



**The Baroda Rayon Corporation Limited**

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**62<sup>nd</sup>**

**ANNUAL REPORT**

**2021-22**

**THE BOARD OF DIRECTORS:****Mr. Damodarbhai B. Patel**

Chairman &amp; Managing Director

**Mr. Bhavanjibhai H. Patel**

Independent Director

**Mr. Bhaveshbhai V. Patel**

Independent Director

**Mr. Jayantilal D. Patel**

Independent Director

**Mrs. Vidhya V. Bhavani**

Non-Executive Director

**Mr. Viral Bhavani**

Non-Executive Director

**STATUTORY AUDITOR:**Kansariwala & Chevli,  
Chartered Accountants,  
Surat**COMPANY SECRETARY & COMPLIANCE OFFICER:**

Mr. Kunjal Desai

**CHIEF FINANCIAL OFFICER**

Mr. Jugal Kishore Jakhotia

**REGISTRAR AND SHARE TRANSFER AGENT:**Link Intime India Pvt. Ltd.  
C 101, 247 Park, L BS Marg, Vikhroli West,  
Mumbai 400 083**BANKERS**

The Mehsana Urban Co-operative Bank Ltd.

The Sutex Co-operative Bank Ltd.

Surat National Co-operative Bank Ltd.

Kotak Mahindra Bank Ltd.

HDFC Bank Ltd.

**REGISTERED OFFICE:**P.O. Baroda Rayon,  
Fatehnagar, Udhna,  
Dist., Surat-394220  
Gujarat**HEAD OFFICE:**Hoechst House, Ground Floor, 193, Backbay  
Reclamation, Nariman Point,  
Mumbai-400 021**62<sup>nd</sup> ANNUAL GENERAL MEETING****Date : Wednesday, 28<sup>th</sup> September, 2022****Time : 09:00 a.m.****Venue : Patidar Bhavan, Kadodara, Surat-394327****62<sup>nd</sup>****Annual Report****2021-22****The Baroda Rayon  
Corporation Limited****Index**

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## NOTICE

Notice is hereby given that the Sixty Second (62<sup>nd</sup>) Annual General Meeting of **THE BARODA RAYON CORPORATION LIMITED**(CIN – L45100GJ1958PLC000892) will be held on Wednesday, the 28<sup>th</sup> of September, 2022 at 09:00 a.m. at Patidar Bhavan, Kadodara, Surat-394327 (Gujarat) to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended 31<sup>st</sup> March, 2022 together with Directors' and the Auditors' Reports thereon.
2. To appoint a Director in place of Mrs. Vidhya Bhavani (DIN – 07159576), who retires by rotation and being eligible, offer herself for re-appointment.

### SPECIAL BUSINESS:

3. **Re-appointment of Mr. Damodarbhai Patel (DIN-00056513) as Managing Director of the company.**

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to recommendation of Nomination and Remuneration Committee and Audit Committee and pursuant to provisions of Section 196, 197, 198 & 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modifications, amendments and re-enactments thereof for the time being in force and as may be enacted from time to time) read with Schedule V of the said act and subject to the provisions of the Article of Association of the company, consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Damodarbhai Patel (DIN - 00056513) as Managing Director of the Company, liable to retire by rotation, for a period of 3 (Three) years effective from 12<sup>th</sup> December 2022 to 11<sup>th</sup> December 2025 on the following terms and conditions –

- (a) Duration – 3 years (12<sup>th</sup> December, 2022 to 11<sup>th</sup> December, 2025)
- (b) Basic Salary – ₹ 5,00,000/- p.m.
- (c) Perquisites & Allowances – Nil

**RESOLVED FURTHER THAT** notwithstanding anything contained herein above, if in any financial year during the currency of his appointment, the Company has no profits or its profits are inadequate, the Company will pay remuneration in accordance with the provisions of Section 197 read with Schedule V the Companies Act, 2013 or in accordance with any statutory modification(s) thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Director(s) to give effect to the aforesaid resolution.”

4. **Appointment of Mr. Viral Bhavani (DIN – 02597320) as Whole Time Director of the company.**

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

**“RESOLVED THAT** pursuant to recommendation of Nomination and Remuneration Committee and Audit Committee and pursuant to provisions of Section 196, 197, 198 & 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modifications, amendments and re-enactments thereof for the time being in force and as may be enacted from time to time) read with Schedule V of the said act and subject to the provisions of the Article of Association of the company, consent of the members of the Company be and is hereby accorded for the appointment of Mr. Viral Bhavani (DIN - 02597320) as Whole Time Director of the Company, liable to retire by rotation, for a period of 3 (Three) years effective from 01<sup>st</sup> October, 2022 to 30<sup>th</sup> September, 2025 on the following terms and conditions –

- (a) Duration – 3 years (01<sup>st</sup> October, 2022 to 30<sup>th</sup> September, 2025)
- (b) Basic Salary – ₹ 2,50,000/- p.m.
- (c) Perquisites & Allowances – Nil
- (d) Nature of Duties: The Whole Time Director shall have the general control, management and superintendence of the business of the Company subject to the supervision and control of the Board.

(e) This appointment may be terminated by giving notice to Board of Directors of such termination at any time.

**RESOLVED FURTHER THAT** notwithstanding anything contained herein above, if in any financial year during the currency of his appointment, the Company has no profits or its profits are inadequate, the Company will pay remuneration in accordance with the provisions of Section 197 read with Schedule V the Companies Act, 2013 or in accordance with any statutory modification(s) thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Director(s) to give effect to the aforesaid resolution.”

5. **To authorize Board of Directors to borrow money under section 180(1)(c) of the Companies Act, 2013 and rules made thereunder:**

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

“**RESOLVED THAT** in supersession of the resolution passed by the members at the 57<sup>th</sup> Annual General Meeting of the company held on 30<sup>th</sup> September, 2017 and pursuant to provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, and read with rules made thereunder and as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow such sum or sums of money, from time to time, which, together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in ordinary course of business) may exceed, at any time, the aggregate of the paid-up share capital of the Company and its free reserves, & securities premium provided that the total amount so borrowed by the Board shall not at any time exceed ₹ 1000 Crores (Rupees One Thousand crores only).

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized and empowered to arrange or settle the terms and conditions on which all such moneys are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things incidental thereto to give expedient to give effect to the aforesaid resolution.”

6. **To authorize Board of Directors to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company under section 180(1)(a) of the Companies Act, 2013 and rules made thereunder:**

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

“**RESOLVED THAT** in supersession of the resolution passed by the members at the 57<sup>th</sup> Annual General Meeting of the company held on 30<sup>th</sup> September, 2017 and pursuant to provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, and read with rules made thereunder and as amended from time to time, consent of the Company be and is hereby given to the Board of Directors of the Company to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company and to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations, if any, created by the Company, on such movable and/or immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or bodies/ trustees for holders of debentures/ bonds which may be issued to or subscribed to by all or any of the Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or any other person(s)/ bodies corporate by way of private placement or otherwise (hereinafter collectively referred to as 'Lenders'), provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said loans, for which such charges, mortgages or hypothecations are created, shall not, at any time exceed the limit of ₹ 1000 Crores. (Rupees One Thousand crores only).

**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to decide on all matters and finalize the documents for sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company/creation of mortgages/charges hypothecations and to accept or make any alterations, changes, variations to or in any terms or conditions, and to execute all such deeds, documents and writings as it may deem fit and containing

such terms, conditions and covenants as it may consider fit and proper in connection with the aforesaid borrowings.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things incidental thereto to give expedient to give effect to the aforesaid resolution.”

**Notes:**

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts, concerning the businesses under Item Nos. 3, 4, 5 & 6 of the notice, is annexed hereto. The relevant details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment/re-appointment as Director under Item No. 2, 3 & 4 of the Notice, are also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of not more than fifty (50) members and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy for his entire shareholding and such person shall not act as a proxy for another person or shareholder. If a proxy is appointed for more than fifty members, he shall choose any fifty Members and confirm the same to the Company before the commencement of the specified period for inspection. In case the proxy fails to do so, the Company shall consider only the first fifty proxies received as valid. Proxies submitted on behalf of the Companies, Societies etc. must be supported by an appropriate resolution/authority letter as applicable, on behalf of the nominating organization. The Proxy Register will be available for inspection to a Member before 24 hours of an AGM till the conclusion of an AGM, subject to the written notice being served to the Company.

**THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ANNEXED HERewith.**

3. Corporate Members (i.e. other than Individuals, HUF, NRI, etc.) shall send certified true copy of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Company to attend and vote at an AGM.
4. The Register of Members and Share Transfer Book of the company will remain closed from Thursday, 22<sup>nd</sup> September, 2022 to Wednesday, 28<sup>th</sup> September, 2022 (both days inclusive) for the purpose of the Meeting.
5. Members desirous of obtaining any information concerning the accounts and operations of the company are requested to send their queries to the company at least seven days before the Meeting at its registered office, so that information required by the members may be available at the meeting.
6. Members may please note that no gifts, gift coupons, or cash in lieu of gifts will be distributed at meeting, in compliance with Section 118(10) of the Companies Act, 2013 and the Secretarial Standards issued by Institute of Company Secretaries of India.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding share in physical form can submit their PAN details to the Registrar and Transfer Agent, M/s Link Intime India Pvt. Ltd.

Members who hold shares in the dematerialized form and want to provide/change/correct the bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR Code of their bank to their Depository Participants. The Company will not entertain any direct request from such members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details.

8. Pursuant to SEBI Circular dated 03<sup>rd</sup> November, 2021 and 14<sup>th</sup> December, 2021, the physical securities holders has mandated to provide PAN, KYC details and Nomination Forms through Form ISR-1, Form ISR-2 and Form ISR-3 (as applicable). The Company has sent individual letters to all the

members holding shares in physical form for furnishing their PAN, KYC details and Nomination. Members holding shares in physical form are requested to submit PAN, KYC details and Nomination to the Company's Share Transfer Agent, Link Intime India Pvt. Ltd., C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400083 Maharashtra.

9. Members are requested to notify the change in their address to the Registrar and Share Transfer Agent of the company.
10. Members attending the meeting are requested to bring their copy of the Annual Report and the attendance slip attached thereto duly filled in and signed and hand over the same at the entrance of the hall.
11. Pursuant to provisions of Section 72 of the Companies Act, 2013 members holding Shares in physical mode are advised to file a Nomination Form in respect of their Shareholding. Any Member wishing to avail this facility may submit the prescribed statutory form SH-13 to the Company's Share transfer agent. The said form can be downloaded from the Company's website <http://brcl.in/KYCDetails.aspx>
12. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company / Registrar and Transfer Agent, M/s. Link Intime India Pvt. Ltd.
13. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the company electronically.
14. Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Company's Registrar and Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to members after making requisite changes, thereon.
15. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be, immediately of:-
  - a) The Change in the residential status on return to India for permanent settlement.
  - b) The Particulars of the NRE account with a Bank in India, if not furnished earlier.
16. All relevant documents and Registers referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company viz. P O Baroda Rayon, Udhna, Surat – 394220 (Gujarat) between 9.00 a.m. to 11.00 a.m. on all working days, up to and including the date of the Annual General Meeting of the Company.
17. Pursuant to the provisions of Section 101 and 136 of the Act read with the Companies (Management and Administration) Rules, 2014 and in terms of Regulation 36 of the Listing Regulations, 2015 and In line with the MCA Circular and SEBI Circular the Notice of Annual General Meeting along with Annual Report 2021-2022 is being sent through electronic mode to those members whose email id is registered with the Company / Depository Participants. The Notice of AGM has also been uploaded on website of Company at [www.brcl.in](http://www.brcl.in) and may also be accessed from Bombay Stock Exchange website at [www.bseindia.com](http://www.bseindia.com).
18. **Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly, the Company/Link Intime has stopped accepting any fresh lodgment of transfer of shares in physical form. Members holding shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.**
19. **Voting through electronic means (i.e. remote e-voting):**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency.

In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.brcl.in](http://www.brcl.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).



The facility for voting, through ballot or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by e-voting shall be able to exercise their right at the meeting. The Members who have cast their vote by e-voting/ remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

**How do I vote electronically using NSDL e-Voting system?**





*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>2. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div> </div>



Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat. Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically on NSDL e-Voting system.**

### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. Now you are ready for e-Voting as the Voting page opens.
3. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
4. Upon confirmation, the message "Vote cast successfully" will be displayed.
5. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
6. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csmanshipatel@gmail.com](mailto:csmanshipatel@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Ms. Soni Singh) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [brcsurat@gmail.com](mailto:brcsurat@gmail.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [brcsurat@gmail.com](mailto:brcsurat@gmail.com).
3. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode.**
4. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
5. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### **OTHER INSTRUCTIONS**

1. The e-voting period will commence on Sunday, the 25<sup>th</sup> September, 2022 (9.00 a.m. IST) and ends on Tuesday, 27<sup>th</sup> September, 2022 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Wednesday, the 21<sup>st</sup> September, 2022 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the AGM. However, they can attend the meeting and participate in the discussion, if any. Since the Company is providing e-voting facility there will be no voting on a show of hand.
2. In case of any query/grievance(s), the Members may refer to the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://www.evoting.nsdl.com/>.
3. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity share capital of the Company as on the cut-off date (record date), being Wednesday, the 21<sup>st</sup> September, 2022. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut – off date only shall be entitled to avail the facility of e-voting as well as voting at the meeting.
4. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on the cut-off date (record date) i.e. being Wednesday, the 21<sup>st</sup> September, 2022, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on <https://www.evoting.nsdl.com/>

5. Mr. Manish R. Patel, Practicing Company Secretary (COP-9360), Surat, has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.

6. The Scrutinizer shall, after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

7. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company, [www.brcl.in](http://www.brcl.in), within two (2) days of passing of the Resolutions at the AGM of the Company and communication of the same will be made to BSE Limited, where the shares of the Company are listed & Link Intime India Pvt. Ltd. ("RTA").

Place: Surat  
Date: 26<sup>th</sup> August, 2022

**By order of the Board of Directors**

**Kunjal Desai**  
**Company Secretary**  
**ACS-40809**

**Registered Office:-**  
P O Fatehnagar, Udhna,  
Surat – 394 220

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 3 -

Mr. Damodarbhair Patel (DIN-00056513) was reappointed as Managing Director of the company by the Board at its meeting held on 01<sup>st</sup> September, 2017 for a period of 5 years i.e. from 12<sup>th</sup> December, 2017 till 11<sup>th</sup> December, 2022. The same was subsequently approved by the members at the AGM held on 30<sup>th</sup> September, 2017.

Further considering the contribution of Mr. Damodarbhair Patel and the progress made by the company under his leadership and guidance as per the recommendation of the Nomination & Remuneration Committee, the Audit Committee & the Board, the members of the company at its meeting held on 29<sup>th</sup> September, 2020 approved the payment of remuneration to Mr. Damodarbhair Patel for ₹ 2.00 lakhs p.m. w.e.f. 01<sup>st</sup> October, 2020 till his remaining term as Managing Director. Further the members of the company at its meeting held on 29<sup>th</sup> September, 2021 approved the revision in the remuneration of Mr. Damodarbhair Patel to ₹ 4.00 lakhs p.m. w.e.f. 01<sup>st</sup> October, 2021 till his remaining term as Managing Director.

Considering the outstanding responsibilities undertaken and contributions made by Mr. Damodarbhair Patel (DIN – 00056513), Chairman & Managing Director of the company, in the development of the company and on account of trends of improved qualities of Management viz. business acumen, sagacity, practical wisdom and such other qualities which they developed during the tenure of his office, and on basis of the recommendation of Nomination and Remuneration Committee, Audit Committee, the Board of Directors of the Company (the 'Board'), at its meeting held on 26<sup>th</sup> August, 2022, has, subject to the approval of the members, re-appointed Mr. Damodarbhair Patel (DIN – 00056513) as Managing Director of the company, for a further period of 3 (Three) years from 12<sup>th</sup> December 2022 to 11<sup>th</sup> December 2025 with such remuneration and other terms and conditions as set out in his appointment letter. His present term expires on 11<sup>th</sup> December, 2022.

Further, members' approval is required by way of Special Resolution for appointment and payment of remuneration to Mr. Damodarbhair Patel (DIN – 00056513) as Managing Director of the company.

Mr. Damodarbhair Patel (DIN – 00056513) satisfy all the conditions as set out in Schedule V of the Act and conditions set out under sub-section (3) of section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms section 164 of the Act.

Copy of the draft letter of appointment of Mr. Damodarbhair Patel (DIN – 00056513), Managing Director, setting out the terms and conditions is available for physical inspection of the Members at its Registered Office at P. O. Baroda Rayon, Udhna, Surat – 394220, Gujarat, between 9:30 a.m. to 11:30 a.m. on any working day during business hours till the date of this AGM.

Pursuant to Section 197 read with Schedule V of the Companies Act, 2013, the remuneration of Mr. Damodarbhair Patel as decided by the Board is required to be approved by the Members at their meeting due to inadequacy of profits.

It is hereby confirmed that as the Company has defaulted in respect of payment of interest to secured creditors and have received prior approval from the secured creditors for payment of remuneration to Managing Director.

Pursuant to clause (iv) of Section II of Schedule V of the Companies Act, 2013 the following statement is given:

I.	General information:	
(1)	Nature of Industry	Textile industry / Real estate
(2)	Date or expected date of commencement of commercial production	The company was incorporated in the year 1958. Since August 2008 entire operational activities of textile segment are stand still. However company has also started business activities in real estate segment.
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.

(4)	Financial performance based on given indicators	Performance of F.Y. 2021-22: (₹ In lakhs)	
		Revenue Income	NIL
		Other Income	4098.08
		Total Income	4098.08
		Less Expenditure	(32724.90)
		Profit/(Loss) before interest, depreciation and tax	36822.98
		Less: Deprecation	NIL
		Interest	612.95
		Earlier year Tax	NIL
		Profit/(Loss) before exceptional/extraordinary item	36210.03
		Exceptional/Extraordinary Item	(1248.54)
		Profit/(Loss) after Taxes	37458.57
		Other comprehensive income	NIL
		Total comprehensive income	37458.57
(5)	Foreign investments or collaborations, if any.	N.A.	
<b>II. Information about the appointee:</b>			
(1)	Background details	He is a Commerce Graduate having wide experience in Textile and Real Estate sector. He has a wide experience of over 25 years and is engaged in the day to day affairs of the company.	
(2)	Past remuneration	₹ 4.00 lakhs p.m.	
(3)	Recognition or awards	N.A.	
(4)	Job profile and his suitability	He has been with the company for more than 1.5 decades and have lead successful growth of the company.	
(5)	Remuneration proposed	As mentioned in the resolution stated above.	
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the responsibility shouldered by him of the enhanced business activities of the company, proposed remuneration is commensurate with the industry standards and Board level positions held in similar sized and similarly positioned business,	
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Other than remuneration, no pecuniary relationship with the company. He is related to Mrs. Vidhya Bhavani (DIN-07159576) & Mr. Viral Bhavani (DIN – 02597320)	
<b>III. Other information:</b>			
(1)	Reasons of loss or inadequate profits	N.A. However profit is on account of transfer of property (land) to stock in trade. Entire operational activities of the company in textile segment are standstill since August, 2008.	
(2)	Steps taken or proposed to be taken for improvement	N.A.	
(3)	Expected increase in productivity and profits in measurable terms	N.A.	
<b>IV. Disclosures:</b>			
	The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual Report in the Corporate Governance Report under the heading Remuneration in Rupees paid or payable to Directors for the year ended March 31, 2022.		



Pursuant to the applicable provisions of the Companies Act, 2013 and the relevant rules made thereunder, consent of the members is being sought by way of Special Resolution.

Mr. Damodarbhai Patel does not hold any equity shares of the company and is related to Mrs. Vidhya Bhavani (DIN – 07159576) & Mr. Viral Bhavani (DIN – 02597320).

The Board recommends the resolution for your approval.

None of the Directors or Key Managerial Personnel or their relatives except Mr. Damodarbhai Patel, Mrs. Vidhya Bhavani & Mr. Viral Bhavani are considered to be interested or concerned in the above resolution.

**Item No. 4 –**

Mr. Viral Bhavani (DIN-02597320) was appointed as an Additional Non-Executive Director of the company w.e.f 10<sup>th</sup> November, 2020. Further his appointment was regularized in 61<sup>st</sup> Annual General Meeting of the company held on 29<sup>th</sup> September, 2021 as Non-Executive Director of the company.

Considering the outstanding responsibilities undertaken and contributions made by Mr. Viral Bhavani (DIN – 02597320), Director of the company, in the development of the company and on account of trends of improved qualities of Management viz. business acumen, sagacity, practical wisdom and such other qualities which they developed during the tenure of his office, and on basis of the recommendation of Nomination and Remuneration Committee, Audit Committee, the Board of Directors of the Company (the 'Board'), at its meeting held on 26<sup>th</sup> August, 2022, has, subject to the approval of the members, recommended the appointment of Mr. Viral Bhavani (DIN – 02597320) as Whole Time Director, for a period of 3 (Three) years from 01<sup>st</sup> October, 2022 to 30<sup>th</sup> September, 2025 with such remuneration and other terms and conditions as set out in his appointment letter.

Further, members' approval is required by way of Special Resolution for appointment and payment of remuneration to Mr. Viral Bhavani (DIN-02597320) as Whole Time Director of the company.

Mr. Viral Bhavani (DIN-02597320) satisfy all the conditions as set out in Schedule V of the Act and conditions set out under sub-section (3) of section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms section 164 of the Act.

Copy of the draft letter of appointment of Mr. Viral Bhavani (DIN – 02597320) as a Whole Time Director, setting out the terms and conditions is available for physical inspection of the Members at its Registered Office at P. O. Baroda Rayon, Udhna, Surat – 394220, Gujarat, between 9:30 a.m. to 11:30 a.m. on any working day during business hours till the date of this AGM.

Pursuant to Section 197 read with Schedule V of the Companies Act, 2013, the remuneration of Mr. Viral Bhavani as decided by the Board is required to be approved by the Members at their meeting due to inadequacy of profits.

It is hereby confirmed that as the Company has defaulted in respect of payment of interest to secured creditors and have received prior approval from the secured creditors for payment of remuneration to Whole Time Director.

Pursuant to clause (iv) of Section II of Schedule V of the Companies Act, 2013 the following statement is given:

I.	General information:	
(1)	Nature of Industry	Textile industry / Real Estate
(2)	Date or expected date of commencement of commercial production	The company was incorporated in the year 1958. Since August 2008 entire operational activities of textile segment are stand still. However company has also started business activities in real estate segment.
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.

(4)	Financial performance based on given indicators	Performance of F.Y. 2021-22: (₹ In lakhs)	
		Revenue Income	NIL
		Other Income	4098.08
		Total Income	4098.08
		Less Expenditure	(32724.90)
		Profit/(Loss) before interest, depreciation and tax	36822.98
		Less: Deprecation	NIL
		Interest	612.95
		Earlier year Tax	NIL
		Profit/(Loss) before exceptional/extraordinary item	36210.03
		Exceptional/Extraordinary Item	(1248.54)
		Profit/(Loss) after Taxes	37458.57
		Other comprehensive income	NIL
		Total comprehensive income	37458.57
(5)	Foreign investments or collaborations, if any.	N.A.	
II.	Information about the appointee:		
(1)	Background details	He is a Commerce Graduate and Master in Business Administration (MBA) having more than 15 years of enriched and varied experience in the field of Textile Industry.	
(2)	Past remuneration	NIL	
(3)	Recognition or awards	N.A.	
(4)	Job profile and his suitability	He has been with the company for more than 1.5 years and have lead successful growth of the company.	
(5)	Remuneration proposed	As mentioned in the resolution stated above.	
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the responsibility shouldered by him of the enhanced business activities of the company, proposed remuneration is commensurate with the industry standards and Board level positions held in similar sized and similarly positioned business,	
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	There is no pecuniary relationship with the company. He is related to Mrs. Vidhya Bhavani (DIN-07159576) & Mr. Damodarbhai Patel (DIN – 00056513)	
III.	Other information:		
(1)	Reasons of loss or inadequate profits	N.A. However profit is on account of transfer of property (land) to stock in trade. Entire operational activities of the company in textile segment are standstill since August, 2008.	
(2)	Steps taken or proposed to be taken for improvement	N.A.	
(3)	Expected increase in productivity and profits in measurable terms	N.A.	
IV.	Disclosures:		
	The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual Report in the Corporate Governance Report under the heading Remuneration in Rupees paid or payable to Directors for the year ended March 31, 2022.		

Pursuant to the applicable provisions of the Companies Act, 2013 and the relevant rules made thereunder, consent of the members is being sought by way of Special Resolution.

Mr. Viral Bhavani does not hold any equity shares of the company and is related to Mrs. Vidhya Bhavani (DIN – 07159576) & Mr. Damodarbai Patel (DIN – 00056513).

The Board recommends the resolution for your approval.

None of the Directors or Key Managerial Personnel or their relatives except Mr. Viral Bhavani, Mr. Damodarbai Patel & Mrs. Vidhya Bhavani are considered to be interested or concerned in the above resolution.

**Item No. 5 & 6 -**

At the Annual General Meeting ("AGM") of the Company held on 30<sup>th</sup> September, 2017, the members of the Company had accorded their consent to the Board of Directors of the Company ("Board") for borrowing monies (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) upto ₹ 500 Crores under Section 180(1)(c) of the Companies Act, 2013. The members of the Company at the said AGM had also accorded their consent to the Board to create charge on properties or assets of the Company to secure borrowings upto ₹ 500 crores under Section 180(1)(a) of the Companies Act, 2013.

In view of the increase in business activities, keeping in view the future plans of the Company and to fulfill long term strategic and business objectives, the Board of Directors at its meeting held on 26<sup>th</sup> August, 2022 proposed and approved increase in the borrowing limit from ₹ 500 Crores to ₹ 1000 Crores (Rupees One Thousand Crores) pursuant to Section 180(1)(c) of the Companies Act, 2013 and accordingly, increase the limit for creation of charge to secure the indebtedness upto the aggregate limit of ₹ 1000 Crores (Rupees One Thousand Crores) pursuant to Section 180(1)(a) of the Companies Act, 2013, subject to the approval of the members of the Company.

Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors have the powers to borrow money, where the money to be borrowed, together the monies already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) exceeds aggregate of the paid-up share capital, free reserves and securities premium of the Company, with the consent of the Shareholders of the Company by way of Special Resolution.

Further, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors have the powers to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company with the consent of the Shareholders of the Company by way of a Special Resolution.

In order to secure the borrowings, the Company may be required to create security by way of mortgage/ charge/ hypothecation on its assets and properties both present and future. The terms of such security may include a right in certain events of default, to take over control of the said assets and properties of the Company. Since creation of charge on properties and assets of the Company with the right of taking over the control in certain events of default may be considered to be a sale/ lease/ disposal of the Company's undertaking within the meaning of Section 180(1)(a) of the Companies Act, 2013, it is proposed to seek approval of the shareholders of the Company for increasing the existing limits to ₹ 1000 Crores.

Accordingly, the approval of the members of the Company is sought for increase in the borrowing limits and to secure such borrowings by the creation of charge on assets/properties of the Company upto ₹ 1000 Crores as stated in the resolutions.

The Board of Directors therefore recommends the resolutions as set out in Item Nos. 5 and 6 of the Notice for approval of members of the Company by way of Special Resolutions.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolutions.

## ANNEXURE TO ITEM NO. 2, 3 & 4 OF THE NOTICE

Details of Director seeking Appointment/Re-appointment at the forthcoming Annual General Meeting (Pursuant to regulation 36(3) of the SEBI Listing Regulations)

Name of the Director	Mrs. Vidhya V. Bhavani	Mr. Damodarbhaj B. Patel	Mr. Viral Bhavani
DIN	07159576	00056513	02597320
Date of Birth	13/09/1987	12/01/1962	10/04/1984
Date of Appointment/re-appointment	29/04/2015	12/12/2017	10/11/2020
Terms and conditions of appointment / reappointment	Director liable to retire by rotation	Re-appointment of MD for further period of 3 years.	Appointed as Whole Time Director for a period of 3 years.
Areas of Specialization	Construction and Textile Industry	Construction and Textile Industry	Textile Industries
Qualifications & Expertise	She has done Masters in Business Administration (MBA) and has more than 5 years of experience and is actively involved in the financial affairs of the company.	He is a Commerce Graduate with wide experience in Textile and Real Estate sector. He has a wide experience of over 25 years and is engaged in the day to day affairs of the company.	He is Master in Business Administration and has more than 10 years of enriched and varied experience in the field of Textile Industry & Real Estate.
Remuneration last drawn (incl. sitting fees, if any)	NIL	₹ 4 lakh p.m.	-
Remuneration proposed to be paid	NIL	₹ 5 lakh p.m.	₹ 2.5 lakhs p.m.
No. of Shares Held in the Company	NIL	NIL	-
Directorship held in other Companies	-	Aalidhra and Bhavani Clinkers Limited	-
Chairman/member of the Committee of the Board of Directors of other Companies	-	-	-
Relationship with other Directors and Key Managerial Personnel	1) Daughter in law of Mr. Damodarbhaj Patel – Managing Director. 2) Spouse of Mr. Viral Bhavani – Non Executive Director	1) Father in law of Mrs. Vidhya Bhavani, Non executive Director. 2) Father of Mr. Viral Bhavani, Non Executive Director.	1) He is son of Mr. Damodarbhaj Patel (DIN-00056513) Chairman & Managing Director. 2) He is spouse of Mrs. Vidhya Bhavani (DIN-07159576) Non-Executive Director.

By order of the Board of Directors

Place: Surat  
Date: 26<sup>th</sup> August, 2022

**Kunjai Desai**  
Company Secretary  
ACS-40809

**Registered Office:-**  
P O Fatehnagar, Udhna,  
Surat – 394 220

### ROUTE MAP TO THE VENUE OF AGM



## DIRECTORS' REPORT

To  
The Members of  
**The Baroda Rayon Corporation Limited**

Your Directors are pleased to present the 62<sup>nd</sup> Annual Report and the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2022. The Financial results are shown as below.

### Financial Results

(₹ In Lakhs)		
Particulars	31.03.2022	31.03.2021
Income from Sales	NIL	NIL
Other Income	4098.08	288.95
<b>Total Income</b>	<b>4098.08</b>	<b>288.95</b>
Less: Expenditure	(32724.90)	12216.75
<b>Profit/(Loss) before interest, depreciation and tax</b>	<b>36822.98</b>	<b>(11927.8)</b>
Less : Depreciation	NIL	NIL
Interest	612.95	56.24
Earlier year tax	NIL	NIL
<b>Profit/(Loss) before exceptional/extraordinary item</b>	<b>36210.03</b>	<b>(11984.04)</b>
Exceptional/Extraordinary Item	(1248.54)	(381.81)
<b>Profit/(Loss) after Taxes</b>	<b>37458.57</b>	<b>(12365.85)</b>
Other comprehensive income	NIL	NIL
<b>Total comprehensive income</b>	<b>37458.57</b>	<b>(12365.85)</b>

### Overview of Company's Financial Performance

Your company's other income of ₹4,098.08 lakhs consist of Profit on sale of assets & Interest on deposits. Net profit for the year is ₹ 37,458.57 lakhs as against loss of ₹12,365.85 lakhs in the previous year. Company has added real estate business in its object clause and as a result, company's land amounting to ₹ 3,851.52 lakhs as per Balance sheet is transferred to stock in trade at realizable value of ₹ 37,137.69 lakhs as per valuation reports obtained by the management from Government Approved Valuer. These resulted in change in inventory and total expenditure of your company is ₹ (32,724.90) lakhs as against ₹ 12,216.75 lakhs in previous year.

### Impact of COVID-19 pandemic

The entire operational activities of the company are standstill since August 2008, due to labour & other regulatory issues. Till date there are no plants or units in operation.

As a result there is no question of turnover or profitability or impact of COVID-19 on operation of units of the company. The Company has not yet quantified any separate impact of COVID-19 at this stage.

### Dividend

The Board of Directors of your company, have not proposed any dividend to be paid for the F.Y. 2021-22.

### Transfer to Reserves

The Board of Directors of your company has decided not to transfer any amount to the Reserves for the year under review.

### Share Capital

As at March 31, 2022, and as at the date of this report, the authorized share capital of the company is ₹ 150,00,00,000 (Rupees One Hundred and Fifty Crores only) divided into 13,00,00,000 eq. shares of ₹ 10/- each and 2,00,00,000 preference shares of ₹ 10/- each. The paid up capital of the company is ₹ 22,91,13,590/- (Rupees Twenty Two Crores Ninety One lakhs Thirteen Thousand Five Hundred and Ninety Only) divided into 2,29,11,359 eq. shares of ₹ 10/- each.

During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

### Change in nature of business

During the year under review, there is no change in the nature of business of the company. However company has added new business of real estate in its object clause.

### Review of Operation

During the year under review no production/manufacturing activities were carried on by the company. Hence, No information is provided regarding the performance of the company. Your company is seeking new avenues in order to restart the operations of your company.

**Material changes and commitment affecting the financial position of the company occurred between the end of the financial year to which this financial statements relate and the date of the report**

NCLAT vide its order dated 13.05.2022 has rejected the appeal filed by one of the operational creditor M/s. Advance Engineering Services stating that the appellant has not been able to establish the extension of limitation as required under Section 18 of the Limitation Act and has disposed off.

**Directors' Responsibility Statement**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:—

a) in the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

b) the Directors have selected such accounting policies 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 as at March 31, 2022 and of the profit of the Company for the year ended on that date;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a 'going concern' basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively except the one stated in audit report; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

Your Company does not have any Subsidiaries, Joint Ventures and Associate Companies.

**Deposits**

During the financial year 2021-22, your Company has not accepted any fixed deposits within the meaning of section 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

However, deposits of ₹1.95 lakhs were outstanding as at 31<sup>st</sup> March, 2022 as the matter is under litigation.

**Directors and key managerial personnel**

As on 31<sup>st</sup> March, 2022 your company has 6(Six) Directors, which includes 1(One) Executive Director, 2(Two) Non-Executive Directors of which one is woman Director, 3(Three) Independent Directors.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mrs. Vidhya Bhavani (DIN- 07159576), retires by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment.

The Board recommends her re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting. Brief profile of Mrs. Vidhya Bhavani has been given in the Notice convening the Annual General Meeting.

Mr. Damodarabhai Patel (DIN-00056513), liable to retire by rotation was reappointed as director in the 61<sup>st</sup> AGM held on 29/09/2021.

Mr. Viral Bhavani (DIN-02597320) was appointed as additional Non-Executive Director of the company w.e.f. 10<sup>th</sup> November, 2020 was appointed as Non-Executive Director of the company in the 61<sup>st</sup> AGM held on 29/09/2021.

The Key Managerial Personnel (KMP) of the Company as per Section 2(51) and Section 203 of the Companies Act, 2013 are as follows:

- |                                 |                                |
|---------------------------------|--------------------------------|
| (i) Mr. Damodarabhai Patel      | – Chairman & Managing Director |
| (ii) Mr. Kunjal Desai           | – Company Secretary            |
| (iii) Mr. Jugal Kishore Jakhota | – Chief Financial Officer      |

**Disclosure relating to Remuneration and Nomination Policy**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy may be accessed from company's website at <http://brcl.in/UploadedFile/Policies/01042019105617498.pdf>



### **Independent Directors' Meeting**

Independent Directors of the Company had met during the year under review, details of which are given in the Corporate Governance Report.

### **Board Evaluation**

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and the Corporate Governance requirements as prescribed by the SEBI Regulations.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the Individual Directors on the basis of the criteria such as the contribution of the Individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Director and Non-Executive Director. The same was discussed in the Board Meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its Committees and Individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire board, excluding the Independent Director being evaluated.

### **Meetings**

The details of the number of Board and other Committee meetings of your Company are set out in the Corporate Governance Report which forms part of this Report.

### **Declaration by Independent Directors**

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board relies on their declaration of independence.

### **Committees of the Board**

There are currently three Committees of the Board, as follows:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance", a part of this Annual Report.

### **Corporate Governance Report**

As per Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

### **Auditors:**

#### **A. Statutory Auditors**

M/s. Kansariwala & Chevli, Chartered Accountants, Surat, (Firm Reg. No. 123689W), were appointed as Statutory Auditors of the company in the 58<sup>th</sup> AGM of the company for a period of 5 years from the conclusion of 58<sup>th</sup> AGM till the conclusion of 63<sup>rd</sup> AGM subject to ratification of their appointment by Members at every AGM. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM.

The observations made by the Auditors are self explanatory and have also been explained in the notes forming part of the accounts, wherever required. The Auditors has not reported any matter of an offence of fraud to the Company required to be disclosed under Section 143(12) of the Companies Act, 2013.

#### **B. Secretarial Auditor**

Mr. Manish Patel, Practicing Company Secretary, Surat was appointed to conduct the secretarial audit of the Company for the financial year 2021-22, as required under Section 204 of the Companies Act, 2013 and Rules

thereunder. The secretarial audit report for FY 2021-22 forms part of the Annual Report as “Annexure A” to the Board's report. There are secretarial Audit qualifications for the year under review.

The Board has appointed Mr. Manish Patel, Practicing Company Secretary, as secretarial auditor of the Company for the financial year 2022-23.

#### **Related Party Transactions**

During the financial year 2021-22, there were no transactions with related parties which qualify as material transactions under the Listing Regulations and that the provisions of section 188 of the Companies act, 2013 are not attracted. Thus disclosure in form AOC-2 is not required. Further, there were no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. The details of this policy may be accessed from company's website at <http://brcl.in/UploadedFile/Policies/02042022130733309.pdf>

#### **Loans, Guarantees and Investments**

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

A). Details of investments made by the Company as on 31<sup>st</sup> March, 2022 (including investments made in the previous years) (in equity shares):

(₹ in lakhs)	
<b>Name of Company</b>	<b>Amount as at 31<sup>st</sup> March, 2022</b>
*ICICI Bank Ltd.	-
*Surat Jilla Sahakari Kharid Vechan Sangh Limited	-
Hindustan Oil Exploration Co. Ltd.	0.56
Thai Baroda Industries Ltd.	574.85
Advaita Trading Pvt. Ltd.	24.50
The Mehsana Urban Co-operative Bank Ltd.	5.00
Surat National Co-operative Bank Ltd.	22.51
The Sutex Co-operative Bank Ltd.	38.80
<b>Total</b>	<b>666.22</b>

\*Amount is negligible.

B). There are no loans given by your Company in accordance with Section 186 of the Companies Act, 2013 read with the Rules issued thereunder.

C). There are no guarantees issued by your Company in accordance with Section 186 of the Companies Act, 2013 read with the Rules issued thereunder.

#### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, are as under-

##### **(A) Conservation of Energy:**

The production and manufacturing activities are not carried on by the Company and due to that no usage of energy. Hence, no steps are taken by the Company for conservation of energy.

##### **(B) Technology Absorption:**

The company has not imported any technology during the year and as such there is nothing to report.

##### **(C) Foreign Exchange Earnings and Outgo:**

	31.03.2022	31.03.2021
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgoings	NIL	NIL

#### **Compliance Certificate**

A certificate from the Auditors of the company regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report.

#### **Compliance with Secretarial Standards**

Your Directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India, as applicable to the Company, have been duly complied with except those mentioned in Secretarial Audit Report.

### **Annual Return**

In terms of the provisions of Section 92 and Section 134 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of your Company as on 31<sup>st</sup> March 2022 is available on Company's website and can be accessed at <http://brcl.in/UploadedFile/Reports/04082022131228770.pdf>

### **Management's view on Statutory Auditors Qualification:**

In respect of the Qualifications as stated in the Audit Report, your management is of the view that the Qualification is self explanatory.

### **Management's view on Secretarial Auditors Qualification:**

In respect of the Qualifications as stated in the Secretarial Audit Report, your management is of the view that – Company is in search to find suitable candidate as an internal auditor and will comply the same in due course. Company is in process to comply with Reg. 31(2) of LODR Regulations, 2015 and will be done in due course.

### **Cash Flow Analysis**

The Cash Flow Statement for the year under reference in terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

### **Vigil Mechanism/Whistle Blower Policy**

The Company has established a vigil mechanism and formulated the Whistle Blower Policy (WB) to deal with instances of fraud and mismanagement, if any. The details of the WB Policy are explained in the Corporate Governance Report and also posted on the website of the Company <http://brcl.in/UploadedFile/Policies/01042019105944274.pdf>. No complain was received during the year.

### **Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at the workplace with a mechanism of lodging complaints and the same is posted on the website of the company <http://brcl.in/UploadedFile/Policies/14082018230416478.pdf>. Since your company is having no operative activities, it has not received any complaint on sexual harassment during the financial year 2021-22.

### **Disclosure on Maintenance of Cost Audit**

Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. Since there are no manufacturing activities since August' 2008, the Company has not maintained the same.

### **Risk Management**

A well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate it. The mechanism works on the principles of probability of occurrence and impact, if triggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks.

### **Listing on stock exchange**

The Company's shares are listed at the BSE Limited but trading in equity shares was suspended. However, BSE Ltd. vide its notice no. 20220520-39 dated May 20, 2022 had revoked the suspension in trading of Equity Shares of Target Company w.e.f. May 30, 2022.

### **Particulars of Employees**

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report as “Annexure – B”.

### **Corporate Social Responsibility**

Your Company does not fall in the criteria mentioned under Section 135 of the Companies Act, 2013, for applicability of the provisions of Corporate Social Responsibility. Hence, your Company is not required to constitute CSR Committee and to comply with other provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

### **Details on internal financial controls related to financial statements**

Your Company has adopted accounting policies which are in line with the Indian Accounting Standards prescribed in the Companies (Indian Accounting Standards) Rules, 2015 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. These are in accordance with generally accepted accounting principles in India.

**Significant/Material orders passed by the regulators**

Customs, Excise & Service Tax Appellate Tribunal, Ahmedabad vide its order dated 31.01.2022 has allowed the company to re-export the warehoused goods without payment of duty/fine/penalty if any.

**General**

- a) Your Company has not issued equity shares with differential rights as to dividend, voting or otherwise; and
- b) Your Company does not have any ESOP scheme for its employees/Directors.

**Appreciation**

Your Directors wish to place on record their appreciation towards all associates including Customers, Collaborators, Strategic Investors, Government Agencies, Financial Institutions, Bankers, Suppliers, Shareholders, Employees and other who have reposed their confidence in the company during the period under review.

**Place: Surat**

**Date: 26<sup>th</sup> August, 2022**

**By order of the Board of Directors**

**Damodarbhai B Patel**  
**Chairman & Managing Director**  
**DIN: 00056513**

## ANNEXURE 'A' TO BOARD'S REPORT

### FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**The Baroda Rayon Corporation Limited**  
(CIN: L45100GJ1958PLC000892)  
P.O. Baroda Rayon, Udhna, Dist. Surat,  
Surat - 394220, Gujarat.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **The Baroda Rayon Corporation Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to spread of COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2022**, generally complied with the statutory provisions of the applicable acts listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March, 2022** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018 **(Not applicable to the Company during Audit period)**;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable to the Company during Audit period)**;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during Audit period)**;
  - f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 **(Not applicable to the Company during Audit period)**;
  - g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable to the Company during Audit period)**;
  - h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client **(Not applicable to the Company during Audit period)**;

- i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - j) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during Audit period)**; and
  - k) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during Audit period)**.
- vi. The Company is not attracting any sector specific laws as per representations made by the Company.

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

- i. Secretarial Standards (with respect to Board and General Meetings) issued by The Institute of Company Secretaries of India (ICSI).
- ii. The Listing Agreement entered into by the Company with Stock Exchange read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- i. *During the year, the Company has not appointed an Internal Auditor as per requirement of Section 138 of the Companies Act, 2013.*
- ii. *The Company has not complied with Reg. 14 and Reg. 31(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- iii. *The Company has not complied with Reg. 30 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 by non-providing of PAN of one of the promoter of the company.*

#### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through and proper system is in place which facilitates/ensure to capture and record the dissenting member's views, if any, as part of the minutes.

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

**I further report that** during the audit period, the Company has taken following specific action/decision having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. referred to above.

- a) The Company is a sick unit and was registered under The Board of Industrial and Financial Restructuring (BIFR) vide case no. 67/2004. BIFR has been wound up w.e.f. 01.12.2016. Any appeal preferred to the Appellate Authority or any reference made to the Board or any inquiry pending before the Board or any other authority or any proceeding of whatever nature pending before the Appellate Authority or the Board immediately before the commencement of this SICA (Special Provisions) Repeal Act, 2003 shall stand abated provided that a Company may make a reference within the time prescribed under section 4(b) of Sick Industrial Companies (Special Provisions) Repeal Act, 2003. No such application was made by the Company. Hon'ble High Court of Gujarat vide its order pronounced on 11<sup>th</sup> January, 2021 has disposed the Letters Patent Appeals No. 948/2015 and allied LPA's and Civil Applications in terms of the Consent Terms entered between The Baroda Rayon Corporation Limited and Baroda Rayon Employee's Ekta Union.
- b) Hon'ble BIFR in its sanctioned scheme (SS-06) had approved the reduction of share capital and preferential allotment in the year 2006. However, the same was not reflected in the records of the BSE. The Company had applied for Reduction of Share Capital vide application no. 124246 and Listing cum Trading approval of the same was received on 06/01/2022. The Company had also applied for listing of Preferential Allotment vide application no. 131982 and approval of the same was received on 21/02/2022. The Company has also received trading approval of preferential allotment on



03/03/2022. Now, there is no difference in issued and listed capital of the Company in the records of BSE, NSDL, CDSL & RTA.

- c) Under Modified Draft Restructuring Scheme (MDRS) of BIFR, the Company has obtained Loan of ₹ 217.48 Crore upto the year ended 31<sup>st</sup> March, 2022. However, provision for interest amount on the said loan is not made in the Books of Accounts of the Company.

Place: Surat  
Date: 26/08/2022

**MANISH R. PATEL**  
Company Secretary in Practice  
ACS No: 19885  
COP No. : 9360  
Peer Review No. : 929/2020  
ICSI Unique Code: I2010GJ763400  
ICSI UDIN: A019885D000837218

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

**Annexure A**

To,  
The Members,  
**The Baroda Rayon Corporation Limited**  
(CIN: L45100GJ1958PLC000892)  
P.O. Baroda Rayon, Udhna, Dist. Surat,  
Surat - 394220, Gujarat.

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. I further, report that the Compliance by the Company of applicable Financial Laws like Direct and Indirect Tax Laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

Place: Surat  
Date: 26/08/2022

**MANISH R. PATEL**  
Company Secretary in Practice  
ACS No: 19885  
COP No. : 9360  
Peer Review No. : 929/2020  
ICSI Unique Code: I2010GJ763400  
ICSI UDIN: A019885D000837218

## **ANNEXURE 'B' TO BOARD'S REPORT**

**1. Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

- The ratio of the remuneration of each Director to the Median Remuneration of the Employees of the Company for the Financial Year 2021-22 and
- The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year.

(₹ in lakhs)

<b>Sr. No.</b>	<b>Name of Director/KMP and Designation</b>	<b>Remuneration for the FY 2021-22</b>	<b>Percentage Increase/decrease in remuneration in the Financial Year 2021-22</b>	<b>Ratio of Remuneration of each director to the Median Remuneration of Employees</b>
1	Mr. Damodarbhai Patel – Chairman & Managing Director	36.00	200	6.00
2	Mr. Bhavanjibhai Patel – Independent Director	NIL	NIL	N.A.
3	Mr. Bhaveshbhai Patel – Independent Director	NIL	NIL	N.A.
4	Mr. Jayantilal Patel – Independent Director	NIL	NIL	N.A.
5	Mrs. VidhyaBhavani – Non Executive Director	NIL	NIL	N.A.
6	Mr. Viral Bhavani – Non Executive Director	NIL	NIL	N.A.
7	Mr. Kunjal Desai – Company Secretary	6.00	*20	N.A.
8	Mr. Jugal Kishore Jakhota – Chief Financial Officer	6.00	*20	N.A.

\*Deducted in previous year on account of COVID-19 pandemic.

**2. The median remuneration of employees of the company during the financial year was ₹ 6.00 lakhs.**

**3. In the F.Y. 2021-22, there is no increase in the median remuneration of the employees.**

**4. As on 31.03.2022 there are three employees on roll of the company.**

**5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: The average increase granted to employees other than managerial personnel is NIL.**

**6. Affirmation that the remuneration is as per the remuneration policy of the Company: The remuneration paid to the Directors, Key Managerial Personnel and Employees is in line with the remuneration policy approved by the Board of Directors of the Company.**

There were no employees covered under rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014.

For and on behalf of the Board of Directors

Place: Surat  
Date: 26<sup>th</sup> August, 2022

Damodarbhai Patel  
Chairman & Managing Director  
DIN: 00056513

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT AS PER REGULATION 34(2) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

### **Overview of Economy & Industry Scenario**

#### **Global Economy and Outlook**

With a staggered global recovery, FY 2021-22 witnessed the consumer demand coming back. Although a part of the year was affected by the pandemic, immunization and collective action saw a gradual uptake in the West, which was mirrored in the rest of the world leading to the economies regaining lost ground. Global GDP grew by 5.8% and the economic growth returned on the back of a sustained consumer demand across the board leading to a significant spike in inflation. While the initial pick-up in inflation was led by demand recovery on the previous year's low base, persistent disruptions in the global supply chain network have caused inflationary pressures to be more broad-based, running at multi-decade highs in almost all the major economies.

Almost all the central banks are now taking policy measures to taper down the extraordinary liquidity that was pumped in to support the economy during the pandemic and tightening the monetary policy to rein in their runaway inflation. The escalation of the Russia-Ukraine crisis has also had a detrimental effect on the prices of crude oil, gas and other commodities leading to further pressure on the fragile economies.

#### **Indian Economic Overview**

After experiencing a difficult period due to the COVID-19 pandemic, strong macro indicators suggest a rebound, primarily on account of favorable fiscal and monetary policies. Emphasis on improving healthcare has also aided the crisis response. The Indian economy expanded by 8.7% in FY 2021-22, rebounding from a 6.6% contraction in FY 2020-21, reiterating the country's status as one of the fastest-growing major economies in the world. Structural reforms like the National Infrastructure Pipeline and National Monetization Plan have been implemented by the Government to boost infrastructure development. It has paved the path for further development and continues to encourage projects across sectors, including reforms forming proving labour laws.

V-shaped economic recovery is due to mega vaccination drive, robust recovery in the services sector and growth in consumption and investment coupled with resurgence in high frequency indicators such as power demand, rail freight, GST collection etc. Almost all emerging economies are reeling under these external shocks but India's underlying economic fundamentals are strong and despite the short-term headwinds, the impact on the long-term outlook will be marginal.

The results of growth-enhancing policies and schemes (such as production-linked incentives and government's push toward self-reliance) and increased infrastructure spending will start kicking in from 2023, leading to a stronger multiplier effect on jobs and income, higher productivity, and more efficiency—all leading to accelerated economic growth. Also, several spillover effects of geopolitical conflicts could enhance India's status as a preferred alternate investment destination. RBI estimates the GDP growth rate for FY 2022-23 at 7.2%.

The annual inflation rate in India edged down to 7.04% in May of 2022 from an 8-year high of 7.79% in the previous month. Inflation is expected to remain high for the next few quarters of FY 2022-23 due to higher commodity and fuel prices and negative terms of trade. The RBI has already taken measures to contain inflation by tightening the policy rates. The next few quarters will be critical for India's economy as the Government and the RBI work at balancing the stress on inflation, currency and fiscal deficit.

### **TEXTILES**

#### **Global Textile Industry**

The COVID-19 pandemic had challenged the textile industry drastically which is now on a recovery stage. Increasing demand for apparel from the fashion industry coupled with the growth of e-commerce platforms is expected to drive the market growth over the forecast period.

The textile industry is an ever-growing market, with key competitors being China, the European Union, the United States, and India. China is the world's leading producer and exporter of both raw textiles and garments. After The United States and the European Union, India is the third largest textile manufacturing industry and is responsible for more than 6% of the total textile production, globally.

The rapid industrialization in the developed and developing countries and the evolving technology are helping the textile industry to have modern installations which are capable of high-efficient fabric production.

#### **Indian Textile Industry**

India is the world's second-largest producer of textiles and garments. It is also the fifth-largest exporter of textiles spanning apparel, home and technical products. The textiles and apparel industry contribute 2.3% to the country's GDP, 13% to industrial production and 12% to exports. The sector employs around 40 Million workers. The size of India's textile market stood at US\$ 223 Billion in 2021, growing at a CAGR of 10.23% over 2016. Indian textile players have undertaken various initiatives to boost textile sales viz. investment to expand production capacity, using technology to optimize the value chain, leveraging strategic partnerships and

strengthen sustainable textiles business. Textile industry has been steadily recovering post pandemic amid increased raw material prices and container shortages.

Under Union Budget 2022-23, the total allocation for the textile sector was ₹ 12,382 crore. Moreover, ₹ 10,683 crore. Production-linked Incentive scheme is expected to be a major boost for the textile manufacturers. The scheme proposes to incentivize MMF (man-made fibre) apparel and MMF fabrics.

## **APPAREL**

### **Global Apparel Industry**

After nearly two years of disruption, the global fashion industry is once again finding its feet. Companies are adapting to new consumer priorities, and digital is providing a nexus for growth. Still, the industry faces significant challenges amid supply-chain disruption, patchy demand and persistent pressure on the bottom line. With the majority of companies struggling to turn a profit, growth will be a key priority in the year ahead.

In 2022, the fashion industry returned to growth as changing category landscapes, new digital frontiers, and advances in sustainability continued to present opportunities. Consumer digital engagement rose sharply during the COVID-19 pandemic, as a result of more hours spent online and new shopping habits.

The apparel business is considered to be one of the most challenging businesses as factors such as short product life cycle, volatile fashions, unpredictable market trends and impulse purchase nature of the customer are to be given utmost importance by the manufacturers so as to sustain themselves in the apparel segment. The Apparel industry may face challenges due to inflation impacting consumer demand. The industry is expected to weather the challenges and is expected to generate revenue and employment in a global perspective.

### **Indian Apparel Industry**

The apparel market in India is undergoing a metamorphosis as never seen before. The change being witnessed can be attributed to several factors including the work from home culture, subdued purchasing power of the masses, shifts in the buying behaviour, demography dynamics, growing urbanization, opening up of the retail segment to private and foreign players and changing trends/lifestyle. The Indian apparel industry employs approx. 1.3 crore people as a part of its workforce, even today it is one of the largest providers of employment in the country. The industry contributes to 4.9% of India's total export and India is the 6th largest exporter of Apparel in the world.

### **Opportunities, Threats and Challenges**

#### **Opportunities**

- ❖ The company has inherent strength due to its prime location.
- ❖ Changes in economic legislations and rationalization of the tax structure and duty structure such as VAT, custom duty etc.
- ❖ VFY is emerging as a fiber with new applications. The general economic well being has resulted in the switch back to the use of this fiber for sarees and furnishing fabrics.
- ❖ More competitive strength due to the availability of captive power plant.
- ❖ Huge infrastructure facility to meet the current and future demand.
- ❖ 'Make in India'/Atmanirbhar Yojana campaign is a testimony to the huge growth potential in the industry, both in terms of infrastructure and skill improvement.

#### **Threats**

- ❖ The goodwill of the company is decreased due to legal proceedings and labor disputes which are still going on.
- ❖ The Company is experiencing pressure on restarting its operational activities due to the cases pending in the Hon'ble High Court of Gujarat. Threat from PFY due to its lower price has been a factor that has been having a cyclical impact in the market.
- ❖ The Company perceives threat from imports and consequent pressure on domestic prices, apart from the increase in cost of raw materials and other inputs.
- ❖ Rising input costs (wages, power and interest cost), restrictive labour laws and intensified competition from other low cost countries like China.

## **Risk & Concerns**

The major risk is due to the globalization of the economy which could result in cheaper goods being dumped by China. Thus anti dumping duty is an important factor which has a major bearing on the perceived risk. The risk in terms of maintenance has been substantially addressed during the course of this year. The risk now shifts to availability of skilled personnel as the industry is generally facing shortage of skilled manpower.

Your company's entire operational activities are stand still since August 2008.

## **Discussion of the Financial Performance with respect to operational performance**

The financial performance of the company is not so good during the year under review as there is no production activities carried on by the company and due to that there is no income from operations generated by the company. The operations of the company are totally stopped and which also affect the financial performance of the company.

Sr. No.	Key Financial Ratios	2021-22	2020-21	Variance %	Detailed comments
1	Debtors Turnover	-	-	-	N.A. (refer note below)
2	Inventory Turnover	-	-	-	N.A. (refer note below)
3	Interest Coverage Ratio	-	-	-	N.A. (refer note below)
4	Current Ratio	2.42	0.21	1058.73	On account of payment of Employees Outstanding Dues.
5	Debt Equity Ratio	15.61	(1.29)	(1307.24)	On account of payment of Employees Outstanding Dues.
6	Operating Profit Margin (%)	-	-	-	N.A. (refer note below)
7	Net Profit Margin (%)	-	-	-	N.A. (refer note below)
8	Return on Net worth	-	-	-	The network is eroded as entire operational activities of the company are standstill and with increase in expenses with no revenue.
9	Return on Capital Employed (%)	115%	111.35%	3.33	Increase in EBIT
10	Return on Investment (%)	0.18%	0.01	1229.40	Increase in Gain on Investments

Note – As the entire operational activity of the company is standstill since August 2008, some ratios are N.A.

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

**Place: Surat**  
**Date: 26<sup>th</sup> August, 2022**

**Damodarbhai Patel**  
**Chairman & Managing Director**  
**DIN: 00056513**

## **CORPORATE GOVERNANCE**

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2022, in terms of Regulation 34(3) read with schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

### **1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Corporate Governance philosophy encompasses regulatory and legal requirements, such as the terms of listing agreements with stock exchanges which aims at a high level of business ethics, effective supervision and enhancement of value for all stakeholders.

The philosophy on Corporate Governance is an important tool for shareholder protection and maximization of their long term values. The cardinal principles such as independence, accountability, responsibility, transparency, fair and timely disclosures, credibility, sustainability etc. serve as the means for implementing the philosophy of Corporate Governance in letter and spirit.

### **2. BOARD OF DIRECTORS**

#### **2.1 Composition of the Board of Directors**

As on March 31, 2022, there are 6 members on the Board which comprises of Executive & Non executive Directors consisting Managing Director as Executive Director. The Independent Directors satisfy the criteria of independence specified in the Act and as laid down under Regulation 16 (1) (b) of the SEBI (LODR) Regulations, 2015. They also meet the criteria for their appointment formulated by the Nomination & Remuneration Committee ("NRC") as approved by the Board.

Subject to overall superintendent and control of the Board, the day to day management of the company is vested with Mr. Damodarbhair B. Patel, Managing Director of the company, who is supported by a Management team.

Composition and category of Directors

Sr. No.	Category	Name of Directors
1.	Promoter Directors	NIL
2.	Executive Directors - <b>ED</b>	Mr. Damodarbhair B. Patel Chairman & Managing Director
3.	Non-Executive Independent Directors - <b>NED (I)</b>	Mr. Bhavanjibhai H. Patel Mr. Bhaveshbhai V. Patel Mr. Jayantilal D. Patel
4.	Non-Executive Director – <b>NED</b>	Mrs. Vidhya Bhavani Mr. Viral Bhavani

#### **2.2 Board Meetings**

- A. The company had 5(Five) Board Meetings during the financial year 2021-22 on 30.06.2021, 14.08.2021, 12.11.2021, 31.12.2021, 11.02.2022. The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under Section 173(1) of the Act, and Regulation 17(2) of the Listing Regulations and the Secretarial Standards issued by Institute of Company Secretaries of India.
- B. Directors' attendance record at Board Meeting and Annual General Meeting, their other Directorships and Committee Memberships.

Names	Category	Attendance at		No. of other Directorship held in other Company	Committee Membership held in other Company		Sharehold-ings in the Company
		Board Meetings	AGM (29.09.2021)		As a Member	As a Chairman	No. of Shares
Mr. DamodarbhairPatel	ED	5/5	Yes	1	-	-	-
Mr. Bhavanjibhai Patel	NED (I)	5/5	Yes	1	-	-	-
Mr. Bhaveshbhai Patel	NED (I)	5/5	Yes	1	-	-	-
Mr. Jayantilal Patel	NED (I)	3/5	No	-	-	-	-
Mrs. Vidhya Bhavani	NED	4/5	No	-	-	-	-
Mr. Viral Bhavani	NED	5/5	NA	-	-	-	-

C. Details of Directorships along with category held by Directors in other Listed Entities:

Name of Director	Name of listed entity	Category of Directorship
Mr. Damodarbhair Patel	-	-
Mr. Bhavanjibhai Patel	-	-
Mr. Bhaveshbhai Patel	-	-
Mr. Jayantilal Patel	-	-
Mrs. VidhyaBhavani	-	-



**2.3 Meeting of Members:  
Annual General Meeting**

During the financial year ended March 31, 2022, 61<sup>st</sup> Annual General Meeting of the company was held on 29<sup>th</sup> September, 2021.

**Extra-Ordinary General Meeting (EGM)**

No Extra-Ordinary General Meeting (EGM) was held during the year.

**2.4 Disclosure of relationships between directors inter-se:**

Mr. Damodarbhaj Patel, Managing Director is father-in-law of Mrs. Vidhya Bhavani & father of Mr. Viral Bhavani. Mr. Viral Bhavani is spouse of Mrs. Vidhya Bhavani.

**2.5 Details of Shareholding of Non- Executive Directors:**

Name of Director	No. of shares held as on March 31, 2022	% of equity
Mr. Bhavanjibhai Patel	NIL	-
Mr. Bhaveshbhai Patel	NIL	-
Mr. Jayantilal Patel	NIL	-
Mrs. Vidhya Bhavani	NIL	-
Mr. Viral Bhavani	NIL	-

There are no convertible instruments held by the non-executive directors of the Company.

**2.6 Information supplied to the Board**

All information as required under SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 is made available to the Board.

**2.7 Familiarization Programme for Independent Directors**

Pursuant to Regulation 25(7) of the SEBI (LODR) Regulations, 2015, the familiarization programme aims to provide independent directors with the industry scenario, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant developments to enable them to take well informed decisions in a timely manner. The familiarization programme also seeks to update the directors on the roles, responsibilities, rights and duties under the Companies Act, 2013 and other statutes.

There was no independent director appointed during the year. Details of the familiarization programme imparted to independent directors is available on the following link <http://www.brcl.in/FamiliarizationProgram.aspx>.

**2.8 Code of Conduct**

In compliance with Regulation 17(5) of the SEBI (LODR) Regulations, 2015, the Company has adopted a Code of Conduct (the 'Code'). This Code is applicable to the Members of the Board, Senior Management Personnel and all employees of the Company and Subsidiaries. The Code lays down the standard of conduct which is expected to be followed by the Board of Directors and the designated employees in their business dealings particularly on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

All the members of the Board and the Senior Management Personnel have affirmed compliance to the Code, as at March 31, 2022. A declaration to this effect, signed by the Managing Director is provided in the certification section of the Annual Report.

The Code is displayed on the Company's website viz. <http://www.brcl.in/CodeOfConduct.aspx>.

**2.9 Insider Trading Code**

The company has adopted a Code of Conduct for prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated persons of the Company. The code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Directors and the designated persons while in possession of unpublished price sensitive information in relation to the company and during the period when the Trading Window is closed. The Company Secretary & Compliance Officer is responsible for implementation of the Code. This Code is displayed on the Company's website viz. <http://www.brcl.in/CodeOfConduct.aspx>.

**2.10 Core skills/expertise/competencies of the Board of Directors**

The Board of The Baroda Rayon Corporation Limited comprises of professionals drawn from diverse fields. They bring with them a wide range of skills and experience to the Board, which enhances the quality of the decision making process of the Board. The Board has identified the following skill set with reference to its Business and Industry which are available with the Board:

Name of Director	Expertise in specific functional area
Mr. Damodarbhaj Patel	Finance, Business Strategy, Industry Experience, General Management

Mr. Bhavanjibhai Patel	Corporate Finance, Import-Export, Industry Experience, Legal/Secretarial Compliance
Mr. Bhaveshbhai Patel	Business Management, Business Strategy, Corporate Finance, Legal/Secretarial Compliance.
Mr. Jayantilal Patel	Corporate Finance, Industry Experience, Business Management, Legal/Secretarial Compliance.
Mrs. Vidhya Bhavani	Business Management, Business Strategy, Corporate Finance, Legal/Secretarial Compliance.
Mr. Viral Bhavani	Business Administration, Corporate Finance Industry Experience.

The Board is satisfied that the independent directors have met their criteria of independence as required under the SEBI (LODR) Regulations, 2015 and relevant declarations have been received from the directors.

## 2.11 BOARD COMMITTEES:

Details of the Board Committees and other related information are provided hereunder:

Audit Committee	Nomination And Remuneration Committee	Stakeholders Relationship Committee
Mr. Bhavanjibhai Patel - Chairman NED (I)	Mr. Bhavanjibhai Patel - Chairman NED (I)	Mr. Bhaveshbhai Patel -Chairman NED(I)
Mr. Bhaveshbhai Patel - Member NED (I)	Mr. Bhaveshbhai Patel - Member NED (I)	Mr. Damodarbhai Patel - Member ED
Mr. Jayantilal Patel - Member NED (I)	Mr. Jayantilal Patel - Member NED (I)	Mr. Bhavanjibhai Patel - Member NED (I)

### A) AUDIT COMMITTEE:

#### Constitution

The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulations, 2015. The Company Secretary acts as the Secretary to the Committee.

The Audit Committee comprises of the following Directors.

1. Mr. Bhavanjibhai H. Patel - Chairman - NED (I)
2. Mr. Bhaveshbhai V. Patel - Member - NED (I)
3. Mr. Jayantilal D. Patel - Member - NED (I)

All the members of the Audit Committee are financially literate and have accounting and financial expertise.

#### Terms of reference

The terms of reference of the Audit Committee are in accordance with Listing Regulations, 2015 and include the following:

#### Duties/Powers/Responsibilities:

- Recommendation for appointment, reappointment and terms of appointment of Auditors of the Company.
- Review and monitor auditor's independence and performance and effectiveness of Audit Process.
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Modified opinions in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Approval/Subsequent modification of transaction of the Company with related parties.
- Scrutiny of inter corporate loans and investments.
- Valuation of undertakings and assets of the Company.
- Valuation of internal financial control and risk management systems.

- Monitoring the end use of funds raised through public and related matters.
- Establish and review the functioning of the Vigil Mechanism under the Whistle-Blower policy of the Company and review the functioning of the legal compliance mechanism.

#### **Call for Comments of the Auditors:**

The Audit Committee may call for the Comments of the Auditors about internal control systems, the scope of Audit, including observations and review of financial statements before their submission to the Board and any related issues with internal and statutory auditors and management of the Company.

#### **Meetings and attendance**

During the financial year 2021-22, the Audit Committee of the Company met 5(five) times on 30.06.2021, 14.08.2021, 12.11.2021, 31.12.2021 & 11.02.2022. The gap between two Audit Committee meetings did not exceed four months.

The members of the Audit Committee and attendance of each member of the Audit Committee at the meetings held during the year areas under.

<b>Name</b>	<b>No. of Audit Committee Meetings attended</b>
Mr. Bhavanjibhai H. Patel – Chairman – NED (I)	5/5
Mr. Bhaveshbhai V. Patel – Member – NED (I)	5/5
Mr. Jayantilal D. Patel– Member – NED (I)	3/5

#### **B) NOMINATION AND REMUNERATION COMMITTEE:**

Pursuant to section 178 of Companies Act, 2013 and Regulation 19 of Listing Regulations, 2015 Nomination and Remuneration Committee comprises of following Independent Directors viz; (i) Mr. Bhavanjibhai H. Patel, (ii) Mr. Bhaveshbhai V. Patel and (iii) Mr. Jayantilal D. Patel

Mr. Bhavanjibhai H. Patel act as Chairman of the said committee.

#### **Meetings and Attendance**

1(One) meeting was held on 14.08.2021 of the Nomination and Remuneration Committee during the year under review. All the members of the Committee were present at the meeting.

The members of the Committee and attendance of each member of the Committee at the meeting held during the year is as under.

<b>Name</b>	<b>No. of Meetings attended</b>
Mr. Bhavanjibhai H. Patel – Chairman – NED (I)	1/1
Mr. Bhaveshbhai V. Patel – Member – NED (I)	1/1
Mr. Jayantilal Patel – Member – NED (I)	0/1

The Nomination & Remuneration Committee has, inter alia, the following mandate as prescribed under Part C of Schedule II of The SEBI (LODR) Regulations, 2015 and Section 17 of the Companies Act, 2013 some of which are:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director, KMP or other employees and recommend to the Board of Directors a policy relating to the appointment & remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of independent directors and the Board of Directors and specifying the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, the Committee or by an independent external agency and review its implementation and compliance;
3. Devising a policy on diversity of Board of Directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors on their appointment, remuneration and removal;
5. Administer the Company's equity incentive plans, including the review and grant of options to eligible employees under the plans and the terms and conditions applicable to such options, subject to the provisions of each plan;
6. Deciding on whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. Recommend to the Board, all remuneration, in whatever form, payable to senior management;
8. Carrying out any other function as prescribed under the SEBI Listing Regulations, the Companies Act, 2013 and the Rules made thereunder and any other statutory/regulatory body from time to time;

Mr. Damodarbhai Patel, Managing Director was paid remuneration for the period ended March 31, 2022.

**Nomination and Remuneration Policy of the Company:**

In accordance with the Nomination and Remuneration Policy, the Nomination and Remuneration Committee (NRC) has, inter alia, the following responsibilities:

- A. Appointment and removal of Director, KMP and Senior Management:
- The NRC will have the responsibility and authority to decide the essential and desirable skills/competencies/expertise/experience/criteria of independence required from the individuals for the office of Directors, KMP & Senior Management Personnel.
  - The expertise required from the Directors, KMP and Senior Management Personnel would be defined based on the Company's strategy and needs.
  - The NRC shall review the criteria for the role and define the role Specifications for the appointment.
  - In case of Directors and KMP, in addition to the above specifications the NRC shall ensure that the candidate possesses the requisite qualifications and attributes as per the Applicable Laws.
- B. Identifying candidates who are qualified to become Directors, KMP & Senior Management Personnel:
- The NRC may assign the responsibility of identifying the candidate for the final interview by the NRC to the following:
  - To Managing Director/Whole Time Director and Chairman of NRC, in case of selection of Directors; and
  - To the Managing Director/Whole Time Director and Human Resource Officer (HRO), in case of selection of KMP & Senior Management Personnel.
  - The NRC shall identify member(s) of the Board who will interview the candidate recommended to the NRC as above.
  - Upon selection of the candidate, the NRC shall make a recommendation to the Board for appointment of Director/ KMP/ Senior Management Personnel. For discharging this duty the NRC may seek inputs from the persons responsible for identifying the candidates stated in as above.
  - The appointment of Directors and KMP shall be subject to the compliance of the Act, Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Article of Association.
- C. Selection of Independent Directors:
- Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Human Resources, Nomination and Remuneration Committee, for appointment, as an Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation, and takes appropriate decision. Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.
- D. Term of Appointment:
- The term of appointment of Directors shall be governed by the provisions of the Act and Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
  - The term of the KMP (other than the MD) and Senior Management Personnel shall be governed by the prevailing policies of the Company.
- E. Letter of Appointment to Independent Directors:
- The appointment of Independent Directors shall be formalized through a letter of appointment to be issued by the Company in accordance with the Applicable Laws.
- F. Removal of Director, KMP or Senior Management Personnel:
- The Removal of Director, KMP or Senior Management Personnel may be warranted due to reasons such as disqualification prescribed under the Applicable Laws and / or disciplinary reasons.

- In regard to removal of any Director, KMP or Senior Management Personnel, the NRC shall in consultation with the MD and the Chairman of Audit committee, for Directors, and with the MD for KMP and Senior Management Personnel, review the performance and/or other factors meriting a removal and subject to the provisions of the Act and the Articles of Association of the Company recommend to the Board its course of action.
- G. Retirement of Director, KMP or Senior Management Personnel:
- The retirement age of Directors shall be as per the Applicable Laws.
  - The retirement age of KMP and Senior Management Personnel shall be as per the prevailing policy of the Company subject to the Applicable Laws.
- H. Remuneration of Director, KMP and Senior Management Personnel
- Remuneration to Executive Director(s):
  - The remuneration payable to Executive Director(s) shall be determined by the NRC and recommended to the Board for approval. Such remuneration (including revisions thereof) shall be subject to the approval of the shareholders of the Company and/or Central Government, wherever required under the Act, Listing Regulations and the Articles of Association of the Company.
  - The remuneration shall be in accordance with and subject to the ceiling limits and other conditions prescribed under the Act, Listing Regulations and the Articles of Association of the Company.
  - Additionally, the Executive Director may be entitled to Employee Stock Options granted under any Employee Stock Option Plan/ Scheme(s), Stock Appreciation Rights granted under any Stock Appreciation Rights Plan/Scheme(s) of the Company and such other long term incentive schemes of the Company.
  - Annual revisions in the remuneration within the remuneration limits approved by the Board, shareholders/Central Government, shall be based on the prevailing policy of the Company and the same shall be approved by the NRC. The Board shall note such annual increases.
  - Remuneration to Non-Executive Directors (NED):
  - The remuneration (including revisions thereof) payable to the NED shall be in accordance with and subject to the ceiling limits and other conditions prescribed under the Act, Listing Regulations and the Articles of Association of the Company.
  - The NRC shall determine the remuneration to NED including the mode, quantum, recipients of the remuneration and the frequency of payment of such remuneration, and recommend the same to the Board for approval.
  - The remuneration of NED may comprise following:
    - a) Remuneration/Commission; and
    - b) Sitting fees for attending each meeting of the Board and its Committees.
  - The remuneration of NED (including revisions thereof) shall be based on certain financial parameters like the performance of the Company, its market capitalization, etc., industry benchmarks, role of the Director and such other relevant factors.
  - NEDs shall not be entitled to any stock option or stock appreciation rights of the Company.
  - The NRC shall determine the periodicity at which such remuneration shall be reviewed and revised.
  - Remuneration to KMP & Senior Management Personnel:
  - The NRC shall approve the remuneration policy of the Company applicable to KMP and Senior Management Personnel.
  - For appointments to the office of KMP or Senior Management Personnel, the NRC shall approve the remuneration and recommend the same to the Board for its approval.
  - The NRC shall approve the annual revision in the remuneration of KMP and Senior Management Personnel based on the remuneration policy of the Company applicable to KMP and Senior Management Personnel.
  - Factors to be considered while determining the remuneration to Directors, KMP and Senior Management Personnel While determining the remuneration to Directors, KMP and Senior Management Personnel.
  - The NRC shall ensure the following:
    - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and Senior Management Personnel to deliver the quality required to run the Company successfully;
  - Relationship of remuneration to performance is clear and meets appropriate performance

- benchmarks; and
- Remuneration to Directors, KMP and Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- Board Evaluation:
- The Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its Functioning. Towards this end, the NRC shall establish the criteria and processes for evaluation of performance of Individual Directors, Chairman of the Board, the Board as a whole and the Committees of the Board and recommend the same to the Board.
- The Board is responsible for monitoring and reviewing of the Board Evaluation framework.
- The NRC is responsible for carrying out evaluation of every director's performance and various criteria can be framed by NRC in separate policy also.
- The performance evaluation shall take place annually. It shall be the responsibility of the Chairman of the NRC to organize the evaluation process;
- The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.
- Meeting of Independent Directors:
- Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-independent Directors and members of the management.
- Such meeting shall review the performance of Non-independent Directors and the Board as a whole; &
- review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-executive Directors;
- Familiarization Programme For Independent Directors:  
The Company will impart Familiarization Programmes for Independent Directors inducted on the Board of the Company. Familiarization - immediately upon appointment of Director the Familiarization Programme of the Company will provide information relating to the Company, Specialty Chemical industry, business model of the Company, business processes & policies, geographies in which Company operates, etc. The Programme intends to improve awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarization Programme shall also provide information relating to the financial performance of the Company and budget and control process of the Company and all other information's which affect its rights and responsibility.

The MD or such other officer(s) of the Company, duly authorized by the MD shall lead the Familiarization Programme. The KMPs or Senior Management Personnel may participate in the Programme for providing various inputs.

- Diversity Of Board Of Directors:  
Nomination & Remuneration Committee (NRC) shall ensure the diversity of the board of director is in order with the requirement of the size of Company. Further, NRC shall ensure scope of work of Directors in the Company and portfolios which are going to be allocated to them shall be based on diverse experience of Directors.

NRC shall also ensure that the candidate is having educational qualification, expertise and experience which are required for the same.

In case if there is vacancy in between, than NRC shall appoint the required Directors in accordance with the Act and Listing Regulations and after considering the above mentioned things.

#### **Evaluation of Board Effectiveness**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 of the SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the directors individually, as well as the evaluation of all the Committees of the Board. The Committee formulated the criteria for evaluation of the Chairman, Board of Directors, Members of the Committee and Individual Directors and the evaluation is conducted accordingly. The evaluation criteria included aspects related to competency of directors, strategy and performance evaluation, governance, independence, effectiveness, structure of the board/committee, level of engagement and contribution, independence of judgement etc. The performance evaluation of the independent directors was carried out by the entire Board. The performance evaluation of the Chairperson and non-independent directors was carried out by the independent directors. The directors expressed their satisfaction with the evaluation process and its results, which reflected in the overall management of the Board and its committees with the Company.



### C) STAKEHOLDERS RELATIONSHIP COMMITTEE:

The composition of the Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of Listing Regulations, 2015.

Stakeholders Relationship Committee comprises of following Directors viz; (i) Mr. Bhaveshbhai V. Patel (ii) Mr. Bhavanjibhai H Patel and (iii) Mr. Damodarbhai B. Patel.

The Committee reviews the redresses of shareholders' complaints relating to transfer, transmission, non-receipt of annual reports and other shares related complaints. The Committee also periodically reports to the Board in each Board Meeting the number and Category of the shareholders complaints received and status of their resolution.

The Committee met twice during 2021-22 on 12.11.2021 & 11.02.2022. The attendance of committee members are as under –

Name	No. of Meetings attended
Mr. Bhaveshbhai Patel – Chairman – NED (I)	2/2
Mr. Damodarbhai Patel – Member – ED	2/2
Mr. Bhavanjibhai Patel – Member – NED (I)	2/2

Details pertaining to the number of complaints received and responded and the status thereof during the financial year ended 31st March, 2022 are as follows:

No. of complaints received during the year	1
No. of complaints resolved during the year	1
No. of complaints pending at the end of the year	0

#### 2.12 Independent Directors

The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued and disclosed on website of the Company viz. <http://brcl.in/UploadedFile/CodeOfConduct/07082018121044629.pdf>

#### Number of Independent Directorships

In compliance with the Listing Regulations, Directors of the Company do not serve as an Independent Director in more than seven listed companies. In case he/she is serving as a Whole-Time Director in any listed company, does not hold the position of Independent Director in more than three listed companies.

#### Independent Directors' Meeting

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25(3) of the SEBI Listing Regulations, 2015, the Independent Directors met on February 11, 2022, inter alia, to discuss:

- Evaluation of the performance of the Non Independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the Chairman.
- Evaluation of the Quality, content and timelines of the flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors of the company were present at the Meeting.

### 3. MANAGEMENT

#### 3.1 A Report on Management Discussion and Analysis

The Management Discussion and Analysis forms part of this Annual Report.

#### 3.2 Disclosure of material transaction

During the period there was no material financial or commercial transaction which had potential interest of the senior Management Personnel or which might have had potential conflict with the interest of the company.

#### 3.3 Accounting Policies

The company has not adopted any Accounting Policy, which is contrary to the Indian Accounting Standards ("Ind AS").

#### 4. GENERAL BODY MEETINGS

##### Details of last three Annual General Meetings Held:

Particulars	FY 2018-19	FY 2019-20	FY 2020-21
Day	Saturday	Tuesday	Tuesday
Date	28 <sup>th</sup> September, 2019	29 <sup>th</sup> September, 2020	29 <sup>th</sup> September, 2021
Time	10:00 a.m.	09:00 a.m.	09:00 a.m.
Venue	Patidar Bhavan, Kadodara, Surat-394327.	Patidar Bhavan, Kadodara, Surat-394327.	Patidar Bhavan, Kadodara, Surat-394327.
Special Resolution	3(Three)	1(One)	3(Three)

Three special resolutions were passed at the 59<sup>th</sup> Annual General Meeting of the company held on 28<sup>th</sup> September, 2019 for reappointment of Mr. Bhavanjibhai Patel (DIN-01690183), Mr. Bhaveshbhai Patel (DIN-03270321) and Mr. Jayantilal Patel (DIN-05339476) as Independent Directors of the company for second term of 5 years.

One special resolution was passed at the 60<sup>th</sup> Annual General Meeting of the company held on 29<sup>th</sup> September, 2020 for revision in the remuneration of Mr. Damodarbhair Patel (DIN-00056513), Managing Director of the company.

Three special resolutions were passed at the 61<sup>st</sup> Annual General Meeting of the company held on 29<sup>th</sup> September, 2021 for revision in the remuneration of Mr. Damodarbhair Patel (DIN-00056513), Managing Director, adoption of new Articles of Association of the company in conformity with the Companies Act, 2013, alteration of the Main Object Clause in the Memorandum of Association of the company.

##### POSTAL BALLOT

During the period under review the company has not passed any resolution by Postal Ballot.

#### 5. OTHER DISCLOSURES

- a. During the period, there were no transaction of material nature, with the Promoters, Directors and relatives, the Management and the company's Subsidiaries, that had potential conflict with the interest of the company. Policy is uploaded on [www.brcl.in](http://www.brcl.in). The company has not entered into any transaction with any person or entity belonging to the promoter/promoter group which holds 10% or more shareholding in the listed entity.
- b. During the year 2021-22, there was no fine, penalty nor any stricture passed by SEBI, Stock Exchanges or any other Statutory Authority on matters relating to capital markets *except* for the actions initiated under circular reference number LIST/COMP/OPS/16/2019-2020 dated June 11, 2019 by the exchange. However the actions initiated under the circular has been revoked as the requirements are fulfilled by the company. Also, there was no other fine, penalty nor any stricture passed by SEBI, Stock Exchanges or any other Statutory Authority on matters relating to capital markets, in the last three years.

The company was closed during the period of 1999-2004 and 2008-till date. As such the stock Exchange had suspended the trading in the company. However BSE Ltd. vide its Notice No. 20220520-39 dated 20<sup>th</sup> May, 2022 has revoked the suspension in trading of equity shares of the company w.e.f. 30<sup>th</sup> May, 2022.

- c. The Audit Committee has established a Vigil Mechanism and adopted a Whistle-Blower Policy, which provides a formal mechanism for all Directors and employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The Company affirms that no director or employee of the Company has been denied access to the Audit Committee. Policy is uploaded on [www.brcl.in](http://www.brcl.in).
- d. The Company has also complied with and adopted the mandatory requirements of SEBI (LODR) Regulations, 2015, Companies Act, 2013 and applicable Secretarial Standards.
- e. In line with the requirements of Regulation 17(9) of the SEBI LODR, the Audit Committee and the Board of Directors reviewed the managements' perception of the risks facing the Company, and measures taken to minimize the risk. The company's operational activities are stand still since August 2008 hence company is no exposed to commodity price risk. The Company is not doing any hedging activities.
- f. Board of Directors of the Company confirm that in their opinion the independent directors fulfill the conditions specified in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015,

and are independent of the management.

- g. Policy on related party transaction and all other Policies/Disclosures required under Companies Act, 2013 / SEBI LODR Regulations, 2015 are available on the weblink: <http://www.brcl.in/Policies.aspx>.
- h. As required by Regulation 17(8) of the SEBI Listing Regulations, the Managing Director and the Chief Financial Officer have submitted a Certificate to the Board of Directors in the prescribed format for the financial year ended 31<sup>st</sup> March, 2022 confirming the correctness of the financial statements and cash flow statement, and adequacy of the internal control measures and reporting of matters to the Audit Committee, which is annexed.
- i. Disclosures with regard to demat suspense account/unclaimed suspense account – Not applicable.
- j. There were no funds raised by the Company through Preferential allotment or qualified institutional placement as specified under the above mentioned regulation during the financial year 2021-22.
- k. A Certificate from the Practicing Company Secretary, Mr. Manish R. Patel, is received by the company stating that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the board/ministry of corporate affairs or any such statutory authority and the same is annexed to this report as “**Annexure C**”.
- l. During the financial year ended March 31, 2022, all recommendations of the Committees of the Board of Directors, which are mandatorily required, have been accepted by the Board of Directors of your Company.
- m. The company has obtained a certificate from the Auditors of the company regarding compliance with the provisions of the Corporate Governance laid down in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the Stock Exchange, which is annexed.
- n. Fee disclosures as required by Clause 10(k), Part C, Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The total fees for all services paid by The Baroda Rayon Corporation Limited, on a consolidated basis, to M/s Kansariwala & Chevli, Statutory Auditors for the year ended March 31, 2022, is as follows:

	(₹ In lakhs)
Fees for audit and related services paid to M/s Kansariwala & Chevli	4.00
Other fees paid to M/s Kansariwala & Chevli & Affiliate firms and to entities of the network of which the statutory auditor is a part.	-
<b>Total fees</b>	<b>4.00</b>

## 6. MEANS OF COMMUNICATION

The quarterly financial results are generally published in the Financial Express in English and Pratap Darpan in Gujarati. All other official news releases are first forwarded to stock exchange and subsequently released to the media. Further, all periodic statutory reports and other official news releases are also uploaded on the company's website [www.brcl.in](http://www.brcl.in).

## 7. ADDITIONAL SHAREHOLDERS INFORMATION

### 1. Forthcoming Annual General Meeting

**Annual General Meeting  
Day, Date, Time & Venue**

: Wednesday, 28<sup>th</sup> September, 2022 at 09:00 a.m.  
: Patidar Bhavan, Kadodara, Surat-394327

### 2. Financial period/Calendar

: The financial year of the Company is from  
April 1<sup>st</sup> to March 31<sup>st</sup> each year

### 3. Date of Book Closure

: Thursday, 22<sup>nd</sup> September, 2022 to  
Wednesday, 28<sup>th</sup> September, 2022.

### 4. Listing of Stock Exchange

: BSE Limited  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai – 400 001, Maharashtra

**Stock Code**

: 500270

**CIN**

: L45100GJ1958PLC000892

**Demat ISIN Number in NSDL & CDSL**

: INE461A01024

### 5. Registrar and

**Share Transfer Agents**

: Link Intime India Pvt. Ltd.

C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai  
400083

**6. Share Transfer System :**

Under the Share Transfer system followed, the request for share transfers are processed subject to the documents being valid and complete in all respects. The share Certificates duly transferred is dispatched within 30 days from the date of receiving the request. When there is an objection, the shares are returned to the party within 2-3 days of their receipt along with an objection letter.

**7. DISTRIBUTION OF SHAREHOLDING PATTERN: (As at 31<sup>st</sup> March, 2022)**

Category	Number of Shares Held	Percentage of Holding (%)
Promoters	10893147	47.545
Mutual Funds & UTI	3627	0.016
Banks, Financial Institutions and Insurance Companies(Central/State Government Institutions/Non-Government Institutions)	390663	1.705
Private Corporate Bodies	8142927	35.541
NRI/OCBs	532536	2.324
FII	435	0.002
Indian Public	2947888	12.866
Clearing Members	136	0.001
<b>Total</b>	<b>22,911,359</b>	<b>100.00</b>

**8. DISTRIBUTION OF SHAREHOLDING (As at 31<sup>st</sup> March, 2022)**

Shareholding of Nominal Value (Rs.)	Shareholder		Shareholder	
	Number of holders	% of holders	Amount	% of amount
1 – 5000	78529	99.643	16037210	7.000
5001 – 10000	128	0.162	947360	0.413
10001 – 20000	35	0.044	467190	0.204
20001 – 30000	18	0.023	440090	0.192
30001 – 40000	4	0.005	140180	0.061
40001 – 50000	6	0.008	280840	0.123
50001 – 100000	25	0.032	2039640	0.890
100001 & above	65	0.082	208761080	91.117
<b>Total</b>	<b>78,810</b>	<b>100.00</b>	<b>2,29,113,590</b>	<b>100.00</b>

**9. DEMATERIALIZATION OF SHARES:**

The Shares of the company were dematerialized with effect from 28.08.2002. The National Securities Depository Limited and Central Depository Services (India) Limited were the depository of the shares of the company. Under SEBI Circular SMDRP/POLICY/CIR-23/2000 dated May 29, 2000 the Company' shares are in compulsory demat segment for the trading and to do any transaction of shares. The shareholders of the company can forward their physical share certificates of the company to M/s. Link Intime India Pvt. Ltd. Through their DP to convert the same into demat mode. 11,75,132 shares out of 2,29,11,359 shares of the company have been dematerialized as at March 31, 2022.

11,75,132 Equity Shares aggregating to 5.13% of the total Equity Capital is held in dematerialized form as on 31.03.2022 of which 3.62% (8,29,568 Equity Shares) of total equity capital is held with NSDL and 1.51% (3,45,564 Equity Shares) of total equity capital is held with CDSL as on March 31, 2022.

**10. Number of Shareholders (As at March 31, 2022): 78,810****11. OUTSTANDING GDR/ADR/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY**

There were no outstanding GDRs /ADRs or any Convertible Instruments for the period under report.

**12. Plant location : P O Fatehnagar, Udhna, Surat-394220 (Guj)****13. Address for correspondence :**

<b>The Baroda Rayon Corporation Limited</b> P. O. Baroda Rayon, Udhna, Surat – 394220 Gujarat (T) 0261-2899555 Email – brcsurat@gmail.com	<b>Link Intime India Pvt. Ltd.</b> C 101, 247 Park, L BS Marg, Vikhroli West, Mumbai - 400083 (T) 022- 28515644 Email – rnt.helpdesk@linkintime.co.in
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- 14. List of all credit rating agencies:**  
No credit rating is obtained by the company.

#### DECLARATION OF CODE OF CONDUCT

To,  
The Members of  
The Baroda Rayon Corporation Limited

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the Code of Business Conduct and Ethics for the year ended March 31, 2022.

**For The Baroda Rayon Corporation Limited**

**Place: Surat**  
**Date: 26<sup>th</sup> August, 2022**

**Damodarbhai B. Patel**  
**Managing Director**  
**DIN – 00056513**

#### COMPLIANCE CERTIFICATE [Reg. 17(8) of SEBI (LODR) Regulations, 2015]

In terms of Regulation 17 (8) of the SEBI (LODR) Regulations, 2015, we hereby certify to the Board of Directors that:

- 1) We have reviewed the financial statements and the cash flow statement of The Baroda Rayon Corporation Limited for the year ended 31<sup>st</sup> March, 2022 and that to the best of my 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 Indian accounting standards, applicable laws and regulations.
- 2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2022 which are fraudulent, illegal or violative of the Company's code of conduct.
- 3) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and 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 taken or propose to take to rectify these deficiencies.
- 4) We have indicated to the Auditors and the Audit Committee:
  - (i) Significant changes in internal control over financial reporting during the year ended 31<sup>st</sup> March, 2022;
  - (ii) Significant changes, if any, in accounting policies made during the year ended 31<sup>st</sup> March, 2022 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.

**For The Baroda Rayon Corporation Limited**

**Damodarbhai Patel**  
**Managing Director**  
**DIN-00056513**

**J. K. Jakhota**  
**Chief Financial Officer**

**Date: 26<sup>th</sup> August, 2022**  
**Place: Surat**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
The Members of  
**The Baroda Rayon Corporation Limited**  
(CIN – L45100GJ1958PLC000892)  
P.O. Baroda Rayon, Udhna, Dist. Surat,  
Surat - 394220, Gujarat.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of The Baroda Rayon Corporation Limited having CIN L45100GJ1958PLC000892 and having registered office at P.O. Baroda Rayon, Udhna, Dist. Surat, Surat - 394220, Gujarat. (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in the Company (As per MCA record)
1	Mr. Damodarbhai Bhimjibhai Patel	00056513	10/03/2008
2	Mr. Bhavanjibhai Haribhai Patel	01690183	10/03/2008
3	Mr. Bhaveshbhai Vishrambhai Patel	03270321	09/05/2011
4	Mr. Jayantilal Patel	05339476	28/07/2012
5	Mrs. Vidhya Viralbhai Bhavani	07159576	29/04/2015
6	Mr. Viral Damodarbhai Bhavani	02597320	10/11/2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Surat  
Date: 26/08/2022

**MANISH R. PATEL**  
Company Secretary in Practice  
ACS No: 19885  
COP No. : 9360  
Peer Review No. : 929/2020  
ICSI Unique Code: I2010GJ763400  
UDIN: A019885D000837251



**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF THE CORPORATE GOVERNANCE**

**To**  
**The Members of**  
**The Baroda Rayon Corporation Limited**

The Corporate Governance Report prepared by The Baroda Rayon Corporation Limited ("the Company"), contains details as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (collectively referred to as 'SEBI Listing Regulations, 2015') ('applicable criteria') with respect to Corporate Governance for the year ended 31<sup>st</sup> March, 2022.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Kansariwala & Chevli**  
**Chartered Accountants**  
**(FRN 123689W)**

**Date: 26<sup>th</sup> August, 2022**  
**Place: Surat**

**A. H. Chevli**  
**Partner**  
**Membership No. 038259**  
**UDIN: 22038259AQGMIG2256**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF THE BARODA RAYON CORPORATION LIMITED**

#### **Report on the Audit of the Standalone Financial Statements**

##### **Qualified Opinion**

We have audited the accompanying standalone financial statements of The Baroda Rayon Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, notes to financial statements and the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### **Basis for Qualified Opinion**

- (i) *Attention is drawn to Note 32 to the statement regarding non provision of interest on loan of ₹ 217,47,77,735/- of overdue debts availed under the Modified Draft Restructuring Scheme (MDRS) till March, 2022. Owing to the pending legal cases, the Company could not liquidate the asset and repay the mentioned loan amount as per stipulation, which has become over due. The company is under negotiation with the lenders for restructuring of interest amount, as such amount of interest for and upto the year ended 31.03.2022 is not provided in the books of accounts.*

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Emphasis of matter**

- i) The balances for Sundry Debtors, Sundry creditors, loans & advances, bank balances, statutory and other liabilities as on 31<sup>st</sup> March 2022 are subject to confirmation. The figures reported in the financial statement are as per the ledger account.
- ii) The Company has applied the rate of depreciation on the basis of residual value of the fixed assets as contemplated in Schedule II of Companies Act' 2013, as the entire fixed assets register have been updated with physical verification. As all the plants are very old, the useful life of assets are completed as per the years mentioned in the Schedule II of the Companies Act' 2013. However it will not impact the future cash flow. In addition, the Company has segregated plant & machinery of ₹ 17,58,18,509/-, which will be asset for sale in near future. These proceeds from sale of assets will be utilised for paying worker's liabilities.
- iii) We draw attention to Note 36 of the accompanying standalone financial results, as regards to the exceptional item of unsecured loan of ₹ 12,48,54,000/- which was forfeited pursuant to violation of agreement as per sanctioned BIFR scheme.

##### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Key Audit Matter	How the matter was addressed in our audit
<p><b>Refer Note 25 &amp; 28 to the accompanying standalone financial statements:</b></p> <p>As on 31<sup>st</sup> March, 2022, the Company has recognized liabilities relating pending litigation, employees gratuities, wage settlement to the extent it is crystallised. However the liabilities which are in the nature of contingent are disclosed by way of notes.</p> <p>Considering the materiality of the amounts involved, the significant management judgement required in estimating various liabilities being inherently subjective, this matter has been identified as a key audit matter for the current year audit.</p>	<p>Our audit procedures included the following: <b>Our procedures included, but were not limited to the following:</b></p> <p>(i) Obtained an understanding of management's process and evaluated design and tested operating effectiveness of controls around identification of indicators of various crystallized and contingent liabilities under Ind AS.</p> <p>(ii) Financial liabilities at fair value through profit or loss include financial liabilities held for trading and designated upon initial recognition as at fair value through profit or loss.</p>

#### Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises of Management Reports such as Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report (but does not include the Standalone Financial Statements and our Auditors' Report thereon) which we obtained prior to the date of this Auditor's Report, and the remaining section of the Company's Annual Report, which are expected to be made available to us after that date.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's Report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

#### Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India, in exercise of powers conferred by sub-section 11 of section 143 of the Act, and on the basis of such checks of books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure-A" attached hereto our comments on the matters specified in the paragraphs 3 and 4 of the said Order.
2. 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 purposes 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 Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. Except for the possible effects of the matter described in the Basis for Qualified Opinion Paragraph, In

our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

- e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B".
- 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 has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 26 to the financial statements).

- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) In financial year under consideration 2021-2022, the management has restructured the business of the company for strategic planning to utilise the idle assets in profitable venture by way of starting Real estate business. As a result, company's land amounting to ₹ 38,51,52,000/- as per Balance sheet is transferred to stock in trade at realisable value of ₹ 371,37,69,192/- as per valuation reports obtained by the management from Government Approved Valuer. The Company has altered its MOA by addition of Real estate business as additional object of business. As such the difference of ₹ 332,86,17,192/- is credited to increase/decrease in stock and retained earnings have been created in Other Equity as per Ind AS- 16. In view of provision of section 45(2) of the Income Tax Act, 1961, Conversion of capital assets in to stock in trade of a business shall be chargeable to Income tax as its income of the year in which such stock in trade is sold or otherwise transferred. As such, in the current year, there will be no tax/ MAT liability.

- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material mis-statement.

**For Kansariwala & Chevli**  
**Chartered Accountants**  
**(FRN 123689W)**

**Date: 30<sup>th</sup> May, 2022**  
**Place: Surat**

**A. H. Chevli**  
**Partner**  
**Membership No. 038259**  
**UDIN -22038259AJWC DL7153**

**Annexure A to the Independent Auditors' Report on Ind AS Financial Statements for the year ended 31<sup>st</sup> March, 2022.**

With reference to the Annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2022, we report that:

- i. (a) (A) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its property, plant & equipment.  
(B) As informed to us, the Company does not have any intangible assets.
- (b) According to the information given to us, the management has physically verified the property, plant & equipment of the Company in every financial year, which in our opinion is reasonable, having regards to the size of the Company and nature of its assets. Pursuant to the program, certain items of the Property, Plant and Equipment's has been physically verified by the Management during the year, and no material

discrepancies between the book records and the physical assets were noticed on such verification.

- (c) The title deeds of immovable properties, as disclosed in Note 4 on fixed assets to the financial statements, are held in the name of the Company.
- (d) Except the land transferred to inventory referred in Report on Other Legal and Regulatory Requirements under paragraph 2(g)(iv)(b), the company has not revalued any of its Property, Plant and Equipment during the year.
- (e) As explained to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) Physical verification of inventories has been conducted at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in aggregate for each class of inventories were noticed on verification between physical stock and book records.
- (b) In our opinion, the coverage and procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned Long term working capital in the nature of Term loan which are in excess of five crores rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of accounts of the Company for the respective quarters.
- iii. The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, hence other clauses are not applicable.
- iv. In our opinion and according to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186 of the Act.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. The old deposits have been paid except deposits of ₹ 1,95,000/- which is under litigation since long.
- vi. Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. Since there are no manufacturing activities since August' 2008, the Company has not maintained the same.
- vii. (a) The statutory liabilities are restructured and deferred as per the comprehensive rehabilitation scheme approved by the BIFR, however various statutory agencies are in process of granting their sanction as per said scheme for deferment and settlement of said liabilities. Hence, we are reporting the Undisputed Statutory dues, which is subject to confirmation from respective departments and shown as per the ledger account including Employee's State Insurance, Income tax, Custom duty, cess and other statutory dues with appropriate authorities for a period more than six months from the date they became payable, which are as under;

SR. NO.	STATUTORY DUES	AMOUNT (in ₹ )
a.	Custom Duty	6,85,96,547/-
b.	Employee's State Insurance interest	9,10,065/-
c.	Water Tax & interest thereon	16,11,45,144/-
d.	Electricity Duty (Power plant)	16,78,01,202/-
e.	Revenue Tax – Mamlatdar Surat	1,49,87,304/-

Note:

The said statutory dues are given as per the information and records produced before us. The company has received various notices from E.S.I., Provident fund offices, etc claiming damages for delay in deposit of their dues which is not ascertainable, hence it is not provided in the books.

- (b) According to the information and explanation given to us, the company has disputed dues of Excise duties, which are given below.



SR. NO.	NAME OF STATUE	NATURE OF DUES	AMOUNT (₹)	PERIOD WHICH AMOUNT RELATES TO THE	FORUM WHERE DISPUTE PENDING IS
1.	Central Excise Act, 1944	Excise Duty	44,24,28,525/-	2006-2008	Tribunal (CESTAT)
2.	Income Tax Act, 1962	Income Tax	8,09,43,740/-	2013-2014	CIT (Appeal)

Note:

- (i). In the matter of Item No. 1, CESTAT has ordered to deposit the amount of ₹ 25 lakhs and company had deposited the same amount and final order is awaited.
- (ii). In the matter of Item No.2, the company has submitted rectification Request to the Income Tax Department to delete the demand in view of past brought forward losses.
- viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of account.
- ix.
  - (a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender *except interest amount as specified in Note 32 of the notes to financial statements.*
  - (b) The Company is not declared willful defaulter by any bank or financial institution or other lender.
  - (c) The term loans taken during the year and outstanding term loan at the beginning of the year have been applied for the purposes for which those were obtained.
  - (d) On an overall examination of financial statements of the company, funds raised on short-term basis have not been utilized for long term purposes.
  - (e) The company has not any subsidiary, associates and joint ventures, therefore clause (e) and (f) are not applicable to the company.
- x.
  - (a) The Company has not raised moneys by way of initial public offer or further public offer during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
  - (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi.
  - (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the management.
  - (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, a report under Section 143(12) of the Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
  - (c) As represented to us by the management, the Company has not received any whistle-blower complaint during the year and upto the date of this report.
- xii. Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii. The Company has not entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. Hence the details of such related party transactions are not required to be disclosed in the financial statements as required by the applicable Ind AS.
- xiv. *In our opinion, the Company does not have an adequate internal audit system commensurate with the size and nature of its business.*

xv. The Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(a) the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934;

(b) the Company has not conducted any Non-banking Financial or Housing Finance activities during the year;

(c) the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

Accordingly, reporting under clauses 3(xvi)(a), 3(xvi)(b) and 3(xvi)(c) of the Order are not applicable to the Company.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. the Company is not required to spent CSR under Section 135 of the companies Act, 2013. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For Kansariwala & Chevli  
Chartered Accountants  
(FRN 123689W)**

**Date: 30<sup>th</sup> May, 2022  
Place: Surat**

**A. H. Chevli  
Partner  
Membership No. 038259  
UDIN - 22038259AJWC DL7153**

## **ANNEXURE B TO INDEPENDENT AUDITORS' REPORT**

### **Report on the internal financial controls under clause (i) of subsection 3 of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of The Baroda Rayon Corporation Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 its business, including adherence to the 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 Companies Act, 2013.

## Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, 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.

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 internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 internal financial control over financial reporting 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 authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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

Because of the inherent limitations of internal financial controls over financial reporting, 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 internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Qualified Opinion

*Subject to our qualification & other comments of our main report along with Annexures thereon & various comments regarding closure of operation & loss of key personnel, in our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.*

**For Kansariwala & Chevli  
Chartered Accountants  
(FRN 123689W)**

**Date: 30<sup>th</sup> May, 2022  
Place: Surat**

**A. H. Chevli  
Partner  
Membership No. 038259  
UDIN - 22038259AJWCDL7153**

**Balance Sheet as at 31<sup>st</sup> March, 2022**

(₹ In lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>I. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and Equipment	4	244.40	4095.92
(b) Capital Work in progress	-	-	-
(c) Financial Assets			
(i) Investments	5	666.23	599.91
(d) Other Non-current assets	6	719.61	322.99
<b>Total Non-Current assets</b>		<b>1630.24</b>	<b>5018.82</b>
<b>(2) Current assets</b>			
(a) Inventories	7	37137.69	-
(b) Financial Assets			
(i) Trade Receivables	8	4.76	-
(ii) Cash and cash equivalents	9	1.92	1.18
(iii) Bank Balance other than (ii) above		127.53	2.55
(c) Other current assets	10	840.56	3454.24
Assets classified as held for sale		1758.19	1758.19
<b>Total Current assets</b>		<b>39870.65</b>	<b>5216.16</b>
<b>TOTAL ASSETS</b>		<b>41500.89</b>	<b>10234.98</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	11	2291.14	2291.14
(b) Other Equity	12	207.89	(37250.68)
<b>Total Equity</b>		<b>2499.03</b>	<b>(34959.55)</b>
<b>(2) Non-current liabilities</b>			
(a) Borrowings	13	22517.39	20205.18
<b>Total Non-current liabilities</b>		<b>22517.39</b>	<b>20205.18</b>
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14	6984.22	4042.99
(ii) Trade payables	15	351.95	384.74
(a) total outstanding dues to micro and small enterprises and		-	-
(b) total outstanding dues of creditors other than micro and small enterprises		351.95	384.74
(iii) Other financial liabilities	16	2267.30	8653.23
(b) Other current liabilities	17	4874.11	4994.82
(c) Provisions	18	2006.89	6913.57
<b>Total Current liabilities</b>		<b>16484.47</b>	<b>24989.35</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>41500.89</b>	<b>10234.98</b>
Summary of Significant Accounting policies	2-3		
The accompanying notes to the financial statements			
The notes referred to above form an integral part of financial statements			

As per our report of even date attached

For and on behalf of the Board of Directors

**For Kansariwala&Chevli**  
Chartered Accountants  
Firm Registration No. 123689W

**Damodarbhai Patel**  
Managing Director  
DIN-00056513

**Viral Bhavani**  
Non-executive Director  
DIN-02597320

**A.H. Chevli**  
Partner  
Membership No. 038259

**Jugal Kishore Jakhotia**  
Chief Financial Officer

**Kunjai Desai**  
Company Secretary  
ACS-40809

Place – Surat  
Date – 30<sup>th</sup> May, 2022

Place – Surat  
Date – 30<sup>th</sup> May, 2022

**Statement of Profit and loss for the year ended 31<sup>st</sup> March, 2022**

(₹ In lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
I. Revenue from operation (net)	-	-	-
II. Other income	19	4098.08	288.95
<b>III. Total income</b>		<b>4098.08</b>	<b>288.95</b>
<b>IV. Expenses</b>			
(a) Cost of Materials Consumed	-	-	-
(b) Changes in Inventories of Finished Goods & Work-in-Progress	20	(33286.17)	-
(c) Stock-In-Trade and Work-In-Progress	-	-	-
(d) Employee Benefit Expenses	21	130.65	12034.83
(e) Finance Costs	22	612.95	56.24
(f) Depreciation and Amortization	-	-	-
(g) Other Expenses	23	430.62	181.92
<b>Total expenses</b>		<b>(32111.95)</b>	<b>12272.99</b>
<b>V. Profit before tax</b>		<b>36210.03</b>	<b>(11984.04)</b>
<b>VI. Exceptional / Extraordinary item</b>	36	<b>1248.54</b>	<b>(381.81)</b>
<b>VII. Profit before tax and after exceptional item</b>		<b>37458.57</b>	<b>(12365.85)</b>
<b>VIII. Tax Expense</b>			
(a) Current tax		-	-
(b) Deferred tax		-	-
(c) Earlier year tax		-	-
<b>IX. Profit for the period</b>		<b>37458.57</b>	<b>(12365.85)</b>
<b>X. Other comprehensive income</b>			
(i) Items that will not be reclassified to Statement of Profit and Loss		-	-
(a) Equity Investments measured at Fair Value (Net of Tax)		-	-
<b>Total Other Comprehensive Income</b>		-	-
<b>XI. Total Comprehensive income for the year</b>		<b>37458.57</b>	<b>(12365.85)</b>
<b>XII. Earnings per equity share of face value of Rs. 10 each</b>	24		
(i) Basic & Diluted		163.49	(53.97)
(ii) Basic & Diluted (excl. extraordinary item)		158.04	(52.31)
Summary of Significant Accounting policies	2-3		
The accompanying notes to the financial statements			
The notes referred to above form an integral part of financial statements			

As per our report of even date attached

For and on behalf of the Board of Directors

**For Kansariwala&Chevli**  
Chartered Accountants  
Firm Registration No. 123689W

**Damodarbhai Patel**  
Managing Director  
DIN-00056513

**Viral Bhavani**  
Non-executive Director  
DIN-02597320

**A.H. Chevli**  
Partner  
Membership No. 038259

**Jugal KishoreJakhota**  
Chief Financial Officer

**Kunjal Desai**  
Company Secretary  
ACS-40809

Place – Surat  
Date – 30<sup>th</sup> May, 2022

Place – Surat  
Date – 30<sup>th</sup> May, 2022

**Cash Flow Statements for the year ended 31<sup>st</sup> March, 2022**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	₹	₹	₹	₹
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before tax	37458.57	-	(12365.85)	-
<b>Adjustments for:</b>				
Depreciation and amortisation	-	-	-	-
(Profit) / loss on sale / write off of assets	(4050.58)	-	(287.46)	-
Expense on employee stock option scheme	-	-	-	-
Finance costs	612.95	-	56.24	-
Interest on IT refund	-	-	(0.035)	-
Prior Period income	(1.30)	-	-	-
Impairment of fixed assets	-	-	396.88	-
Operating profit / (loss) before working capital changes	34019.64	34019.64	(12200.22)	(12200.22)
<b>Changes in working capital:</b>				
<b>Adjustments for (increase) / decrease in operating assets:</b>				
Inventories (refer to Note iii below)	(33286.17)	-	17.89	-
Trade receivables	(4.76)	-	-	-
Short-term loans and advances	-	-	-	-
Long-term loans and advances	(396.62)	-	20.75	-
Other current assets	2613.68	-	(1562.54)	-
Other non-current assets	-	-	-	-
<b>Adjustments for increase / (decrease) in operating liabilities:</b>				
Trade payables	(32.79)	-	0.25	-
Other current liabilities	(6506.65)	-	7780.03	-
Other long-term liabilities	-	-	-	-
Short-term provisions	(4906.68)	-	4261.24	-
Long-term provisions	-	-	-	-
	(42519.99)	(42519.99)	10517.61	10517.61
		(8500.35)		(1682.61)
Cash flow from exceptional/extraordinary items	-	-	-	-
Cash generated from operations	-	(8500.35)	-	(1682.61)
Net income tax (paid) / refunds	-	-	-	1.00
<b>Net cash flow from / (used in) operating activities (A)</b>	-	<b>(8500.35)</b>	-	<b>(1681.61)</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	-	-	-	-
Proceeds from sale of fixed assets (refer to note iii below)	-	4050.58	-	324.38
Purchase of Shares	-	(65.01)	-	-
Cash flow from exceptional/extraordinary items	-	-	-	-
Proceeds from sale of investments	-	-	-	-
Net income tax (paid) / refunds	-	-	-	-
<b>Net cash flow from / (used in) investing activities (B)</b>	-	<b>3985.57</b>	-	<b>324.38</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from long-term borrowings*	2312.21	-	1165.03	-
Proceeds from other short-term borrowings	2941.24	-	233.01	-
Finance cost	(612.95)	-	(56.24)	-
Interest on IT refund	-	-	0.035	-
	4640.50	4640.50	1341.83	1341.83
<b>Net cash flow from / (used in) financing activities (C)</b>	-	<b>4640.50</b>	-	<b>1341.83</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	-	<b>125.71</b>	-	<b>(15.40)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	-	<b>3.73</b>	-	<b>19.14</b>
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	-	-	-	-
<b>Cash and cash equivalents at the end of the year</b>	-	<b>129.44</b>	-	<b>3.73</b>



Reconciliation of Cash and cash equivalents with the Balance Sheet:					
Cash and cash equivalents as per Balance Sheet		-	129.44	-	3.73
Less: Bank balances not considered as Cash and cash equivalents		-	-	-	-
Add: Current investments considered as part of Cash and cash equivalents		-	-	-	-
Cash and cash equivalents at the end of the year *		-	129.44	-	3.73
* Comprises:					
(a) Cash on hand		-	1.91	-	1.18
(b) Balances with banks					
(i) In current accounts		-	127.52	-	2.54
(ii) In earmarked accounts (Refer Note below)		-	0.01	-	0.01
		-	129.44	-	3.73
NOTES:					
(i) These earmarked account balances with banks can be utilized only for the specific identified purposes. The details of the said account is given in Note no. 9 forming part of financial statements.					
(ii) The increase in the proceeds in long term borrowings are due to regrouping of other current liabilities to long term borrowings.					
(iii) The Company has transferred the idle asset viz. land into inventory at fair market value owing to this the cash flow shows the investment in inventory and generation of cash flow from proceeds from sale of assets, for details refer to Note 7.					
Summary of Significant Accounting policies			2 - 3		
The accompanying notes to the financial statements					
The notes referred to above form an integral part of financial statements					
As per our report of even date attached		For and on behalf of the Board of Directors			
For Kansariwala & Chevli Chartered Accountants Firm Registration No. 123689W		Damodarbhai Patel Managing Director DIN-00056513		Viral Bhavani Non-executive Director DIN-02597320	
A.H. Chevli Partner Membership No. 038259		Jugal Kishore Jakhotia Chief Financial Officer		Kunjal Desai Company Secretary ACS-40809	
Place – Surat Date – 30 <sup>th</sup> May, 2022		Place – Surat Date – 30 <sup>th</sup> May, 2022			

**Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2022**

**Equity Share Capital**

**(1) Current Reporting Period**

**(₹ In lakhs)**

Particulars	Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated Balance at the beginning of current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
Equity shares of Rs. 10 each fully paid up	2291.14	-	2291.14	-	2291.14

**(2) Previous Reporting Period**

Particulars	Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated Balance at the beginning of current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
Equity shares of Rs. 10 each fully paid up	2291.14	-	2291.14	-	2291.14

**(₹ In lakhs)**

Other Equity	Reserves and Surplus					Items of OCI	(₹ in lakhs)
Particulars	Capital Reserve	Securities Premium	Debenture Redemption Reserve	Revaluation Reserve	Retained Earnings	Remeasurements of net defined benefit plans	Total
Balance as at 31st March' 2020	3669.21	5192.97	-	-	(33747.32)	0.65	(24884.84)
Profit for the year	-	-	-	-	(12365.85)	-	(12365.85)
Income for the year	-	-	-	-	-	-	-
Dividend-Equity Share	-	-	-	-	-	-	-
Corporate Dividend Tax	-	-	-	-	-	-	-
Utilized for set off of Assets	-	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-	-
Transfer from retained earnings	-	-	-	-	-	-	-
Balance as at 31st March, 2021	3669.21	5192.97	-	-	(46113.16)	0.65	(37250.68)
Profit for the year	-	-	-	-	37458.57	-	37458.57
Income for the year	-	-	-	-	-	-	-
Dividend-Equity Share	-	-	-	-	-	-	-
Corporate Dividend Tax	-	-	-	-	-	-	-
Utilized for set off of Assets	-	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-	-
Transfer from retained earnings	-	-	-	-	-	-	-
Balance as at 31st March, 2022	3669.21	5192.97	-	-	(8654.59)	0.65	207.89
Summary of Significant Accounting policies					2-3		
The accompanying notes to the financial statements							
The notes referred to above form an integral part of financial statements							

As per our report of even date attached	For and on behalf of the Board of Directors	
<b>For Kansariwala &amp; Chevli</b> Chartered Accountants Firm Registration No. 123689W	<b>Damodarbhai Patel</b> Managing Director DIN-00056513	<b>Viral Bhavani</b> Non-executive Director DIN-02597320
<b>A.H. Chevli</b> Partner Membership No. 038259	<b>Jugal Kishore Jakhota</b> Chief Financial Officer	<b>Kunjal Desai</b> Company Secretary ACS-40809
Place – Surat Date – 30 <sup>th</sup> May, 2022	Place – Surat Date – 30 <sup>th</sup> May, 2022	

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2022

### 1. (A) COMPANY OVERVIEW

The Baroda Rayon Corporation Limited is a public limited company incorporated and has its registered office at P.O. Baroda Rayon, Udhna Dist., Surat -394220 (Gujarat) in India.

The company was in the business of manufacturing and sale of Viscose Filament yarn, Nylon yarn and By product from its manufacturing facility at Udhna, Surat in Gujarat state. However entire operational activities of this segment is stand still since August 2008.

The company added real estate business in its object clause and amended its object clause in Memorandum Of Association accordingly.

### (B) Recent Accounting Developments:

The amendments to Schedule III of the Companies Act 2013, are applicable to the Company with effect from April 01, 2021. The Company has given effect of the amendments by inclusion of the relevant disclosure by way of additional notes or explanatory notes where ever required. On 23rd March 2022, The Ministry of Corporate Affairs has brought out certain amendments in Ind AS 103 "Business Combination", Ind AS 16 "Property Plant & Equipment and Ind AS 37 "Provision, Contingent Liabilities and Contingent Assets". The Company is in the process of evaluating the impact of these amendments on the financial statements of the Company

### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

#### (a) **Basis of preparation and compliance with Ind AS**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

#### (b) **Basis of measurement**

The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial instruments and defined benefit plans which have been measured at fair value as required by the relevant Ind AS. Refer note 3(c) and 3(h) below.

#### (c) **Functional and presentation currency**

The financial statements are prepared in Indian Rupees, which is the Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lacs with two decimals.

#### (d) **Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result

in its settlement by the issue of equity instruments do not affect its classification.

Current assets/liabilities include current portion of noncurrent financial assets/liabilities respectively. All other assets/liabilities are classified as non-current. Deferred tax liabilities are classified as non-current liabilities.

Operating cycle:

Based on the nature of the operations and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Company has ascertained its operating cycle less than twelve months for the purpose of current non-current classification of assets and liabilities.

### 3. **SIGNIFICANT ACCOUNTING POLICIES**

#### **3.1 Statement of Compliance:**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

#### **3.2 Accounting Policies:**

##### **a. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be measured reliably.

##### **Sale of goods:**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have been transferred to the buyer.

Revenue from sale of goods is net of taxes and recovery of charges collected from customers like transport, packing etc. Provision is made for returns when appropriate. Revenue is measured at the fair value of consideration received or receivable and is net of price discounts, Freight, allowance for volume rebates, and similar items.

##### **Other Income**

Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest.

##### **b. Property, Plant and Equipment**

Freehold land is carried at historical cost and revaluation cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Costs include freight, import duties, non-refundable purchase taxes and other expenses directly attributable to the acquisition of the asset.

##### **Depreciation/amortization:**

Depreciation on fixed assets is provided on straight line method over the useful lives of assets specified in Schedule II of the Companies Act, 2013.

The range of estimated useful lives of Property, Plant & Equipment's are as under:

Category	Useful Life
Buildings	30 Years
Plant, Machinery	7-15 Years
Moulds& Dies	8 Years
Furniture & Fixture	10 Years
Office Equipment	5 Years
Vehicles	8 Years

Electric Installation	10 Years
Laboratory Testing Equipment's	10 Years
Computers	3 Years

The management believes that the useful life as given above represent the period over which the management expects to use these assets. The Company reviews the useful life and residual value at each reporting date.

The Company has applied the rate of depreciation on the basis of residual value of above fixed assets as contemplated in Schedule II of Companies Act' 2013, as the entire fixed register have been updated with physical verification. As all the plants are very old, the useful life of assets are completed as per the years mentioned in the Schedule II of the Companies Act' 2013. Consequently, the net block of assets is consisting of residue value to the extent of 5% of cost and revaluation portion.

## c. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### (i) Financial assets

#### Initial recognition

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

#### Subsequent measurement

Financial assets, other than equity instruments, are subsequently measured at amortized cost, fair value through other comprehensive income & fair value through profit or loss.

#### a. Measured at amortized cost:

A financial asset is measured at amortized cost, if it is held under the hold to collect business model i.e. held with an objective of holding the assets to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest on the principal outstanding. Amortized cost is calculated using the effective interest rate ("EIR") method by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. On derecognition, gain or loss, if any, is recognised to Statement of Profit and Loss.

#### b. Measured at fair value through other comprehensive income

A financial asset is measured at FVOCI, if it is held under the hold to collect and sell business model i.e. held with an objective to collect contractual cash flows and selling such financial asset and the contractual cash flows are solely payments of principal and interest on the principal outstanding. It is subsequently measured at fair value with fair value movements recognized in the OCI, except for interest income which recognized using EIR method. The losses arising from impairment are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognized in the OCI is reclassified from the equity to Statement of Profit and Loss.

#### c. Measured at fair value through profit or loss

Investment in financial asset other than equity instrument, not measured at either amortised cost or FVOCI is measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

#### Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.



## **(ii) Financial Liabilities**

### **Initial Recognition**

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognized at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts and derivative instruments.

### **Subsequent measurement**

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

#### **a. Financial liabilities at amortized cost (Loans & Borrowings):**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

#### **b. Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and designated upon initial recognition as at fair value through profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

### **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and loss.

## **(iii) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## **(iv) Income/Loss recognition**

### **Interest income:**

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

### **Dividends:**

Dividend income from investments is recognized when the right to receive it is established.

### **Borrowing costs:**

Borrowing costs are recognized as expenses in the Statement of Profit and loss in the period in which they are incurred.

## **d. Impairment of financial assets**

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets are impaired. If any such indication exists, the Company estimates the amount of impairment loss. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in profit or loss. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount

of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

**e. Inventories**

Inventories are stated at the lower of cost (net of GST where applicable) and the net realizable value. Cost of inventories includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

In respect of raw materials, cost is determined on specific identification method, while cost of stores and spares is determined on First-in First-out basis.

Finished goods include all direct costs and apportionment of production overheads.

Net realisable value is estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

However after closure of manufacturing activity there are no records required to be maintained as there were no activity, accordingly there is no question of any discrepancies to be reported.

**f). Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the comprehensive income or in equity. In which case, the tax is also recognized in other comprehensive income or equity

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

Minimum Alternative Tax ('MAT') credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period. However the Company is not under the MAT provision as per previous BIFR status and it is exempted from the MAT provision, which will be continued status under IBC 2016.

**g). Employees Benefits**

The company provides following post-employment plans:

- (a) Defined benefit plans such as gratuity and
- (b) Defined contribution plans such as Provident fund & ESIC

The company was following the above plans till the company was in operations till August 2008. Since last two years company is paying in above plans out of its own financial arrangements.

**h). Provisions and contingencies**

A provision is recognized if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present

obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

**i). Earning per share**

Basic EPS is arrived at based on net profit after tax available to equity shareholders to the weighted average number of equity shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

**j). Cash and cash equivalents**

Cash and Cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value. Where original maturity is three months or less.

**k). Cash flow statement**

Cash flows are reported using the indirect method where by the profit before tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**l). Use of estimates and judgements**

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date

The above policies were followed to the extent wherever applicable. Subsequently there were no activities carried, hence there is no specific requirement for adherence of accounting policies. However, there is no specific information relating to any change of policies due to loss of key managerial personnel in accounts as well as finance department.

**m). Non-current assets (or disposal groups) held for sale and discontinued operations:**

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of the carrying amount and the fair value less cost to sell. An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition. Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Non-current assets (or disposal group) classified as held for sale are presented separately in the balance sheet. Any profit or loss arising from the sale or remeasurement of discontinued operations is presented as part of a single line item in statement of profit and loss.

**Critical estimates and judgment in applying accounting policies**

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Information about estimates and judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

**i) Provisions and contingencies**

A provision is recognized if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be

required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

**ii) Accounting policy on taxation**

In preparing financial statements, the Company recognizes income taxes of the jurisdiction in which it operates. There are certain transactions and calculations for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. The uncertain tax positions are measured at the amount expected to be paid to taxation authorities when the Company determines that the probable outflow of economic resources will occur. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

**iii) Fair value measurement:**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or to settle a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or to settle a liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 — other techniques for which all input which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 — Inputs which are not based on observable market data

#### 4. Property, plant and equipment

(₹ in lakhs)

	Description of Assets	Freehold Land	Roads	Plant & Machinery	Waterworks & Pipeline	Total
<b>I. Gross Block</b>						
	Balance as on April 1, 2020	3851.52	33.48	4653.92	200.69	8739.61
	Additions	-	-	-	-	-
	Disposals	-	-	-	-	-
	<b>Balance as on March 31, 2021</b>	<b>3851.52</b>	<b>33.48</b>	<b>4653.92</b>	<b>200.69</b>	<b>8739.61</b>
	Additions	-	-	-	-	-
	Disposals	-	-	-	-	-
	Converted to Stock-in-trade	3851.52	-	-	-	3851.52
	<b>Balance as on March 31, 2022</b>	<b>-</b>	<b>33.48</b>	<b>4653.92</b>	<b>200.69</b>	<b>4888.09</b>
						-
<b>II. Accumulated Depreciation and Impairment</b>						
	<b>Balance as on April 1, 2020</b>	<b>-</b>	<b>31.81</b>	<b>4421.22</b>	<b>190.66</b>	<b>4643.68</b>
	Additions	-	-	-	-	-
	Disposals	-	-	-	-	-
	Balance as on March 31, 2021	-	31.81	4421.22	190.66	4643.68
	Additions	-	-	-	-	-
	Disposals	-	-	-	-	-
	<b>Balance as on March 31, 2022</b>	<b>-</b>	<b>31.81</b>	<b>4421.22</b>	<b>190.66</b>	<b>4643.68</b>
<b>III Net Block</b>						
	<b>Balance as on March 31, 2022</b>	<b>-</b>	<b>1.67</b>	<b>232.70</b>	<b>10.03</b>	<b>244.40</b>
	<b>Balance as on March 31, 2021</b>	<b>3851.52</b>	<b>1.67</b>	<b>232.70</b>	<b>10.03</b>	<b>4095.92</b>

Note:

(i) The Company has applied the rate of depreciation on the basis of residual value of above fixed assets as contemplated in Schedule II of Companies Act' 2013, as the entire fixed register have been updated with physical verification. As all the plants are very old, the useful life of assets are completed as per the years mentioned in the Schedule II of the Companies Act' 2013. Consequently, the net block of assets is consisting of residue value to the extent of 5% of cost and revaluation portion.

(₹ in lakhs)

5. Non-current financial assets - Investments	As at 31 <sup>st</sup> March 2022			As at 31 <sup>st</sup> March 2021		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investment in equity instruments at cost						
* (i) 275 Fully paid Equity Shares of Rs. 2/- each of the ICICI Bank Limited	-	-	-	-	-	-
(ii) 333 Fully paid equity share of Rs. 10/- each of Hindustan Oil Exploration Co. Ltd.	0.56	-	0.56	0.56	-	0.56
* (iii) 10 Shares of Rs. 20/- each fully paid of the Surat Jilla Sahakari Kharid Vechan Sangh Limited	-	-	-	-	-	-
(iv) 772753 Ordinary Shares of Rs. 100/- each of Thai Baroda Industries Ltd.	-	574.85	574.85	-	574.85	574.85

(v) 245000 Equity Shares of Rs. 10/- each of Advaita Trading Pvt. Ltd.	-	24.50	24.50	-	24.50	24.50
(vi) The Mehsana Urban Co-op. Bank Ltd.	-	5.00	5.00	-	-	-
(vii) Surat National Co-operative Bank Ltd.	-	22.51	22.51	-	-	-
(viii) The Sutex Co-op. Bank Limited	-	37.50	3.50	-	-	-
(ix) DSP Mutual Fund	-	1.30	1.30	-	-	-
<b>Total</b>	<b>0.56</b>	<b>665.66</b>	<b>666.22</b>	<b>0.56</b>	<b>599.35</b>	<b>599.91</b>
Aggregate amount of quoted investments			0.56			0.56
Market value of quoted investment			2.74			1.01
Aggregate amount of unquoted investment			665.66			599.35

\*Amount is nominal.

**Note** - Comprehensive income/loss consisting of Equity Investments measured at Fair Value (Net of Tax) is not taken into account for FY 2021-22 as the amount is negligible and will be considered in next financial year.

(₹ in lakhs)		
<b>6. Other non-current assets</b>	<b>As at 31<sup>st</sup> March 2022</b>	<b>As at 31<sup>st</sup> March 2021</b>
Balance with government authorities (refer note no 1&2 below) (Unsecured, considered good)		
- GST (CENVAT & Service Tax) credit receivable	28.02	28.02
- Deposit against GST	-	71.47
- Deposit (FD)	238.00	-
- Interest accrued but not due (FD)	9.81	-
Advance recoverable in cash or kind (refer note no. 3 below)	443.78	223.50
<b>Total</b>	<b>719.61</b>	<b>322.99</b>
<b>NOTE-</b>		
1. GST (CENVAT & Service tax) receivable of ₹ 28,02,445/- includes ₹ 25,00,000/- towards deposit against Order passed by CESTA and ₹ 3,02,445/- towards disputed matter of service tax & Capital goods CENVAT matter.		
2. GST recoverable includes credit balances of CETVAT, Service tax etc. transferred to GST Account as on 01/07/2017 which remains unutilized on account of no operation activity.		
3. The advances recoverable in cash or kind includes advances for expenses, staff loan, prepaid expenses, security deposit etc.		

(₹ in lakhs)		
<b>7. Inventories</b>	<b>As at 31<sup>st</sup> March 2022</b>	<b>As at 31<sup>st</sup> March 2021</b>
(At lower of cost and net realizable value)		
Stores and spares	37137.69	-
<b>Total</b>	<b>37137.69</b>	<b>-</b>
Note – The management is restructuring the business for strategic planning to utilise the idle asset into profitable venture by way of starting Real Estate business. As a result, Company's Freehold Land amounting to ₹ 38,51,52,000/- as per Balance Sheet is transferred to stock in trade at realisable value of ₹ 3,71,37,69,192/- as per valuation reports obtained by the management from Government Approved Valuer. The Company has altered its MOA by addition of real estate business as additional object of business. As such the difference of ₹ 3,32,86,17,192/- is credited to profit & loss account. In view of provision of section 45(2) of the Income Tax Act, 1961, conversion of capital asset into stock-in-trade of a business shall be chargeable to income tax as its income of the year in which such stock-in-trade is sold or otherwise transferred. As such, in the current year, there will be no Tax/ MAT liability.		

(₹ in lakhs)		
<b>8. Trade Receivables</b>	<b>As at 31<sup>st</sup> March 2022</b>	<b>As at 31<sup>st</sup> March 2021</b>
Trade Receivables	4.76	-
<b>Total</b>	<b>4.76</b>	<b>-</b>

Trade Receivables ageing schedule

(₹ in lakhs)						
Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 6 months	6 months - 1 year	2-3 years	more than 3 years	Total



(i) Undisputed trade receivables	-	-	-	-	-	-
Considered Good	-	0.04	4.72	-	-	4.76
Which have considerable increase in credit risk	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-
(ii) Disputed trade receivables	-	-	-	-	-	-
Considered Good	-	-	-	-	-	-
Which have considerable increase in credit risk	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-
<b>TOTAL</b>		<b>0.04</b>	<b>4.72</b>	<b>-</b>	<b>-</b>	<b>4.76</b>

(₹ in lakhs)

9. Current Financial assets – Cash & cash equivalents	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Cash on hand	1.92	1.18
Balance with banks in current accounts	127.52	2.54
Balance with banks in current accounts (inoperative accounts)	0.01	0.01
<b>Total</b>	<b>129.45</b>	<b>3.73</b>
<b>NOTE</b> - There are 2 in-operative current account of the Company and is under process of closure of the same. The balances are subject to confirmation.		

(₹ in lakhs)

10. Other current assets	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Advance given to employees as per direction of Hon'ble High Court of Gujarat (As per Workmen's Settlement)	840.56	3454.24
<b>Total</b>	<b>840.56</b>	<b>3454.24</b>

11. Equity share capital	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March, 2021
	₹ In lakhs	₹ In lakhs
<b>A. Authorized share capital</b>		
13,00,00,000 Equity share of Rs. 10/- each with voting rights (previous year 13,00,00,000 eq. share of Rs. 10/- each)	13000.00	13000.00
2,00,00,000 Redeemable Preference share of Rs. 10/- each (previous year 2,00,00,000 redeemable preference share of Rs. 10/- each)	2000.00	2000.00
<b>Total</b>	<b>15000.00</b>	<b>15000.00</b>
<b>B. Issued, subscribed and fully paid up</b>		
2,29,11,359 Equity share of Rs. 10/- each with voting rights (previous year 2,29,11,359 equity share of Rs. 10/- each)	2291.14	2291.14
<b>Total</b>	<b>2291.14</b>	<b>2291.14</b>

**Footnote –**

**(i) Reconciliation of equity share capital with voting rights outstanding at the beginning and at the end of the year:**

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	Number of shares	Amount in lakhs	Number of shares	Amount in lakhs
Equity shares at the beginning of the year	22911359	2291.14	22911359	2291.14
Movement during the year	-	-	-	-
Equity shares at the end of the year	22911359	2291.14	22911359	2291.14

**(ii) Terms & rights of shareholder:**

The company has one class of equity shares having face value of ₹ 10/- each. Each shareholder is eligible for one vote per share held.

**(iii) Shareholder holding more than 5% shares in the company:**

Name of shareholders	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No. of shares	% of holding	No. of shares	% of holding
Kanchenjunga Texturisers Pvt. Ltd.	7401202	32.30%	7401202	32.30%

Sejima Texyarn Pvt. Ltd.	4417500	19.28%	4417500	19.28%
Ramsons Properties Pvt. Ltd.	3598200	15.71%	3598200	15.71%
Shivalik Golf & Forests Resorts Ltd	2620000	11.44%	2620000	11.44%

(iv) Disclosure of shareholding of promoters:

Class of shares / Name of Promoters	As at 31 March, 2022		As at 31 March, 2021		% changes during the year
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	
<b>Equity shares with voting rights:</b>					
Kanchenjunga Texturisers Pvt. Ltd.	7401202	32.30	7401202	32.30	-
Shivalik Golf & Forests Resorts Ltd	2620000	11.44	2620000	11.44	-
Gaekwad Investments Corp. Pvt. Ltd.	453255	1.98	453255	1.98	-
Harmony Investments Pvt. Ltd.	89449	0.39	89449	0.39	-
Gokarna Investments Pvt. Ltd.	62156	0.27	62156	0.27	-
*Shree Durga Ind Controls Pvt. Ltd.	61972	0.27	61972	0.27	-
Sangramsinh P Gaekwad	60810	0.27	60810	0.27	-
Indreni Holdings Pvt. Ltd.	38377	0.17	38377	0.17	-
Annapurna Texturisers Pvt. Ltd.	37259	0.16	37259	0.16	-
Sangramsinh Gaekwad (HUF)	18376	0.08	18376	0.08	-
Pratapsinh Sangramsinh Gaekwad	14618	0.06	14618	0.06	-
Prasang Holdings Pvt. Ltd.	14478	0.06	14478	0.06	-
Asha Raje Gaekwad	10000	0.04	10000	0.04	-
Tapti Synthetics Pvt. Ltd.	6120	0.03	6120	0.03	-
Priyadarshini Raje Scindia	4620	0.02	4620	0.02	-
Ganesh Kumari Shreshta	285	0.00	285	0.00	-
Samarjitsinh Gaekwad	170	0.00	170	0.00	-
<b>Total Promoter's Holding</b>	<b>10893147</b>	<b>47.54</b>	<b>10893147</b>	<b>47.54</b>	<b>-</b>

\*Company is struck off.

**12. Other Equity**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Capital Reserve	3669.21	3669.21
Securities Premium Account	5192.97	5192.97
Retained Earnings	(8654.59)	(46113.16)
Other Comprehensive Income	0.66	0.66
<b>Total</b>	<b>208.25</b>	<b>(37250.32)</b>

(₹ in lakhs)

13. Non current financial liabilities – Borrowings	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Secured –</b>		
Loan from Banks	2942.40	-
Loan from body corporates	5860.68	5678.07
<b>Unsecured –</b>		
Loan from body corporates	13714.31	14344.69
Loan from directors	-	182.42
<b>Total non current financial borrowings</b>	<b>22517.39</b>	<b>20205.18</b>

**NOTE:**

a) As per the Modified Debt Restructuring Scheme (MDRS) the company had availed loans from Bhavani Syntex Limited, Ramsons Properties Pvt. Ltd. and Unipat Rayon Ltd. by the way of assignment of debt. These debts have become overdue, however the Company has not made interest provision for the said debt. The interest provision will be made at the time of final settlement. The debt was assigned by way of Deed of Assignment dated 28.05.2019.

b) The company has availed loan from The Mehsana Urban Co-operative Bank Ltd., Surat National Co-operative Bank Ltd. & The Sutex Co-operative Bank Ltd. aggregating to Rs. 64 crores.

c) Unsecured loan from Corporate Body is also part of MDRS scheme. It has become overdue and Company has yet to make provision for interest. As the Company could not make the payment of unsecured loans as per stipulated time as mentioned in MDRS scheme, the unsecured loans has been regrouped under above long term unsecured loans from other current liabilities.

**Repayment schedule and nature of security -**

Particulars	Nature of security	Upto 1 year	1 – 2 years	3 years & more
1) Secured loans From Body Corporate	Fixed Assets	1172.14	1953.56	3907.12
From Bank	Fixed Assets includes immovable properties, personal guarantees of directors and corporate guarantee	3067.27	2942.40	-
2) Unsecured loans From Body Corporates	NIL	2742.86	4571.44	9142.87

**Statement of principal terms of secured loans from Banks**

(₹ in lakhs)

Name of Lender	Purpose	Securities offered	Re-payment Schedule	Outstanding Amount
Surat National Co Op Bank	For Payment of Government Dues and Employees Dues	Plant & Machinery	Payable in 24 EMI of Rs. 42.37 lakhs after 6 month moratorium Period	798.42
The Mehsana Urban Co Op Bank	For Payment of Employees Dues as per high court order	Plant & Machinery	Payable in 24 EMI of Rs.188.29 lakhs after 9 month moratorium Period	3881.80
The Sutex Co Op Bank	For Payment of Employees Dues as per high court order	Land	Payable in 24 EMI of Rs. 75 lakhs after 6 month moratorium Period	1329.45

(₹ in lakhs)

14. Current Financial liabilities – Borrowings	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Secured -</b>		
Loan from Banks (current maturity of long term borrowing)	3067.27	-
Loan from Body Corporates	1172.14	1135.61
<b>Unsecured -</b>		
Inter-corporate deposit	2742.86	2868.94
Deposit – refer note below	1.95	1.95
Loan from directors	-	36.48
<b>Total current financial borrowings</b>	<b>6984.22</b>	<b>4042.98</b>
<b>Note –</b> Fixed Deposits of ₹ 1.95 lakhs are yet to be paid as the matter is disputed in various courts.		

(₹ in lakhs)

15. Current Financial liabilities – Trade Payables	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Total outstanding dues of micro enterprises and small enterprises (refer note below)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	351.95	384.74
<b>Total</b>	<b>351.95</b>	<b>384.74</b>

**NOTES -** There are no creditors identified as Small, Micro & Medium Enterprise as defined as per MSME' Act, 2006.

(₹ in lakhs)

**Trade Payables ageing schedule**

Particulars	Outstanding for following periods from due date of				
	Less than 1 Year	1-2 Year	2-3 Years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	351.95	351.95
(iii) Disputed Dues - MSME	-	-	-	-	-
(iii) Disputed Dues - Others	-	-	-	-	-
<b>Total</b>	-	-	-	351.95	351.95

(₹ in lakhs)

<b>16. Current Financial liabilities – Others</b>	<b>As at 31<sup>st</sup> March 2022</b>	<b>As at 31<sup>st</sup> March 2021</b>
Liabilities related to Employees/Workers	2267.30	8653.23
<b>Total</b>	<b>2267.30</b>	<b>8653.23</b>

(₹ in lakhs)

<b>17. Other current liabilities</b>	<b>As at 31<sup>st</sup> March 2022</b>	<b>As at 31<sup>st</sup> March 2021</b>
Statutory Liabilities	4218.58	4635.81
Other liabilities	655.52	359.01
<b>Total</b>	<b>4874.11</b>	<b>4994.82</b>
<b>NOTE – Statutory liability includes liability to central and state government.</b>		

(₹ in lakhs)

<b>18. Current liabilities - Provisions</b>	<b>As at 31<sup>st</sup> March 2022</b>	<b>As at 31<sup>st</sup> March 2021</b>
Provision for gratuity	2006.89	6913.57
<b>Total</b>	<b>2006.89</b>	<b>6913.57</b>
<b>NOTE – Refer note 28(i) forming part of the financial statements.</b>		

(₹ in lakhs)

<b>19. Other income</b>	<b>As at 31<sup>st</sup> March 2022</b>	<b>As at 31<sup>st</sup> March 2021</b>
Interest income from Fixed Deposits	10.90	1.46
Interest income from Income Tax Refunds	-	0.04
Profit on sale of asset	4050.58	287.46
Interest income on Industrial Tribunal Deposit	35.30	-
Prior period income	1.30	-
<b>Total</b>	<b>4098.08</b>	<b>288.96</b>

(₹ in lakhs)

<b>20. Changes in Inventories of Finished Goods &amp; Work-in-Progress</b>	<b>As at 31<sup>st</sup> March 2022</b>	<b>As at 31<sup>st</sup> March 2021</b>
Opening Stock	-	-
<b>Sub - Total</b>	<b>-</b>	<b>-</b>
Closing Stock	33286.17	-
<b>Sub - Total</b>	<b>33286.17</b>	<b>-</b>
<b>Total</b>	<b>33286.17</b>	<b>-</b>

(₹ in lakhs)

<b>21. Employee Benefits Expenses</b>	<b>As at 31<sup>st</sup> March 2022</b>	<b>As at 31<sup>st</sup> March 2021</b>
Gratuity	58.30	4394.86
Ex-Gratia	33.46	7392.66
Leave Encashment	2.88	235.31
Director Remuneration	36.00	12.00
<b>Total</b>	<b>130.65</b>	<b>12034.83</b>

(₹ in lakhs)

<b>22. Finance cost</b>	<b>As at 31<sup>st</sup> March 2022</b>	<b>As at 31<sup>st</sup> March 2021</b>
Interest expense on:		
- Borrowings	596.22	-

- Others	16.43	56.00
Other borrowing cost - Bank Charges	0.30	0.24
<b>Total</b>	<b>612.95</b>	<b>56.24</b>

(₹ in lakhs)

<b>23. Other expense</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
AGM expenses	5.45	5.53
Computer expenses	1.83	0.22
Legal expenses	2.90	-
Legal and professional charges	75.92	19.08
Office expenses	2.32	11.66
Other expenses	97.07	35.76
Rates & taxes	31.80	113.83
Insurance Expenses	4.53	-
Impairment of stock	-	5.33
Electricity expenses	8.00	-
Repair & Maintenance	122.25	-
Advertisement expenses	4.66	0.60
Payment to Auditors (refer Note (i) below)	4.00	4.00
Prior period items (net) (Refer Note (ii) below)	69.90	(14.09)
<b>Total</b>	<b>430.62</b>	<b>181.92</b>

**NOTE:**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2022</b>	<b>As at 31<sup>st</sup> March 2021</b>
	₹	₹
(i) Payments to the auditors comprises (net of GST in current year and inclusive of service tax in previous year):		
- Statutory audit fees	4.00	4.00
- Out of pocket expenses	-	-
(ii) Details of Prior period items (net)		
Prior period expenses (Sundry Balances Written off)	69.90	-
Prior period income (Liabilities no longer payable) (refund of excess amount paid earlier of DGVCL.)	-	(14.09)

**24. Earning per share**

(₹ in lakhs)

	<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March, 2022</b>	<b>For the year ended 31<sup>st</sup> March, 2021</b>
		₹	₹
<b>1</b>	<b>Earnings per share</b>		
<b>1.a</b>	<b>Basic &amp; Diluted</b>		
	Net profit / (loss) for the year	37458.57	(12365.85)
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year from attributable to the equity shareholders	37458.57	(12365.85)
	Weighted average number of equity shares	22911359	22911359
	Par value per share	10	10
	Earnings per share from continuing operations - Basic	163.49	(53.97)
<b>1.b</b>	<b>Basic &amp; Diluted (Excluding Extraordinary items)</b>		
	Net profit / (loss) for the year	37458.57	(12365.85)
	Add / (Less): Extraordinary items (net of tax) relating to continuing operations	1248.54	(381.81)
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year from attributable to the equity shareholders	36210.03	(11984.04)
	Weighted average number of equity shares	22911359	22911359
	Par value per share	10	10
	Earnings per share from continuing operations excluding extraordinary items - Basic	158.04	(52.31)

## 25. Contingent Liabilities (Not acknowledge as debt) -

(i) Claims against the Company not acknowledged as debts:

Payment of Excise Duty disputed by the Company in respect of: Input & Capital Goods Matters – ₹ 44,24,28,525/- (Previous Year ₹ 44,24,28,525/-).

(ii) Contingent Liabilities not provided for:

(a) Customs, Excise & Service Tax Appellate Tribunal, Ahmedabad vide its order dated 31.01.2022 has allowed the company to re-export the warehoused goods without payment of duty/fine/penalty if any. Regarding interest on Excise duty, company had requested to BIFR for waiver of interest, fine and penalty on duty for default period and it is also mentioned in circulated MDRS dated 13th October 2015.

(b) Bank Guarantees to Custom ₹ 21,67,562 (Previous year ₹ 21,67,562)

(c) State Government Liabilities

(₹)

Sr. no	Particulars	As at 31/3/2022	As at 31/3/2021
1	Interest on Electricity duty	6,23,09,883	6,23,09,883
2	Interest on Surat canal division	3,87,57,410	3,87,57,410
3	Interest on Maharashtra sales tax	25,64,034	25,64,034
	<b>Total</b>	<b>10,36,31,327</b>	<b>10,36,31,327</b>

Regarding interest on Electricity duty, Surat canal division, company had requested before BIFR for waiver of interest, fine and penalty on duty for default period and company had also submitted an application to Government of Gujarat for waiver of interest etc. on 11/01/2011 as per GR dated 15/07/2010 in the terms of relief and concessions to sick company and. the matter is in process. Further GOG had given the consent before BIFR for relief and concessions to sick company as per their GR.

(d) Central Government Liabilities

(₹)

Sr. no.	Particulars	As at 31/3/2022	As at 31/3/2021
1.	Damages on Provident Fund	7,99,78,890	7,99,78,890
2.	Damages on Employee State Insurance	3,67,38,964	3,67,38,964
	<b>Total</b>	<b>11,67,17,854</b>	<b>11,67,17,854</b>

Regarding damages on Provident Fund & Employee State Insurance, company had requested to BIFR for waiver of damages which is also mentioned in circulated MDRS dated 13<sup>th</sup> October 2015, for which department had given written consent on 23<sup>rd</sup> December, 2015 for waiver of damages subject to recommendation of BIFR/AAIFR.

Further company had deposited the interest amount under section 7Q of The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 before 31<sup>st</sup> March, 2022 and application for waiver of damages before PF Authority as well as ESIC Authority is made in the month of March, 2022.

## 26. Pending Litigation - Various cases filed against the company

(i) Various case of labour matters, excise matters, gratuity matters and criminal cases under section 138 of the Negotiable Instruments Act, 1938 have been filed against the Company during the normal course of business, which are insignificant to affect the existence of the Company in the opinion of the management.

### EVENTS OCCURED AFTER THE DATE OF BALANCE SHEET

(ii) National Company Law Tribunal (NCLT) vide its order dated 13.05.2022 has rejected the appeal filed by one of the operational creditor M/s. Advance Engineering Services stating that the appellant has not been able to establish the extension of limitation as required under Section 18 of the Limitation Act and has disposed off.

27. The balances of Sundry Debtors, Sundry Creditors, Bank balances and Loans & Advances are subject to confirmation and are shown as appearing in the Account.

28. Employee benefit –

(i) The liability for retiring/resigned employee's gratuities payable in accordance with the payment of Gratuities Act and Company's rule are determined and overdue for the employees up to 31<sup>st</sup> March, 2022 is ₹ 20,06,89,488/- (PY ₹ 69,13,57,311/-).



- (ii) The Company has received no dues certificate from Provident fund authorities relating to principal payment of Provident fund. Further company had deposited every month interest on PF contribution under 7Q of The Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The total amount was ₹ 5,09,81,677/- and company had deposited the said amount till 31.03.2022 amount of ₹ 5,09,81,677/- and no outstanding dues are pending under 7Q of Provident Fund Act, 1952. The Provident fund authorities have issued letter to BIFR for waiver of damages for delayed in depositing & payment of P.F. contribution. After depositing interest under 7Q, company has made application for waiver of damages during the month of March, 2022.

29. Income tax –

- a. In view of provision of section 45(2) of the Income Tax Act, 1961, conversion of capital asset into stock-in-trade of a business shall be chargeable to income tax as its income of the year in which such stock-in-trade is sold or otherwise transferred. As such, in the current year, there will be no Tax/ MAT liability.
- b. Company was declared as sick and scheme sanctioned by BIFR on 22/5/2006 and further submitted the MDRS and same was circulated on 13/10/2015 by BIFR. Company had requested to allow the accumulated business losses and depreciation since the losses were incurred in company. During the hearing held on 29/4/2016, 06/06/2016 and 30/06/2016 before BIFR, company had asked to allow the same. Then after company had requested to Income Tax Department to consider this issue and matter is pending with them.
- c. In view of substantial accumulated losses carried forward and unabsorbed depreciation under the Income Tax Act, the Ind AS (12) relating to "Accounting for Taxes on Income" cannot be implemented on Balance Sheet date as sufficient future taxable income is not yet achieved.

30. Borrowings -

- (i) As per the Modified Debt Restructuring Scheme (MDRS) the company had availed loans from Bhavani Syntex Limited, Ramsons Properties Pvt. Ltd. and Unipat Rayon Ltd. by the way of assignment of debt. These debts have become overdue, however the Company has not made interest provision for the said debt. The interest provision will be made at the time of final settlement. The debt was assigned by way of Deed of Assignment dated 28.05.2019.
- (ii) The company has availed loan from The Mehsana Urban Co-operative Bank Ltd., Surat National Co-operative Bank Ltd. & The Sutex Co-operative Bank Ltd. aggregating to Rs. 64 crores.

31. Segment reporting –

As the entire operational activities are standstill since August 2008, there are no material consumption, no inflow and outflow of foreign exchange during the year. Accordingly there are no other business/geographical segments to be reported under Ind AS 108.

32. Capital management –

Under the Modified Draft Restructuring Scheme (MDRS), the Company has availed the loan with immediate object to revive the Company.

The loans mentioned under long term borrowings (refer Note 13) as Secured loans & unsecured loans and amount reported under (Note 14) as short term borrowings are aggregating to ₹ 295,01,61,515/-.

33. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
34. There are no amounts due and payable to Investors Education and Provident Fund as on the date of Balance sheet.
35. The entire operational activities of the company are standstill since August 2008, due to labour & other regulatory issues. Till date there are no plants or units in operation. As a result there is no question of turnover or profitability or impact of COVID-19 on operation of units of the company except uncertainty relating to fair market value of investment, which may decline in future. Management does not expect any adverse impact on its future cash flows and shall be able to continue as a going concern. The Company will continue to monitor future economic conditions for any significant change. The internal financial control over financial reporting, disclosure controls and risk assessment and minimization procedures are maintained, continued and followed and there is no change in the same.

36. Pursuant to violation of terms of agreement, amount of ₹ 12,48,54,000/- which was received as unsecured loan as per sanctioned BIFR scheme has been forfeited by the company and the same is treated as exceptional income of the company.

37. Financial Instruments – Fair value and Risk Management

(i) Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
- 2) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

**The Financial Instruments are categorised in three level based on the inputs used to arrive at fair value measurements as described below:-**

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities. (at cost)

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Inputs which are not based on observable market data

**The carrying amounts and fair values of financial instruments by category are as follows:**

Financial assets						₹
	As at 31st March 2022			As at 31st March 2021		
Particulars	Carrying Amount	Level of Input Used In		Carrying Amount	Level of Input Used In	
	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2
<b>Financial Assets</b>						
<b>At Amortised Cost</b>						
Trade receivables	-	-	-	-	-	-
Cash and cash equivalents	1,29,44,748	-	-	3,73,416	-	-
<b>At FVTPL</b>						
Trade receivables	-	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-	-
Other Bank Balance	-	-	-	-	-	-
<b>At FVTOCI</b>						
Investment	-	6,66,22,534	-	-	599,90,953	-
Trade receivables	-	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-	-
Other Bank Balance	-	-	-	-	-	-
<b>Financial Liabilities</b>						
Borrowings	69,84,22,324	-	-	40,42,98,583	-	-
Trade payables	3,51,94,681	-	-	3,84,73,674	-	-
Other financial liabilities	22,67,30,495	-	-	86,53,23,190	-	-

## (ii) Financial risk management objectives and policies

The Company Financial risk management is an integral part of how to plan and execute its business strategies. The company risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

### (a) Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

### (b) Exposure to interest rate risk

(₹)		
Particulars	As at 31st March'22	As at 31st March'21
Borrowings bearing variable rate of interest	234,91,94,363/-	242,48,16,503/-
Borrowings bearing Fixed rate of interest	60,09,67,152/-	-

### (c) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the company periodically assess financial reliability of customer, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counterparty,
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

### Ageing of Account receivables

(₹)		
Particulars	As at 31st March'22	As at 31st March'21
0-6 months	4,480	-
6 months to 1 year	4,72,000	-
<b>Total</b>	<b>4,76,480</b>	<b>-</b>

### (d) Liquidity Risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time, or at a reasonable price. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The company had access to following undrawn Borrowing facilities at end of reporting period:

(₹)		
Particulars	As at 31st March'22	As at 31st March'21
Variable Borrowing - Cash Credit expires within 1 year	-	-

**(e) Maturity patterns of other Financial Liabilities**

(₹)

Particulars	As at 31st March'22	As at 31st March'21
Trade Payable		
Below 6 Months	-	-
Beyond 6 Months	3,51,94,681/-	3,84,73,674/-
<b>Total</b>	<b>3,51,94,681/-</b>	<b>3,84,73,674/-</b>

**(f) Capital risk management**

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders maintain an optimal capital structure to reduce the cost of capital.

The Company Monitors Capital on the basis of the following debt equity ratio:-(₹)

Particulars	As at 31st March'22	As at 31st March'21
Net Debt	390,01,86,786/-	451,94,53,147/-
Total Equity	24,99,02,598/-	(349,59,54,688/-)
<b>Total</b>	<b>15.61</b>	<b>(1.29)</b>

**38. Related Party Disclosure:**

(₹)

<b>Key Managerial Personnel (KMP)</b>	<b>Designation</b>	
a) Mr. Damodarbhai Patel	Managing Director	
b) Mr. J. K. Jakhotia	Chief Financial Officer	
c) Mr. Kunjal Desai	Company Secretary	
Note:- Related party transaction with related parties during the year ended on 31.03.2021		
<b>Remuneration to Key Management Personnel</b>	<b>2021-22</b>	<b>2020-21</b>
a) Mr. Damodarbhai Patel	36,00,000/-	12,00,000/-
b) Mr. Kunjal Desai	6,00,000/-	5,00,000/-
c) Mr. J. K. Jakhotia	6,00,000/-	5,00,000/-

**39. Ratios**

	Particulars	Numerator	Denominator	2021-22	2020-21	Changes of %	Explanation
(a)	Current Ratios	Current Assets	Current Liabilities	2.42	0.21	1058.73%	Decrease in Current Liability
(b)	Debt Equity Ratio	Debt	Total Equity	15.61	-1.29	1307.24%	Increase in Total Equity
(c)	Debt Service Coverage Ratio	Earning Available for Debt Service	Debt Service	55.50	-216.92	125.59%	Increase in earning available for debt service
(d)	Return on Equity (%)	Net Profit after tax	Average Shareholder's Equity	-230.79%	42.97%	637.08%	Increase in Profit after Tax
(e)	Inventory Turnover Ratio	Cost of Goods sold	Average Inventory	NA	NA	-	-
(f)	Debtors Turnover Ratio	Net Credit Sales	Average Account Receivable	NA	NA	-	-
(g)	Trade Payables Turnover Ratio	Net Credit Purchase	Average Trade Payables	NA	NA	-	-
(h)	Net Capital Turnover Ratio	Net Sales	Average Working Capital	NA	NA	-	-
(i)	Net Profit Ratio (%)	Net Profit	Net Sales	NA	NA	-	-

(j)	Return on Capital Employed (%)	EBIT	Capital Employed	115%	111.35%	3.33%	Increase in EBIT
(k)	Return on Investment (%)	Gain/Loss on Investment	Average Investment	0.18%	0.01%	1229.40%	Increase in Gain on Investments

40. Relationship with stuck off companies:

	Name of Stuck off Company	Nature of Transaction with Stuck off Companies	Balance Outstanding as at 31.03.2022	Relationship with Stuck off Companies	Balance Outstanding as at 31.03.2021	Relationship with Stuck off Company, if any
(a)	Shree Durga Ind Controls Pvt. Ltd.	Shares held by Stuck off Company	-	Promoter Group	-	Promoter Group

41. Other Statutory Disclosures:

- The Company does not have Lease liability and hence no reporting related to the same has been made.
- There has been no revaluation to Property, Plant and Equipment's.
- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company holds all the title deeds of immovable property in its name.
- The Company has not granted any loans or advances to promoter, director, KMP in nature of loan.
- The Company is not declared willful defaulter by bank or financial institution or other lender.
- The Company has not applied for any scheme of arrangement under Sections 230 to 237 of Companies Act, 2013.
- The Company is not covered under Section 135 of Companies Act, 2013. Hence it is not required to make CSR expense.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company have not traded or invested in Crypto Currency or Virtual Currency during the period/year.
- The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.
- The Company does not have number of layer of Companies as prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

For and on behalf of the Board of Directors  
The Baroda Rayon Corporation Limited

**For Kansariwala&Chevli**  
Chartered Accountants  
Firm Registration No. 123689W

**Damodarbhair Patel**  
Managing Director  
DIN-00056513

**Viral Bhavani**  
Non-Executive Director  
DIN-02597320

**A.H. Chevli**  
Partner  
Membership No. 038259

**Jugal Kishore Jakhota**  
Chief Financial Officer

**Kunjai Desai**  
Company Secretary  
ACS-40809

Place – Surat  
Date – 30<sup>th</sup> May, 2022

Place – Surat  
Date – 30<sup>th</sup> May, 2022

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**THE BARODA RAYON CORPORATION LIMITED**  
**Registered Office:** P.O. Baroda Rayon, Fatehnagar, Udhna, Dist. Surat-394220  
**CIN:** L45100GJ1958PLC000892, E-mail ID – [brcsurat@gmail.com](mailto:brcsurat@gmail.com) website-[www.brcl.in](http://www.brcl.in)  
Phone: (0261 – 2899555)

**ATTENDANCE SLIP**

(Please bring this Attendance Slip to the Meeting Hall and hand it over to the entrance)

**62<sup>nd</sup> Annual General Meeting**

I/We hereby record my/our presence at the 62<sup>nd</sup> Annual General Meeting of the Company at Patidar Bhavan, Kadodara, Surat at 09:00 a.m. on Wednesday, September 28, 2022.

Name of Shareholder :  
Registered Address of the Shareholder :  
Ledger Folio No./CI ID /DP ID No. :  
Number of shares held :  
Name of Proxy/Representative, if any :  
Signature of the Member/Proxy :  
Signature of the Representative :

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Form No. MGT – 11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):

.....

Registered Address:.....

E-mail Id:.....

Folio No./Client Id:.....DPID:.....

I/We, being the member(s) holding ..... shares of the above named company, hereby appoint

1.Name.....Address:.....

.....Signature:.....

2. Name.....Address:.....

.....Signature:.....

3. Name.....Address:.....

.....Signature:.....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 62<sup>nd</sup> Annual General Meeting of the Company, to be held on Wednesday, September 28, 2022 at Patidar Bhavan, Kadodara, Surat at 09:00 a.m. and at my adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Type of Resolution	Optional*	
			For	Against
1	Adoption of Audited Financial Statements for the financial year ended March 31, 2022 and reports of the Board of Directors and the Auditors thereon.	Ordinary		
2	Appointment of a Director in place of Mrs. Vidhya Bhavani (DIN-07159576), who retires by rotation and being eligible, offers herself for re-appointment.	Ordinary		
3	Re-appointment of Mr. Damodarabhai Patel (DIN-00056513), as Managing Director of the company.	Special		
4	Appointment of Mr. Viral Bhavani (DIN-02597320) as Whole Time Director of the company.	Special		
5	To authorize Board of Directors to borrow money under section 180(1)(c) of the Companies Act, 2013 and rules made thereunder:	Special		
6	To authorize Board of Directors to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company under section 180(1)(a) of the Companies Act, 2013 and rules made thereunder:	Special		

Signed this ..... Day of ..... 2022.

Signature of Proxy holder(s):..... Signature of Shareholder:.....

Affix  
Revenue  
Stamp  
Of Re. 1/-

**Note:**

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

\* It is optional to put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' of 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

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## Notes

[illegible]

**Book Post**

If undelivered Please return to:  
**THE BARODA RAYON CORPORATION LIMITED**  
P.O. Baroda Rayon, Fatehnagar, Udhna, Dist. Surat - 394220