

INDEPENDENT AUDITOR'S REPORT

To,

The Members of BOMBAY RAYON HOLDINGS LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Bombay Rayon Holdings Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance



about whether the standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The standalone financial statements dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);



- e. On the basis of the written representations received from the directors as on 31 March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;
- f. We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 20th May 2016 as per Annexure II expressed.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
 - i. The Company does not have any pending litigation on its standalone financial position.
 - ii. The company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For V.K BESWAL & ASSOCIATES
Chartered Accountants



CA K.V. Beswal
Partner
M No-131054
Firm Registration No:101083W
Place: Mumbai
Date:20th May 2016.



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

1. In respect of Fixed Assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets have been physically verified by the management at reasonable intervals during the year. We are informed that no material discrepancies were noticed by the management on such verification.
 - c. The title deeds in respect of all immovable properties are held in the name of the company.
2. In respect of Inventories:
 - a. Based on our scrutiny of the company's books of accounts and other records and according to the information and explanations given to us, we are of the opinion that the company has not purchased/sold goods during the year nor is there any opening stocks. Requirement on reporting on physical verification of stocks or maintenance of inventory records, in our opinion, does not arise.
3. In respect of loans, secured or unsecured granted by the Company to other Companies, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
 - a. During the year Company has granted interest free loan to its subsidiary covered in the register maintained under Section 189 of the Companies Act, 2013.
 - b. In respect of the said loan, the principal amount is repayable over a period of 5 to 7 years.
 - c. In respect of the said loan, there is no overdue amount.
4. The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of Loans granted during the year. There is Investments taken place during the year.
5. During the year the company has not accepted any deposits from public or by any means hence the said clause 3(v) of the said order is not applicable to the Company.
6. As informed to us, the Central Government has not prescribed the maintenance of Cost records under section 148 of the Companies Act, 2013 for any of the activities of the company.
7. In respect of Statutory Dues:
 - (a) According to record of the Company produced before us, the Company has not been regular in depositing the undisputed statutory dues and there have been serious delays in a large number of cases with appropriate authorities and other



statutory dues applicable to it. According to the information and explanations given, no undisputed amounts payable in respect of sales tax, customs duty, excise duty/cess were outstanding as at 31.03.2016 for a period of more than six months from the date they became payable.

Statement of Arrears of statutory dues outstanding for more than six months as at 31st March 2016:

(₹ in lacs)

Sr. No	Nature of Dues	Amount
1.	Service Tax	123.78
2.	Income Tax	180.49
3.	Property Tax	10.78
Total		315.05

Outstanding Interest amount on the above dues (S. No 1 to 2) as on 31st March 2016 is Rs. 57.88 lacs.

- (b) According to the records of the company there are no dues of Income-Tax, sales tax, wealth tax, service tax, customs duty, excise duty/cess which have not been deposited on account of any dispute.
8. As per the information and explanations given to us the company has not taken loans from bank or financial institutions.
 9. During the year the Company has not raised any fund by way of initial public offer or further public offer (including debt instruments) and term loans, therefore no comments under the clause are called for.
 10. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
 11. According to the provisions of section 197 read with Schedule V to the Companies Act, 2013, the Company has not paid any Managerial remuneration during the year, hence this clause is not applicable.
 12. In our opinion and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is not a Nidhi company. Hence, in our opinion the clause does not apply to the company.
 13. The Company has disclosed all the transactions with the related parties in the Financial Statements during the year and the transactions are in compliance with sections 177 and 188 of Companies Act, 2013.
 14. During the year under consideration, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures, hence comments under this clause are not called for.



15. According to the provisions of section 192 of Companies Act, 2013 the company has not entered into any non-cash transactions with directors or persons connected with him during the year hence no comments under this clause are called for.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, hence this clause is not applicable and no comments under this clause are called for.

For V.K BESWAL & ASSOCIATES

Chartered Accountants



CA K.V. Beswal

Partner

Membership Number-131054

Firm Registration No:101083W

Place: Mumbai

Date:20th May 2016



Annexure II

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

1. In conjunction with our audit of the standalone financial statements of Bombay Rayon Holdings Limited ("the Company") as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Meaning of Internal Financial Controls over Financial Reporting



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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the criteria being specified by management.

For V.K BESWAL & ASSOCIATES
Chartered Accountants



CA K.V. Beswal

Partner

Membership Number-131054

Firm Registration No:101083W

Place: Mumbai

Date: 20th May 2016



BOMBAY RAYON HOLDINGS LIMITED

Balance Sheet as at 31st March 2016

(' In Lakhs)

Particulars	Note No.	31st March, 2016	31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	1	3,514.25	3,514.25
(b) Reserves and surplus	2	1,182.94	951.88
		4,697.19	4,466.13
Non-current liabilities			
Long-term borrowings	3	32,973.38	31,388.32
		32,973.38	31,388.32
Current liabilities			
(a) Short-term borrowings	4	21,000.00	21,000.00
(b) Other current liabilities	5	421.01	320.09
(c) Short-term provisions	6	58.30	67.75
		21,479.31	21,387.84
TOTAL		59,149.89	57,242.29
ASSETS			
Non-current assets			
(a) Fixed assets	7		
Tangible assets		6,151.56	6,142.60
(b) Non-current investments	8	15,009.52	13,695.57
(c) Long-term loans and advances	9	37,927.14	37,383.49
		59,088.23	57,221.66
Current assets			
(a) Cash and cash equivalents	10	59.87	18.67
(b) Short term loan and advances	11	1.80	1.95
		61.67	20.63
TOTAL		59,149.89	57,242.29
<i>Notes are integral part of the balance sheet & profit & loss account</i>		1A	

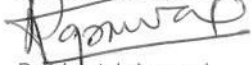
As per our report attached
For V.K.Beswal & Associates
Chartered Accountants



CA K.V. BESWAL
Partner
Membership Number- 131054
Firm Reg No.:101083W



For Bombay Rayon Holdings Limited


Prashant J. Agrawal
(Director)


Aman J. Agarwal
(Director)

Place : Mumbai
Date : 20th May 2016

BOMBAY RAYON HOLDINGS LIMITED
Statement of profit and loss for the year ended 31st March 2016

(' In Lakhs)

Particulars	Note No.	31st March, 2016	31st March, 2015
		-	-
Other Income	12	552.00	552.00
Total Revenue		552.00	552.00
Expenses:			
Finance costs	13	61.24	33.35
Depreciation and amortization expense		109.22	107.20
Other expenses	14	38.32	35.98
Total expenses		208.79	176.53
Profit before extraordinary items and tax		343.21	375.47
Extraordinary Items			
Prior year adjustments		1.46	73.79
Profit before tax		341.76	301.68
Tax expense:			
(1) Current tax		110.70	119.70
Profit for the year		231.06	181.99
Earnings per equity share: Basic & Diluted (in Rs.)		0.66	0.52
Notes are integral part of the balance sheet & profit & loss account		1A	

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

CA K.V. BESWAL
Partner
Membership Number- 131054
Firm Reg No.:101083W

Place : Mumbai
Date : 20th May 2016



For Bombay Rayon Holdings Limited



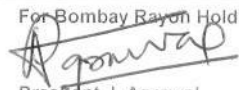

Prashant J. Agrawal
(Director)

Aman J. Agarwal
(Director)

BOMBAY RAYON HOLDINGS LIMITED

Cash Flow Statement For The Year Ended 31.03.2016

(' In Lakhs)

PARTICULARS	31st March, 2016	31st March, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and after Extraordinary items	343.21	375.47
Adjustment For :		
Depreciation	109.22	107.20
Interest & Finance charges	61.24	33.35
Operative Profit before Working Capital Changes	513.68	516.01
Adjustment For :		
Trade and Other Receivables	-	-
Decrease in Short term loans and advances	0.15	-0.04
Decrease in Trade & Other payable	38.91	273.41
Cash Generation from Operations	552.74	789.40
Direct Taxes	(120.28)	(227.97)
Net Cash Flow from operating activities	432.46	561.43
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investment	(1,313.95)	-
Purchase of Fixed Asset	(118.18)	-
Loan & Advances Given	(543.64)	(427.60)
Net Cash used in investing activities	(1,975.78)	(427.60)
C. CASH FLOW FROM FINANCIALS ACTIVITIES		
Interest on Term loans & Others	(0.56)	(33.35)
Proceeds/Repayment of Long Term Borrowings	1,585.07	(184.68)
Net Cash used in financing activities	1,584.51	-218.03
D. NET CHANGE IN CASH AND CASH EQUIVALENTS		
(A+B+C)	41.19	(84.20)
Cash and Cash Equivalents as at Opening	18.67	102.87
Cash and Cash Equivalents as at Closing	59.87	18.67
Notes : 1. Figures in brackets represent cash outflows. 2. Previous year figures have been regrouped wherever necessary.		
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>As per our report attached For V.K.Beswal & Associates Chartered Accountants</p>  <p>CA K.V. BESWAL Partner Membership Number- 131054 Firm Reg No.:101083W Date : 20th May 2016</p> </div> <div style="width: 45%; text-align: center;">  </div> <div style="width: 45%;"> <p>For Bombay Rayon Holdings Limited</p>  <p>Prashant J. Agrawal (Director)</p>  <p>Aman U. Agarwal (Director)</p> </div> </div>		

BOMBAY RAYON HOLDINGS LIMITED
Notes to financial statements for the year ended 31st March 2016

Note : 1 Share Capital

(* In Lakhs)

A	Particulars	31st March, 2016		31st March, 2015	
		Numbers	-	Numbers	-
	<u>Authorised</u> Equity Shares of Rs.10 each	40,000,000	4,000.00	40,000,000	4,000.00
		40,000,000	4,000.00	40,000,000	4,000.00
	<u>Issued, Subscribed & fully Paid up</u> Equity Shares of Rs.10 each	35,142,500	3,514.25	35,142,500	3,514.25
	Total	35,142,500	3,514.25	35,142,500	3,514.25

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

Particulars	Equity Shares			
	31st March, 2016		31st March, 2015	
	Number	-	Number	-
At the beginning of the year	35,142,500	3514.25	35,142,500	3514.25
Shares Issued during the year	-	-	-	-
At the end of the year	35,142,500	3514.25	35,142,500	3514.25

C Shares held by holding company

Particulars	Nature of Relationship	As at 31 March 2016	As at 31 March 2015
Equity Shares		Nos.	Nos.
Bombay Rayon Fashions Ltd.	Holding Company	35,142,500	35,142,500

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

Name of Shareholder	Equity Shares			
	31st March, 2016		31st March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Bombay Rayon Fashions Ltd.	35,142,500	100.00%	35,142,500	100.00%

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

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



BOMBAY RAYON HOLDINGS LIMITED

Notes to financial statements for the year ended 31st March 2016

Note - 2 : Reserve and surplus

(` In Lakhs)		
Particulars	31st March 2016	31st March 2015
Profit and Loss account		
Opening balance	951.88	769.89
(+) Profit for the year	231.06	181.99
Total	1182.94	951.88

Note - 3 : Long term borrowings

Particulars	31st March 2016	31st March 2015
Unsecured		
Advances from related parties		
- From Holding Company	32,973.38	31,388.32
Total	32,973.38	31,388.32

Note - 4 : Short term borrowings

Particulars	31st March 2016	31st March 2015
Unsecured		
Advances from related parties		
- From Holding Company	21,000.00	21,000.00
Total	21,000.00	21,000.00

Note - 5 : Other Current Liabilities

Particulars	31st March 2016	31st March 2015
(i) Statutory dues	412.71	316.16
(ii) Outstanding expenses	8.30	3.93
Total	421.01	320.09

Note - 6 : Short Term Provisions

Particulars	31st March 2016	31st March 2015
Others		
Income tax	58.30	67.75
Total	58.30	67.75



BOMBAY RAYON HOLDINGS LIMITED

Notes to financial statements for the year ended 31st March 2016

Note 7 : Fixed Assets

(' In Lakhs)

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 01-04-2015	Additions	Disposals	Balance as at 31-03-2016	For the year	Written back	Balance as at 31-03-2016	Balance as at 31-03-2015
Tangible Assets :								
Commercial Premises	6,615.30	118.18	-	6,733.48	106.67	-	6,150.22	6,138.71
Vehicles	13.96	-	-	13.96	2.55	-	1.34	3.89
Total	6,629.26	118.18	-	6,747.44	109.22	-	6,151.56	6,142.60
<i>Previous Year</i>	6,629.26	-	-	6,629.26	107.20	-	486.66	6,142.60



BOMBAY RAYON HOLDINGS LIMITED

Notes to financial statements for the year ended 31st March 2016

Note - 8 : Non-current investments

Particulars	(' In Lakhs)	
	As at 31 March 2016	As at 31 March 2015
Investments Unquoted:		
Investment in Equity instruments (Subsidiaries)		
2,48,000 equity shares of Euro 1 each in BRFL Europe B.V.	161.13	161.13
50,10,000 equity shares of Euro 1 each in BRFL ITALIA SRL	3,348.57	3,348.57
2,50,000, (NIL) equity shares of Euro 1 each in BRFL ITALIA LICENSES SRL	1,313.95	-
Share Application Money		
Given to Subsidiary	10,185.88	10,185.88
Total	15,009.52	13,695.57

Note - 9: Long-term loans and advances

Particulars	As at 31 March	
	2016	2015
a. Capital Advances		
Unsecured, considered good	5,432.03	5,550.21
	5,432.03	5,550.21
b. Loans and advances to related parties		
Unsecured, considered good (to subsidiaries)	32,495.11	31,833.29
	32,495.11	31,833.29
TOTAL	37,927.14	37,383.49



BOMBAY RAYON HOLDINGS LIMITED
Notes to financial statements for the year ended 31st March 2016

Note - 10 : Cash and cash equivalents

(' In Lakhs)

Particulars	As at 31 March 2016	As at 31 March 2015
a. Balances with banks		
On current accounts	59.84	18.63
b. Cash on hand	0.03	0.04
Total	59.87	18.67

Note - 11: Short term loans and advance

Particulars	As at 31 March 2016	As at 31 March 2015
Others	1.80	1.95
Total	1.80	1.95



BOMBAY RAYON HOLDINGS LIMITED
Notes to financial statements for the year ended 31st March 2016

Note - 12 : Other Income

(` In Lakhs)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Other Income	552.00	552.00
Total	552.00	552.00

Note - 13 : Finance costs

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Bank Charges	0.56	0.11
Interest on Taxes	60.68	33.24
Total	61.24	33.35

Note - 14 : Other expenses

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Insurance	2.50	2.50
Profession Tax	0.03	0.05
Property Tax	31.57	23.79
Filing Fees	0.08	0.09
Printing and stationary	0.01	0.01
Legal and professional fees	-	5.19
Misc. Expense	-	0.05
Payment to Auditors	4.14	4.30
Total	38.32	35.98

Payments to Auditors

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
For Audit Fee	3.50	3.93
For Certification & Others	0.64	0.37
Total	4.14	4.30

Depreciation & Amortization

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
On Tangible Assets	109.22	107.20
Total	109.22	107.20



BOMBAY RAYON HOLDINGS LIMITED

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS FOR THE YEAR ENDED 31.03.2016

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statement

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2. Revenue Recognition

Rental income recognizes on the accrual basis.

3. Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation. The Cost includes taxes, duties, freight, installation and other direct or allocated expenses up to the date of put to use.

4. Depreciation

Depreciation on Fixed Assets is provided based on the useful life of the asset in the manner prescribed in Schedule II to the Companies Act, 2013.

5. Taxation

(i) Provision for current Tax is made with reference to taxable income computed for the accounting period, for which the financial statements are prepared by the tax rates as applicable.

(ii) 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. In absence of the timing difference between the taxable and accounting income no provision for deferred tax is recognized.

6. Foreign Currency Transactions

Transaction in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction 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/liabilities are translated in rupees at the rates prevailing on the date of balance sheet. Long term borrowing/advances in foreign currency are valued at historical cost.



7. Impairment of Assets

At each balance sheet date, the carrying amounts of fixed assets are reviewed by the management to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use.

8. 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.

B. NOTES TO ACCOUNTS

	(` In Laacs) 31/03/16	(` In Laacs) 31/03/15
Capital commitment	Nil	Nil
Earning Per Share:		
Net profit after tax available for Equity Shareholders	231.06	181.99
Weighted Avg No. of shares	3,51,42,500	3,51,42,500
Basic/Diluted Earning per share in Rs.	0.66	0.52
Related Party Disclosure		

(A) Name of the related Party & Relations

• **Key Managerial Personnel**

Name of Personnel	Designation
(a) Mr. Janardan Agarwal	Director
(b) Mr. Aman Agarwal	Director
(c) Mr. Prashant Agarwal	Director

• **Holding Company**

Bombay Rayon Fashions Limited

• **Subsidiary Company**

BRFL Europe BV
BRFL Italia Licenses SRL
BRFL Italia SRL

• **Others**

Reynolds Shirting Ltd.
Ashwell Holding Pvt. Ltd.
Bombay Rayon Clothing Ltd.
Bestsellers Retail India Pvt. Ltd.
Best United Lifestyles Pvt. Ltd.
Best United India Comforts Pvt. Ltd.
Best Seller Wholesale India Pvt. Ltd.
B.R. Machine Tools Pvt. Ltd.



STI India Limited
STI Sanoh Limited (till 21.08.15)
DPJ Clothing Limited
BRFL Bangladesh Pvt. Ltd.

(B) Transactions with Related Parties

(` in Laacs)

Particulars	Holding Company		Subsidiary Company		Associates Company	
	31.03.16	31.03.15	31.03.16	31.03.15	31.03.16	31.03.15
Rental Income	Nil	Nil	Nil	Nil	552.00	552.00
Repayment of Loans taken (Net)	0.00	184.68	Nil	Nil	Nil	Nil
Advances Taken (Net)	1585.07	Nil	Nil	Nil	Nil	Nil
Advances given during the year	Nil	Nil	661.82	427.60	Nil	Nil
Investment	Nil	Nil	1313.95	Nil	Nil	Nil

Expenditure & Earning in foreign currency

(` In Laacs)
31/03/16

(` In Laacs)
31/03/15

Expenditure:
Earnings

Nil
Nil

Nil
Nil

Contingent Guarantee not provided for:

Corporate Guarantee given for holding company

6493.00

6493.00

During the year the Company has acquired 2,50,000, Equity shares of Euro 1 each in BRFL ITALIA LICENSES SRL on 31/12/15 which was the Subsidiary Company of BRFL ITALIA SRL i.e Wholly Owned Subsidiary (WOS).

In the opinion of the Board of Directors, the current assets, loans and advances have a value, which on realization in the ordinary course of business is at least equal to the amount stated in the Balance Sheet.

Figures of previous years have been regrouped/ rearranged wherever necessary. Figures in bracket indicate previous year figures.

As per our report of even date

For V.K. BESWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN NO 101083W



CA K.V. BESWAL
Partner
M.No.131054
Place: Mumbai
Date: 20th May 2016



For and on behalf of board of Directors



Aman Agarwal
Vice - Chairman



Prashant Agarwal
Director