary Items and Tax</b>	<b>307.64</b>	282.48
<b>Less: Excess Provision for FBT written back</b>	<b>-0.11</b>	-
<b>Profit Before Tax</b>	<b>307.75</b>	282.48
<b>Less: Provision for taxes (including deferred)</b>	<b>(101.24)</b>	55.78
<b>Profit after tax</b>	<b>206.51</b>	226.69
Basic	15.50	19.06
Diluted	14.67	17.70

Your Company has achieved commencement of yarn dyeing & fabric weaving facilities at Tarapur and weaving at Islampur in Maharashtra during the FY 2011-12. The total turnover has increased to ₹ 2734.96 crores as compared to ₹ 2254.84 crores in the previous year. Exports were higher at ₹ 1323.11 crores as against ₹ 1110.70 crores previous year an increase of 19%.

The operating margins were improved but the net profit was under stress due to increased financial costs and depreciations because of expansion pans and higher interest rates.

## DIVIDEND

With a view to conserve the resources for the Company's business operations, your Directors have deemed it prudent not to recommend any dividend for the year ended March 31, 2012.

## BUSINESS DEVELOPMENT:

### 1. Completion of expansion of manufacturing facilities:

The Directors are pleased to inform that during the year under review, your Company has successfully

commenced the commercial production of its last phase of expansion projects of yarn dyeing at Tarapur & weaving at Islampur & Tarapur and consequently completing the all ongoing expansion projects.

The cost of the expansion project was funded partly by equity capital already raised and the balance by way of term loans under Technology Upgradation Fund Scheme (TUFs) entitling the Company an interest subsidy of 5% and in addition capital subsidy of 10% on the total investment in Processing & Garment Machineries.

## 2. Changes in Share Capital and Shareholding Pattern:

### (i) Changes in Share Capital

During the year under review your company has allotted –

42,00,000 equity shares to Reynold Shirting Limited, a promoter group company on exercise of option for conversion of warrants into equal number of equity shares at an exercise price of ₹ 193/- per share.

25,00,000 equity shares to B. R. Machine Tools Private Limited, a promoter group company on exercise of option for conversion of warrants into equal number of equity shares at an exercise price of ₹ 263/- per share.

Consequent to conversion the paid up capital of the Company increased from ₹ 127.90 crores consisting of 12,79,00,000 equity shares of ₹ 10/- each to ₹ 134.60 crores consisting of 13,46,00,000 equity shares of ₹ 10/- each.

### (ii) Changes in Shareholding Pattern

During the year under review on of the shareholder of the Company, AAA United B. V, a Company incorporated under the Laws of Netherlands (AAA) has opted for conversion of 3,30,00,000 Global Depository Receipts (GDRs) into equal number of equity shares which triggered an open offer to the existing shareholders. On the closure of open offer an Indian company, Ashwell Holding Company Pvt. Ltd. has acquired 2,84,20,000 equity shares, making the shareholding of promoters and persons acting in concert at 93.15% of the total paid up capital of the company.



## **DIRECTORS:**

Mr. Mukul Sarkar, a Nominee Director has been appointed by Export Import Bank of India on June 26, 2011 in place of Mr. K. Muthukumaran.

In accordance with the provisions of Section 255 read with Section 266 the Companies Act, 1956 and the Company's Articles of Association, Mr. Suresh Vishwasrao, Mr. Uday Mogre and Mr. M. M. Agrawal, Directors of the Company shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

The information to shareholders pursuant to Clause 49 of the Listing Agreement pertaining to brief resume, expertise in functional areas, names of Companies in which Mr. Suresh Vishwasrao, Mr. Uday Mogre and Mr. M. M. Agrawal, are Directors respectively is forming part of the Annual Report.

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

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

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
2. that they have selected such accounting policies in consultation with Statutory Auditors and other Experts and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year viz March 31, 2012 and of the Profit of the Company for that year.
3. that they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. that they have prepared the attached Statement of Accounts for the year ended March 31, 2012 on a going concern basis.

## **CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

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

## **AUDITORS:**

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

## **AUDITORS' REPORT:**

The observations made by the Statutory Auditors in their Report read with the relevant notes as given in the Notes to Accounts for the year ended March 31, 2012, are self-explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

## **FIXED DEPOSITS:**

The Company has not accepted or renewed any deposit from public during the year under review.

## **PARTICULARS OF EMPLOYEES:**

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

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

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

## **DEPOSITORY SYSTEM:**

Your Company's Equity Shares are available for dematerialization through National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2012, 99.97% of the Equity Shares of the Company were in dematerialized form.

# Bombay Rayon Fashions Limited

## CONVERSION OF GDRS/WARRANTS AND OTHER MAJOR CORPORATE ACTIVITY DURING THE YEAR

### SUBSIDIARY COMPANIES:

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

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

BRHL has registered a net profit of ₹ 2.28 crores for the year ended March 31, 2012.

#### (ii) DPJ Clothing Limited, U.K.

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

DPJ Clothing Ltd has registered loss of GBP 221,000 for the year ended March 31, 2012.

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

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

BRFL Europe B.V. has registered a loss of Euro 10,716 for the year ended March 31, 2012.

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

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

The economic environment in that part of world is gloomy and to keep the business operations fit, the activities are restructured.

BRFL Italia S.r.l, Italy has registered a net loss of Euro 6.09 million for the year ended March 31, 2012.

#### (v) STI India Limited (STI).

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

STI has registered a net profit of ₹ 15.18 lacs ended March 31, 2012.

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

The Company has been incorporated but operations yet to commence.

In accordance with general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the Subsidiary Companies and the related detailed information to any member of the Company and the Subsidiaries who may be interested in obtaining the same.

The necessary disclosures are made in respect of the subsidiaries in this Annual Report alongwith the statement pursuant to Section 212 of the Companies Act, 1956.

As required by Section 212 of the Companies Act, 1956, the Statement of holding in subsidiaries and Consolidated Accounts pursuant to Accounting Standard (AS 21) issued by the Institute of Chartered Accountant of India, including the financial accounts of the subsidiary companies are forming part of the Annual Report. The Annual Accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies.

## ACKNOWLEDGEMENTS:

Your Directors express sincere appreciations for the co-operation and support from our Bankers, Securities and Exchange Board of India ("SEBI"), Stock Exchanges and other Regulatory authorities, State Government and Central Government and above all, our Customers.

We look forward to receiving their continued support and encouragement.

The Board of Directors express its gratitude and record its sincere appreciation of the dedicated efforts and commitment of all the employees. The directors are thankful to the esteemed shareholders for their support and the confidence reposed in the Company.

For and on behalf of the Board

Place: Mumbai  
Date: July 06, 2012

**Janardan Agrawal**  
Chairman



## Annexures to the Directors' Report

### 1) Conservation of Energy:

#### a) Energy conservation measures taken by the Company

##### Electrical Energy :

- (a) Reducing the maximum demand by evenly distributing the loads throughout the day and increasing efficiency of plant and equipments.
- (b) Improving power factor by optimum choice of power factor improvement capacitors.
- (c) Monitoring the overall energy consumption.
- b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy. The Company is reviewing various proposals for reduction in consumption of energy, mainly by way of replacement of existing equipments by modern & energy efficient equipments.
- c) Impact of measures (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods as per Form A.
- d) Total energy consumption per unit of production as per Form A.

### FORM A

	Year Ended 31/03/2012		Year Ended 31/03/2011	
	Fabrics	Garments	Fabrics	Garments
<b>A. Power and Fuel Consumption</b>				
a) Electricity				
Purchase				
Unit (Lacs)	200.92	133.61	142.46	122.44
Total Amount (₹ Lacs)	841.88	490.40	867.07	736.45
Rate/ Unit (₹)	4.19	3.67	6.09	6.01
b) Own generation (Through D.G. Set)				
Diesel Oil Consumed (Lac Ltrs)	14.41	11.12	12.63	12.23
Total Amount (₹ Lacs)	610.23	480.30	509.79	506.60
Avg. Per Ltr. (₹)	42.35	43.19	40.35	41.42
c) Bio Fuel				
Quantity (M.T)	590.40	623.45	504.37	1892.47
Amount (in lacs)	18.25	90.40	14.23	260.90
d) Coal				
Quantity (M.T)	73422	75668	106574	-
Amount (in lacs)	3744.54	3640.41	5127.41	-
<b>B. Consumption Per unit of Production</b>				
Production	159.62 mn mtrs	41.87 mn pcs	121.84 mn mtrs	40.65 mn pcs
Electricity (₹)	0.91/ mtr	2.32/ pcs	1.13/ mtr	3.06/ pcs

### 2) Technology Absorption:

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

# Bombay Rayon Fashions Limited

## FORM B

### Disclosure of particulars with respect to absorption

#### I. Research and development (R & D)

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

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

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

Product Quality has improved and new products have been introduced.

**3. Future plan of action:**

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

**4. Expenditure on R & D: NIL**

#### II. Technology absorption, adaptation and innovation

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

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

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

High Product quality and increased business potential.

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

a) Technology imported:

b) Year of import:

c) Has technology been fully absorbed?

d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.



Not Applicable

as no imported

technology is put to use.

#### III Foreign Exchange Earnings and Outgo:

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

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

The information on Foreign Exchange earnings and outgo is contained in note no. 29 of Significant Accounting Policies and Note to Accounts

For and on behalf of the Board

Place: Mumbai

Date: July 06, 2012

**Janardan Agrawal**

Chairman



# Report on Corporate Governance

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

## 1. Company's Philosophy on Corporate Governance

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

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

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

## 2. Board of Directors

### a) Composition of the Board:

The Company has an optimum combination of Executive and Non-Executive Directors. As on March 31, 2012, the Board comprised of 12 Directors, of which 4 were Executive Directors and the remaining 8 were Non-Executive Directors. Of the 8 Non-executive Directors, 7 Directors were Independent Directors of which Mr. Mukul Sarkar is a Nominee Director on the Board of the Company appointed by the Export Import Bank of India. The Chairman of the Board Mr. Janardan Agrawal is a Non-Executive Promoter Director.

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

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

Name of Director	Category	No. of Board meetings attended during the year	Previous AGM attended	No. of other		
				Directorships*	Committee Memberships #	Committee Chairmanships #
Mr. Janardan Agrawal	Promoter, Non-Executive; Non- Independent	3	No	3	--	--
Mr. Naseer Ahmed	Non-Executive; Non- Independent	2	No	2	--	1
Mr. Aman Agrawal	Promoter, Executive; Non- Independent	2	Yes	6	--	--
Mr. Prashant Agrawal	Promoter, Executive; Non- Independent	4	Yes	6	--	--

## Bombay Rayon Fashions Limited

Name of Director	Category	No. of Board meetings attended during the year	Previous AGM attended	No. of other		
				Directorships*	Committee Memberships #	Committee Chairmanships #
Mr. Uday Mogre	Executive; Non- Independent	3	Yes	1	--	--
Mr. A. R. Mundra	Executive; Non- Independent	4	Yes	2	--	--
Dr. Pravin P. Shah	Non-Executive; Independent	3	Yes	6	2	3
Dr. B. S. Bhesania	Non-Executive; Independent	4	Yes	1	2	1
Mr. S. B. Agarwal	Non-Executive; Independent	2	Yes	2	1	1
Mr. Suresh Vishwasrao	Non-Executive; Independent	4	No	1	--	--
Mr. M. M. Agrawal	Non-Executive; Independent	3	Yes	6	4	1
Mr. Mukul Sarkar\$ (Nominee Director)	Non-Executive; Independent	3	No	2	1	-
Mr. K . Muthukumar@ (Nominee Director)	Non-Executive; Independent	2	--	--	--	--

Note: Except that Mr. Aman Agrawal & Mr. Prashant Agrawal are sons of Mr. Janardan Agrawal, no director is related to any other director listed above.

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

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

\$ Appointed w.e.f June 26, 2011

@ Resigned w.e.f June 26, 2011

### b) Re-appointment of Directors:

The details of the Mr. Suresh Vishwasrao, Mr. Uday Mogre and Mr. M. M. Agrawal, Directors eligible for being re-appointment at the ensuing Annual General Meeting is provided in Annexure 1 of this Report.

### c) Non-Executive Directors' compensation and disclosures:

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

In accordance with the Special resolution passed by Shareholders of the Company at their Annual General Meeting held on September 15, 2011, the Company paid commission to Mr. Janardan Agarwal, the Non – Executive Chairman @ 1% of the net profits for the year ended March 31, 2012.

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

### d) Board Meetings and Annual General Meeting:

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

- April 7, 2011
- June 4, 2011
- August 9, 2011
- November 5, 2011
- February 10, 2012



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 is free to suggest inclusion of items on the agenda. The Board meets at least once every quarter inter alia to review the quarterly results together with the Operations and Performance of the Company pertaining to that quarter. Additional Meetings are held, whenever necessary. The draft minutes of the proceedings of the Meetings of the Board, after incorporating the comments, if any of the Directors are confirmed by the Board Members at their next 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 under Annexure IA to Clause 49 of the Listing Agreement, approvals of the Board are taken wherever necessary for major events. The Board also reviews the Compliance report of all laws applicable to the Company. The Managing Director keeps the Board apprised of the overall performance of the Company.

## e) Code of Conduct

The Company has adopted a Code of Conduct for the members of the Board and the Senior Management in compliance with the provisions of Clause 49 of the Listing Agreement. All the members of the Board and the Senior Management have affirmed compliance with the Code of Conduct as on March 31, 2012 and a declaration to that effect signed by the Managing Director, forms a part of this Report. The Code of Conduct is also available on Company's web site - [www.bombayrayon.com](http://www.bombayrayon.com).

## 3. Audit Committee

### a) Constitution of Audit Committee:

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

As on March 31, 2012, the Audit Committee comprised Five members, of which four were Non-executive

Independent Directors and one is Executive Director - Finance. The Chairman of the Audit Committee is a Non-executive Independent Director.

All members of the Audit Committee are financially literate, out of which Dr. Pravin P. Shah, Mr. S. B. Agarwal and Mr. A. R. Mundra are qualified Chartered Accountants having requisite financial expertise.

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

During the financial year 2011-12, four Audit Committee Meetings were held on:

- June 04, 2011
- August 09, 2011
- November 05, 2011
- February 10, 2012

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

Name of the Director	Designation	Attendance
Dr. Pravin P. Shah	Chairman	3
Dr. B. S. Bhesania	Member	4
Mr. S. B. Agarwal	Member	2
Mr. A. R. Mundra	Member	4
Mr. Mukul Sarkar\$	Member	1
Mr. K. Muthukumaran@	Member	1

\$ Appointed w.e.f June 26, 2011

@ Resigned w.e.f June 26, 2011

### c) Attendees:

The Audit Committee invites Senior Executives, Statutory Auditors & Internal Auditors, whenever it considers appropriate, to be present at its meetings. The Company Secretary of the Company acts as the Secretary of the Committee.

### d) The Terms of Reference of the Audit Committee:

- i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

## Bombay Rayon Fashions Limited

- iv) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - (b) Changes, if any, in accounting policies and practices and reasons for the same.
  - (c) Major accounting entries involving estimates based on the exercise of judgement by management.
  - (d) Significant adjustments made in the financial statements arising out of audit findings.
  - (e) Compliance with listing and other legal requirements relating to financial statements.
  - (f) Disclosure of any related party transactions.
  - (g) Qualifications in the draft audit report.
- v) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- vi) Reviewing, with the management, the Statement of uses/application of funds raised through an issue (public issue, right issue, Preferential issue. etc) the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue and making appropriate recommendation to the Board to take up steps in this matter.
- vii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- viii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- ix) Discussion with internal auditors on any significant findings and follow up there on.
- x) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of

internal control systems of a material nature and reporting the matter to the board.

- xi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- xii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- xiii) Review of information as prescribed under Clause 49 (II)(E) of the Listing Agreement.

### e) Powers of the Audit Committee:

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

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

## 4. Remuneration Committee

### a) Constitution of Remuneration Committee:

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

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

The composition of the Remuneration Committee is as under:

Committee Members	Designation
Dr. B. S. Bhesania	Chairman
Dr. Pravin P. Shah	Member
Mr. S. B. Agarwal	Member

There was no Remuneration Committee Meeting held during the year ended March 31, 2012.



c) **Terms of reference:**

The committee has the mandate to review and recommend compensation payable to the Managing Director, Whole-time Directors and Senior Management of the Company. One of its function is to also administer the Company's Stock Option Plans, if any, including the review and grant of the Stock Options to eligible employees under plans, as and when necessary. The committee reviews the performance of the Whole-time Directors and for the said purpose may have requisite parameters as it may deem fit.

d) **Remuneration Policy:**i) **Management Staff:**

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

ii) **Non-Executive Directors:**

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

The sitting fees paid to the Directors for attending the Board meetings, Audit Committee Meetings and Remuneration Committee Meetings is ₹ 10,000/- per meeting. Details of the Sitting fees paid during the year 2011-12 are as under:

Name of the Director	Sitting fees paid (Amount in ₹)	
	Board Meeting	Audit Committee
Dr. Pravin P. Shah	30000	30000
Dr. B.S. Bhesania	40000	40000
Mr. S.B. Agarwal	20000	20000
Mr. Naseer Ahmed	20000	N.A
Mr. K. Muthukumaran@	20000	10000
Mr. Suresh Vishwasrao	40000	N.A
Mr. Mukul Sarkar \$	30000	10000
Mr. M. M. Agrawal	30000	N.A
<b>Total</b>	<b>230000</b>	<b>110000</b>

Note: There was no remuneration committee meeting held during the year 2011-2012 due to which no amount towards sitting fees has been paid to the Remuneration Committee members.

@ Resigned w.e.f. June 26, 2011

\$ Appointed w.e.f. June 26, 2011

The Chairman of the Company is entitled to Commission of 1% of the Net profits of the Company in accordance with the limits of Section 309 of the Companies Act, 1956. The total Commission payable for the year ended March 31, 2012 to the Chairman amounted to ₹ 316.56 lacs.

iii) **Executive Directors:**

Mr. Aman Agrawal, Vice Chairman, Mr. Prashant Agrawal, Managing Director, Mr. A. R. Mundra, Executive Director – Finance and Mr. Uday Mogre, Executive Director- Corporate are the only Executive Directors in the Company. The tenure of all the aforesaid Executive Directors is for a period of 3 years commencing from June 1, 2010. The remuneration payable to the Executive Directors has been considered by the Remuneration Committee, recommended by the Board of Directors and approved by the Shareholders of the Company.

## Bombay Rayon Fashions Limited

Details of remuneration paid to the Executive Directors during the year ended March 31, 2012 is as under:

(₹ in lacs)

Name of the Executive Director	Designation	Salary & Allowances	Contribution to PF	Total
Mr. Aman Agrawal	Vice-Chairman	240	17.27	257.27
Mr. Prashant Agrawal	Managing Director	240	17.27	257.27
Mr. A. R. Mundra	Executive Director-Finance	36	2.58	38.58
Mr. Uday Mogre	Executive Director-Corporate	36	2.58	38.58

## 5. Shareholders' / Investors' Grievance Committee

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

The Committee is a Board level committee headed by the Mr. Janardan Agrawal, Chairman. The Members of Shareholders' /Investors' Grievance Committee Meetings met Four times during the financial year 2011-12:

- June 04, 2011
- August 09, 2011
- November 05, 2011
- February 10, 2012

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

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

- Ms. Prachi Deshpande, Company Secretary is also the Compliance Officer for the committee.
- The details of complaints received is provided hereinbelow:

Compliant received from	Pending As on April 01, 2011	Received During the year	Resolved During the year	Pending As on March 31, 2012
Securities and Exchange Board of India	NIL	NIL	NIL	NIL
Stock Exchange (NSE)	NIL	1	1	NIL
Registrar of Companies/Department of Company Affairs	NIL	NIL	NIL	NIL
Legal	NIL	NIL	NIL	NIL
Total	NIL	1	1	NIL

All the complaints aforesaid had been satisfactorily resolved.

- **Share Transfers in Physical Mode:**

Shares sent for physical transfer are generally registered and returned within a period of 15 days from the date of receipt, if the documents are in order. The Shareholders' Committee of the Company meets as often as required.



## 6. General Body Meetings

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

Year	Date	Time	Venue	Special Resolutions passed
2010-11	September 15, 2011	4.30 P.M.	Walchand Hirachand Hall, IndianMerchants' Chamber, IMC Marg, Churchgate, Mumbai 400 020	a. To authorize the Board of Directors of the Company for creation of mortgages/charges for an amount not exceeding ₹ 4,000 Crores pursuant to the provisions of Section 293(1)(a) of the Act.  b. To authorize the Board of Directors of the Company for borrowing such amount not exceeding ₹ 4,000 Crores pursuant to the provisions of Section 293(1)(d) of the Act.  c. Payment of commission to Mr. Janardan Agrawal, Non-executive Chairman @ 1% of the Net Profit of the Company for a period of five years pursuant to the provisions of Section 309 (5) read with Section 198 (1) of the Act.
2009-10	September 21, 2010	4.30 P.M.	Walchand Hirachand Hall, IndianMerchants' Chamber, IMC Marg, Churchgate, Mumbai 400 020	--
2008-09	September 30, 2009	9.30 A.M.	Walchand Hirachand Hall, IndianMerchants' Chamber, IMC Marg, Churchgate, Mumbai 400 020	--

- ii) The Company did not pass any resolution by way of Shareholders approval through Postal Ballot during the year ended March 31, 2012. No Special Resolution has been proposed to be passed by way of Postal Ballot.

## 7. Disclosures

- a) The Company did not have any related party transactions, i.e. transactions of the Company of material nature, with its promoters, Directors or the Management, their subsidiaries or relatives, etc., which may have potential conflict with the interests of the Company at large. Related Party transactions have been disclosed in the Notes to Accounts in the financial statements as at March 31, 2012.
- b) Details of Shares held by Non-Executive Directors as on March 31, 2012:

Sr. No	Name of the Non-Executive Director	No. of Shares held
1.	Mr. Janardan Agrawal	77,56,422
2	Dr. Pravin P. Shah	3,016

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

- c) The Company has complied with the all the requirements of regulatory authorities on capital markets and no penalty/stricture was imposed on the Company during the last three years.

## Bombay Rayon Fashions Limited

- d) The Company does not have a Whistle Blower Policy; which is a non-mandatory requirement. However, the Company's personnel have access to the Chairman of the Audit Committee in cases such as concerns about unethical behavior, frauds and other grievances. No personnel of the Company has been denied access to the Audit Committee and there are no instances of any such access.
- e) The Managing Director (CEO) & the Executive Director – Finance (CFO) have certified to the Board at their meeting held on May 29, 2012 in accordance with clause 49 (V) of the Listing Agreement pertaining to CEO & CFO Certification for the financial year ended March 31, 2012.
- f) The Company has complied with the mandatory requirements of the Corporate Governance Clause of Listing Agreement.
- g) The Company has laid down procedures for risk assessment and minimization procedures. This is reviewed by Board to ensure that the management manages the risk through a properly defined framework.
- h) The financial statements of the Company are unqualified.
- i) The Company does not have any material unlisted Indian subsidiary Company. The Audit Committee and Board reviews the minutes, financial statements together with the significant transactions and working of Un-listed subsidiaries of the Company.
- j) Transfer of unclaimed IPO shares to Suspense account:

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

Unclaimed Shares as on April 1, 2011		Details of Shareholders approached during the Financial Year 2011-12 for the claiming of shares		Details of Shareholders to whom the shares have been transferred during the Financial Year 2011-12		Unclaimed Shares as on March 31, 2012	
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
7	734	1	100	1	100	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.

## 8. Means of Communication

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

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

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

## 9. General Shareholder Information

- a) **Date, Time and Venue of Nineteenth Annual General Meeting** Date: September 28, 2012 [Friday]  
Time: 4.30 p.m.  
Venue: Kilachand Conference Room, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai - 400 020.
- b) **Financial Calendar** April 1, 2011 to March 31, 2012
- c) **Date of Book Closures (both days inclusive)** September 22, 2012 (Saturday) to September 28, 2012 (Friday)
- d) **Registered Office** D - 1st Floor, Oberoi Garden Estates, Chandivali Farms Road, Chandivali, Andheri (E), Mumbai - 400 072  
E-mail: investors@bombayrayon.com / Web-site: www.bombayrayon.com
- e) **Listing on Stock Exchanges** National Stock Exchange of India Limited; and Bombay Stock Exchange Limited  
The Company has paid Annual Listing fees for year 2012-2013 to both the Stock Exchanges.
- f) **Stock Code** NSE: BRFL  
BSE: 532678
- g) **Tentative calendar of Board Meetings for the financial year 2012-13** For the quarter ended June 30, 2012: On or by August 14, 2012  
For the quarter and half year ended September 30, 2012: On or by November 14, 2012  
For the quarter ended December 31, 2012: On or by February 14, 2013  
For the quarter and year ended March 31, 2013: On or by May 30, 2013
- h) **ISIN** INE589G01011
- i) **Market Price Data:**

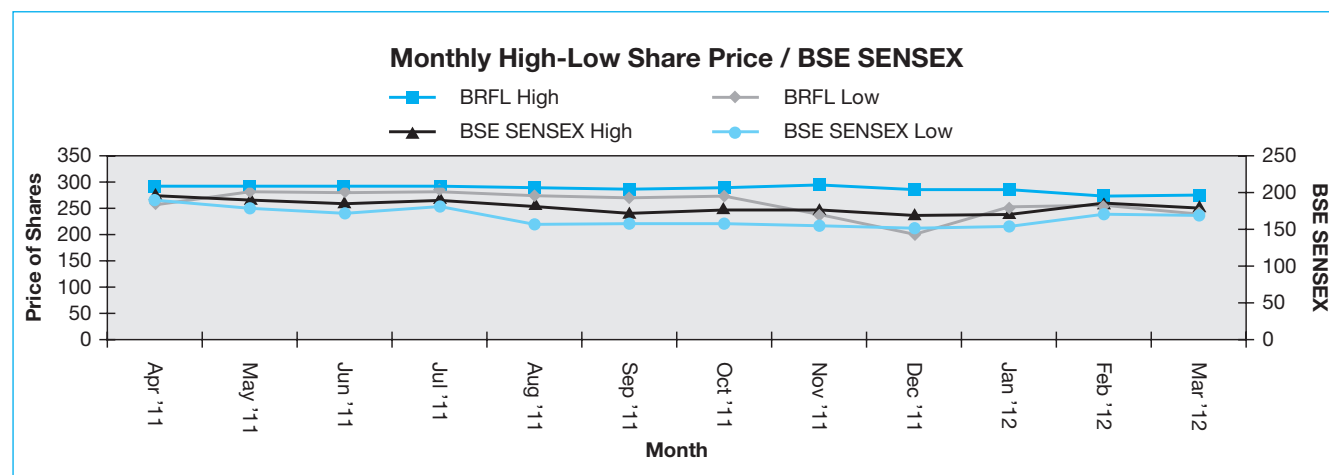
The monthly high and low quotations of shares traded on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited as follows:

### A. BOMBAY STOCK EXCHANGE LIMITED & NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Month	BSE Limited			National Stock Exchange of India Limited		
	High	Low	Volume (in nos)	High	Low	Volume (in nos)
April, 2011	293.75	259.05	22,37,278	293.90	260.50	74,74,575
May, 2011	292.00	281.00	9,09,188	292.95	280.20	68,33,257
June, 2011	294.00	282.20	35,79,960	292	278	67,88,931
July, 2011	290.85	283.45	13,85,553	290.90	281	19,31,955
August, 2011	288.45	274.50	3,45,703	288	270	42,50,110
September, 2011	288.00	271.00	1,68,111	286.50	257.50	17,33,219
October, 2011	291.90	273.00	6,34,569	292	265	28,27,342
November, 2011	293.95	240.20	16,35,430	293.50	216	43,19,208
December, 2011	286.00	199.60	10,12,061	286.85	215	66,56,985
January, 2012	286.00	251.30	1,45,825	285.15	248.50	10,90,888
February, 2012	274.00	255.15	95,599	274.70	255	9,98,088
March, 2012	275.10	238.45	99,437	278.20	234	7,81,780



## Bombay Rayon Fashions Limited



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

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

**k) Share Transfer System:**

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

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

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

**l) Distribution of Shareholding**

- Distribution of Shareholding as at March 31, 2012:

Shareholding of Nominal Value	No. of Shareholders	% of Total	Share Capital Amount (₹)	% of Total
Upto 5000	7344	95.26	5428210	0.40
5001-10000	146	1.89	1210100	0.09
10001-20000	78	1.01	1208730	0.09
20001-30000	13	0.17	327950	0.02
30001-40000	13	0.17	470520	0.03
40001-50000	6	0.08	263470	0.02
50001-100000	29	0.38	2084950	0.15
100001 and above	80	1.04	1335006070	99.18
<b>TOTAL</b>	<b>7709</b>	<b>100.00</b>	<b>1346000000</b>	<b>100.00</b>

- Category wise Shareholding as at March 31, 2012:

Category	No. of Shares	%
Promoter Group	125379660	93.15
Mutual Funds and UTI	11168	0.01
Banks/Financial Institutions/ Insurance Companies	1825625	1.36
Foreign Institutional Investors	827276	0.61
Private Corporate Bodies	4950266	3.68
Non-Resident Indians	158835	0.12
Clearing Member	46265	0.03
Public	1400905	1.04
Foreign Company	-	-
Depository Receipts	-	-
TOTAL	134600000	100

**m) Dematerialization of Shares and Liquidity:**

About 99.93% of the shares were in dematerialized form as on March 31, 2012. The equity shares of the Company are traded at BSE Limited (BSE) and National Stock Exchange of India Ltd. (NSE).

Physical and Demat Shares as on March 31, 2012		
	No of Shares	%
No. of Shares held by NSDL	13,20,38,139	98.10
No. of Shares held by CDSL	24,59,917	1.83
Physical Shares	1,01,944	0.03
Total	13,46,00,000	100

**n) Outstanding GDR's / ADR's / Warrants or any Convertible Instrument conversion date and likely impact on equity:**

In November 2009, the Company issued 1,90,00,000 Global Depository Receipts (GDR's) and in October, 2010 the Company issued 1,60,00,000 Global Depository Receipts (GDR's) representing underlying equivalent number of equity shares to the person resident outside India.

All the GDR's issued in November 2009 and October 2010 of 1,80,00,000 and 1,60,00,000 have been converted into Equity Shares during the FY 2011-12.

The total convertible warrants of 1,00,00,000 were allotted to B R Machine Tools Private Limited in October 2010, out of which 25,00,000 were converted into Equity Share on September 30, 2011 and the remainder 75,00,000 Warrants are outstanding.

**o) Plant Locations:**

FACTORY LOCATION

WEAVING AND YARN DYEING

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

PROCESSING & YARN DYEING

- Maharashtra -Tarapur
- Karnataka - Bangalore

# Bombay Rayon Fashions Limited

## GARMENTING

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

### p) Address for Correspondence:

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

Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound,  
L. B. S. Marg, Bhandup, Mumbai - 400 078.  
Tele: 022 – 2596 3838  
Fax: 022 – 2594 6969 / 2596 0329

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

### q) 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.

### r) 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.

## 10. Code of Conduct :

As Provide under the Clause 49 of the Listing Agreement with the Stock exchanges, the senior management Personnel has confirmed compliance with the Code of Conduct for the year ended March 31, 2012.

Place: Mumbai  
Date: July 06, 2012

Prashant Agrawal  
Managing Director



## CEO & CFO CERTIFICATE

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

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

Prashant Agrawal  
Managing Director

A. R. Mundra  
Executive Director – Finance

Place : Mumbai

Date: May 29, 2012

## ANNEXURE –A

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

#### Mr. Suresh Vishwasrao

- Date of Birth : October 04, 1946
- Date of Appointment : March 31, 2009
- Education Qualification: M. A. C.A. I I B (Certified Associate Indian Institute of Bankers), Diploma Risk Management – Mew York University, USA.
- Experience & Expertise: Mr. Vishwasrao is having more than 42 years of professional experience in Banking regulations, Foreign Exchange Management Act, Loan Syndication, Capital Markets etc. He is an ex- banker.
- List of Other Company in which he holds Directorship as on March 31, 2012

## Bombay Rayon Fashions Limited

Sr. No	Name of the Company	Nature of Interest
1.	Yuroas Textiles Private Limited	Director
2.	Quest Softech (India) Limited	Director
3.	Quest Profin Advisor Private Limited	Director
4.	Quest (East India ) Advisor Private Limited	Director
5	Quest Finlease Private Limited	Director

- Chairman /member of Committees of the Boards of other Companies in which he is Director as on March 31, 2012 : Nil
- Equity Shares Held in the Company : Nil

### Mr. Uday Mogre

- Date of Birth : December 29, 1951
- Date of Appointment : May 16, 2005
- Education Qualification : B. Tech (Chemical Engineering), PGDBA (Ahmedabad)
- Experience & Expertise: Mr. Mogre has over 30 years of experience project finance, marketing (textured yarn and fibre), implementation of SAP etc.,
- List of Other Company in which he holds Directorship as on March 31, 2012

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

- Chairman /member of Committees of the Boards of other Companies in which he is Director as on March 31, 2012 : NIL
- Equity Shares Held in the Company : Nil

### Mr. M. M. Agrawal

- Date of Birth : August 04, 1950
- Date of Appointment : February 09, 2011
- Education Qualification : B. E, CAIIB- Part I
- Experience & Expertise: Mr. Agarwal is an ex- banker and is having more than 40 years of banking experience. His areas of interest are private equity, strategy, corporate governance, corporate finance, corporate social responsibilities etc.

- List of Other Company in which he holds Directorship as on March 31, 2012

Sr. No	Name of the Company	Nature of Interest
1.	Axis Private Equity Limited	Director
2.	Jaguar Overseas Limited	Director
3.	Essar Power Limited	Director
4.	Moser Baer Projects Private Limited	Director
5.	Coastal Projects Limited	Director
6.	NSL Renewable Power Private Limited	Director
7	NSL Conventional Power Private Limited	Director
8	Karuturi Global Limited	Director
9	Mercator Lines Limited	Director
10.	BSCPL Infrastructure Limited	Director
11.	Paragon Asset Reconstruction Private Limited	Director
12.	Bhoruka Cogen Power Private Limited	Director
13.	SREI Mutual Fund Asset Management Private Limited	Director

- Chairman /member of Committees of the Boards of other limited Companies in which he is Director as on March 31, 2012 :

Sr. No	Name of the Company	Nature of Interest	Status
1	Axis Private Equity Limited	Audit Committee	Member
2	Jaguar Overseas Ltd	Audit Committee	Member
3	Essar Power Limited	Audit Committee	Chairman
4	Karuturi Global Ltd	Audit Committee	Member
5	BSCPL Infrastructure Ltd	Audit Committee	Member

- \* Memberships and Chairmanships of Audit Committee and Shareholders' Grievance Committee have been considered
- Equity Shares Held in the Company : Nil

# Management Discussion & Analysis

Clothes are an epitome of culture. People in different parts of the world have their own styles of dressing which symbolize their culture and status. Traditionally, INDIA is considered as a major player in textile sector and BRFL is a proud contributor to such cultures across the globe

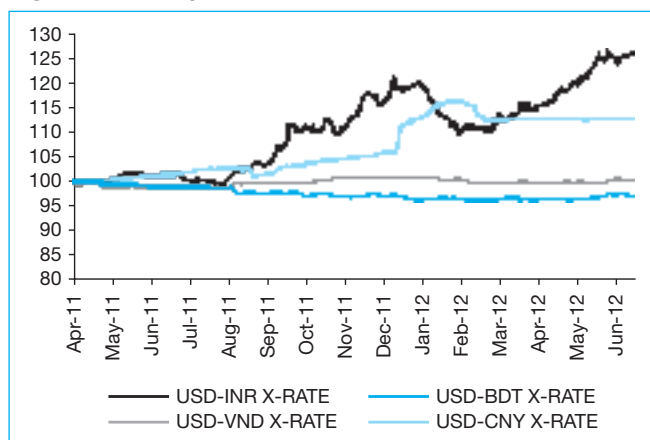
## GLOBAL SCENARIO

With the euro zone crisis showing no signs of abatement and the US economy slowing down, the cascading ripple effect of economic deceleration was felt across the globe. Heightened risk aversion and resultant slowing of capital flows adversely impacted developing economies. The growth rate of economies in India, China and Brazil - considered as important nations amongst the emerging and developing economies (EDE's) moderated during the year.

## IMPACT ON INDIAN ECONOMY

The rate of growth of Indian economy moderated with the GDP growing by 6.6% during the year from a healthy above 8.4% recorded during each of the two preceding years. India, however, remains a front runner in economic growth despite the sluggish performance. Growth has moderated and fiscal balance has deteriorated due to tight monetary policy and expanded outlays. It is evident that the government is making best efforts to protect the financial system against all stress relating to recession in advanced economies

**Figure: ₹ has depreciated more than other currencies**



The USD appreciated considerably against the Indian rupee on account of the EURO ZONE sovereign debt-repayment crisis. The industrial growth also exhibited sharp decline during the year. This is reflected by the IIP falling to 3.5% from 8.1% during the year 2010-11.

The sharp depreciation (~26%) of the rupee against the USD over the past 15 months has strengthened its position further., the Bangladeshi Taka has depreciated by only 13% against the USD.

## GLOBAL AND INDIAN TEXTILE INDUSTRY

In line with strong domestic demand as well as huge export commitments, India and China are seen as world's leading players, in all segments of the textile value chain.

At present the industry contributes an impressive 14% to the industrial production, 4% to the GDP and 17% to the country's export earnings

The current global textile and apparel industry has evolved with distinct consumption and production hubs. Production was earlier located in developed economies such as the USA and Europe, but over the years manufacturing has shifted to economies such as India, China and Bangladesh etc. due to the low cost advantage. Mature economies have now emerged as major consuming hubs while developing economies are still in the nascent stages of consumption.

(Source: International Monetary Fund (IMF))

## Textile and Apparel Industry Size:

Year	Domestic		Exports	
	INR('000 Cr)	USD (bn)	INR('000 Cr)	USD (bn)
2011(E)	273	31	145	58
2016(P)	435	50	235	93
2021(P)	664	82	386	141

Apparel exports to EU and USA is dominated by India's, accounting for almost 78 percent of India's total apparel exports in 2011. India's apparel exports to other markets



# Bombay Rayon Fashions Limited

(other than the EU and the USA) comprising of 22 percent was valued at US\$ 2.8 billion in 2011. Countries like South Africa, countries of Latin America, Japan, South Korea and Australia hold immense potential for Indian apparels. It is estimated that India can increase its exports from 22 percent to 28 percent by 2016. However, to achieve this, a lot needs to be done to improve productivity and upgrade plants and machinery, especially through state-of-the-art weaving and processing facilities, Visualizing the above opportunity the management has backward integrated the company and increased the capacity of the company

## OPPORTUNITIES & STRENGTHS

- Domestic market is growing at 9%
- Growing penetration of organised retail
- Increasing presence and growth of global brands and retailers in India
- Increasing local sourcing by global brands/retailers in India
- Expected FDI relaxation in multi retail brand
- Shifting of global trade in favour of low cost Asian countries
- New consumption patterns is seen in the markets like Brazil, Russia, South Africa, and Turkey.
- Increasing manufacturing cost in China will force some of the manufacturing to shift to other countries
- Share in global exports have seen an increase in exports from countries like Bangladesh and Vietnam due to low labour cost and duty-free access to many European countries, BRFL also operates through Bangladesh.

## WEAKNESS & THREATS

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

## OVERVIEW

Bombay Rayon Fashions Limited is one of the leading vertically integrated textile companies in India. The Company

has a strong presence across the entire value chain from fibre to yarn to textile to garment and fashion. The Company manufactures a wide variety of fabrics and garments and is the largest manufacturer of shirts in the country. The Company operates through its manufacturing facilities located in the state of Maharashtra, Karnataka, Tamilnadu and Kerala. The Company also has one sampling unit in Mumbai. The Company's current manufacturing capacity is 235 million meters of fabric and 88.8 million garment pieces supported by the state of the art infrastructure and designs.

The Company exports its high end designer garments to countries like the USA, the UK and rest of Europe. The Company has its own brand name marketed as Bombay Rayon, which is sold in domestic market and exported to Middle East and European countries.

## OPERATIONS

The commercial production for new weaving facilities at Islampur and Tarapur in Maharashtra commenced during the year. With this, all major expansion plans were completed.

The sale and margins have increased but the net profit was lower due to higher interest and depreciation.

## RISK AND CONCERNS

Risk is inherent in all kinds of business and is an integral part of the textile business. In the normal course of business, a company is exposed to various risks like Credit risk, Market risk and Operational risk, besides other residual risks such as Liquidity risk, Interest rate risk, Concentration risk, Strategic risk – what does this mean?. Regulation risk etc. With a view to efficiently manage such risks, your Company has put various risk management system and practices.

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

Various committees operate within the broad policy framework to ensure and enhance the risk control and governance framework .

### HUMAN RESOURCES

At BRFL, we believe that the only way to excel is by empowering its people. The Company believes that human resource is the most valuable asset of the Company. The Company proactively reviews the policies, performance and potentials of the employees. The Company has built a necessary team of professionals who can execute the vision of the Company with positive results. The total number of employees in BRFL as on March 31, 2012 stood at 24,104.

### CAUTIONARY STATEMENT

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

# Auditors Report

To,  
The Members of  
Bombay Rayon Fashions Limited

We have audited the attached Balance Sheet of BOMBAY RAYON FASHIONS LIMITED as at March 31, 2012 and the Profit and Loss Account & Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003(as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956. We enclose the annexure statement on the matters specified in paragraphs 4 and 5 of the Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, the Company has kept proper books of accounts as required by law so far as appears from our examination of those books.
  - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of accounts.
  - d) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit & Loss Account & Cash Flow Statement are prepared in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1961.
  - e) On the basis of written representations received from directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with notes thereon and attached thereto give in the prescribed manner the information required by the Companies Act, 1956, required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i. In so far as it relates to the Balance Sheet of the state of affairs of the Company as at March 31, 2012,
    - ii. In so far as it relates to the Profit & Loss Account of the PROFIT of the company for the year ended on that date, and
    - iii. In so far as it related to the Cash Flow Statement, of the Cash Flows for the year ended on that date.

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

**C.A. R.P. LADDHA**  
[PARTNER]

Place - Mumbai  
Date: May 29, 2012

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



## Annexure to the Auditor's Report of even date

(Referred to in paragraph 1 thereof)

1. In respect of fixed assets:
  - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets have been physically verified by the management at reasonable intervals during the year. We are informed that no material discrepancies were noticed by the management on such verification.
  - c) Based on our scrutiny of the records of the company and the information & explanation received by us, we report that there were sale of fixed assets during the year but the fixed assets disposed off did not constitute a substantial part of the fixed assets of the company.
2. In respect of inventories:
  - a) As explained to us physical verification of inventories has been conducted during the year by the management at reasonable intervals.
  - b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
  - c) In our opinion and according to the information and explanation given to us, the Company is maintaining proper records of its inventories and no material discrepancies were noticed on physical verification.
3. In respect of loans, unsecured, granted and taken:
  - a) The company has granted interest free advances to five companies including four subsidiaries covered in the register maintained under section 301 of the companies Act, 1956, the maximum amount outstanding at any time during the year is ₹ 578.42 Crores and the year balance is ₹ 569.77 Crores.
  - b) In our opinion and according to the information and explanations given to us, other terms and conditions are not prima facie prejudicial to the interest of the Company.
  - c) In respect of the said advances amounting to ₹ 210.00 Crores is repayable within the period of one year and remaining over a period of 5 to 7 years.
  - d) In respect of the said loans, there are no overdue amounts.
  - e) During the year the company has not taken any loans from parties covered in the registered maintained under section 301 of the Companies Act, 1956.
  - f) In view of our comments above, clause (iii) (f) and (g) of the said order is not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and fixed assets. Further, on the basis of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct weaknesses in the aforesaid internal control system.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
  - a) In our opinion and according to the information and explanations given to us the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in to the register required to be maintained under that section.

## Bombay Rayon Fashions Limited

- b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of Rupees five lakhs in respect of any party during the year, have been made at prices, which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
6. According to the information and explanations given to us, the Company has not accepted any deposits from public.
7. In our opinion the Company has an internal audit system commensurate with its size and nature of its business.
8. As per the information and explanations provided to us, we are of the opinion that in pursuant to prescribed rules by the central government, the company has maintained cost records u/s. 209(1) (d) of the Companies Act, 1956 however we have not done a detailed examination of the same.

9. In respect of statutory dues:

- a) According to the records of the company produced before us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other statutory dues applicable to it.

Accordingly to the information and explanation given no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other statutory dues applicable to it which were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

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

Name of the Statute	Amount (₹ In Crores)	Period for which it relates	Forum where dispute is pending
Income Tax Act, 1961	0.53	AY 2009-10	Commissioner of Income Tax (Appeals 14), Mumbai
Income Tax Act, 1961	0.14	AY 2008-09	Commissioner of Income Tax (Appeals 14), Mumbai
Income Tax Act, 1961	0.10	A Y 2008-09	Commissioner of Income Tax (Appeals) 16, Mumbai
Income Tax Act, 1961	0.72	AY 2006-07	Commissioner of Income Tax (Appeals 14), Mumbai
Income Tax Act, 1961	0.06	A Y 2005-06	Commissioner of Income Tax (Appeals 41), Mumbai
Income Tax Act, 1961	0.06	A Y 2004-05	Income Tax Appellate Tribunal, Mumbai
Income Tax Act, 1961	0.09	A Y 2004-05	Commissioner of Income Tax (Appeals 41), Mumbai
Income Tax Act, 1961	0.27	A Y 2003-04	Income Tax Appellate Tribunal, Mumbai

10. The company has no accumulated losses at the end of the financial year. The company has not incurred any cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. As per the information and explanations given to us the company is generally regular in repayment of dues to banks, however in some cases an amount of ₹ 28.75 crores remained to be unpaid.
12. According to the information and explanations given to us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is neither a Chit Fund nor a nidhi/mutual benefit society. Hence, in our opinion, the requirements of para 4 (xiii) of the Order do not apply to the company.
14. As per records of the company and information and explanations given to us by the management, company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us the company has not given any guarantee for loans taken by others from banks or financial institutions.

16. According to the records of the Company, the Company has applied the term loans for the purposes of which it was taken during the year.
17. According to the information and explanations given to us and, on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis has been used for long-term investment by the company.
18. The company has made preferential allotment of shares to companies covered in the register maintained under section 301 of the Act. In our opinion the prices at which the shares have been issued is not prejudicial to the interest of the company.
19. During the period covered by audit report the company has not issued any debentures.
20. During the year the company has not raised any money by way of public issue.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

**C.A. R.P. LADDHA**  
[PARTNER]

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

Place - Mumbai  
Date: May 29, 2012



# Bombay Rayon Fashions Limited

## Balance Sheet as at March 31, 2012

(Amount ₹ In Crores)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	1A	134.60	127.90
(b) Reserves and surplus	2	2,797.86	2,451.24
(c) Money Received against share warrant	1B	49.31	86.01
		2,981.77	2,665.15
<b>Non-current liabilities</b>			
(a) Long-term borrowings	3	1,306.99	1,309.16
(b) Deferred Tax Liability (Net)	4	261.09	165.70
(c) Long-term provisions	5	11.18	6.43
		1,579.26	1,481.28
<b>Current liabilities</b>			
(a) Short-term borrowings	6	1,926.85	1,546.13
(b) Trade payables	7	446.51	364.94
(c) Other current liabilities	8	343.73	299.66
(d) Short-term provisions	9	25.67	43.14
		2,742.76	2,253.87
<b>TOTAL</b>		7,303.79	6,400.30
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	10		
(i) Tangible assets		3,717.53	2,859.88
(ii) Intangible assets		7.30	8.30
(iii) Capital work-in-progress		51.75	637.57
(b) Non-current investments	11	155.61	155.50
(c) Long-term loans and advances	12	360.10	548.74
		4,292.29	4,209.99
<b>Current assets</b>			
(a) Current investments	13	12.80	67.22
(b) Inventories	14	1,773.10	1,262.87
(c) Trade receivables	15	461.07	479.12
(d) Cash and cash equivalents	16	118.48	34.92
(e) Short-term loans and advances	17	645.77	346.07
(f) Other current assets	18	0.28	0.11
		3,011.50	2,190.31
<b>TOTAL</b>		7,303.79	6,400.30

Notes are integral part of the balance sheet & profit & loss account  
As per our report attached  
For **V.K.Beswal & Associates**  
Chartered Accountants

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

Place: Mumbai  
Date: May 29, 2012

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

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

**Prachi Deshpande**  
Company Secretary

## Profit and Loss Account for the year ended March 31, 2012

(Amount ₹ In Crores)

Particulars	Note No.	year ended March 31, 2012	year ended March 31, 2011
Revenue from Operations	19	2,734.96	2,254.84
Other income	20	14.30	23.49
<b>Total Revenue</b>		<b>2,749.27</b>	2,278.33
<b>Expenses:</b>			
Cost of materials consumed	21	1,709.11	1,411.35
Changes in inventories of finished goods & work-in-progress	22	-321.51	-205.66
Employee benefits expense	23	230.16	204.67
Finance costs	24	221.53	145.21
Depreciation and amortization expense	25	217.23	136.67
Other expenses	26	385.10	303.61
<b>Total expenses</b>		<b>2,441.62</b>	1,995.85
<b>Profit before exceptional and extraordinary items and tax</b>		<b>307.64</b>	282.48
Exceptional items		-	-
<b>Profit before extraordinary items and tax</b>		<b>307.64</b>	282.48
Extraordinary Items			
Excess provision for FBT written back		-0.11	-
<b>Profit before tax</b>		<b>307.75</b>	282.48
Adjustment for Tax expense:			
(1) Current tax		-61.47	-58.72
(2) Deferred tax		-95.40	-74.52
(3) MAT credit Entitlement		55.63	77.45
<b>Profit for the period from continuing operations</b>		<b>206.51</b>	226.69
<b>Profit for the year</b>		<b>206.51</b>	226.69
Earnings per equity share: (in ₹)			
Basic		15.50	19.06
Diluted		14.67	17.70

Notes are integral part of the balance sheet & profit & loss account  
As per our report attached  
For **V.K.Beswal & Associates**  
Chartered Accountants

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

Place: Mumbai  
Date: May 29, 2012

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

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

**Prachi Deshpande**  
Company Secretary

# Cash Flow Statement

for the year ended March 31, 2012

(Amount ₹ In Crores)

Particulars	year ended March 31, 2012	year ended March 31, 2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and after Extraordinary items Adjustment For :	307.64	282.48
Depreciation and amortization expense	217.23	136.67
Finance costs	221.53	145.21
Interest & Dividend Income	-5.52	-11.84
Loss on sale of Assets	0.07	0.08
Profit on sale of Investment	-0.31	-0.55
<b>Operative Profit before Working Capital Changes Adjustment For :</b>	<b>740.65</b>	<b>552.05</b>
Trade Receivables	18.06	-101.87
Other Receivables, Loans & Advances	-34.81	-64.39
Inventories	-510.23	-567.30
Trade, Other payable & Provisions	130.39	217.97
Cash Generation from Operations	344.06	36.45
Direct Taxes	-55.73	-39.02
<b>Net Cash Flow from Operating Activities</b>	<b>288.33</b>	<b>-2.57</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase/Sale of Fixed Assets (Net)	-488.14	-1,162.32
Purchase/Sale of Investments (Net)	54.62	217.31
Increase/decrease in Loans and advances to Subsidiary	-20.79	-72.19
Interest & Dividend Income	5.52	11.84
<b>Net Cash used in Investing Activities</b>	<b>-448.80</b>	<b>-1,005.36</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from of issue of share capital & warrants	110.11	531.98
Proceeds from Borrowings	378.55	649.64
Interest on Term loans & Others	-221.53	-145.21
Dividend paid (including Tax)	-23.11	-19.64
<b>Net Cash used in Financing Activities</b>	<b>244.02</b>	<b>1,016.77</b>
<b>D. NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		
<b>(A+B+C)</b>	<b>83.55</b>	<b>8.84</b>
Cash and Cash Equivalents as at April 1, 2011	34.92	26.08
Cash and Cash Equivalents as at March 31, 2012	118.48	34.92

Notes are integral part of the balance sheet & profit & loss account  
As per our report attached  
For **V.K.Beswal & Associates**  
Chartered Accountants

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

Place: Mumbai  
Date: May 29, 2012

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

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

**Prachi Deshpande**  
Company Secretary

## Notes to Financial Statement for the year ended March 31, 2012

### 1. Basis of preparation of financial Statements

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

### 2. Revenue Recognition

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

### 3. Fixed Assets

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

### 4. Depreciation on Fixed Assets

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

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

### 5. Impairment of Assets

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

### 6. Expenditure during construction period

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

### 7. Investments

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

### 8. Foreign Currency

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

### 9. Employee Benefits

- i. 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.



## Notes to Financial Statement for the year ended March 31, 2012

- ii. 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 expense is recognized based upon the premium amount determined by Life Insurance Corporation (LIC) and State Bank Of India Group Gratuity Scheme in case of covered employees. The employees that are not yet covered in the above Group Gratuity Scheme, provision for the same has been made on estimated basis by the management.
- iii. 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 estimated basis by management.

### 10. Taxation

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

### 11. Borrowing Cost:

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

### 12. Government Grants:

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

### 13. Provisions, Contingent Liabilities and Contingent Assets:

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

### 14. Segmental Reporting:

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

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

# Notes to Financial Statement

for the year ended March 31, 2012

## Note : 1 Share Capital & Share Warrant

### 1A Share Capital

(Amount ₹ In Crores)

Particulars	As at March 31, 2012		As at March 31, 2011	
	Numbers	Amount	Numbers	Amount
Authorised				
Equity Shares of ₹ 10/- each	150,000,000	150.00	150,000,000	150.00
	150,000,000	150.00	150,000,000	150.00
Issued, Subscribed & fully paid up				
Equity Shares of ₹ 10/- each	134,600,000	134.60	127,900,000	127.90
Total	134,600,000	134.60	127,900,000	127.90

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

Particulars	Equity Shares			
	As at March 31, 2012		As at March 31, 2011	
	Number	Amount	Number	Amount
At the beginning of the year	127,900,000	127.90	111,900,000	111.90
Shares Issued during the year *	6,700,000	6.70	16,000,000	16.00
At the end of the year	134,600,000	134.60	127,900,000	127.90

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

Name of Shareholder	Equity Shares			
	As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Janardan Agarwal	7,756,422	5.76%	7,756,422	6.06%
Reynold Shirting Limited	13,600,000	10.10%	9,400,000	7.35%
Bombay Rayon Clothing Limited	7,402,760	5.50%	7,402,760	5.79%
AAA United B.V.	51,000,400	37.89%	18,000,400	14.07%
Ashwell Holding Company Pvt. Ltd.	28,420,000	21.11%	-	-

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

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

## Notes to Financial Statement for the year ended March 31, 2012

### 1B Share Warrant

(Amount ₹ In Crores)

Particulars	As at March 31, 2012		As at March 31, 2011	
	Number	Amount	Number	Amount
75 lacs warrants at ₹ 263/- per warrant upfront money paid 25% (42 lacs warrants at ₹ 193/- per warrant and 1 crore warrants at ₹ 263/- per warrant upfront money paid 25%)	7,500,000	49.31	14,200,000	86.01

\* During the year the company has issued 42 lacs equity shares of ₹ 10/- each fully paid up at a premium of ₹ 183/- per share on exercise of option for conversion of warrants to M/s. Reynold Shirting Limited and 25 lacs equity shares of ₹ 10/- each fully paid up at a premium of ₹ 253/- per share on exercise of option for conversion of warrants to M/s. B.R. Machine Tools Private Limited.

Note: There were 75 lacs convertible warrants outstanding as on March 31, 2012. The option for conversion for these warrants could not be exercised by the allottee within the prescribed period of 18 months ending on April 04, 2012. The company & allottee had filed an application before Securities & Exchange Board of India (SEBI) for refund of the upfront money of ₹ 4931.25 lacs.

The application had been rejected by SEBI, against which the company & the allottee are in the process to file an appeal before Securities Appellate Tribunal.

### Note - 2 : Reserve and surplus

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>a. Securities Premium Account</b>		
Opening balance	1,777.71	1,327.48
Add : On issue of Equity Shares	140.11	452.31
Less: Utilised for expenses for increase in Authorised Share Capital	-	2.08
Closing Balance	1,917.82	1,777.71
<b>b. General reserves</b>		
Opening balance	37.00	25.00
Add : Transferred from Profit & Loss Account	-	12.00
Closing Balance	37.00	37.00
<b>c. Profit &amp; Loss Account</b>		
Opening Balance	636.53	444.94
Add : Profit for the year	206.51	226.70
Less : Appropriations		
Transfer to genral reserve	-	(12.00)
Proposed Dividend on Equity Shares	-	(19.82)
Tax on Dividend	-	(3.29)
Closing Balance	843.04	636.53
<b>Total</b>	<b>2,797.86</b>	<b>2,451.24</b>

# Notes to Financial Statement

for the year ended March 31, 2012

## Note - 3 : Long term borrowings

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
	Non-current		Current	
<b>(A) Secured</b>				
<b>a) Term Loans</b>				
- From Banks	1,305.80	1,308.44	262.34	257.07
Term Loans from banks are secured by first charge on all fixed assets except specific assets and second charge on the current assets of the company				
<b>b) Vehicle loans</b>				
- From Banks	0.22	0.26	0.34	0.85
- From Other Parties	0.97	0.46	0.88	0.32
The vehicle loans from the banks and others are secured by hypothecation of specified vehicals against which the finance is obtained				
<b>Repayment of loans and interest on Term Loans from banks due and unpaid as on date</b>				
₹ 28.75 crores				
<b>Total</b>	<b>1,306.99</b>	<b>1,309.16</b>	<b>263.56</b>	<b>258.23</b>

## Note - 4 : Deferred Tax Liability(Net)

(Amount ₹ In Crores)

Particulars	%	As at March 31, 2012	As at March 31, 2011
<b>Deferred tax liability</b>			
Depreciation as per Companies Act for the year		217.23	136.67
Depreciation as per Income Tax Act for the year		510.04	367.21
Difference		292.81	230.54
Deferred tax liability (A) @	33.2175%	97.26	76.58
<b>Deferred tax assets</b>			
Expenditure to be disallowed u/s 43B -			
Bonus		2.57	2.15
Leave encashment & Gratuity		3.55	1.08
Expenses u/s. 35D & 35DD		-	-1.46
Depreciation for last year		-0.50	4.43
Total		5.62	6.21
Deferred tax assets (B) @	33.2175%	1.87	2.06
Net Deferred Tax (A) - (B)		95.40	74.52
Add: Net Deferred Tax Liability (Opening)		165.70	91.18
<b>Total</b>		<b>261.09</b>	<b>165.70</b>



## Notes to Financial Statement for the year ended March 31, 2012

### Note - 5 : Long Term Provisions

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
Employee benefits	11.18	6.43
<b>Total</b>	<b>11.18</b>	<b>6.43</b>

### Note - 6: Short term borrowings

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Secured</b>		
- Working Capital loans	1,562.75	1,265.19
<i>Working capital Loans from banks are secured by hypothecation of all current assets and second charge on the fixed assets except specific assets of the company</i>		
<b>Unsecured</b>		
a) Commercial Paper from bank	189.24	72.38
a) Commercial Paper from others	23.48	-
c) Other Loans		
- From Banks	101.66	208.56
- From Other Parties	49.72	-
<b>Total</b>	<b>1,926.85</b>	<b>1,546.13</b>

### Note - 7 : Trade payables

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
Mirco, small and medium enterprises	-	-
Others	446.51	364.94
<b>Total</b>	<b>446.51</b>	<b>364.94</b>

Note: Based on the information available with the Company, there are no suppliers who are registered as micro small & Medium enterprises under The Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2012.

## Notes to Financial Statement for the year ended March 31, 2012

### Note - 8 : Other Current Liabilities

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
(i) Statutory dues	10.34	5.35
(ii) Outstanding expenses	23.03	18.50
(iii) Current maturities of Term Loans from banks*	262.34	257.07
(iv) Current maturities of Vehicle loans from banks*	0.34	0.85
(v) Current maturities of Vehicle loans from others*	0.88	0.32
* Refer Note No. 3 of the Balance Sheet		
(vi) Interest accrued but not due on borrowings	3.14	1.23
(vii) Interest accrued & due on borrowings	43.57	16.27
(viii) Unclaimed Dividend*	0.06	0.06
(ix) Unclaimed shares application money#	0.02	0.02
<b>Total</b>	<b>343.73</b>	<b>299.66</b>

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

### Note - 9 : Short Term Provisions

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
Provision for Current Tax (net)	25.67	18.72
Provision for FBT	-	1.31
Proposed Dividend	-	19.82
Corporate dividend tax	-	3.29
<b>Total</b>	<b>25.67</b>	<b>43.14</b>

# Notes to Financial Statement

for the year ended March 31, 2012

## Note 10 : Fixed Assets

(Amount ₹ In Crores)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As on April 01, 2011	Additions	Deductions	As on March 31, 2012	As on April 01, 2011	For the year	Deduction	As on March 31, 2012	As on March 31, 2011
<b>Tangible Assets</b>									
Land	111.66	21.37	-	133.04	-	-	-	133.04	111.66
Buildings	582.15	127.31	-	709.46	25.81	20.79	-	662.86	556.35
Furniture & Fixtures	54.00	9.11	-	63.11	4.81	3.31	-	54.98	49.19
Office equipment									
Motor Car & Vehicles	13.05	3.03	0.41	15.66	4.08	1.31	0.19	10.46	8.97
Plant & Machinery	2,394.29	911.35	0.00	3,305.63	263.20	189.56	0.00	2,852.88	2,131.09
Computer	6.22	1.59	-	7.82	3.61	0.90	-	3.32	2.62
<b>Intangible Assets</b>									
Computer -Software	8.43	0.36	-	8.79	0.13	1.36	-	7.30	8.30
Total	3,169.81	1,074.11	0.41	4,243.50	301.63	217.23	0.19	3,724.83	2,868.18
Previous Year	2,091.44	1,080.10	1.73	3,169.81	165.52	136.67	0.56	2,868.18	

# Notes to Financial Statement

for the year ended March 31, 2012

## Note - 11 : Non-current investments

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Trade Investments</b>	-	-
<b>Others</b>		
<b>Quoted Investment</b>		
<b>In Equity Shares of Subsidiary -fully paid up</b>		
STI India Ltd - 21379722 shares of ₹ 10/- each	62.94	62.94
<b>Un quoted Investment</b>		
<b>In Equity Shares of subsidiaries-fully paid up</b>		
DPJ Clothing Ltd 420 Shares of GBP 1 each	13.43	13.43
BRFL Bangladesh Pvt Ltd 17752 (1000) shares of BDT 100/- each	0.12	0.01
Bombay Rayon Holdings Ltd 35142500 Shares of ₹ 10/- each	35.14	35.14
<b>In Equity Shares others - fully paid up</b>		
Islampur Integrated Textiles Park Pvt Ltd. 7500000 Shares of ₹ 10/- each	7.50	7.50
Latur Integrated Textiles Park Pvt Ltd. 7220000 shares of ₹ 10/- each	7.22	7.22
Jankalyan Sahkari Bank Ltd. 90100 Shares of ₹ 10/- each	0.09	0.09
Scotts Fashionciti India Limited 10000 Shares of ₹ 10/- each	0.01	0.01
Scotts Garments Limited 2000000 Shares of ₹ 10/- each	14.00	14.00
Arihant Organics Pvt Ltd 500 shares of ₹ 100/- each	4.50	4.50
<b>Unquoted</b>		
<b>In Debentures of subsidiary - fully paid up</b>		
STI India Ltd 32180000 Debentures	10.66	10.66
<b>Total</b>	<b>155.61</b>	<b>155.50</b>

## Note - 12 : Long-term loans and advances

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>a. Security Deposits</b>		
Unsecured, considered good	36.81	36.24
	36.81	36.24
<b>b. Advances to Subsidiaries</b>		
Unsecured, considered good	323.29	512.50
	323.29	512.50
<b>Total</b>	<b>360.10</b>	<b>548.74</b>



# Notes to Financial Statement

for the year ended March 31, 2012

## Note -13 : Current Investments

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>In Mutual Fund unquoted fully paid up</b>		
AXIS EQUITY FUND - DIVIDEND OPTION		
2000000.00 Units	2.00	2.00
AXIS TRIPLE ADVANTAGE FUND - DIVIDEND PAYOUT		
50000.00 units	0.05	0.05
FIDELITY EQUITY FUND - DIVIDEND		
69335.307 Units	0.15	0.15
FIDELITY EQUITY FUND - GROWTH		
40162.256 Units	0.10	0.10
FIDELITY INDIA GROWTH FUND - GROWTH		
116306.118 Units	0.10	0.10
FIDELITY INDIA SPECIAL SITUATIONS FUND - GROWTH		
70781.427 Units	0.10	0.10
SBI CAPITAL PROTECTION ORIENTAL FUND - SERIES - I		
2000000.00 Units	2.00	2.00
SBI DEBT FUND SERIES - 370 DAYS GROWTH		
5000000 Units	-	5.00
SBI GOLD EXCHANGE TRADED SCHEME - GROWTH		
666.000 Units	0.10	0.10
SBI MAGNUM BALANCED FUND - GROWTH		
217438.574 Units	1.00	1.00
SBI MAGNUM INSTA CASH FUND - DIVIDEND		
29856377.6010 Units	-	50.01
SBI MAGNUM SECTOR FUNDS UMBRELLA CONTRA - DIVIDEND		
409332.788 Units	1.00	1.00
SBI - SHF - ULTRA SHORT TERM FUND - INST PLAN - DIVIDEND		
89868.169 Units	-	0.09
TATA- INDO GLOBAL INFRASTRUCTURE FUND - GROWTH		
200000.000 Units	0.20	0.20
UTI - DIVIDEND YIELD FUND - DIVIDEND		
846937.566 Units	1.20	1.13
UTI - INFRASTRUCTURE FUND - GROWTH PLAN		
509253.732 Units	1.71	1.71
UTI MASTER VALUE FUND DIVIDEND PLAN		
504456.030 units	1.19	1.14
UTI - OPPORTUNITY FUND - DIVIDEND PLAN		
800541.728 Units	1.16	1.10
UTI - TOP 100 FUND - GROWTH PLAN		
104123.282 Units	0.25	0.25

## Notes to Financial Statement for the year ended March 31, 2012

Particulars	As at March 31, 2012	As at March 31, 2011
AXIS CAPITAL PROTECTION ORIENTED FUND - SERIES 3 -GROWTH PLAN		
99990.00 units	0.10	-
SBI -SHF - ULTRA SHORT TERM FUND - RETAIL PLAN - DAILY		
DIVIDEND		
961.686 Units	0.10	-
SBI GOLD FUND -GROWTH		
200000.00 Units	0.20	-
SBI DEBT FUND SERIES - 367 DAYS- 6 GROWTH		
100000.00 Units	0.10	-
<b>Total</b>	<b>12.80</b>	<b>67.22</b>

### Note - 14 : Inventories

(As certified by the management)

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
a. Raw Materials (Valued at cost)	713.26	582.86
b. Work-in-progress (Valued at cost)	527.22	347.69
c. Finished goods (Valued at lower of cost or net realisable value)	416.37	274.39
d. Stores and spares (Valued at cost)	116.24	57.93
<b>Total</b>	<b>1,773.10</b>	<b>1,262.87</b>

### Note - 15 : Trade Receivables

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
Unsecured, considered good		
Over Six months	36.18	32.61
Others	424.89	446.51
<b>Total</b>	<b>461.07</b>	<b>479.12</b>

### Note - 16 : Cash and cash equivalents

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
Balances with banks		
On current accounts	83.30	6.30
Bank deposits	34.16	27.84
Bank deposits with more than 12 months maturity- ₹ 9.33Crores (P.Y. ₹ 9.22 Crores)		
Cash on hand	1.02	0.78
<b>Total</b>	<b>118.48</b>	<b>34.92</b>

## Notes to Financial Statement for the year ended March 31, 2012

### Note - 17: Short-term loans and advances

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
Advances receivable in cash or kind or for value to be received	83.31	43.39
Advances to Subsidiaries	210.00	-
Balance with Government Authorities	142.73	118.33
MAT Credit Entitlement	133.09	77.45
Deposits	76.65	106.91
<b>Total</b>	<b>645.77</b>	<b>346.07</b>

### Note - 18 : Other Current Assets

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
Insurance claim receivable	0.23	0.07
Interest receivable	0.04	0.05
<b>Total</b>	<b>0.28</b>	<b>0.11</b>

### Note - 19 : Revenue from operations

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
Revenue from operations		
Sale of products :		
Finished goods		
Gross Sales	2,737.13	2,254.84
Less: Excise Duty	2.17	0.00
	2,734.96	2,254.84
<b>Revenue from operations</b>	<b>2,734.96</b>	<b>2,254.84</b>

### Details of Sales

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Finished goods sold</b>		
Domestic	1,414.02	1,144.14
Export	1,323.11	1,110.70
<b>Sales</b>	<b>2,737.13</b>	<b>2,254.84</b>
<b>Domestic</b>		
Fabric	1,349.86	1,113.11
Yarn	37.67	-
Garment	21.00	26.98
Others	5.50	4.05
	<b>1,414.02</b>	<b>1,144.14</b>

## Notes to Financial Statement for the year ended March 31, 2012

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Export</b>		
Fabric	268.21	189.35
Yarn	23.82	16.35
Garment	1,028.38	900.49
Others	2.70	4.51
	1,323.11	1,110.70
	2,737.13	2,254.84

### Note - 20 : Other income

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
Interest Income	5.13	8.20
Profit on sale of Investment	0.31	0.55
Dividend Income	0.39	3.64
Exchange fluctuation gain	5.36	8.85
Miscellaneous income	3.12	2.25
<b>Total</b>	<b>14.30</b>	<b>23.49</b>

### Note - 21 : Cost of materials consumed

(Amount ₹ In Crores)

Particulars	year ended March 31, 2012	year ended March 31, 2011
Inventory at the beginning of the year	582.86	254.40
Add : Purchase	1,839.51	1,739.82
	2,422.38	1,994.21
Less : Inventory at the end of the year	713.26	582.86
Cost of materials consumed	1,709.11	1,411.35

### Details of Materials Consumed

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
Cotton	16.81	-
Yarn	387.21	231.42
Fabric	1,018.87	1,114.86
Others	286.21	65.07
	1,709.11	1,411.35

## Notes to Financial Statement for the year ended March 31, 2012

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

(Amount ₹ In Crores)

Particulars	year ended March 31, 2012	year ended March 31, 2011
Inventory at the end of the year		
Finished Goods	416.37	274.39
Work-in-progress	527.22	347.69
	943.60	622.09
Inventory at the beginning of the year		
Finished Goods	274.39	181.28
Work-in-progress	347.69	235.15
Wastage	-	
	622.09	416.43
Increase (+) / decrease (-) in inventories	-321.51	-205.66

### Note - 23 : Employee benefit expenses

(Amount ₹ In Crores)

Particulars	year ended March 31, 2012	year ended March 31, 2011
Salaries & wages	199.50	180.84
Contributions to provident and other fund	20.45	17.92
Workmen & Staff welfare expenses	10.21	5.91
<b>Total</b>	<b>230.16</b>	<b>204.67</b>

### Note - 24 : Finance costs

(Amount ₹ In Crores)

Particulars	year ended March 31, 2012	year ended March 31, 2011
Interest expense	188.25	126.15
Bank Charges	33.28	19.05
<b>Total</b>	<b>221.53</b>	<b>145.21</b>

### Note - 25 : Depreciation and amortization expenses

(Amount ₹ In Crores)

Particulars	year ended March 31, 2012	year ended March 31, 2011
Depreciation of tangible assets	215.87	136.08
Amortization of intangible assets	1.36	0.59
<b>Total</b>	<b>217.23</b>	<b>136.67</b>



## Notes to Financial Statement for the year ended March 31, 2012

### Note - 26 : Other expenses

(Amount ₹ In Crores)

Particulars	year ended March 31, 2012	year ended March 31, 2011
Stores & spares consumption	48.47	39.13
Packing material and expenses	14.38	12.15
Power and fuel (net)	61.77	65.35
Water charges	8.90	6.70
Job Charges for:		
Yarn	32.28	-
Process	2.98	2.75
Weaving	15.93	15.15
Design & development & Others	76.01	45.58
Rent	19.58	10.80
Rates and taxes	4.60	4.03
Insurance	1.51	1.82
Keyman insurance	0.13	0.10
Repair and maintenance		
Plant and machinery	5.03	4.78
Building	1.17	0.47
Vehicles	0.45	0.44
Others	3.30	2.32
Advertising and bussiness promotion	2.71	1.50
Books & Periodicals	0.11	0.89
Commission and brokerage	8.40	7.26
Travelling and conveyance	9.68	10.64
Transportation	27.31	34.81
Communication costs	5.75	5.32
Printing and stationary	2.64	2.94
Legal and professional fees	6.02	2.96
Director's remuneration	9.12	8.13
Directors' sitting fees	0.03	0.04
Auditor's remuneration	0.50	0.37
Environmental Control Exp	4.82	3.47
Security Service Charges	6.29	4.46
Donation	0.64	0.14
Loss on sale of Assets	0.07	0.08
Miscellaneous expenses	4.52	9.05
<b>Total</b>	<b>385.10</b>	<b>303.61</b>
<b>Payment to Auditors</b>		
For Audit Fee	0.38	0.29
For Tax Audit Fee	0.03	0.03
For Certification & Others	0.08	0.05
<b>Total</b>	<b>0.50</b>	<b>0.37</b>

## Notes to Financial Statement for the year ended March 31, 2012

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

### Defined Benefit Plan:

#### Gratuity

The employees' Gratuity Fund Scheme, which is a defined plan, is managed by the Trust maintained with Life Insurance Corporation of India (LIC) & State Bank of India. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>1 Assumption</b>		
Discount Rate	8.00%	8.00%
Salary Escalation	5.00%	5.00%
<b>2 Present value of Obligation</b>		
Present value of obligations as at beginning of year	8.147	8.719
Interest cost	0.650	0.699
Current Service Cost	3.764	3.912
Benefits Paid	-2.096	-1.082
Actuarial (gain)/ loss on obligations	-2.954	-2.914
Present value of obligations as at end of year	7.511	9.334
<b>3 Fair value of plan assets</b>		
Fair value of plan assets at beginning of year	2.013	2.466
Expected return on plan assets	0.135	0.218
Contributions	1.507	0.966
Benefits Paid	-2.096	-1.082
Actuarial (gain)/ loss on obligations	-0.002	-
Fair value of plan assets at the end of year	1.557	2.568
Funded status	-5.955	-6.765
<b>4 Actuarial Gain/Loss recognized</b>		
Actuarial (gain)/ loss on obligations	-2.954	-2.914
Actuarial (gain)/ loss for the year - plan assets	-0.002	-
Actuarial (gain)/ loss on obligations	-2.956	-2.914
Actuarial (gain)/ loss recognized in the year	-2.956	-2.914
<b>5 The amounts to be recognized in the balance sheet</b>		
Present value of obligations as at the end of year	7.511	9.334
Fair value of plan assets as at the end of the year	1.557	2.568
Funded status	-5.955	-6.765
<b>6 Expenses Recognized in statement of Profit and loss</b>		
Current Service cost	3.764	3.912
Interest Cost	0.650	0.699
Expected return on plan assets	-0.135	-0.218
Net Actuarial (gain)/ loss recognized in the year	-2.954	-2.914
Expenses to be recognized in statement of Profit and loss	1.328	1.479

The Company has recognized the gratuity liability in the Profit and loss account for the year ending March 31, 2012 under Defined Contribution Plan.

# Notes to Financial Statement

for the year ended March 31, 2012

## Note 28: Related Party Disclosure

Name of the Related Party	Relationship
a. BRFL Europe B.V.	Subsidiary Company
b. DPJ Clothing Ltd.	Subsidiary Company
c. BRFL Italia S.R.L.	Subsidiary Company
d. BRFL Bangladesh Pvt. Ltd.	Subsidiary Company
e. Bombay Rayon Holdings limited	Subsidiary Company
f. STI India Limited	Subsidiary Company
a. Latur Integrated Textile Park Pvt. Ltd.	Other Related Parties
b. Islampur Integrated Textile Park Pvt. Ltd.	Other Related Parties
c. STI Sanoh India Limited	Other Related Parties
d. Kagal Industrial Textile Technology Park Pvt. Ltd.	Other Related Parties
e. Reynold Shirting Ltd.	Other Related Parties
f. Ashwell Holding Company Pvt. Ltd.	Other Related Parties
g. Bombay Rayon Clothing Ltd.	Other Related Parties
h. Bestseller Retail India Pvt. Ltd.	Other Related Parties
i. Bestseller Wholesale India Pvt. Ltd.	Other Related Parties
j. Best United Lifestyles Pvt. Ltd.	Other Related Parties
k. Best United India Comforts Pvt. Ltd.	Other Related Parties
l. B.R. Machine Tools Pvt. Ltd.	Other Related Parties
m. J. D. Agarwal Foundation	Other Related Parties
a. Mr. Janardan Agarwal, Chairman	Key Managerial Personnel
b. Mr. Aman Agarwal, Vice Chairman	Key Managerial Personnel
c. Mr. Prashant Agarwal, Managing Director	Key Managerial Personnel
d. Mr. Uday Mogre, Executive Director - Corporate	Key Managerial Personnel
e. Mr. A.R. Mundra, Executive Director - Finance	Key Managerial Personnel
a. Mrs. Bimla Devi Agarwal	Relative

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Transaction with Subsidiaries</b>		
Purchase	19.03	13.23
Sales	20.5	38.06
Loans/Advances Given (net)	29.68	95.47
Investments	0.11	0.01
Loan received back	8.65	NIL
Job Work Charges Paid	28.62	NIL
<b>Transaction with Other Related Parties</b>		
Lease Rentals paid	29.46	6.45

## Notes to Financial Statement

for the year ended March 31, 2012

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
Sales	0.9	0.29
Rent deposit given	NIL	20.31
Loans/Advances Given (net)	36.49	NIL
Preferential Allotment (Conversion of Warrants to Eq. Shares)	146.81	NIL
Job Work charges	9.96	NIL
Transactions with Key Managerial Personal & their Relatives		
Director Remuneration	9.12	8.13
Rent Deposit	1.13	NIL
Rent Paid	0.50	NIL
Donation Paid	0.29	NIL

### Note 29: Earnings Per Share (EPS)

Particulars	As at March 31, 2012	As at March 31, 2011
(i) Number of shares at the beginning of the year	127900000	111900000
(ii) Number of shares at the end of the year	134600000	127900000
(iii) Weighted average number of Equity Shares outstanding during the year.	133268219	118957534
<b>EPS:</b>		
(i) Net profit/(loss) available for Equity Share holders (₹ In Crores)	206.51	226.7
(ii) Basic earnings per share (₹)	15.5	19.06
(iii) Diluted earnings per share (₹)	14.67	17.7

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

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Stores, Spares & HSD	24.17	10.45
(b) Capital Goods	1.84	199.23
(c) Raw Materials	196.06	99.51

### Note 31: Expenditure in Foreign Currency

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Foreign Traveling	1.36	1.75
(b) Commission on Export Sales	2.43	1.75
(c) Business Promotions	0.03	0.32
(d) Others	1.05	15.36

## Notes to Financial Statement for the year ended March 31, 2012

### Note 32: Earning in Foreign Exchange

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
FOB value of Exports	1223.69	1073.03

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

Particulars	As at March 31, 2012	As at March 31, 2011
(a) No. of non-resident shareholders	2	2
(b) No. of Equity shares held	18096340	18096340
(c) Amount of dividend paid(₹ in Crores)	2.71	2.71
(d) Financial year to which it relates	2010-11	2009-10

### Note 34: Imported & Indigenous consumption:

(Amount ₹ In Crores)

Particulars	As at March 31, 2012		As at March 31, 2011	
	₹ in crs	%	₹ in crs	%
(a) Raw Materials:				
Imported	38.46	2.25	103.64	7.34
Indigenous	1670.65	97.75	1307.7	92.66
(b) Stores and Spares:				
Imported	10.89	22.47	10.02	25.62%
Indigenous	37.58	77.53	29.1	74.38%

### Note 35: Contingent Liabilities not provided for:

(Amount ₹ In Crores)

Particulars	As at 31.03.2012	As at 31.03.2011
(i) Bills Discounted with Banks under Letter of credits or otherwise.	9.75	51.38
(ii) Bank Guarantee	7.76	3.93
(iii) Disputed demand outstanding related to Income tax (The matters are pending with Income Tax Authorities)	1.97	4.96



## Notes to Financial Statement for the year ended March 31, 2012

### Note 36: Capital Commitments:

(Amount ₹ In Crores)

Particulars	As at 31.03.2012	As at 31.03.2011
Estimated amount of Capital Contracts remaining to be executed (net of advances)	10.05	39.89

**Note 37:** Previous year figures have been re-grouped / reclassified wherever necessary to make them comparable in accordance with revised schedule VI.

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

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

Place: Mumbai  
Date: May 29, 2012

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

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

**Prachi Deshpande**  
Company Secretary

## Balance Sheet Abstract and Company's General Business Profiles

### 1 Registration Details

Registration No. L 1 7 1 2 0 M H 1 9 9 2 P L C 0 6 6 8 8 0

Balance Sheet Date 3 1 0 3 2 0 1 2  
Date Month Year

### 2 Capital Raised During the Year (Amount in ₹ Thousand)

Public Issue N I L Right Issue N I L

Bonus Issue N I L Private Placement N I L

### 3 Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousand)

Total Liabilities 7 3 0 3 7 9 0 0 Total Assets 7 3 0 3 7 9 0 0

#### Sources of Funds

Paid-up Capital 1 3 4 6 0 0 0 Reserve and Surplus 2 7 9 7 8 6 0 0

Secured Loans 2 8 6 9 7 4 0 0 Unsecured Loans 3 6 4 1 0 0 0

Deferred Tax Liability /Assets - 2 6 1 0 9 0 0

#### Application of Funds

Net Fixed Assets 3 7 7 6 5 8 0 0 Investments - 1 5 5 6 1 0 0

Net Current Assets 2 6 8 7 4 0 0 Misc. Expenditure N I L

Accumulated Losses N I L

### 4 Performance of Company (Amount in ₹ Thousand)

Turnover (Gross Revenue) 2 7 3 4 9 6 0 0 Total Expenditure 2 4 4 1 6 2 0 0

Profit/Loss Before Tax 3 0 7 7 5 0 0 Profit/Loss After Tax 2 0 6 5 1 0 0

Earning Per Share in ₹ 1 5 . 5 0 Dividend Rate% N I L

### 5 Generic Names of Principal Products Services of the Company (As per monetary terms)

Item Code No. (ITC Code) 5 2 0 8

Product Description W O V E N F A B R I C O F C O T T O N

Item Code No. (ITC Code) 5 2 1 1

Product Description W O V E N F A B R I C O F C O T T O N

M I X E D M A I N L Y O R S O L E E L Y

W I T H M A N M A D E F I B R E

Item Code No. (ITC Code) 6 2 0 5

Product Description M E N S O R B O Y S S H I R T I N G S

Item Code No. (ITC Code) 6 2 0 6

Product Description W O M E N S O R G I R L S B L O U S E S

S H I R T S A N D S H I R T B L O U S E S

## Bombay Rayon Fashions Limited

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

Subsidiary Company		Bombay Rayon Holdings Limited	DPJ Clothing Ltd	BRFL Europe B.V.	BRFL Italia S.r.l.	STI India Ltd	BRFL Bangladesh P Limited
1.	Financial year of the Subsidiary Company ended on	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012
2	Date from which it became subsidiary companies	February 23, 2007	February 22, 2007	September 5, 2005	May 5, 2008	August 7, 1984	November 23, 2010
3	Country of Incorporation	India	U.K.	Netherlands	Italy	India	Bangladesh
4	(a) No. of Shares held by the Company & face value	3,51,42,500 equity shares of ₹ 10/- each	420 Ordinary Shares of £ 1 each	248000 Ordinary Shares of €1 each*	50,10,000 equity shares of € 1*	2,13,79,722 equity shares of ₹ 10/- each	17752 ordinary shares of Tk 100 each
	(b) Extent of holding	100%	70%	100%*	100%*	73.72%	100%
5	Net aggregate amount of subsidiary's Profit/(Loss) so far as it concerns the members of the Holding Company						
	(a) Not dealt with in the accounts of the Holding Company						
	For the Financial Year ended March 31, 2012 (₹ in lacs)	228.85	117.47	(7.14)	(3984.80)	15.18	-
	For the Previous Financial years of the Subsidiary since it became a Subsidiary (₹ in lacs)	92.07	139.73	(49.45)	(4455.11)	1690.66	N. A
	(b) Dealt with in the accounts of the Holding Company						
	For the Financial year ended March 31, 2012	NIL	NIL	NIL	NIL		
	For the Previous financial year ended March 31, 2011	NIL	NIL	NIL	NIL		

\* held by Bombay Rayon Holdings Limited

## Financial Information of Subsidiary Companies for the FY 2011-12

(Amount ₹ In lacs)

Particulars	Subsidiary Companies					
	Bombay Rayon Holdings Ltd	STI India Ltd	DPJ Clothing Ltd*	BRFL Europe B.V.*	BRFL Italia S.r.l.*	BRFL Bangladesh Pvt Ltd
Capital	3,514.00	2,900.00	0.44	161.00	3,349.00	11.65
Reserves	255.00	(3,126.21)	1,143.49	600.00	(11,071.00)	1.37
Total Assets	42,169.00	11,354.11	2,719.59	769.00	48,328.00	75.83
Total Liabilities	52,096.00	12,780.25	1,575.66	8.00	45,865.00	62.81
Investments	13,696.00	1,199.93	-	-	-	-
Turnover	480.00	10,877.73	3,206.96	-	8,990.81	-
Profit/(Loss) before Taxation	338.92	70.18	(167.82)	(9.67)	(6,033.53)	-
Provision for Taxation	110.07	55.00	-	(2.52)	(2,048.73)	-
Profit/(Loss) after Taxation	228.85	15.18	(167.82)	(7.14)	(3,984.80)	-
Proposed Dividend	-	-	-	-	-	-

\* In case of foreign subsidiaries figures are as considered in the Consolidated Balance Sheet of the Company as on March 31, 2012 after conversion into Indian Rupee.

# Auditors Report on the Consolidated Financial Statements

To,  
The Members of  
Bombay Rayon Fashions Limited

1. We have audited the attached Consolidated Balance Sheet of BOMBAY RAYON FASHIONS LIMITED and its subsidiaries i.e STI India Limited, Bombay Rayon Holdings Limited, DPJ Clothing Limited, BRFL Italia S.r.l, BRFL Europe B.V., and BRFL Bangladesh Private Limited as at March 31, 2012, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. In respect of the financial statements of subsidiaries (except for STI India Ltd. and Bombay Rayon Holdings Limited), we did not carry out the audit. These financial statements have been audited by other auditors whose reports have been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of the subsidiaries are based solely on the reports of the other auditors.

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

Audited by Other Auditors	₹ in Crores	
	Total assets	Total revenues
Subsidiaries	483.28	89.90

We further report that in respect of BRFL Italia S.R.L, we did not carry out the audit. The financial statements has been certified by the management and has been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of the subsidiaries is based solely on the certified financial statements provided by the management.

Since, the financial statements for the financial year ended March 31, 2012, which was compiled by the management of this company and not audited, any adjustments to their balances could have consequential effects on the attached consolidated financial statements. However, the size of this subsidiary in the consolidated position is not significant in relative terms.

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

Certified by the Management	₹ in Crores	
	Total assets	Total revenues
Subsidiaries	35.65	32.07



4. We report that, the consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standard (AS) 21 Consolidated Financial Statements specified by the Companies (Accounting Standards) Rules, 2006 notified by the Central Government and on the basis of the separate audited /certified financial statements of the BOMBAY RAYON FASHIONS LIMITED and its subsidiaries included in the consolidated financial statements.
5. We report that on the basis of the information and according to the explanations given to us, and on the consideration of the separate audit report on individual audited financial statements of the BOMBAY RAYON FASHIONS LIMITED and its subsidiaries, we are of the opinion that the said consolidated financial statements, read together with Significant Accounting Policies and Notes on the Balance Sheet and Profit and Loss Account and Cash Flow Statement thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the BOMBAY RAYON FASHIONS LIMITED as at March 31, 2012;
  - (ii) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the BOMBAY RAYON FASHIONS LIMITED for the year ended on that date; and
  - (iii) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the BOMBAY RAYON FASHIONS LIMITED for the year ended on that date.

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

**C.A. R.P. LADDHA**  
[PARTNER]

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

Place - Mumbai  
Date: May 29, 2012

# Consolidated Balance Sheet

as at March 31, 2012

(Amount ₹ In Crores)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	1A	134.60	127.90
(b) Reserves and surplus	2	2,797.23	2,490.13
(c) Money Received against share warrant	1B	49.31	86.01
		<b>2,981.14</b>	2,704.04
Minority Interest			
<b>Non-current liabilities</b>		<b>3.43</b>	3.52
(a) Long-term borrowings	3	1,307.56	1,310.96
(b) Deferred Tax Liability (Net)		254.62	119.97
(c) Foreign Exchanges Fluctuation Reserves		-70.13	-90.88
(d) Long-term provisions	4	14.68	6.72
		<b>1,506.73</b>	1,346.77
<b>Current liabilities</b>			
(a) Short-term borrowings	5	1,929.40	1,555.12
(b) Trade payables	6	501.25	421.08
(c) Other current liabilities	7	380.49	350.79
(d) Short-term provisions	8	26.28	43.14
		<b>2,837.42</b>	2,370.14
<b>TOTAL</b>		<b>7,328.72</b>	6,424.47
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	9		
(i) Tangible assets		3,899.65	3,038.94
(ii) Intangible assets		256.64	199.74
(iii) Capital work-in-progress		52.31	674.27
(b) Non-current investments	10	45.32	45.32
(c) Long-term loans and advances	11	98.55	94.98
		<b>4,352.47</b>	4,053.26
<b>Current assets</b>			
(a) Current investments	12	12.80	67.22
(b) Inventories	13	1,864.19	1,379.07
(c) Trade receivables	14	432.32	491.70
(d) Cash and cash equivalents	15	130.69	51.55
(e) Short-term loans and advances	16	535.13	381.57
(f) Other current assets	17	1.12	0.11
		<b>2,976.25</b>	2,371.21
<b>TOTAL</b>		<b>7,328.72</b>	6,424.47

Notes are integral part of the balance sheet & profit & loss account  
As per our report attached  
For **V.K.Beswal & Associates**  
Chartered Accountants

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

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

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

**Prachi Deshpande**  
Company Secretary

Place: Mumbai  
Date: May 29, 2012

# Consolidated Profit and Loss Account for the year ended March 31, 2012

(Amount ₹ In Crores)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
Revenue from Operations	18	2,902.09	2,690.90
Other income	19	16.76	30.06
<b>Total Revenue</b>		<b>2,918.85</b>	<b>2,720.96</b>
<b>Expenses:</b>			
Cost of materials consumed	20	1,759.83	1,721.35
Changes in inventories of finished goods & work-in-progress	21	-311.73	-229.33
Employee benefits expense	22	285.31	258.01
Finance costs	23	222.53	147.80
Depreciation and amortization expense		233.72	167.41
Other expenses	24	475.86	418.94
<b>Total expenses</b>		<b>2,665.52</b>	<b>2,484.18</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>253.33</b>	<b>236.78</b>
Exceptional items		-	-
<b>Profit before extraordinary items and tax</b>		<b>253.33</b>	<b>236.78</b>
Extraordinary Items			
Prior period Adjustments		3.59	0.20
<b>Profit before tax</b>		<b>249.74</b>	<b>236.58</b>
Adjustment for Tax expense:			
(1) Current tax		-62.55	-59.89
(2) Deferred tax		-75.46	-50.72
(3) MAT credit Entitlement		55.63	77.45
<b>Profit after tax before Minority Interest</b>		<b>167.36</b>	<b>203.42</b>
Minority Interest		0.50	0.60
<b>Profit for the year</b>		<b>166.86</b>	<b>202.82</b>
Earnings per equity share: (in ₹)			
Basic		12.52	17.05
Diluted		11.85	15.84

Notes are integral part of the balance sheet & profit & loss account  
As per our report attached  
For **V.K.Beswal & Associates**  
Chartered Accountants

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

Place: Mumbai  
Date: May 29, 2012

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

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

**Prachi Deshpande**  
Company Secretary

# Consolidated Cash Flow Statement

For The Year Ended 31.03.2012

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and after Extraordinary items	253.33	236.78
Adjustment For :		
Depreciation and amortization expense	233.72	167.41
Finance costs	222.53	147.80
Interest & Dividend Income	-5.67	-12.03
Loss on sale of Assets	0.07	0.08
Profit on sale of Investment	-0.56	-0.55
<b>Operative Profit before Working Capital Changes</b>	<b>703.43</b>	<b>539.49</b>
Adjustment For :		
Trade Receivables	59.38	-100.71
Other Receivables, Loans & Advances	-102.73	-20.85
Inventories	-485.12	-611.76
Trade, Other payable & Provisions	109.86	251.36
<b>Cash Generation from Operations</b>	<b>284.82</b>	<b>57.53</b>
Direct Taxes	-56.56	-28.29
<b>Net Cash Flow from operating activities</b>	<b>228.26</b>	<b>29.24</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase/Sale of Fixed Assets (Net)	-465.77	-1,378.78
Purchase/Sale of Investments (Net)	54.98	307.00
Increase in Capital Reserve	-	36.08
Increase/(decrease) in Foreign Exchange Fluctuation Reserve	20.75	-65.14
Increase/(decrease) in Misc. Expenditure not w/off	-	-0.13
Interest & Dividend Income	5.67	12.03
<b>Net Cash used in investing activities</b>	<b>-384.37</b>	<b>-1,088.94</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from of issue of share capital & warrants	110.11	569.71
Proceeds from Borrowings	370.88	647.88
Interest on Term loans & Others	-222.53	-147.80
Increase/(decrease) in Minority Interest	-0.09	0.83
Dividend paid (including Tax)	-23.11	-19.64
<b>Net Cash used in financing activities</b>	<b>235.26</b>	<b>1,050.98</b>
<b>D. NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		
<b>(A+B+C)</b>	<b>79.15</b>	<b>-8.72</b>
Cash and Cash Equivalents as at April 1, 2011	51.55	60.27
Cash and Cash Equivalents as at March 31, 2012	130.70	51.55

Notes are integral part of the balance sheet & profit & loss account  
As per our report attached  
For **V.K.Beswal & Associates**  
Chartered Accountants

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

Place: Mumbai  
Date: May 29, 2012

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

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

**Prachi Deshpande**  
Company Secretary

## Notes to Consolidated Financial Statement for the year ended March 31, 2012

### (A) PRINCIPLES OF CONSOLIDATION

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

The Consolidated financial statements have been prepared on following basis:

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

### (B) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

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

### (C) SIGNIFICANT ACCOUNTING POLICIES

#### (a) Revenue Recognition

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

#### (b) Fixed Assets:

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

#### (c) Depreciation on Fixed Assets:

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

#### (d) Impairment of Assets:

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



## Notes to Consolidated Financial Statement for the year ended March 31, 2012

**(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:**

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

**(g) Foreign Currency:**

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

**(h) Employee Retirement Benefits**

- a. Short Term Employee Benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- b. Post-employment benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognized based upon the premium amount determined by Life Insurance Corporation (LIC) and State Bank of India Group Gratuity Scheme in case of covered employees. The employees which are not yet covered in the above Group Gratuity Scheme provision for the same has been made on estimated basis by the management.
- 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 the estimated basis by the management.

**(i) Taxation**

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

**(j) Borrowing Cost:**

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

**(k) Government Grants:**

## Notes to Consolidated Financial Statement for the year ended March 31, 2012

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

**(l) Segmental Reporting:**

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

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

**(m) Provisions, Contingent Liabilities and Contingent Assets:**

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

## Notes to Consolidated Financial Statement for the year ended March 31, 2012

Note : 1 Share Capital & Share Warrant

### 1A Share Capital

(Amount ₹ In Crores)

A	Particulars	As at March 31, 2012		As at As at March 31, 2011	
		Numbers	Amount	Numbers	Amount
	<b>Authorised</b>				
	Equity Shares of ₹ 10/- each	150,000,000	150.00	150,000,000	150.00
		150,000,000	150.00	150,000,000	150.00
	<b>Issued, Subscribed &amp; fully paid up</b>				
	Equity Shares of ₹ 10/- each	134,600,000	134.60	127,900,000	127.90
	<b>Total</b>	<b>134,600,000</b>	<b>134.60</b>	<b>127,900,000</b>	<b>127.90</b>

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

Particulars	Equity Shares			
	As at March 31, 2012		As at As at March 31, 2011	
	Number	Amount	Number	Amount
At the beginning of the year	127,900,000	127.90	111,900,000	111.90
Shares Issued during the year *	6,700,000	6.70	16,000,000	16.00
At the end of the year	134,600,000	134.60	127,900,000	127.90

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

Name of Shareholder	Equity Shares			
	As at March 31, 2012		As at As at March 31, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Janardan Agarwal	7,756,422	5.76%	7,756,422	6.06%
Reynold Shirting Limited	13,600,000	10.10%	9,400,000	7.35%
Bombay Rayon Clothing Limited	7,402,760	5.50%	7,402,760	5.79%
AAA United B.V.	51,000,400	37.89%	18,000,400	14.07%
Ashwell Holding Company Pvt Ltd.	28,420,000	21.11%	-	-

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

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

## Notes to Consolidated Financial Statement for the year ended March 31, 2012

### 1B Share Warrant

(Amount ₹ In Crores)

Particulars	As at March 31, 2012		As at March 31, 2011	
	Number	Amount	Number	Amount
75 lacs warrants at ₹ 263 per warrant upfront money paid 25% (42 lacs warrants at ₹ 193 per warrant and 1 crore warrants at Rs263 per warrant upfront money paid 25%)	7,500,000	49.31	14,200,000	86.01

\*During the year the company has issued 42 lacs equity shares of ₹ 10/- each fully paid up at a premium of ₹ 183/- per share on exercise of option for conversion of warrants to M/s. Reynold Shirting Limited and 25 lacs equity shares of ₹ 10/- each fully paid up at a premium of ₹ 253/- per share on exercise of option for conversion of warrants to M/s. B.R. Machine Tools Private Limited.

Note: There were 75 lacs convertible warrants outstanding as on March 31, 2012. The option for conversion for these warrants could not be exercised by the allottee within the prescribed period of 18 months ending on April 04, 2012. The company & allottee had filed an application before Securities & Exchange Board of India (SEBI) for refund of the upfront money of ₹ 4931.25 lacs.

The application had been rejected by SEBI, against which the company & the allottee are in the process to file an appeal before Securities Appellate Tribunal.

### Note - 2 : Reserve and surplus

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>a. Securities Premium Account</b>		
Opening balance	1,815.44	1,365.21
Add : On issue of Equity Shares	140.11	452.31
Less: Utilised for expenses for increase in Authorised Share Capital	-	2.08
Closing Balance	1,955.55	1,815.44
<b>b. Capital Reserve on Consolidation</b>		
On Consolidation of subsidiaries	28.92	37.34
Less: Goodwill as per previous balance sheet	-	8.42
Closing Balance	28.92	28.92
<b>c. General reserves</b>		
Opening balance	37.00	25.00
Add : Transferred from Profit & Loss Account	-	12.00
Closing Balance	37.00	37.00
<b>d. Capital Reserve</b>	0.40	0.40
<b>e. Profit &amp; Loss Account</b>		
Opening Balance	608.50	412.51
Add : Profit for the year	166.86	202.82
Waiver of OCD amount (Pre- acquisition)		28.28
Less : Appropriations		
Transfer to genral reserve	-	(12.00)
Proposed Dividend on Equity Shares	-	(19.82)
Tax on Dividend	-	(3.29)
Closing Balance	775.36	608.50
e. Miscellaneous Expenditure	-	-0.13
<b>Total</b>	<b>2,797.23</b>	<b>2,490.13</b>

## Notes to Consolidated Financial Statement for the year ended March 31, 2012

### Note - 3 : Long term borrowings

Particulars	As at March 31, 2012	As at March 31, 2011
	<b>Non-current</b>	
<b>(A) Secured</b>		
<b>a) Term Loans</b>		
- From Banks*	<b>1,306.37</b>	1,310.24
<i>* Term Loans from banks by BRFL (holding company) are secured by first charge on all its fixed assets except specific assets and second charge on the its current assets.</i>		
<i>* Term Loans from banks by DPJ Clothing Limited (Subsidiary company) are secured on its freehold property.</i>		
<b>b) Vehicle loans</b>		
- From Banks	<b>0.22</b>	0.28
- From Other Parties	<b>0.97</b>	0.43
<i>The vehicle loans from the banks and others are secured by hypothecation of specified vehicle against which the finance is obtained.</i>		
<b>Repayment of loans and interest on Term Loans from banks due and unpaid as on date</b>		
₹ 28.75 crores		
<b>Total</b>	<b>1,307.56</b>	1,310.96

### Note - 4: Short term borrowings

Particulars	As at March 31, 2012	As at March 31, 2011
Employee benefits	<b>14.68</b>	6.72
<b>Total</b>	<b>14.68</b>	6.72

### Note - 5: Short term borrowings

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Secured</b>		
- Working Capital loans	<b>1,562.75</b>	1,259.55
Working capital Loans from banks are secured by hypothecation of all current assets and second charge on the fixed assets except specific assets of the company		
Loans repayable on demand from banks (Bills discounted)	-	3.57
Secured by first charge on all hypothecated stock, entire current assets and equitable mortgage of immovable property of the STI India Ltd		
<b>Unsecured</b>		
a) Commercial Paper from bank	<b>189.24</b>	72.38
a) Commercial Paper from others	<b>23.48</b>	-
c) Other Loans		
- From Banks	<b>104.21</b>	219.62
- From Other Parties	<b>49.72</b>	-
<b>Total</b>	<b>1,929.40</b>	1,555.12

## Notes to Consolidated Financial Statement for the year ended March 31, 2012

### Note - 6 : Trade payables

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
Mirco, small and medium enterprises	-	-
Others	501.25	421.08
<b>Total</b>	<b>501.25</b>	<b>421.08</b>

Note: Based on the information available with the Company, there are no suppliers who are registered as micro small & Medium enterprises under The Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2012.

### Note - 7 : Other Current Liabilities

Particulars	As at March 31, 2012	As at March 31, 2011
(i) Statutory dues	-	-
(ii) Outstanding expenses	41.15	18.50
(iii) Current maturities of Term Loans from banks*	262.34	257.07
(iv) Current maturities of Vehicle loans from banks*	0.34	0.85
(v) Current maturities of Vehicle loans from others*	0.88	0.32
* Refer Note No. 3 of the Balance Sheet		
(vi) Interest accrued but not due on borrowings	3.14	1.23
(vii) Interest accrued & due on borrowings	43.57	16.27
(viii) Unclaimed Dividend*	0.06	0.06
(ix) Unclaimed shares application money#	0.02	0.02
(x) Current maturities of Term Loans from others##		
(xi) others	28.99	56.48
<b>Total</b>	<b>380.49</b>	<b>350.79</b>

### Note - 8 : Short Term Provisions

Particulars	As at March 31, 2012	As at March 31, 2011
Provision for Current Tax (net)	26.28	18.72
Provision for FBT	-	1.31
Proposed Dividend	-	19.82
Corporate dividend tax	-	3.29
<b>Total</b>	<b>26.28</b>	<b>43.14</b>



# Notes to Consolidated Financial Statement

for the year ended March 31, 2012

## Note 9 : Fixed Assets

Particulars		Gross Block			Accumulated Depreciation		Net Block	
	Balance as at April 01, 2011	Additions	Disposals	Balance as at March 31, 2012	For the year	Balance as at March 31, 2012	Balance as at March 31, 2012	Balance as at March 31, 2011
Tangible Assets :								
Land	117.07	26.60	0.27	143.40	0.12	0.60	142.80	116.60
Buildings	685.15	127.40	-	812.55	22.91	63.11	749.44	644.95
Plant and Machinery	2,589.95	925.32	3.28	3,511.99	200.27	591.74	2,920.25	2,196.48
Vehicles	13.89	3.19	0.45	16.62	1.40	5.50	11.12	9.55
Computer	8.90	1.62	2.02	8.50	0.99	5.06	3.44	3.92
Furniture and Fixtures Office equipment	80.98	9.28	1.32	88.94	4.07	16.35	72.59	67.44
	3,495.94	1,093.41	7.34	4,582.01	229.77	682.36	3,899.65	3,038.94
Intangible Assets :								
Tardemarks, Patents, right licences etc.	222.97	60.48	-	283.45	2.58	34.13	249.32	133.04
Computer software	8.47	0.36	-	8.83	1.36	1.52	7.31	8.32
	231.44	60.84	-	292.28	3.94	35.64	256.64	199.74
Total	3,727.38	1,154.24	7.34	4,874.28	233.72	717.99	4,156.29	3,238.68
Capital Work In Progress								
							52.31	674.27
							52.31	674.27
Total	3,727.38	1,154.24	7.34	4,874.28	233.72	717.99	4,208.60	3,912.95
Previous Year	2,329.69	1,435.66	37.97	3,727.38	167.41	488.69	3,912.95	100.72

(Amount ₹ In Crores)

## Notes to Consolidated Financial Statement for the year ended March 31, 2012

### Note - 10 : Non-current investments

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Trade Investments</b>	-	-
<b>Others</b>		
<b>Un quoted Investment</b>		
<b>In Equity Shares others - fully paid up</b>		
Islampur Integrated Textiles Park Pvt Ltd. 7500000 Shares of ₹ 10/- each	7.50	7.50
Latur Integrated Textiles Park Pvt Ltd. 7220000 shares of ₹ 10/- each	7.22	7.22
Jankalyan Sahkari Bank Ltd. 90100 Shares of ₹ 10/- each	0.09	0.09
Scotts Fashionciti India Limted 10000 Shares of ₹ 10/- each	0.01	0.01
Scotts Garments Limted 2000000 Shares of ₹ 10/- each	14.00	14.00
Arihant Organics Pvt Ltd 500 shares of ₹ 100/- each	4.50	4.50
STI Sanoh India Limited 11999300 Shares of ₹ 10/- each	12.00	12.00
<b>Total</b>	<b>45.32</b>	<b>45.32</b>

### Note - 11 : Long-term loans and advances

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>a. Security Deposits</b>		
Unsecured, considered good	39.78	36.24
	39.78	36.24
<b>b. Capital Advances</b>		
Unsecured, considered good	58.77	58.74
	58.77	58.74
<b>Total</b>	<b>98.55</b>	<b>94.98</b>

### Note -12 Current Investments

(Amount ₹ In Crores)

In Mutual Fund unquoted fully paid up	As at March 31, 2012	As at March 31, 2011
AXIS EQUITY FUND - DIVIDEND OPTION 2000000.00 Units	2.00	2.00
AXIS TRIPLE ADVANTAGE FUND - DIVIDEND PAYOUT 50000.00 units	0.05	0.05
FIDELITY EQUITY FUND - DIVIDEND 69335.307 Units	0.15	0.15
FIDELITY EQUITY FUND - GROWTH 40162.256 Units	0.10	0.10
FIDELITY INDIA GROWTH FUND - GROWTH 116306.118 Units	0.10	0.10
FIDELITY INDIA SPECIAL SITUATIONS FUND - GROWTH 70781.427 Units	0.10	0.10
SBI CAPITAL PROTECTION ORIENTAL FUND - SERIES - I 2000000.00 Units	2.00	2.00

## Notes to Consolidated Financial Statement for the year ended March 31, 2012

(Amount ₹ In Crores)

In Mutual Fund unquoted fully paid up	As at March 31, 2012	As at March 31, 2011
SBI DEBT FUND SERIES - 370 DAYS GROWTH		
5000000 Units	-	5.00
SBI GOLD EXCHANGE TRADED SCHEME - GROWTH		
666.000 Units	0.10	0.10
SBI MAGNUM BALANCED FUND - GROWTH		
217438.574 Units	1.00	1.00
SBI MAGNUM INSTA CASH FUND - DIVIDEND		
29856377.6010 Units	-	50.01
SBI MAGNUM SECTOR FUNDS UMBRELLA CONTRA - DIVIDEND		
409332.788 Units	1.00	1.00
SBI - SHF - ULTRA SHORT TERM FUND - INST PLAN - DIVIDEND		
89868.169 Units	-	0.09
TATA- INDO GLOBAL INFRASTRUCTURE FUND - GROWTH		
200000.000 Units	0.20	0.20
UTI - DIVIDEND YIELD FUND - DIVIDEND		
846937.566 Units	1.20	1.13
UTI - INFRASTRUCTURE FUND - GROWTH PLAN		
509253.732 Units	1.71	1.71
UTI MASTER VALUE FUND DIVIDEND PLAN		
504456.030 units	1.19	1.14
UTI - OPPORTUNITY FUND - DIVIDEND PLAN		
800541.728 Units	1.16	1.10
UTI - TOP 100 FUND - GROWTH PLAN		
104123.282 Units	0.25	0.25
AXIS CAPITAL PROTECTION ORIENTED FUND - SERIES 3 -GROWTH PLAN		
99990.00 units	0.10	-
SBI -SHF - ULTRA SHORT TERM FUND - RETAIL PLAN - DAILY DIVIDEND		
961.686 Units	0.10	-
SBI GOLD FUND -GROWTH		
200000.00 Units	0.20	-
SBI DEBT FUND SERIES - 367 DAYS- 6 GROWTH		
100000.00 Units	0.10	-
<b>Total</b>	<b>12.80</b>	<b>67.22</b>

### Note - 13 : Inventories

(As certified by the management)

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
a. Raw Materials (Valued at cost)	721.34	597.15
b. Work-in-progress (Valued at cost)	527.22	350.60
c. Finished goods (Valued at lower of cost or net realisable value)	416.01	352.03
d. Stores and spares (Valued at cost)	199.62	60.33
e. Goods-in transit	-	18.96
<b>Total</b>	<b>1,864.19</b>	<b>1,379.07</b>

## Notes to Consolidated Financial Statement for the year ended March 31, 2012

### Note - 14 : Trade Receivables

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
Unsecured, considered good		
Over Six months	36.18	32.61
Others	396.14	459.09
<b>Total</b>	<b>432.32</b>	<b>491.70</b>

### Note - 15 : Cash and cash equivalents

(Amount ₹ In Crores)

Cash and cash equivalents	As at March 31, 2012	As at March 31, 2011
Balances with banks		
On current accounts	93.90	20.23
Bank deposits	34.16	28.07
Bank deposits with more than 12 months maturity- ₹ 9.33Crores (P.Y. ₹ 9.22 Crores)		
Cash on hand	2.63	3.25
	<b>130.69</b>	<b>51.55</b>

### Note - 16: Short-term loans and advances

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
Advances receivable in cash or kind or for value to be received	118.91	74.41
Balance with Government Authorities	206.47	122.70
MAT Credit Entitlement	133.09	77.45
Deposits	76.66	107.01
<b>Total</b>	<b>535.13</b>	<b>381.57</b>

### Note - 17: Other Current Assets

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
Insurance claim receivable	1.08	0.07
Interest receivable	0.04	0.05
<b>Total</b>	<b>1.12</b>	<b>0.11</b>

### Note - 18: Revenue from operations

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Revenue from operations</b>		
Sale of products :		
Finished goods	2,870.31	2,690.90
Waste Sales	24.29	
Gross Sales	2,894.60	2,690.90
Less: Excise Duty	2.17	0.00
	<b>2,892.43</b>	<b>2,690.90</b>
Sale of Services:	9.66	
<b>Revenue from operations</b>	<b>2,902.09</b>	<b>2,690.90</b>

## Notes to Consolidated Financial Statement for the year ended March 31, 2012

### Note - 19 : Other income

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
Interest Income	5.28	8.39
Profit on sale of Investment	0.56	0.55
Dividend Income	0.39	3.64
Exchange fluctuation gain	5.64	9.00
Miscellaneous income	4.89	8.48
<b>Total</b>	<b>16.76</b>	<b>30.06</b>

### Note - 20: Cost of materials consumed

(Amount ₹ In Crores)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Inventory at the beginning of the year	598.07	262.55
Add : Purchase	1,883.11	2,056.86
	2,481.18	2,319.41
Less : Inventory at the end of the year	721.34	598.07
<b>Cost of materials consumed</b>	<b>1,759.83</b>	<b>1,721.35</b>

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

(Amount ₹ In Crores)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
<b>Inventory at the end of the year</b>		
Finished Goods	416.01	281.22
Work-in-progress	527.22	349.13
Wastage	0.32	1.47
Inventory in transit	-	18.96
	943.55	650.78
<b>Inventory at the beginning of the year</b>		
Finished Goods	281.22	184.17
Work-in-progress	349.13	237.28
Wastage	1.47	-
	631.82	421.45
<b>Increase (+) / decrease (-) in inventories</b>	<b>-311.73</b>	<b>-229.33</b>

### Note - 22: Employee benefit expenses

(Amount ₹ In Crores)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Salaries & wages	251.55	222.22
Contributions to provident and other fund	21.70	27.96
Workmen & Staff welfare expenses	12.07	7.83
<b>Total</b>	<b>285.31</b>	<b>258.01</b>

## Notes to Consolidated Financial Statement for the year ended March 31, 2012

### Note - 23 : Finance costs

(Amount ₹ In Crores)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest expense	189.21	128.62
Bank Charges	33.32	19.18
<b>Total</b>	<b>222.53</b>	<b>147.80</b>

### Note - 24 : Other expenses

(Amount ₹ In Crores)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Stores & spares consumption	53.01	42.60
Packing material and expenses	17.41	15.21
Power and fuel (net)	82.45	84.76
Water charges	9.17	6.89
Job Charges for:		
Yarn	3.66	-
Process	2.98	2.75
Weaving	15.93	15.15
Design & development & Others	76.01	108.05
Rent	40.79	11.13
Rates and taxes	5.94	5.97
Insurance	1.78	2.18
Keyman insurance	0.13	0.10
Repair and maintenance		
Plant and machinery	6.71	5.18
Building	1.35	0.72
Vehicles	0.45	0.44
Others	3.30	2.35
Advertising and bussiness promotion	2.75	1.54
Books & Periodicals	0.11	0.89
Commission and brokerage	9.08	9.32
Travelling and conveyance	10.61	11.73
Transportation	28.44	37.71
Communication costs	5.96	5.65
Printing and stationary	2.75	2.96
Legal and professional fees	6.59	3.75
Director's remuneration	11.15	9.60
Directors' sitting fees	0.04	0.05
Auditor's remuneration	0.79	0.58
Environmental Control Exp	4.82	3.47
Security Service Charges	6.29	4.46
Donation	0.64	0.15
Loss on sale of Assets	0.07	0.08
Miscellaneous expenses	64.69	23.53
<b>Total</b>	<b>475.86</b>	<b>418.94</b>



## Notes to Consolidated Financial Statement for the year ended March 31, 2012

### Depreciation and amortization expenses

(Amount ₹ In Crores)

Particulars	For the year ended 31 March 2012	For the year ended March 31, 2011
Depreciation of tangible assets	229.78	153.02
Amortization of intangible assets	3.94	14.39
<b>Total</b>	<b>233.72</b>	<b>167.41</b>

### Note 25: CONTINGENT LIABILITIES NOT PROVIDED FOR (Consolidated):

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
(i) Bills Discounted with Banks under Letter of credits or otherwise.	9.75	51.38
(ii) Bank Guarantee	7.76	3.93
(iii) Claims against the company towards energy charges on Captive Generation.	4.9	4.9
(iv) Outstanding Amount of Madhya Pradesh Audhyogik Kendra Vikas Nigam Limited (MPAKVN) towards Land Acquisition Settlement.	0.32	5.22
(v) Estimated Interest amount payable on confirmed demand for sales and entry tax	0.65	0.58
(vi) Liability towards M/s Maharashtra State Cotton Grower Mktg. Federation on account of pending dispute under court of law.	0.74	0.74
(vii) Disputed Sales Tax/ Entry Tax Demands	0.68	0.67
(viii) Demand towards Show Cause Notice Issued by Additional commissioner of Central excise & Service tax for wrong availment of cenvat on packing material used in packing of cotton waste, amount inclusive of penalty.	0.11	-
(ix) Demand towards Show Cause Notice Issued by Additional commissioner of Central excise & Service tax for wrong availment of cenvat credit of Service Tax on commission on export.	-	0.11
(x) 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
(xi) 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
(xii) Demand towards Show Cause Notice issued by Excise Department for removal/ Sale of waste in Domestic Tariff Area (DTA) in excess of permission granted to the company. Reply to show cause notices have already been filed before Commissioner (Customs & Excise), Indore.	21.29	21.29
(xiii) Claim of Gujarat State Co-operative Cotton Federation Limited (GUJCOT) for cotton supplies, interest, carrying charges etc. disputed and not acknowledged by the Company.	103.85	103.84
(xiv) Disputed demand outstanding related to Income Tax (The appeals/rectification are pending with income tax authorities)	2.04	0.5

## Notes to Consolidated Financial Statement for the year ended March 31, 2012

### Note 26: Capital Commitments:

(Amount ₹ In Crores)

Particulars	As at March 31, 2012	As at March 31, 2011
Estimated amount of Capital Contracts remaining To be executed (net of advances)	12.68	45.55

### Note 27: Related Party Disclosure

Name of the Related Party	Relationship
a. Latur Integrated Textile Park Pvt. Ltd.	Other Related Parties
b. Islampur Integrated Textile Park Pvt. Ltd.	Other Related Parties
c. STI Sanoh India Limited	Other Related Parties
d. Kagal Industrial Textile Technology Park Pvt. Ltd.	Other Related Parties
e. Reynold Shirting Ltd.	Other Related Parties
f. Ashwell Holding Company Pvt. Ltd.	Other Related Parties
g. Bombay Rayon Clothing Ltd.	Other Related Parties
h. Bestseller Retail India Pvt. Ltd.	Other Related Parties
i. Bestseller Wholesale India Pvt. Ltd.	Other Related Parties
j. Best United lifestyle Pvt. Ltd.	Other Related Parties
k. Best United Comforts India Pvt. Ltd.	Other Related Parties
l. B.R. Machine Tools Pvt. Ltd.	Other Related Parties
m. J. D. Agarwal Foundation	Other Related Parties
a. Mr. Janardan Agarwal, Chairman	Key Managerial Personnel
b. Mr. Aman Agarwal, Vice Chairman	Key Managerial Personnel
c. Mr. Prashant Agarwal, Managing Director	Key Managerial Personnel
d. Mr. Uday Mogre, Executive Director - Corporate	Key Managerial Personnel
e. Mr. A.R. Mundra, Executive Director - Finance	Key Managerial Personnel
Mrs. Bimla Devi Agarwal	Relative

### (C) Transactions with Related Parties

(Amount ₹ In Crores)

Transaction with Other Related Parties	Current year	Previous year
Lease Rentals paid	29.46	6.45
Sales	0.9	0.29
Rent deposit given	NIL	20.31
Loans/Advances Given (net)	36.49	NIL
Job Work charges	9.96	NIL
Preferential Allotment (Conversion of Warrants to Eq. Shares)	148.81	NIL
<b>Transactions with Key Managerial Personal &amp; their Relatives</b>		
Director Remuneration	9.12	8.13
Rent Deposit	1.13	NIL
Rent Paid	0.5	NIL

## Notes to Consolidated Financial Statement for the year ended March 31, 2012

### Note 28: Earnings Per Share (Consolidated)

	(Equity Shares of ₹ 10/- each)	
	Current year	Previous year
(i) Net profit available for Equity Share holders (₹ In Crores)	166.86	202.82
(ii) Basic earnings per share (₹)	12.52	17.05
(iii) Diluted earnings per share(₹)	11.85	15.84

### Note 29: C.I.F. Value of Imports:

(Amount ₹ In Crores)

	Current year	Previous year
(a) Stores, Spares & HSD	25.11	10.45
(b) Capital Goods	10.92	199.23
(c) Raw Materials	196.06	99.51

### Note 30: Expenditure in Foreign Currency:

(Amount ₹ In Crores)

	Current year	Previous year
(a) Traveling	1.38	1.75
(b) Commission on Export Sales	2.49	1.75
(c) Business Promotions	0.03	0.32
(d) Others	1.05	15.36

### Note 31: Earning in Foreign Exchange

(Amount ₹ In Crores)

	Current year	Previous year
FOB value of Exports	1246.17	1122.7

### Note 32: Remittance in Foreign Currency on account of Dividend

(Amount ₹ In Crores)

	Current year	Previous year
(a) No. of non-resident shareholders	2	2
(b) No. of Equity shares held	18096340	18096340
(c) Amount of dividend paid (₹ in Crores)	2.71	2.71
(d) Financial year to which it relates	2010-11	2009-10

## Notes to Consolidated Financial Statement for the year ended March 31, 2012

### Note 34: Imported & Indigenous consumption:

	Current year		Previous year	
	₹ in crs	%	₹ in crs	%
(a) Raw Materials:				
Imported	38.46	2.25	103.64	7.34
Indigenous	1670.65	97.75	1307.7	92.66
(b) Stores and Spares:				
Imported	11.47	21.69	10.55	24.77%
Indigenous	41.42	78.31	32.04	75.23%

**Note 35:** Previous year figures have been re-grouped / reclassified wherever necessary to make them comparable in accordance with revised schedule VI.

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

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

Place: Mumbai  
Date: May 29, 2012

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

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

**Prachi Deshpande**  
Company Secretary

# Notice

Notice is hereby given that the Nineteenth Annual General Meeting of Bombay Rayon Fashions Limited will be held on Friday, September 28, 2012 at 4.30 p.m. at Kilachand Conference Room, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai-400020 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statements of Accounts for the financial year ended 31st March, 2012 and the Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Suresh Vishwasrao, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Uday Mogre, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. M. M. Agrawal, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint M/s. V. K. Beswal & Associates [Firm Registration No. 101083W] as Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

By Order of the Board of Directors,

Place: Mumbai  
Dated: July 06, 2012

**Prachi Deshpande**  
Company Secretary

### REGISTERED OFFICE:

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

### NOTES:

1. ***A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.***
2. Proxies, if any, in order to be effective must be received at the Company's Registered Office not later than 48 hours (Forty-eight hours) before the time fixed for holding the meeting.
3. Corporate Members are requested to send a certified true copy of the Board resolution authorizing their representative to attend and vote at the Meeting.
4. Members are requested to bring the attendance slip at the Annual General Meeting. Members who hold shares in dematerialized form are requested to write their client ID and DP ID and those who hold shares in physical form are requested to write their folio number in the attendance slip.
5. The Register of Members shall remain closed from September 22, 2012 to September 28, 2012 (Both days inclusive).
6. As per the provisions of the Companies Act, 1956 facility for making nomination is available for shareholders, in respect of the shares held by them. Nomination Forms can be obtained from the Registrars/ Secretarial Department of the Company.
7. The detail of the directors eligible for re-appointment is forming part of Corporate Governance Report.

## Notes



## Notes

# BOMBAY RAYON FASHIONS LIMITED

## PROXY FORM

**Registered Office:** D-1<sup>st</sup> Floor, Oberoi Garden Estates, Chandivali Farms Road,  
Chandivali, Andheri (East), Mumbai 400 072

I / We \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ being a Shareholder/Shareholders of  
BOMBAY RAYON FASHIONS LIMITED hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ of failing him/her \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ as my/our Proxy to attend and vote for me/us and on my/our  
behalf at the 19<sup>th</sup> Annual General Meeting of the Company to be held on Friday, 28th September, 2012 at 4:30 p.m. and at  
any adjournment thereof.

Signed on this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Signature of Shareholder \_\_\_\_\_

Affix  
₹ 1.00  
Revenue  
Stamp

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

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

# BOMBAY RAYON FASHIONS LIMITED

## ATTENDANCE SLIP

**Registered Office:** D-1<sup>st</sup> Floor, Oberoi Garden Estates, Chandivali Farms Road,  
Chandivali, Andheri (East), Mumbai 400 072

I/We hereby record my/our presence at the 19<sup>th</sup> Annual General Meeting of the Company at Kilachand Conference Room, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai – 400 020 on Friday, 28<sup>th</sup> September 2012 at 4:30 p.m.

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

Name of Proxy/Representative, if any \_\_\_\_\_

Signature of the Shareholder(s)/Proxy/Representative \_\_\_\_\_



Bombay Rayon Fashions Limited  
[www.bombayrayon.com](http://www.bombayrayon.com)