



The Baroda Rayon Corporation Limited

61st

ANNUAL REPORT

2020-21

THE BOARD OF DIRECTORS:

Mr. Damodarbhai B. Patel

Chairman & 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

Additional Non-Executive Director

(w.e.f – 10/11/2020)

STATUTORY AUDITOR:

Kansariwala & Chevli,
Chartered Accountants,
Surat

COMPANY SECRETARY & COMPLIANCE OFFICER:

Mr. Kunjal Desai

REGISTRAR AND SHARE TRANSFER AGENT:

Link Intime India Pvt. Ltd.
C 101, 247 Park, L BS Marg, Vikhroli West,
Mumbai 400 083

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

61st ANNUAL GENERAL MEETING

Date : Wednesday, 29th September, 2021

Time : 09:00 a.m.

Venue : Patidar Bhavan, Kadodara, Surat-394327



61st

Annual Report

2020-21

The Baroda Rayon
Corporation Limited

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NOTICE

Notice is hereby given that the Sixty First (61st) Annual General Meeting of **THE BARODA RAYON CORPORATION LIMITED** (CIN - L99999GJ1958PLC000892) will be held on Wednesday, the 29th of September, 2021 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 31st March, 2021 together with Directors' and the Auditors' Reports thereon.
2. To appoint a Director in place of Mr. Damodarbai Patel (DIN – 00056513), who retires by rotation and being eligible, offer himself for re-appointment.

SPECIAL BUSINESS:

3. **Appointment of Mr. Viral Bhavani (DIN – 02597320) as Non-Executive Director:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 152, 160 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and on recommendation of Nomination and Remuneration Committee, Mr. Viral Bhavani (DIN - 02597320), who was appointed by the Board of Directors as an Additional Director of the Company in capacity of Professional w.e.f. 10th November, 2020 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Non-executive Director of the Company, whose Office will be liable to determination by retirement of Directors by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be necessary in the interest of the Company to give effect to this resolution.”

4. **Revision in the remuneration of Mr. Damodarbai Patel (DIN-00056513), Chairman and Managing 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** in suppression of the resolution passed by the members at the Annual General Meeting held on 29th September, 2020 and pursuant to recommendation of Nomination and Remuneration Committee and Audit Committee and pursuant to the provisions of Sections 196, 197, 198, 201 and other applicable provisions, if any, of the Companies Act, 2013 and 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, approval of the members be and is hereby accorded to the revision in the remuneration of Mr. Damodarbai Patel (DIN-00056513), Chairman and Managing Director of the company on the following terms & conditions effective from 1st October, 2021 till his current term ending on 11th December, 2022, detailed as under –

| Particulars | Amount |
|--------------------------|-----------------|
| Basic Salary | ₹ 4,00,000 p.m. |
| Perquisites & Allowances | NIL |

RESOLVED FURTHER THAT where in any Financial Year during the tenure of the said Managing Director, the company has no profits or profits are inadequate, the aforesaid remuneration as may be approved by the Board of Directors of the company from time to time shall be paid as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

5. **Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013:**

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

“RESOLVED THAT pursuant to the provisions of Section 14 and other relevant provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the new draft Articles as contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution and to the entire exclusion of the regulations contained in the existing Article of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

6. **Alteration of the Main Object Clause in the Memorandum of Association of the Company:**

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

“RESOLVED THAT pursuant to the provisions of Section 4, 13 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to the approval of competent authorities, consent of the members be and is hereby accorded to alter the Object clause III of the Memorandum of Association of the Company by adding the following sub-clause (1A) after the existing sub-clause 1 thereof:

- (1A) To Carry on in India and abroad the business of builders, developers, contractors, designer, decorators, constructors, managers, advisors, Aggregator & brokers of all types of lands, buildings structure such as houses, colonies, sheds, premises, flats, apartments, township, offices, godowns, shops, factories, hospitals, hotels, holiday resorts, shopping cum-residential complexes, commercial complexes, residential plots, commercial plots, industrial plots and sheds, roads, bridges, channels, culverts and to develop, erect install, alter, improve, add, establish, renovate, recondition, protect, participate, enlarge, repair, demolish, remove, replace, manage, buy, sell, lease, let on hire, commercialize, turn to account, handle & control, all such buildings & structure and to purchase, sale or deal in all types of properties for development, resale and to carry out all infrastructure development and constructions activities & development and constructions activities & developments work for private sector, government departments, semi government departments.

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.”

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 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, 23rd September, 2021 to Wednesday, 29th September, 2021 (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. Members are requested to notify the change in their address to the Registrar and Share Transfer Agent of the company.
9. Members attending the meeting are requested to bring their copy of the Annual Report and the attendance slip attached thereto dully filled in and signed and hand over the same at the entrance of the hall.
10. 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 www.brcl.in.
11. 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.
12. 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.
13. 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. Members are requested to use the share transfer form SH-4 for this purpose.
14. 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.
15. 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 Fatehnagar, 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.

16. 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 2020-2021 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 and may also be accessed from Bombay Stock Exchange website at www.bseindia.com.
17. **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 are advised to avail of the facility of dematerialisation.**
18. **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. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at 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.

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 IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ 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 “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL 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 https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>2. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.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 (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 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.</p> <p>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</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 style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> |

| | |
|--|---|
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> 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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| 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 evoting@nsdl.co.in 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 helpdesk.evoting@cdslindia.com 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.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on 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 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 with a copy marked to 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 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 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

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 www.brcl.in.
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 www.brcl.in.
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 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 26th September, 2021 (9.00 a.m. IST) and ends on Tuesday, 28th September, 2021 (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 22nd September, 2021 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 22nd September, 2021. 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 22nd September, 2021, may obtain the login ID and password by sending a request at 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, 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: 14th August, 2021

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. Viral Bhavani (DIN: 02597320) has been appointed as an Additional Director of the Company in capacity of Professional by the Board of Directors pursuant to Section 161 of the Companies Act, 2013 with effect from 10th November, 2020. He will hold office only up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing under Section 160 of the Companies Act, 2013, signifying one of the member's intention to propose Mr. Viral Bhavani a candidate for the office of the Director of the Company. In the opinion of the Board, Mr. Viral Bhavani fulfils the conditions for his appointment as a Non-executive Director as specified in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall be liable to retire by rotation. Draft copy of letter of Appointment of Mr. Viral Bhavani as a Non-executive Director setting out the terms and conditions is available in physical mode for inspection by members at the Registered Office of the Company at P.O. Fatehnagar, Udhna, Surat – 394220, Gujarat, during the business hours on all working days, between 10.00 a.m. to 5.00 p.m. and also at the 61st Annual General Meeting of the Company.

Accordingly, the Board recommends the resolution as set out in the Item no. 3 of the accompanying Notice for your approval, by passing of an Ordinary Resolution as required in terms of Section 160 of the Companies Act, 2013.

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

Item No. 4 –

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

Further considering the contribution of Mr. Damodarbai Patel and the progress made by the company under his leadership and guidance as per the recommendation of the Nomination & Remuneration Committee, the Board, the members of the company at its meeting held on 29th September, 2020 approved the revision in the remuneration of Mr. Damodarbai Patel for ₹ 2.00 lakhs p.m. w.e.f. 01st October, 2020 till his remaining term as Managing Director on the terms and conditions enumerated in the resolution.

As per the recommendation of Nomination and Remuneration Committee, Audit Committee, the Board at its meeting held on 14th August, 2021 approved the revision of remuneration of Mr. Damodarbai Patel to ₹ 4.00 lakhs p.m. w.e.f. 01st October, 2021 till his remaining term as Managing Director on the terms and conditions enumerated in the resolution.

Pursuant to Section 197 read with Schedule V of the Companies Act, 2013, the revised remuneration of Mr. Damodarbai 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 revision in the remuneration of 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 |
| (2) | Date or expected date of commencement of commercial production | The company was incorporated in the year 1958. Since August 2008 entire operational activities are stand still. |
| (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. 2020-21: 1) Turnover – NIL 2) Profit/(loss) after tax – (₹ 12365.85) lakhs. 3) EPS – (₹ 53.95) |
| (5) | Foreign investments or collaborations, if any. | N.A. |

| | | |
|------|--|---|
| II. | Information about the appointee: | |
| (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 | ₹ 2.00 lakhs p.m. |
| (3) | Recognition or awards | N.A. |
| (4) | Job profile and his suitability | He has been with the company for more than 2 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. | Mr. Damodarbhai Patel has provided unsecured loan to the company. He is related to Mrs. Vidhya Bhavani (DIN-07159576) & Mr. Viral Bhavani (DIN – 02597320) |
| III. | Other information: | |
| (1) | Reasons of loss or inadequate profits | Entire operational activities of the company 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, 2021. | |

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. 5 -

The Article of Association of the Company as currently in force was originally adopted when the Company was incorporated under the Companies Act, 1956 and further amendments were made from time to time over the past several years. The references to specific of the Companies Act, 1956 in the existing Article of Association may no longer be in conformity with the Companies Act, 2013. Considering that substantive sections of the Companies Act which deal with the general working of the Companies stand notified, it is proposed to wholly replace the existing Article of Association to align it with the provisions of Companies Act, 2013 including the Rules framed there under and adoption of specific sections from Table “F” to schedule I to the Companies Act, 2013 which set out the model Article of Association for a Company limited by Shares.

Draft copy of proposed Article of Association of the Company is available in physical mode for inspection by members at the Registered Office of the Company at P. O. Fatehnagar, Udhna, Surat – 394220 Gujarat, during the business hours on all working days, between 10.00 a.m. to 5.00 p.m. and also at the 61st Annual General Meeting of the Company.

The Board recommends the resolution for your approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives are considered to be interested or concerned in the above resolution.

Item No. 6 -

With the various opportunities available in the market, the Board of Directors is of the opinion that there is need for enlarging the scope and diversification of the activities of the Company and therefore, it is proposed to enter into new activities and undertake new activities related to construction and real estate business and providing of related services which can be advantageously carried on with the existing business of the Company. With that end in view, certain modification/additions in the Object Clause of Memorandum of Association have been proposed.

In Board Meeting held on 14th August, 2021, your Directors has decided to carry on new business of construction and real estate by addition of the new object in the Clause III of the Memorandum of Association as set out in the resolution is to facilitate expansion of the business. The proposed object will enable the Company to expand and grow in the real estate business.

Further, the above alteration in the Memorandum of Association of the Company shall require prior approval of shareholders by passing of Special Resolution in General Meeting.

Draft copy of proposed Memorandum of Association of the Company containing necessary alterations is available in physical mode for inspection by members at the Registered Office of the Company at P. O. Fatehnagar, Udhna, Surat – 394220 Gujarat, during the business hours on all working days, between 10.00 a.m. to 5.00 p.m. and also at the 61st Annual General Meeting of the Company.

Accordingly, the Board recommends the resolution as set out in the Item no. 6 of the accompanying notice for your approval, by passing of Special Resolution as required in terms of Section 4 and 13 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company or their relatives are considered to be interested or concerned in the above resolution.

ANNEXURE TO ITEM NO. 2 & 3 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 | Mr. Damodarbai B. Patel | Mr. Viral Bhavani |
| DIN | 00056513 | 02597320 |
| Date of Birth | 12/01/1962 | 10/04/1984 |
| Date of Appointment/re-appointment | 12/12/2017 | 10/11/2020 |
| Terms and conditions of appointment / reappointment | Director liable to retire by rotation | Director liable to retire by rotation |
| Areas of Specialization | Construction and Textile Industry | Textile Industries |
| Qualifications & Expertise | 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. |
| Remuneration last drawn (incl. sitting fees, if any) | ₹ 2 lakh p.m. | - |
| Remuneration proposed to be paid | ₹ 4 lakh p.m. | - |
| No. of Shares Held in the Company | 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) 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. Damodarbai Patel (DIN-00056513) Chairman & Managing Director. 2) He is spouse of Mrs. Vidhya Bhavani (DIN-07159576) Non-Executive Director. |

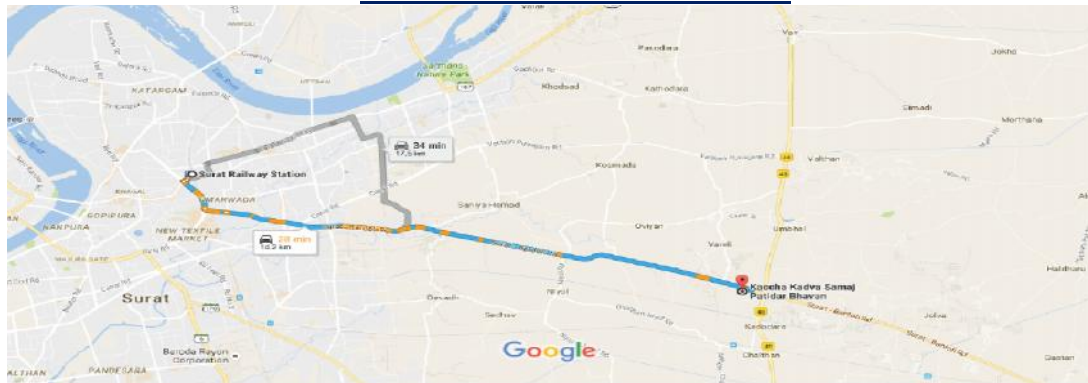
By order of the Board of Directors

Kunjal Desai
Company Secretary
ACS-40809

Place: Surat
Date: 14th August, 2021

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 61st Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2021. The Financial results are shown as below.

Financial Results

| Particulars | (₹ In Lakhs) | |
|--|-------------------|-----------------|
| | 31.03.2021 | 31.03.2020 |
| Income from Sales | NIL | NIL |
| Other Income | 288.95 | 10.56 |
| Total Income | 288.95 | 10.56 |
| Less: Expenditure | 12216.75 | 224.78 |
| Profit/(Loss) before interest, depreciation and tax | (11927.8) | (214.22) |
| Less : Depreciation | NIL | NIL |
| Interest | 56.24 | 38.70 |
| Earlier year tax | NIL | NIL |
| Profit/(Loss) before exceptional/extraordinary item | (11984.04) | (252.92) |
| Exceptional/Extraordinary Item | (381.81) | 2057.65 |
| Profit/(Loss) after Taxes | (12365.85) | 1804.73 |
| Other comprehensive income | NIL | NIL |
| Total comprehensive income | (12365.85) | 1804.73 |

Overview of Company's Financial Performance

Your company's other income of ₹ 288.95 lakhs consist of Profit on sale of assets & Income Tax Refund. Net loss for the year is ₹ 12365.85 lakhs as against profit of ₹ 1804.73 lakhs in the previous year. Total expenditure of your company has increased to ₹ 12216.75 lakhs as against ₹ 224.78 lakhs in previous year on account of payment of workmen's dues.

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. 2020-21.

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, 2021, 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.

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

During the year, the company has availed Industrial term loan facilities from The Mehsana Urban Co-operative Bank Ltd., Sutex Co-operative Bank Ltd. and The Surat National Co-operative Bank Ltd. amounting to ₹ 64 crores (Rupees Sixty Four Crores Only).

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, 2021, 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, 2021 and of the loss 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 2020-21, 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 31st March, 2021 as the matter is under litigation.

Directors and key managerial personnel

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Damodarbai Patel (DIN- 00056513), retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting. Brief profile of Mr. Damodarbai Patel has been given in the Notice convening the Annual General Meeting.

Mr. Viral Bhavani (DIN-02597320) was appointed as Additional Non-Executive Director of the company w.e.f. 10th November, 2020. The Company has received a notice from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Mr. Viral Bhavani for the office of Director. The Nomination & Remuneration Committee and the Board of Directors recommends his appointment. Brief profile of Mr. Viral Bhavani has been given in the Notice convening the Annual General Meeting.

Mrs. Vidhya Bhavani (DIN-07159576), liable to retire by rotation was reappointed as director in the 60th AGM held on 29/09/2020.

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. Damodarbai Patel | – Chairman & Managing Director |
| (ii) Mr. Kunjal Desai | – Company Secretary |
| (iii) Mr. Jugal Kishore Jakhotia | – 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 www.brcl.in.

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 58th AGM of the company for a period of 5 years from the conclusion of 58th AGM till the conclusion of 63rd 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 2020-21, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report for FY 2020-21 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 2021-22.

Related Party Transactions

During the financial year 2020-21, 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 www.brcl.in.

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 31st March, 2021 (including investments made in the previous years) (in equity shares):

| (₹ in lakhs) | |
|------------------------------------|---|
| Name of Company | Amount as at 31 st March, 2021 |
| *ICICI Bank Ltd. | - |
| Hindustan Oil Exploration Co. Ltd. | 0.32 |
| Thai Baroda Industries Ltd. | 574.85 |
| Advaita Trading Pvt. Ltd. | 24.50 |
| Total | 599.67 |

*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:

| (₹ In Lakhs) | | |
|----------------------------|------------|------------|
| | 31.03.2021 | 31.03.2020 |
| 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 31st March 2021 is available on Company's website and can be accessed at www.brcl.in.

Management's view on Statutory Auditors Qualification:

Your Company's applications before the Hon'ble Gujarat High Court are pending and the management desire to act as per the directions given by the respective authorities.

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 – There is a mismatch in the paid up capital as per company and BSE promoters shares are not in demat form. However company is in process to comply the same.

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 www.brcl.in. 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 www.brcl.in. Since your company is having no operative activities, it has not received any complaint on sexual harassment during the financial year 2020-21.

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 is suspended due to penal reasons.

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".

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

1) The Hon'ble High Court of Gujarat passed final order dated 11/01/2021 disposing the Letters Patent Appeals No. 948/2015 and allied LPA's and Civil Applications pursuant to Settlement between company and employees Union on 19/10/2020 and consent terms filed by company after award published by Industrial Tribunal on 21/10/2020.

2) NCLT vide its order dated 27/01/2021 has rejected and disposed off the application of M/s. Advance Engineering Services, operational creditor who had filed an application CP(IB) No. 555/9/NCLT/AHM/2018 with National Company Law Tribunal (NCLT), Ahmedabad Bench against the company under Section 9 of the Insolvency and Bankruptcy Code, 2016 for an amount of ₹ 1,37,93,934.17/-. However the operational creditor has further filled Company Appeal(AT)(Ins)/222/2021 with National Company Law Appellate Tribunal (NCLAT), New Delhi.

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: 14th August, 2021

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, 2021**

[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: L99999GJ1958PLC000892)
P O Fatehnagar, Udhna,
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 **31st March, 2021**, 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 **31st March, 2021** 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 as the Company has not issued any securities);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable as the Company has not issued any shares / options to Directors/employees under the said regulations);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable as the Company has not issued any debts securities which were listed);
 - (f) 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 as the Company is not registered as Registrar to an Issue and Share Transfer Agent);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable as the Company has not opted for delisting); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable as the Company has not done any Buyback of Securities).
- (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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has not complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. However, major non compliances are as under:

- i. *During the year, the Company has not appointed an Internal Auditor as per requirement of Section 138 of the Companies Act, 2013.*
- ii. *During the year, the Company has not provided E-voting Facility in 60th AGM to its Members and also not appointed Scrutinizer for scrutinizing the voting and remote e-voting process in a fair and transparent manner within the meaning of Section 108 of the Companies Act, 2013. Accordingly, the scrutinizers' report was not placed along with Results on website of the Company.*
- iii. *The Company has not complied with Ind AS-19 relating to Employees Benefit (Company has not given any effect of gratuity liabilities as per actual valuation) which is more specially prescribed in Independent Auditors' Report dated 30th June, 2021.*
- iv. *The Company has not complied with Reg. 14, Reg. 31(2), Reg. 36(1), Reg. 44(1), 44(2), 44(3) and Reg. 48 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*
- v. *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.*
- vi. *The Company has not complied with various provisions of SS-1 of Board Meeting and SS-2 of General Meeting issued by the Institute of Company Secretaries of India.*

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.

All decisions made at Board Meetings and Committee Meetings have unanimous consent as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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 long pending litigation related to workmen dues before Industrial Tribunal, Surat and Hon'ble High court of Gujarat was resolved by way of settlement between Company and Employees Union on 19/10/2020. The necessary consent terms filed by the Company after award published by Industrial Tribunal on 21/10/2020 before Hon'ble High Court of Gujarat and accordingly final order was passed on 11/01/2021. Further, the Company had calculated the liabilities of workmen dues including gratuity as per terms and necessary provision was made and recorded in books of the Company. Now Company has initiated the payments to workers according to said consent terms and the Company has paid substantial amount of pending dues.
- (b) Due to mismatch of Distinctive Number Range (DNR) of equity shares, demat accounts of the Promoter and Promoter Group of the Company, and Directors are frozen for all debits since 1st August, 2019.

Place: Surat
Date: 14/08/2021

MANISH R. PATEL
Company Secretary in Practice
ACS No: 19885
COP No. : 9360
Peer Review No. : 929/2020
ICSI Unique Code: I2010GJ763400
ICSI UDIN: A019885C000761769

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.

To,
The Members,
The Baroda Rayon Corporation Limited
(CIN: L99999GJ1958PLC000892)
P O Fatehnagar, Udhna,
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: 14/08/2021

MANISH R. PATEL
Company Secretary in Practice
ACS No: 19885
COP No. : 9360
Peer Review No. : 929/2020
ICSI Unique Code: I2010GJ763400
ICSI UDIN: A019885C000761769

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 2020-21 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.

| Sr. No. | Name of Director/KMP and Designation | Remuneration for the FY 2020-21 | Percentage Increase/ decrease in remuneration in the Financial Year 2020-21 | (₹ in lakhs) |
|---------|--|---------------------------------|---|--|
| | | | | Ratio of Remuneration of each director to the Median Remuneration of Employees |
| 1 | Mr. Damodarbai Patel – Chairman & Managing Director | 12.00 | N.A. | 2.40 |
| 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. Vidhya Bhavani – Non Executive Director | NIL | NIL | N.A. |
| 6 | Mr. Kunjal Desai – Company Secretary | 5.00 | *(16.67) | N.A. |
| 7 | Mr. Jugal Kishore Jakhotia – Chief Financial Officer | 5.00 | *(16.67) | N.A. |

*On account of COVID-19 pandemic.

- The median remuneration of employees of the company during the financial year was ₹ 5.00 lakhs.
- In the F.Y. 2020-21, there is no increase in the median remuneration of the employees.
- As on 31.03.2021 there are three employees on roll of the company.
- 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.
- 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: 14th August, 2021

Damodarbai 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

INDIAN ECONOMIC OVERVIEW

With an overall slowdown in the global economy which is estimated to have contracted by around 3.3% in 2020 on account of COVID-19 pandemic, the prospects in 2021 have shown sizeable improvement and the negative growth is expected to be reversed with positive growth of 6% expected to moderate to 4.4% in 2022. These are unprecedented and uncertain times. Globally, the COVID-19 pandemic has caused massive disruptions across every sphere of human and business activity. There has been an adverse economic impact on people, communities and countries.

The vaccination drive has picked up momentum pan-India and the outlook remains positive with the advent of new vaccines reaching the market. Emerging Markets like India have witnessed a slowdown and there is economic fallout registered on account of sustained lockdowns in various parts of the Country. Growth in India is estimated to have contracted to -7.3% in FY 2021 with the country witnessing a second wave of the pandemic in March, 2021. The localised lockdowns have resumed which are likely to impair economic activity. However, the COVID-19 pandemic has severely impacted economies worldwide. Basis the fallout, the International Monetary Fund has projected a sharp contraction of the global economy to a status much worse than what resulted from the 2008-09 financial crisis.

The measures taken by the government to contain spread of the COVID-19 pandemic have had an impact on the economic activities as well as on the data collection mechanisms. Estimates are, therefore, likely to undergo sharp revisions for the aforesaid causes in due course. V-shaped economic recovery is expected due to mega vaccination drive, recovery in the services sector and strong growth in consumption and investment coupled with resurgence in high frequency indicators such as power demand, rail freight, e-way bills, GST collection, steel consumption, etc.

TEXTILES

Global Textile Industry

The COVID-19 pandemic has impacted each and every business in some way or the other, the global textile industry has been drastically impacted. Asia, being one of the largest markets for textile industry in the world has suffered due to sudden drop in international demand for their products coupled with prolonged lockdowns and restrictions in majority of Asian countries.

Shortage of cotton and other raw materials and several supply chain disruptions have worsened the situation globally. It is estimated that exports to major buying regions in the European Union, United States, and Japan might decline by approx. 70%. The key markets in the textile industry are China, European Union, the United States and India, all of which were affected due to the COVID-19 pandemic.

Indian Textile Industry

The textiles and apparels sector is a major contributor to the Indian economy in terms of foreign exchange earnings and employment. Textile & garments industry in India is expected to reach US\$223 Billion by 2021 from US\$140.4 Billion in 2018. India is the third-largest textile manufacturing industry and contributes approximately 6% to the total textile production, globally.

India ranks 2nd as the largest producer of textiles and garments and is the 5th largest exporter of textiles spanning apparel, home and technical products.

The Indian textile industry is set for growth, buoyed by both strong domestic consumption as well as export demand. Favourable demographic, rising per capital income and a shift in customer preference to branded products is expected to revive the textile industry which has been severely impacted by the COVID-19 pandemic.

The Government of India is working on major initiatives and reforms in the Textile sector, including launch of a 'Mega Integrated Textile Region and Apparel (MITRA) Park' scheme to establish seven textile parks with state-of-the-art infrastructure, common utilities and R&D lab over a three-year period; starting a focused product scheme; positioning the country as a global hub in the man-made fibre (MMF) and technical textiles segments. Competitive advantage, robust demand, favourable government policies, increasing investments and urbanization are expected to be the key drivers for revival of the industry.

APPAREL

Global Apparel Industry

FY 2020-21 brought in a lot of changes for the apparel industry. As the COVID-19 pandemic impacted economies around the world, the apparel industry was significantly affected. Consumer behavior shifted, discretionary spends were curtailed, supply chains were disrupted and towards the end of the financial year many regions were in the grip of a second wave of infections which dampened hopes of a spontaneous revival. 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 second wave of the pandemic muted the consumer sentiments and discretionary spends that are likely to dominate the consumption landscape.

Impact of Covid-19 Pandemic on Textile & Apparel Industry:

The Indian textile and apparel industry has been adversely impacted in the short to mid-term due to lockdown and lower consumer spends. The sector is reeling under liquidity and cost pressure as well due to the unprecedented damage caused by COVID-19. Taking into account India's position as a preferred destination for sourcing textile and apparel products by leading brands worldwide, Indian garmenting sector is getting impacted with deferment and cancellation of orders.

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.

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 | 2020-21 | 2019-20 | 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 | 0.21 | 0.15 | 40 | On account of payment of Employees Outstanding Dues. |
| 5 | Debt Equity Ratio | (1.29) | (1.41) | 8.51 | 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. |

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

For and on behalf of the Board of Directors

Place: Surat
Date: 14th August, 2021

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, 2021, 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, 2021, 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. Damodarbai 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 - ED | Mr. Damodarbai B. Patel Chairman & Managing Director |
| 3. | Non-Executive Independent Directors - NED (I) | Mr. Bhavanjibhai H. Patel Mr. Bhaveshbhai V. Patel Mr. Jayantilal D. Patel |
| 4. | Non-Executive Director – NED | Mrs. Vidhya Bhavani *Mr. Viral Bhavani |

* Appointed as Additional Non-Executive Director w.e.f. 10th November, 2020.

2.2 Board Meetings

- A. The company had 5(Five) Board Meetings during the financial year 2020-21 on 30.06.2020, 31.08.2020, 10.11.2020, 11.02.2021, 30.03.2021. 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 No. of Shares |
|------------------------|----------|----------------|------------------|---|---|---------------|--|
| | | Board Meetings | AGM (29.09.2020) | | As a Member | As a Chairman | |
| Mr. Damodarbai Patel | ED | 5/5 | Yes | 1 | - | - | - |
| Mr. Bhavanjibhai Patel | NED (I) | 5/5 | Yes | 1 | - | - | - |
| Mr. Bhaveshbhai Patel | NED (I) | 4/5 | Yes | 1 | - | - | - |
| Mr. Jayantilal Patel | NED (I) | 3/5 | Yes | - | - | - | - |
| Mrs. Vidhya Bhavani | NED | 4/5 | Yes | - | - | - | - |
| Mr. Viral Bhavani | Add. NED | 2/2 | 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. Damodarbai Patel | - | - |
| Mr. Bhavanjibhai Patel | - | - |
| Mr. Bhaveshbhai Patel | - | - |
| Mr. Jayantilal Patel | - | - |
| Mrs. Vidhya Bhavani | - | - |

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

During the financial year ended March 31, 2021, 60th Annual General Meeting of the company was held on 29th September, 2020.

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

2.5 Details of Shareholding of Non- Executive Directors:

| Name of Director | No. of shares held as on March 31, 2021 | % 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, 2021. 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. Damodarbhai 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 NED (I) |
| 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 2020-21, the Audit Committee of the Company met 5(five) times on 30.06.2020, 31.08.2020, 10.11.2020, 11.02.2021 & 30.03.2021. 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 are as under.

| Name | No. of Audit Committee Meetings attended |
|--|--|
| Mr. Bhavanjibhai H. Patel – Chairman – NED (I) | 5/5 |
| Mr. Bhaveshbhai V. Patel – Member – NED (I) | 4/5 |
| 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

2(Two) meetings were held on 31.08.2020 & 10.11.2020 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.

| Name | No. of Meetings attended |
|--|--------------------------|
| Mr. Bhavanjibhai H. Patel – Chairman – NED (I) | 2/2 |
| Mr. Bhaveshbhai V. Patel – Member – NED (I) | 1/2 |
| Mr. Jayantilal Patel – Member – NED (I) | 1/2 |

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. Damodarbai Patel, Managing Director was paid remuneration for the period ended March 31, 2021.

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 once during 2020-21 on 30.12.2020. The attendance of committee members are as under –

| Name | No. of Meetings attended |
|--|--------------------------|
| Mr. Bhaveshbhai Patel – Chairman – NED (I) | 1/1 |
| Mr. Damodarbhai Patel – Member – ED | 1/1 |
| Mr. Bhavanjibhai Patel – Member – NED (I) | 1/1 |

Details pertaining to the number of complaints received and responded and the status thereof during the financial year ended 31st March, 2021 are as follows:

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

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. www.brcl.in.

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, 2021, 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 2017-18 | FY 2018-19 | FY 2019-20 |
|--------------------|--|--|--|
| Day | Saturday | Saturday | Tuesday |
| Date | 29 th September, 2018 | 28 th September, 2019 | 29 th September, 2020 |
| Time | 10:00 a.m. | 10:00 a.m. | 09:00 a.m. |
| Venue | Patidar Bhavan, Kadodara, Surat-394 327. | Patidar Bhavan, Kadodara, Surat-394 327. | Patidar Bhavan, Kadodara, Surat-394 327. |
| Special Resolution | NIL | 3(Three) | 1(One) |

No special resolution was passed at the 58th Annual General Meeting of the company held on 29th September, 2018.

Three special resolutions were passed at the 59th Annual General Meeting of the company held on 28th 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 60th Annual General Meeting of the company held on 29th September, 2020 for revision in the remuneration of Mr. Damodarbai Patel (DIN-00056513), Managing Director 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. 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 2020-21, 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. 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. The company is already in process of meeting all the requirement of the Stock Exchanges, SEBI and other statutory authorities on matters relating to capital market.

- 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.
- 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 31st March, 2021 confirming the correctness of the financial statements and cashflow 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 2020-21.
- 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, 2021, 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, 2021, 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. | - |
| Total fees | 4.00 |

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.

7. ADDITIONAL SHAREHOLDERS INFORMATION

- Forthcoming Annual General Meeting**
Annual General Meeting : Wednesday, 29th of September, 2021 at 09:00 a.m.
Day, Date, Time & Venue : Patidar Bhavan, Kadodara, Surat-394327
 - Financial period/Calendar** : The financial year of the Company is from April 1st to March 31st each year
 - Date of Book Closure** : Thursday, 23rd September, 2021 to Wednesday, 29th September, 2021.
 - Listing of Stock Exchange** : BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 001, Maharashtra
- The trading of shares is suspended due to penal reasons.
- Stock Code** : 500270
CIN : L99999GJ1958PLC000892
Demat ISIN Number in NSDL & CDSL : INE 461A01024

5. **Registrar and Share Transfer Agents** : Link Intime India Pvt. Ltd.
C 101, 247 Park, LBS Marg, Vikhroli West,
Mumbai 400 083
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 31st March, 2021)**

| 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 | 8143069 | 35.542 |
| NRIs/OCBs | 532244 | 2.323 |
| FII | 435 | 0.002 |
| Indian Public | 2947540 | 12.864 |
| Clearing Members | 634 | 0.003 |
| Total | 22,911,359 | 100.00 |

8. **DISTRIBUTION OF SHAREHOLDING (As at 31st March, 2021)**

| Shareholding of Nominal Value (Rs.) | Shareholder | | Shareholder | |
|-------------------------------------|-------------------|---------------|---------------------|---------------|
| | Number of holders | % of holders | Amount | % of amount |
| 1 – 5000 | 78562 | 99.644 | 16034210 | 6.998 |
| 5001 – 10000 | 128 | 0.162 | 950360 | 0.415 |
| 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 |
| Total | 78,843 | 100.00 | 2,29,113,590 | 100.00 |

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. Sharex Dynamic (India) Pvt. Ltd. Through their DP to convert the same into demat mode. 11,75,085 shares out of 2,29,11,359 shares of the company have been dematerialized as at March 31, 2021.

11,75,085 Equity Shares aggregating to 5.13% of the total Equity Capital is held in dematerialized form as on 31.03.2021 of which 3.66% (8,38,357 Equity Shares) of total equity capital is held with NSDL and 1.47% (3,36,728 Equity Shares) of total equity capital is held with CDSL as on March 31, 2021.

10. **Number of Shareholders** (As at March 31, 2021): **78,843**
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** : Fatehnagar, Surat-395220
13. **Address for correspondence** :

| | |
|---|---|
| The Baroda Rayon Corporation Limited P. O. Fatehnagar, Udhna, Surat – 394220 Gujarat (T) 0261-2899555 Email – brcsurat@gmail.com | Link Intime India Pvt. Ltd. C 101, 247 Park, L BS Marg, Vikhroli West, Mumbai - 400083 (T) 022- 28515644 Email – rnt.helpdesk@linkintime.co.in |
|---|---|

- 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, 2021.

For The Baroda Rayon Corporation Limited

Place: Surat
Date: 14th August, 2021

Damodarbai 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 31st March, 2021 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, 2021 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 31st March, 2021;
 - (ii) Significant changes, if any, in accounting policies made during the year ended 31st March, 2021 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

Damodarbai Patel
Managing Director
DIN-00056513

J. K. Jakhotia
Chief Financial Officer

Date: 14th August, 2021
Place: Surat

Annexure - C

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 – L99999GJ1958PLC000892)
P. O. Fatehnagar, Udhna,
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 L99999GJ1958PLC000892 and having registered office at P. O. Fatehnagar, Udhna, 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) 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 31st March, 2021 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. Damodarbai 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 Damodarbai 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: 14/08/2021

MANISH R. PATEL
Company Secretary in Practice
ACS No: 19885
COP No. : 9360
Peer Review No. : 929/2020
ICSI Unique Code: I2010GJ763400
ICSI UDIN: A019885C000761846

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 31st March, 2021.

Management Responsibility

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the SEBI Listing Regulations. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include but are not limited to verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

Based on the procedures performed by us as referred above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, as applicable for the year ended 31st March, 2021.

Other Matters and Restriction on use

This report 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. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the SEBI Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For Kansariwala & Chevli
Chartered Accountants
(FRN 123689W)

Date: 14th August, 2021
Place: Surat

A. H. Chevli
Partner
Membership No. 038259
UDIN:21038259AAAAFQ8447

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, 2021, 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, 2021, its loss 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 30 to the Standalone financial statements regarding non provision of interest for ₹ 614,71,20,447/- of overdue debts availed under the Modified Draft Restructuring Scheme (MDRS) till March, 2021. No provision for interest has been made in the statement of profit & loss for overdue loans availed in Modified Draft Rehabilitation Scheme (MDRS) for ₹ 242,48,16,503/- hence there is understatement of reported loss and accumulated losses. However Company will settle these interest liabilities in near future.
- (ii) The long pending litigation related to workmen dues before Industrial Tribunal, Surat and Hon'ble High court of Gujarat was resolved by way of settlement between Company and Employees Union on 19/10/2020. The necessary consent terms filed by company after award published by Industrial Tribunal on 21/10/2020 before Hon'ble High court of Gujarat and accordingly final order was passed on 11/01/2021. Further company had calculated the liabilities of workmen dues including gratuity as per terms and necessary provision was made and recorded in books of company. Now Company has initiated the payments to workers according to said consent terms. The company has paid substantial amount of pending dues.
- (iii) According to Ind AS-19 related to employee's benefits, the company has not given any effect of gratuity liabilities as per actuarial valuation, hence the effect of gratuity expenses as per Ind AS-19 is not reported in other comprehensive income. As per information provided by the company, its operational activities are standstill since Aug'2008 and due to non availability of key personnel, there is no detail available for actuarial valuation. However, as per the final order of the High Court of Gujarat, the calculation of Gratuity as per terms of settlement were made and provision is also made in books of accounts of the company. Hence, there will be no more liability in the future.

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 31st March' 2021 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. During the financial year the Company has applied the impairment provision as contemplated in Ind AS 36 and measured the impairment value for ₹ 3,96,88,051/-. However it will not impact the future cash flow as majority of assets are furniture, vehicles and old structure of buildings, which are not utilised for manufacturing and Company has suspended operation from August 2008. 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 33 of the accompanying standalone financial results, as regards the management's evaluation of uncertainties related to COVID-19 and its consequential effects on the carrying value of the assets as at March 31, 2021 and operations of the Company. Our opinion is not modified in respect of this matter.
- iv) We draw attention to Note 34 of the accompanying standalone financial results, as regards to the exceptional item of ₹ 3,81,81,053/- comprises of liabilities written off of ₹ 15,06,998/- and impairment of assets of ₹ 3,96,88,051/-.

Material Uncertainty Related to Going Concern

The accounts have been prepared on going concern basis. However the net worth of the Company had been fully eroded due to the continued losses, the Company's entire operations have become standstill since August'2008 however there are no pending litigation against the Company which may affect the future functioning of the Company. The reported loss for the current year is on account of provision of employees dues as per Final order of the High Court of Gujarat dated 11/01/2021 pursuant to Settlement between company and employees Union on 19/10/2020 and consent terms filed by company after award published by Industrial Tribunal on 21/10/2020 before Hon'ble High court of Gujarat and final order passed on 11/01/2021.

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>Refer Note 23, 24 & 26 to the accompanying standalone financial statements:</p> <p>As on 31st March, 2021, the Company has recognised 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>The principal of Going Concern is also depended on the future project to be conceived by the management.</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: Our procedures included, but were not limited to the following:</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> <p>Based on our procedures, we also considered the adequacy of disclosures in respect of Liabilities related to Employees in the notes to the standalone financial statements. Please also refer to our paragraph of qualified opinion of our report for basis.</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, 2021 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, 2016 ("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) 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 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 24 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.

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

**Date: 30th June, 2021
Place: Surat**

**A. H. Chevli
Partner
Membership No. 038259
UDIN -21038259AAAAEP8339**

Annexure A to the Independent Auditors' Report on Ind AS Financial Statements for the year ended 31st March, 2021.

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, 2021, we report that:

- i. (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed asset (property, plant & equipment).
- (b) According to the information given to us, the management has physically verified the Fixed Assets (property, plant & equipment) of the Company in current financial year. The Company has recognized discrepancies/differences in the verification of Fixed Assets (property, plant & equipment) and has applied the impairment on fixed assets as per Ind AS 36.

- (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.
- ii. In absence of any manufacturing activities, there is no inventory which is subject to verification & valuation and hence this clause is not applicable.
- iii. The Company has not granted any loans to parties covered in the register maintained under Section 189 of the Act. There are no firms /LLPs/ other parties covered in the register maintained under Section 189 of the Act, hence para 3(iii) of the order is not applicable to the company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- 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. | Vat/ Sales Tax | 1,28,37,977/- |
| c. | Employee's State Insurance interest | 59,10,065/- |
| d. | Water Tax & interest thereon | 16,11,45,144/- |
| e. | Electricity Duty (Power plant) | 16,78,01,202/- |
| f. | Surat Municipal Corporation | 3,68,16,731/- |
| g. | Revenue Tax – Mamlatdar Surat | 1,43,44,722/- |

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 THE AMOUNT RELATES | TO THE FORUM DISPUTE PENDING | WHERE IS |
|----------------|--------------------------|-----------------------|-------------------|--|-------------------------------------|-----------------|
| 1. | Central Excise Act, 1944 | Excise Duty | 44,24,28,525/- | 2006-2008 | Tribunal (CESTAT) | |

Note:

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.

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the long term & short term loan taken from the investor have been applied for the purposes for which they were obtained.
- x. 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 explanations

given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

- xi. Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, 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. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year. Accordingly, reporting under this clause is not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

**Date: 30th June, 2021
Place: Surat**

**A. H. Chevli
Partner
Membership No. 038259
UDIN -21038259AAAAEP8339**

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, 2021 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 & 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, 2021, 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: 30th June, 2021
Place: Surat**

**A. H. Chevli
Partner
Membership No. 038259
UDIN -21038259AAAAEP8339**

Balance Sheet as at 31st March, 2021

(₹ In lakhs)

| Particulars | Note No. | As at 31 st March 2021 | As at 31 st March 2020 |
|--|----------|--------------------------------------|--------------------------------------|
| I. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, plant and Equipment | 4 | 4095.92 | 6287.91 |
| (b) Capital Work in progress | - | - | - |
| (c) Financial Assets | | | |
| (i) Investments | 5 | 599.91 | 599.91 |
| (d) Other Non-current assets | 6 | 322.99 | 344.73 |
| Total Non-Current assets | | 5018.82 | 7232.55 |
| (2) Current assets | | | |
| (a) Inventories | 7 | - | 17.89 |
| (b) Financial Assets | | | |
| (i) Trade Receivables | | - | - |
| (ii) Cash and cash equivalents | 8 | 1.18 | 0.20 |
| (iii) Bank Balance other than (ii) above | | 2.55 | 18.94 |
| (c) Other current assets | 9 | 3454.24 | 1891.70 |
| Assets classified as held for sale | | 1758.19 | - |
| Total Current assets | | 5216.16 | 1928.73 |
| TOTAL ASSETS | | 10234.98 | 9161.28 |
| II. EQUITY AND LIABILITIES | | | |
| (1) Equity | | | |
| (a) Equity share capital | 10 | 2291.14 | 2291.14 |
| (b) Other Equity | 11 | (37250.68) | (24884.84) |
| Total Equity | | (34959.55) | (22593.70) |
| (2) Non-current liabilities | | | |
| (a) Borrowings | 12 | 20205.18 | 19040.15 |
| Total Non-current liabilities | | 20205.18 | 19040.15 |
| (3) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 13 | 4042.99 | 3809.98 |
| (ii) Trade payables | 14 | 384.74 | 384.49 |
| (a) total outstanding dues to micro and small enterprises and | | - | - |
| (b) total outstanding dues of creditors other than micro and small enterprises | | 384.74 | 384.49 |
| (iii) Other financial liabilities | 15 | 8653.23 | 699.27 |
| (b) Other current liabilities | 16 | 4994.82 | 5168.76 |
| (c) Provisions | 17 | 6913.57 | 2652.33 |
| Total Current liabilities | | 24989.35 | 12714.83 |
| TOTAL EQUITY AND LIABILITIES | | 10234.98 | 9161.28 |
| Summary of Significant Accounting policies | 2-3 | | |
| The accompanying notes to the financial statements | 4-36 | | |
| 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

Damodarbai Patel
Managing Director
DIN-00056513

Viral Bhavani
Add. 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 – 30th June, 2021

Place – Surat
Date – 30th June, 2021

Statement of Profit and loss for the year ended 31st March, 2021

(₹ In lakhs)

| Particulars | Note No. | As at 31 st March 2021 | As at 31 st March 2020 |
|---|----------|--------------------------------------|--------------------------------------|
| I. Revenue from operation (net) | - | - | - |
| II. Other income | 18 | 288.95 | 10.56 |
| III. Total income | | 288.95 | 10.56 |
| IV. Expenses | | | |
| (a) Cost of Materials Consumed | - | - | - |
| (b) Changes in Inventories of Finished Goods & Work-in-Progress | - | - | - |
| (c) Stock-In-Trade and Work-In-Progress | - | - | - |
| (d) Employee Benefit Expenses | 19 | 12034.83 | 22.32 |
| (e) Finance Costs | 20 | 56.24 | 38.70 |
| (f) Depreciation and Amortization | - | - | - |
| (g) Other Expenses | 21 | 181.92 | 202.46 |
| Total expenses | | 12272.99 | 263.48 |
| V. Profit before tax | | (11984.04) | (252.93) |
| VI. Exceptional item | 34 | (381.81) | 2057.65 |
| VII. Profit before tax and after exceptional item | | (12365.85) | 1804.72 |
| VIII. Tax Expense | | | - |
| (a) Current tax | | | - |
| (b) Deferred tax | | | - |
| (c) Earlier year tax | | | - |
| IX. Profit for the period | | (12365.85) | 1804.72 |
| X. Other comprehensive income | | | |
| (i) Items that will not be reclassified to Statement of Profit and Loss | | - | - |
| (a) Equity Investments measured at Fair Value (Net of Tax) | | - | - |
| Total Other Comprehensive Income | | - | - |
| XI. Total Comprehensive income for the year | | (12365.85) | 1804.72 |
| XII. Earnings per equity share of face value of Rs. 10 each | 22 | | |
| (i) Basic & Diluted | | (53.97) | 7.88 |
| (ii) Basic & Diluted (excl. extraordinary item) | | (52.31) | (1.10) |
| Summary of Significant Accounting policies | 2-3 | | |
| The accompanying notes to the financial statements | 4-36 | | |
| 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

Damodarbai Patel
Managing Director
DIN-00056513

Viral Bhavani
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DIN-02597320

A.H. Chevli
Partner
Membership No. 038259

Jugal Kishore Jakhotia
Chief Financial Officer

Kunjal Desai
Company Secretary
ACS-40809

Place – Surat
Date – 30th June, 2021

Place – Surat
Date – 30th June, 2021

Cash Flow Statements for the year ended 31st March, 2021

(₹ In lakhs)

| Particulars | As at 31 st March 2021 | | As at 31 st March 2020 | |
|---|-----------------------------------|------------------|-----------------------------------|-----------------|
| | ₹ | ₹ | ₹ | ₹ |
| A. Cash flow from operating activities | | | | |
| Net Profit / (Loss) before tax | (12365.85) | - | 1804.72 | - |
| Adjustments for: | | | | |
| Depreciation and amortisation | - | - | - | - |
| (Profit) / loss on sale / write off of assets | (287.46) | - | - | - |
| Expense on employee stock option scheme | - | - | - | - |
| Finance costs | 56.24 | - | 38.70 | - |
| Interest on IT refund | (0.035) | - | - | - |
| Impairment of fixed assets | 396.88 | - | - | - |
| Operating profit / (loss) before working capital changes | (12200.22) | (12200.22) | 1843.42 | 1843.42 |
| Changes in working capital: | | | | |
| Adjustments for (increase) / decrease in operating assets: | | | | |
| Inventories | 17.89 | - | - | - |
| Trade receivables | - | - | - | - |
| Short-term loans and advances | - | - | - | - |
| Long-term loans and advances | 20.75 | - | 7.32 | - |
| Other current assets | (1562.54) | - | 13.00 | - |
| Other non-current assets | - | - | - | - |
| Adjustments for increase / (decrease) in operating liabilities: | | | | |
| Trade payables | 0.25 | - | (3.45) | - |
| Other current liabilities | 7780.03 | - | (2188.32) | - |
| Other long-term liabilities | - | - | - | - |
| Short-term provisions | 4621.24 | - | (55.10) | - |
| Long-term provisions | - | - | - | - |
| | 10517.61 | 10517.61 | (2226.55) | (2226.55) |
| | | (1682.61) | | (383.13) |
| Cash flow from exceptional/extraordinary items | - | - | - | - |
| Cash generated from operations | - | (1682.61) | - | (383.13) |
| Interest Received | | | | |
| Net income tax (paid) / refunds | - | 1.00 | - | - |
| Earlier year tax | - | - | - | - |
| Net cash flow from / (used in) operating activities (A) | - | (1681.61) | - | (383.13) |
| B. Cash flow from investing activities | | | | |
| Capital expenditure on fixed assets, including capital advances | - | - | - | - |
| Proceeds from sale of fixed assets | - | 324.38 | - | - |
| Purchase of Shares | - | - | - | - |
| Cash flow from exceptional/extraordinary items | - | - | - | - |
| Proceeds from sale of investments | - | - | - | - |
| Net income tax (paid) / refunds | - | - | - | - |
| Net cash flow from / (used in) investing activities (B) | - | 324.38 | - | - |
| C. Cash flow from financing activities | | | | |
| Proceeds from long-term borrowings* | 1165.03 | - | 358.00 | - |
| Proceeds from other short-term borrowings | 233.01 | - | 71.60 | - |
| Finance cost | (56.24) | - | (38.70) | - |
| Interest on IT refund | 0.035 | - | - | - |
| | 1341.83 | 1341.83 | 390.90 | 390.90 |
| Net cash flow from / (used in) financing activities (C) | - | 1341.83 | - | 390.90 |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | - | (15.40) | - | 7.77 |
| Cash and cash equivalents at the beginning of the year | - | 19.14 | - | 11.37 |
| Effect of exchange differences on restatement of foreign currency Cash and cash equivalents | | | | |
| Cash and cash equivalents at the end of the year | | 3.73 | | 19.14 |

| Reconciliation of Cash and cash equivalents with the Balance Sheet: | | | |
|---|--|---|--------------|
| Cash and cash equivalents as per Balance Sheet | | 3.73 | 19.14 |
| 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 * | | 3.73 | 19.14 |
| * Comprises: | | | |
| (a) Cash on hand | | 1.18 | 0.20 |
| (b) Balances with banks | | | |
| (i) In current accounts | | 2.54 | 18.93 |
| (ii) In earmarked accounts (Refer Note below) | | 0.01 | 0.01 |
| | | 3.73 | 19.14 |
| 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. 8 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. | | | |
| Summary of Significant Accounting policies | | 2 - 3 | |
| The accompanying notes to the financial statements | | 4 - 36 | |
| 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 | Damodarbai Patel Managing Director DIN-00056513 | Viral Bhavani Add. 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 th June, 2021 | Place – Surat Date – 30 th June, 2021 | | |

Statement of Changes in Equity for the year ended 31st March, 2021

| A. Equity Share Capital | | | |
|---|----------|------------------|--------------|
| Particulars | Note No. | Equity Shares | |
| | 10 | Number of shares | (₹ In lakhs) |
| Balance as at 01st April 2020 | | 22911359 | 2291.14 |
| Changes during the year | | - | - |
| Balance as at 31st March 2021 | | 22911359 | 2291.14 |

(₹ In lakhs)

| Particulars | Reserves and Surplus | | | | | Items of OCI | Total |
|---------------------------------------|----------------------|--------------------|------------------------------|---------------------|-------------------|---|------------|
| | Capital Reserve | Securities Premium | Debenture Redemption Reserve | Revaluation Reserve | Retained Earnings | Remeasurements of net defined benefit plans | |
| Balance as at 31st March' 2019 | 3669.21 | 5192.97 | - | - | (35552.04) | 0.65 | (26689.56) |
| Profit for the year | - | - | - | - | 1804.72 | - | 1804.72 |
| 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, 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) |

Summary of Significant Accounting policies

2-3

The accompanying notes to the financial statements

4-36

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
Add. 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 – 30th June, 2021

Place – Surat
Date – 30th June, 2021

Notes to the Financial Statements for the year ended 31st March, 2021

1. COMPANY OVERVIEW

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

The company is 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.

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**

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.

During the financial year the Company has applied the impairment provision as contemplated in Ind AS 36 and measured the impairment value for ₹ 3,96,88,051/-. However it will not impact the future cash flow as majority of assets are furniture, vehicles and old structure of buildings, which are not utilized for manufacturing and Company has suspended operation from August, 2008 due to labour dispute. 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 utilized for paying worker's liabilities, Statutory/Govt; dues.

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 could not follow the above policies on account of following reasons -

The accounts have been prepared on going concern basis. However the net worth of the Company had been fully eroded due to the continued losses, the Company's entire operations have become standstill since August'2008 and there are no pending litigation against the Company which may affect the future functioning of the Company. The reported loss for the current year is on account of provision of employees dues as per Final order of the High Court of Gujarat dated 11/01/2021 pursuant to Settlement between company and employees Union on 19/10/2020 and consent terms filed by company after award published by Industrial Tribunal, Surat on 21/10/2020 before Hon'ble High court of Gujarat and final order passed on 11/01/2021.

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 up to 31st March, 2021. 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.

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

A. Reconciliation of carrying amount

(₹ in lakhs)

| Description | Gross Block | | | Depreciation | | | | Net Block | |
|--------------------------------|------------------------------|---------------------|----------------|-----------------|-------------------|--------------------------|------------------|------------------|----------------|
| | As at 01.04.20 (Deemed cost) | Addition/ Deduction | As at 31.03.21 | Upto 31.03.20 | Sale/Adjustment | Provided during the year | As at 31.03.2021 | As at 31.03.2021 | As at 31.03.20 |
| Tangible Assets | | | | | | | | | |
| Land (Free hold) | 3851.52 | - | 3851.52 | - | - | - | - | 3851.52 | 3851.52 |
| Roads | 33.48 | - | 33.48 | 31.81 | - | - | 31.81 | 1.67 | 1.67 |
| Buildings | 7043.75 | (7043.75) | - | 6691.56 | (6691.56) | - | - | - | 352.19 |
| Plant & Machinery | 40556.03 | (35902.12) | 4653.92 | 38528.23 | (34107.01) | - | 4421.22 | 232.70 | 2027.80 |
| Tube Wells | 10.21 | (10.21) | - | 9.70 | (9.70) | - | - | - | 0.51 |
| Waterworks & Pipelines | 200.69 | - | 200.69 | 190.66 | - | - | 190.66 | 10.03 | 10.03 |
| Railway siding | 33.31 | (33.31) | - | 31.65 | (31.65) | - | - | - | 1.67 |
| Furniture, Fixture & Equipment | 686.06 | (686.06) | - | 651.75 | (651.75) | - | - | - | 34.30 |
| Cars & Vehicles | 164.28 | (164.28) | - | 156.06 | (156.06) | - | - | - | 8.21 |
| Total | 52579.34 | (43839.73) | 8739.61 | 46291.42 | (41647.74) | - | 4643.68 | 4095.92 | 6287.91 |

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.

(ii) Impairment of Fixed assets (Ind AS 36 compliance)

(₹ in lakhs)

| Assets | Gross Block...(a) | Depreciation...(b) | Impairment...(a-b) |
|--------------------------------|-------------------|--------------------|--------------------|
| Building | 7043.75 | 6691.56 | 352.19 |
| Tube Wells | 10.21 | 9.70 | 0.51 |
| Railway sliding | 33.31 | 31.65 | 1.67 |
| Furniture, Fixture & Equipment | 686.06 | 651.75 | 34.30 |
| Cars & Vehicles | 164.28 | 156.06 | 8.21 |
| Total | 7937.61 | 7540.73 | 396.88 |

These are all impaired assets will not effect the future cash flow as manufacturing activities are suspended from August, 2008.

(iii) Asset held for sale

(₹ in lakhs)

| Assets | Gross Block...(a) | Depreciation...(b) | Asset held for sale...(a-b) |
|-------------------|-------------------|--------------------|-----------------------------|
| Plant & machinery | 35163.70 | 33405.52 | 1758.18 |
| Total | 35163.70 | 33405.52 | 1758.18 |

B. Security

Refer Note No. 12 for details of assets mortgaged.

(₹ in lakhs)

| 5. Non-current financial assets - Investments | As at 31 st March 2021 | | | As at 31 st March 2020 | | |
|--|-----------------------------------|---------------|---------------|-----------------------------------|---------------|---------------|
| | 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 |
| Total | 0.56 | 599.35 | 599.91 | 0.56 | 599.35 | 599.91 |
| Aggregate amount of quoted investments | | | 0.56 | | | 0.56 |
| Market value of quoted investment | | | 1.92 | | | 1.01 |
| Aggregate amount of unquoted investment | | | 599.35 | | | 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 2020-21 as the amount is negligible and will be considered in next financial year.

(₹ in lakhs)

| 6. Other non-current assets | As at 31 st March 2021 | As at 31 st March 2020 |
|---|-----------------------------------|-----------------------------------|
| Balance with government authorities (refer note no 1&2 below) | | |
| - GST (CENVAT & Service Tax) credit receivable | 28.02 | 28.02 |
| - Deposit against GST | 71.47 | 96.49 |
| Advance recoverable in cash or kind (refer note no. 3 below) | 223.49 | 220.22 |
| Total | 322.98 | 344.73 |

NOTE-

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)

| 7. Inventories | As at 31 st March 2021 | As at 31 st March 2020 |
|---|-----------------------------------|-----------------------------------|
| (At lower of cost and net realizable value) | | |
| Stores and spares | - | 17.89 |

(₹ in lakhs)

| 8. Current Financial assets – Cash & cash equivalents | As at 31 st March 2021 | As at 31 st March 2020 |
|---|-----------------------------------|-----------------------------------|
| Cash on hand | 1.18 | 0.20 |
| Balance with banks in current accounts | 2.54 | 18.93 |
| Balance with banks in current accounts (inoperative accounts) | 0.01 | 0.01 |
| Total | 3.73 | 19.14 |

NOTE - 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)

| 9. Other current assets | As at 31 st March 2021 | As at 31 st March 2020 |
|--|-----------------------------------|-----------------------------------|
| Advance given to employees as per direction of Hon'ble High Court of Gujarat (As per Workmen's Settlement) | 3454.24 | 1891.70 |
| Total | 3454.24 | 1891.70 |

| 10. Equity share capital | As at 31 st March 2021 | As at 31 st March, 2020 |
|---|-----------------------------------|------------------------------------|
| | ₹ In lakhs | ₹ In lakhs |
| A. Authorized share capital | | |
| 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 |
| Total | 15000.00 | 15000.00 |
| B. Issued, subscribed and fully paid up | | |
| 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 |
| Total | 2291.14 | 2291.14 |

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 st March 2021 | | As at 31 st March 2020 | |
|--|-----------------------------------|-----------------|-----------------------------------|-----------------|
| | 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 st March, 2021 | | As at 31 st March, 2020 | |
|-------------------------------------|------------------------------------|--------------|------------------------------------|--------------|
| | 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% |

11. Other Equity*

*Refer Statement of changes in equity

| 12. Non current financial liabilities – Borrowings | (₹ in lakhs) | |
|--|-----------------------------------|-----------------------------------|
| | As at 31 st March 2021 | As at 31 st March 2020 |
| Secured – | | |
| Loan from body corporates | 5678.07 | 5731.04 |
| Unsecured – | | |
| Loan from body corporates | 14344.69 | 13170.36 |
| Loan from directors | 182.42 | 138.75 |
| Total non current financial borrowings | 20205.18 | 19040.15 |

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. Please refer Note No. 28.

b) 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. Please refer note 30.

Repayment schedule and nature of security -

| Particulars | Nature of security | Upto 1 year | 1 – 2 years | 3 years & more |
|--------------------|--|-------------|-------------|----------------|
| 1) Secured loans | Fixed Assets includes immovable properties | 946.35 | 1892.69 | 2839.03 |
| 2) Unsecured loans | - | 2390.78 | 4781.56 | 7172.35 |

(₹ in lakhs)

| 13. Current Financial liabilities – Borrowings | As at 31 st March 2021 | As at 31 st March 2020 |
|--|-----------------------------------|-----------------------------------|
| Secured - | | |
| Loan from Body Corporates | 1135.61 | 1146.21 |
| Unsecured - | | |
| Inter-corporate deposit | 2868.94 | 2634.07 |
| Deposit – refer note below | 1.95 | 1.95 |
| Loan from directors | 36.48 | 27.75 |
| Total current financial borrowings | 4042.98 | 3809.98 |

Note –

Fixed Deposits of ₹ 1,95,000/- are yet to be paid as the matter is disputed in various courts.

(₹ in lakhs)

| 14. Current Financial liabilities – Trade Payables | As at 31 st March 2021 | As at 31 st March 2020 |
|--|-----------------------------------|-----------------------------------|
| Total outstanding dues of micro enterprises and small enterprises (refer note below) | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 384.74 | 384.49 |
| Total | 384.74 | 384.49 |

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

| (₹ in lakhs) | | |
|--|--------------------------------------|--------------------------------------|
| 15. Current Financial liabilities – Others | As at 31 st March 2021 | As at 31 st March 2020 |
| Liabilities related to Staff, PF dues , ESIC dues etc. | 8653.23 | 699.27 |
| Total | 8653.23 | 699.27 |

| (₹ in lakhs) | | |
|-------------------------------|--------------------------------------|--------------------------------------|
| 16. Other current liabilities | As at 31 st March 2021 | As at 31 st March 2020 |
| Statutory Liabilities | 4635.81 | 4867.99 |
| Other liabilities | 359.01 | 300.76 |
| Total | 4994.82 | 5168.75 |

NOTE – Statutory liability includes liability to central and state government.

| (₹ in lakhs) | | |
|--------------------------------------|--------------------------------------|--------------------------------------|
| 17. Current liabilities - Provisions | As at 31 st March 2021 | As at 31 st March 2020 |
| Provision for gratuity | 6913.57 | 2652.33 |
| Total | 6913.57 | 2652.33 |

NOTE – Refer note 26(i) forming part of the financial statements.

| (₹ in lakhs) | | |
|---|--------------------------------------|--------------------------------------|
| 18. Other income | As at 31 st March 2021 | As at 31 st March 2020 |
| Interest income from Fixed Deposits | 1.46 | - |
| Interest income from Income Tax Refunds | 0.04 | 10.56 |
| Profit on sale of asset | 287.46 | - |
| *Dividend income | - | - |
| Total | 288.96 | 10.56 |

*Amount is negligible

| (₹ in lakhs) | | |
|--------------------------------|--------------------------------------|--------------------------------------|
| 19. Employee Benefits Expenses | As at 31 st March 2021 | As at 31 st March 2020 |
| Gratuity | 4394.6 | 9.90 |
| Ex-Gratia | 7392.66 | 11.89 |
| Leave Encashment | 235.31 | 0.53 |
| Director Remuneration | 12.00 | - |
| Total | 12034.83 | 22.32 |

| (₹ in lakhs) | | |
|-------------------------------------|--------------------------------------|--------------------------------------|
| 20. Finance cost | As at 31 st March 2021 | As at 31 st March 2020 |
| Interest expense on: | | |
| - Borrowings | - | - |
| - Others | 56.00 | 38.65 |
| Other borrowing cost - Bank Charges | 0.24 | 0.05 |
| Total | 56.24 | 38.70 |

| (₹ in lakhs) | | |
|--|--------------------------------------|--------------------------------------|
| 21. Other expense | As at 31 st March 2021 | As at 31 st March 2020 |
| AGM expenses | 5.53 | 5.64 |
| Computer expenses | 0.22 | 0.10 |
| GEB settlement expenses | - | 29.30 |
| Legal expenses | - | 0.10 |
| Legal and professional charges | 19.08 | 15.04 |
| Office expenses | 11.66 | 2.03 |
| Other expenses | 35.76 | 23.32 |
| Rates & taxes | 113.83 | 72.67 |
| Advertisement expenses | 0.60 | 0.78 |
| Impairment of stock | 5.33 | - |
| Payment to Auditors (refer Note (i) below) | 4.00 | 4.00 |
| Prior period items (net) (Refer Note (ii) below) | (14.09) | 49.48 |
| Total | 181.92 | 202.46 |

NOTE:

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|-------------|--------------------------------------|--------------------------------------|
| | ₹ | ₹ |

| | | |
|--|---------|-------|
| (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) | - | 49.48 |
| Prior period income (Liabilities no longer payable) (refund of excess amount paid earlier of DGVCL.) | (14.09) | - |

22. Earning per share

(₹ in lakhs)

| | Particulars | For the year ended | For the year ended |
|-----|---|------------------------------|------------------------------|
| | | 31 st March, 2021 | 31 st March, 2020 |
| | | ₹ | ₹ |
| 1 | Earnings per share | | |
| 1.a | <u>Basic & Diluted</u> | | |
| | Net profit / (loss) for the year | (12365.85) | 1804.72 |
| | Less: Preference dividend and tax thereon | - | - |
| | Net profit / (loss) for the year from attributable to the equity shareholders | (12365.85) | 1804.72 |
| | Weighted average number of equity shares | 22911359 | 22911359 |
| | Par value per share | 10 | 10 |
| | Earnings per share from continuing operations - Basic | (53.97) | 7.88 |
| 1.b | <u>Basic & Diluted (Excluding Extraordinary items)</u> | | |
| | Net profit / (loss) for the year | (12365.85) | 1804.72 |
| | Add /(Less): Extraordinary items (net of tax) relating to continuing operations | (381.81) | 2057.65 |
| | Less: Preference dividend and tax thereon | - | - |
| | Net profit / (loss) for the year from attributable to the equity shareholders | (11984.04) | (252.93) |
| | Weighted average number of equity shares | 22911359 | 22911359 |
| | Par value per share | 10 | 10 |
| | Earnings per share from continuing operations excluding extraordinary items - Basic | (52.31) | (1.10) |

23. 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) The Company has to pay interest on the outstanding Customs Duty amount at the time of clearance of goods – Amount not ascertained. However company have made the application for extend the period of private warehouse and Re-Export of Plant and machinery as per departmental guidelines and waiver of interest by way of Re-Export and it is also mentioned in the circulated MDRS dated 13th October 2015. Further the custom Authority had issued the letter on 19/12/2018 that stage of extend period was already over and company had challenged on 15/02/2019 before CESTA, Ahmedabad for relief and permission of Re-export and matter is pending at CESTA, Ahmedabad.

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

(c) State Government Liabilities

(₹)

| Sr. no | Particulars | As at 31/3/2021 | As at 31/3/2020 |
|--------|-----------------------------------|-----------------------|-----------------------|
| 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/- |
| | Total | 10,36,31,327/- | 10,36,31,327/- |

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 Govt; 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 31/3/2021 | As at 31/3/2020 |
| 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/- |
| | Total | 11,67,17,854/- | 11,67,17,854/- |

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,

Regarding interest and damages on Provident Fund & Employee State Insurance, company had requested to BIFR for waiver of damages and grant the installment facility for interest amount which is also mentioned in circulated MDRS dated 13th October 2015, for which department had given written consent on 23rd December, 2015 for waiver of damages subject to recommendation of BIFR/AAIFR and installment facility as per policy guidelines adopted by EPFO & ESIC respectively.

24. Various cases filed against the company

- (i) Company has made provision of employees dues as per Final order of the High Court of Gujarat dated 11/01/2021 pursuant to Settlement between company and employees Union on 19/10/2020 and consent terms filed by company after award published by Industrial Tribunal, Surat on 21/10/2020 before Hon'ble High court of Gujarat and final order passed on 11/01/2021. The company has paid substantial amount of pending dues.
- (ii) Various cases 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.
- (iii) NCLT vide its order dated 27.01.2021 has rejected and disposed off the application of an operational creditor who had filed an application CP(IB) No. 555/9/NCLT/AHM/2018 with National Company Law Tribunal (NCLT), Ahmedabad Bench against the company under Section 9 of the Insolvency and Bankruptcy Code, 2016 for an amount of ₹ 1,37,93,934.17/-. However the operational creditor has further filed Company Appeal(AT)(Ins)/222/2021 with National Company Law Appellate Tribunal (NCLAT), New Delhi.

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

26. 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 31st March, 2021 is ₹ 69,13,57,311/- . (PY ₹ 26,52,33,005/-). The liability is increased pursuant to the Final verdict of Hon'ble High Court of Gujarat vide order dated 11.01.2021. Accordingly the company has paid substantial amount of pending dues.
- (ii) As per the past policy, the company's liability under Provident Fund Act (Funded) is determined on the basis of actuarial valuation made at the end of the financial year. But the cancellation of the Trust as per order of Ministry of Labour, Government of Gujarat, the company has paid the amount of PF contribution along with interest of trust, hence no requirement of further funding against the PF contribution. 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 Provident Fund Act, 1952. The total amount was ₹ 5,09,81,677/- and company had deposited the said amount till 31.03.2021 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, 2021.

27. Income tax –

- a. In view of the loss, the Company has not made any provision of Income Tax.
- 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.

28. Borrowings -

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. Refer Note No. 12(a) of the financial results.

29. 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.

30. 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 12) as Secured loans & unsecured loans and amount reported under (Note 13) as short term borrowings are aggregating to ₹ 242,48,16,503/-. In compliance of the terms & condition mentioned in the agreement, the Company will create the security of overdue unsecured loans along with the secured loans, which shall rank pari passu. The interest amount payable for aforesaid loans is estimated to be ₹ 614,71,20,447/-, which is not provided in the books of accounts.

31. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

32. There are no amounts due and payable to Investors Education and Provident Fund as on the date of Balance sheet.

33. 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.

34. The exceptional item of ₹ 3,81,81,053/- comprises of liabilities written off of ₹ 15,06,998/- and impairment of assets of ₹ 3,96,88,051/-.

35. 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 2021 | | | As at 31st March 2020 | | | ₹ |
|------------------------------|-----------------------|------------------------|---------|-----------------------|------------------------|---------|---|
| Particulars | Carrying Amount | Level of Input Used In | | Carrying Amount | Level of Input Used In | | |
| | | Level 3 | Level 1 | | Level 2 | Level 3 | |
| Financial Assets | | | | | | | |
| At Amortised Cost | | | | | | | |
| Trade receivables | - | - | - | - | - | - | - |
| Cash and cash equivalents | 3,73,416 | - | - | 19,13,789 | - | - | - |
| At FVTPL | | | | | | | |
| Trade receivables | - | - | - | - | - | - | - |
| Cash and cash equivalents | - | - | - | - | - | - | - |
| Other Bank Balance | - | - | - | - | - | - | - |
| At FVTOCI | | | | | | | |
| Investment | - | 599,90,953 | - | - | 599,90,953 | - | - |
| Trade receivables | - | - | - | - | - | - | - |
| Cash and cash equivalents | - | - | - | - | - | - | - |
| Other Bank Balance | - | - | - | - | - | - | - |
| Financial Liabilities | | | | | | | |
| Borrowings | 40,42,98,583 | - | - | 38,09,98,029 | - | - | - |
| Trade payables | 3,84,73,674 | - | - | 3,84,48,872 | - | - | - |
| Other financial liabilities | 86,53,23,190 | - | - | 6,99,27,298 | - | - | - |

(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'21 | As at 31st March'20 |
| Borrowings bearing variable rate of interest | 242,48,16,503/- | 228,48,18,175/- |
| Borrowings bearing Fixed rate of interest | - | - |

(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:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) 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'21 | As at 31st March'20 |
| 0-6 months | - | - |
| beyond 6 months | - | - |
| Total | - | - |

(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'21 | As at 31st March'20 |
| Variable Borrowing - Cash Credit expires within 1 year | - | - |

(e) Maturity patterns of other Financial Liabilities

| Particulars | (₹) | |
|-----------------|----------------------|----------------------|
| | As at 31st March'21 | As at 31st March'20 |
| Trade Payable | | |
| Below 6 Months | - | - |
| Beyond 6 Months | 3,84,73,674/- | 3,84,48,872/- |
| Total | 3,84,73,674/- | 3,84,48,872/- |

(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'21 | As at 31st March'20 |
| Net Debt | 4,51,94,53,147/- | 3,17,54,98,172/- |
| Total Equity | (349,59,54,688/-) | (225,93,69,954/-) |
| Total | (1.29) | (1.41) |

36. Related Party Disclosure:

(₹)

| Key Managerial Personnel (KMP) | Designation | |
|---|-------------------------|------------|
| 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 | | |
| Remuneration to Key Management Personnel | 2020-21 | 2019-20 |
| a) Mr. Damodarbhai Patel | 12,00,000/- | - |
| b) Mr. Kunjal Desai | 5,00,000/- | 6,00,000/- |
| c) Mr. J. K. Jakhotia | 5,00,000/- | 6,00,000/- |

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

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

Damodarbhai Patel
Managing Director
DIN-00056513

Viral Bhavani
Add. Non-Executive Director
DIN-02597320

A.H. Chevli
Partner
Membership No. 038259
UDIN – 21038259AAAAEP8339

Jugal Kishore Jakhotia
Chief Financial Officer

Kunjal Desai
Company Secretary
ACS-40809

Place – Surat
Date – 30th June, 2021

Place – Surat
Date – 30th June, 2021

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THE BARODA RAYON CORPORATION LIMITED
Registered Office: P.O. Baroda Rayon, Fatehnagar, Udhna, Dist. Surat-394220
CIN: L99999GJ1958PLC000892, E-mail ID – brcsurat@gmail.com website-www.brcl.in
Phone: (0261 – 2899555)

ATTENDANCE SLIP

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

61st Annual General Meeting

I/We hereby record my/our presence at the 61st Annual General Meeting of the Company at Patidar Bhavan, Kadodara, Surat at 09:00 a.m. on Wednesday, September 29, 2021.

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 :

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:.....DP ID:.....

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 61st Annual General Meeting of the Company, to be held on Wednesday, September 29, 2021 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, 2021 and reports of the Board of Directors and the Auditors thereon | Ordinary | | |
| 2 | Appointment of a Director in place of Mr. Damodarbhai Patel (DIN-00056513), who retires by rotation and being eligible, offers himself for re-appointment. | Ordinary | | |
| 3 | Appointment of Mr. Viral Bhavani (DIN – 02597320) as Non-Executive Director. | Ordinary | | |
| 4 | Revision in the remuneration of Mr. Damodarbhai Patel (DIN-00056513), Chairman and Managing Director of the company. | Special | | |
| 5 | Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013. | Special | | |
| 6 | Alteration of the Main Object Clause in the Memorandum of Association of the Company. | Special | | |

Signed this Day of 2021.

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.

INTENTIONALLY LEFT BLANK

Book Post

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