



The Baroda Rayon Corporation Ltd.

CIN L99999GJ1958PLC000892

P O Fatehnagar, Udhna, Surat 394 220

Tel : 0261-2899555

Email : brcsurat@gmail.com

Website : www.brcl.in

30th June, 2021

To,
Department of Corporate Services,
BSE Limited
1st Floor, New Trading Ring,
Rotunda Building,
P. J. Towers, Dalal Street,
Mumbai – 400 001.

Sub – Audited Financial Results for the Quarter & year ended 31st March, 2021.

Ref – (Scrip code – 500270)

Dear Sir/Madam,

In compliance with Regulation 30 and Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we enclose herewith:

- 1) Standalone Audited Financial Results of the company for the Quarter & year ended 31st March, 2021.
- 2) Standalone Statement of Assets & Liabilities as on 31st March, 2021 and Cash Flow Statement for the year ended 31st March, 2021.
- 3) Auditor's Report along with Statement on Audit Qualification (for audit report with modified opinion) in respect of the Audited Financial Results for the financial year ended on 31st March, 2021.

The meeting of Board of Directors for considering and approval of aforesaid results commenced at 11:00 a.m. and ended at 02:00 p.m.

Request you to kindly take the same on your record.

Thanking you,

Yours faithfully,

For The Baroda Rayon Corporation Limited

Kunjil S Desai

Kunjil Desai
Company Secretary
ACS-40809



Encl: a/a.

Head Office: Hoechst House, 193, Backbay Reclamation, Nariman Point, Mumbai 400 021



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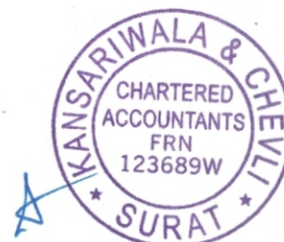
Website : www.brcl.in

Statement of Standalone Audited Financial Results for the Quarter & Year Ended 31st March, 2021

(Rupees in lakhs except EPS)

SR. NO.	Particulars	Quarter Ended			Year ended	
		31-03-2021 (Audited) Ref note 4	31-12-2020 (Unaudited)	31-03-2020 (Audited) Ref note 4	31-03-2021 (Audited)	31-03-2020 (Audited)
1	Revenue from operations	-	-	-	-	-
	Other income	287.48	-	10.56	288.95	10.56
	Total revenue	287.48	-	10.56	288.95	10.56
2	Expenses					
	(a) Cost of materials consumed	-	-	-	-	-
	(b) Purchases of stock-in-trade	-	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-	-
	(d) Employee benefits expense	12,028.83	6.00	0.53	12,034.83	22.32
	(e) Finance cost	56.24	-	32.99	56.24	38.70
	(f) Depreciation and amortisation expense	-	-	-	-	-
	(g) Power & Fuel Charges	-	-	-	-	-
	(h) Repair & Maintenance	-	-	-	-	-
	(i) Other Expenditure	151.77	18.00	169.05	181.92	202.46
	Total expenses	12,236.84	24.00	202.57	12,272.99	263.48
3	Profit before exceptional items and tax	-11,949.36	-24.00	-192.01	-11,984.04	-252.92
4	Exceptional items	-381.81	-	2,057.65	-381.81	2,057.65
5	Profit before tax	-12,331.17	-24.00	1,865.64	-12,365.85	1,804.73
6	Tax expense:	-	-	-	-	-
	(1) Current tax	-	-	-	-	-
	(2) Deferred tax	-	-	-	-	-
	(3) Earlier year tax	-	-	-	-	-
7	Net Profit (Loss) from continuing operations after tax	-12,331.17	-24.00	1,865.64	-12,365.85	1,804.73
8	Profit (Loss) from discontinued operations	-	-	-	-	-
9	Tax expense of discontinued operations	-	-	-	-	-
10	Net Profit (Loss) from discontinued operations	-	-	-	-	-
11	Net profit (loss) for the period	-12,331.17	-24.00	1,865.64	-12,365.85	1,804.73
12	Other comprehensive income					
	Equity Investments measured at fair value (Net of Tax)	-	-	-	-	-
	Total Other comprehensive income	-	-	-	-	-
	Total Comprehensive income (XI+XII)	-12,331.17	-24.00	1,865.64	-12,365.85	1,804.73
13	Paid-up equity share capital (Face Value of Rs. 10/- each)	2,291.14	2,291.14	2,291.14	2,291.14	2,291.14
XVIII	Earnings Per Share (before extraordinary items) of ₹ 10/- each) (not annualised):					
	(a) Basic	-52.15	-0.10	-0.84	-52.31	-1.10
	(b) Diluted	-52.15	-0.10	-0.84	-52.31	-1.10
14	Reserves excluding revaluation reserve as shown in audited balance sheet	-	-	-	-37,250.33	-24,884.84
15	Earnings Per Share of ₹10/- each) (not annualised):					
	(a) Basic	-53.82	-0.10	8.14	-53.97	7.88
	(b) Diluted	-53.82	-0.10	8.14	-53.97	7.88
	See accompanying note to the Financial Results					

cont...





Notes:-

1

Statement of Assets & Liabilities as on 31st March, 2021

(Rupees In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Audited	Audited
ASSETS		
Non-Current assets		
(a) Property, plant & equipment	4,095.92	6,287.91
(b) Capital Work-in-Progress	-	-
(c) Financial Assets		
Investments	599.91	599.91
(d) Other Non-current assets	322.99	344.73
Total Non-Current assets	5,018.82	7,232.55
Current assets		
(a) Investments	-	-
(b) Inventories	-	17.89
(c) Financial Assets		
(i) Trade receivables	-	-
(ii) Cash and cash equivalents	3.73	19.14
(d) Other Current assets	3,454.24	1,891.70
Assets classified as held for sale	1,758.19	-
Total Current assets	5,216.16	1,928.73
Total Assets	10,234.98	9,161.28
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	2,291.14	2,291.14
(b) Other Equity	(37,250.69)	(24,884.84)
Total Equity	(34,959.55)	(22,593.70)
Liabilities		
Non-Current liabilities		
Financial Liabilities		
(i) Borrowings	20,205.18	19,040.15
(ii) Provisions	-	-
Total non-current liabilities	20,205.18	19,040.15
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	4,042.99	3,809.98
(ii) Trade payables	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	8,653.23	699.27
(b) Other Current liabilities	4,994.82	5,168.76
(C) Provisions	6,913.57	2,652.33
(d) Current tax liabilities	-	-
Total current liabilities	24,989.35	12,714.83
Total Equity and Liabilities	10,234.98	9,161.28

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

(Rupees In Lakhs)

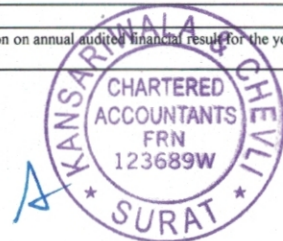
Particulars	Year ended 31.03.2021 Audited	Year ended 31.03.2020 Audited
A. Cash flow from operating activities		
Net Profit / (Loss) before tax	(11,984.040)	(252.93)
<i>Adjustments for:</i>		
(Profit) / loss on sale / write off of assets	(287.46)	0.00
Interest on IT refund	(0.04)	0.00
Finance costs	56.24	38.70
Impairment of fixed assets	396.88	0.00
	(11,818.41)	(214.23)
Operating profit / (loss) before working capital changes	(11,818.41)	(214.23)
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	17.89	0.00
Trade receivables	0.00	0.00
Long-term loans and advances	20.75	7.32
Other current assets	(1,562.54)	13.00
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	0.25	(3.45)
Other current liabilities	7,780.02	(2,188.32)
Short-term provisions	4,261.24	(55.10)
	10,517.61	(2,226.55)
Cash flow from extraordinary items	(1,300.80)	(2,440.78)
Cash generated from operations	(381.81)	2,057.65
Net income tax (paid) / refunds	(1,682.61)	(383.13)
Earlier year tax	1.00	0.00
	0.00	0.00
Net cash flow from / (used in) operating activities (A)	(1,681.61)	(383.13)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	0.00	0.00
Proceeds from sale of fixed assets	324.38	0.00
Purchase of Shares	0.00	0.00
Cash flow from extraordinary items	0.00	0.00
Proceeds from sale of investments	0.00	0.00
Net income tax (paid) / refunds	0.00	0.00
Net cash flow from / (used in) investing activities (B)	324.38	0.00
C. Cash flow from financing activities		
Proceeds from long-term borrowings*	1,165.02	358.00
Proceeds from other short-term borrowings	233.00	71.60
Finance cost	(56.24)	(38.70)
Interest on IT refund	0.04	
Net cash flow from / (used in) financing activities (C)	1,341.82	390.90
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(15.41)	7.77
Cash and cash equivalents at the beginning of the year	19.14	11.37
Cash and cash equivalents at the end of the half year	3.73	19.14

2	The above results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 30th June, 2021.
3	The Standalone financial results of the company are prepared in accordance with the recognition of and measurement principles of Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013.
4	The figures of the quarter ended March 31, 2021 and the corresponding quarter ended March 31, 2020 are the balancing figures between the audited figures in respect of the full financial year and published figures upto the third quarter of the respective financial years.
5	Previous period figures have been regrouped/re-classified wherever necessary.
6	Since August 2008 entire operational activities of the company are non operational.
7	Under the Modified Draft Restructuring Scheme (MDRS), the Company has availed the loan for Rs. 24248.17 lakhs with immediate object to revive the Company. Owing to the pending legal cases, the Company could not liquidate the asset and repay the mentioned loan amount as per stipulation, which has become over due. 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 Rs. 61471.20 lakhs till March 2021, which is not provided in the books of accounts.
8	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.
9	Assets which are held for sale amounts to Rs. 1758.19 lakhs. The sale proceeds will be utilised in paying workers liabilities.
10	The exceptional item of Rs. 381.81 lakhs comprises of liabilities written off of Rs. 15.07 lakhs and impairment of assets of Rs. 396.88 lakhs.
11	Employee benefit expenses include the 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.
12	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.
13	Segment reporting is not applicable since the entire operation of the company are stand still.
14	In terms of SEBI circular CIR/CFD/CMD/56/2016 dated: 27th May, 2016 The company hereby declares that auditors have issued audit report with modified opinion on annual audited financial result for the year ended 31st March, 2021.



For and on behalf of
The Baroda Rayon Corporation Limited

Damodarbhay Patel
Chairman & Managing Director
DIN - 00056513





Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
The Board of Directors of,
The Baroda Rayon Corporation Limited

Report on the audit of the Standalone Financial Results

Qualified Opinion

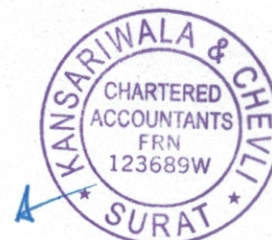
We have audited the accompanying statement of quarterly and year to date standalone Ind-AS financial results of The Baroda Rayon Corporation Limited (the "Company") for the quarter ended March 31, 2021 and for the year ended March 31, 2021 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. except for the possible effect of the matter described in **basis of qualified opinion** paragraph below and non-consideration of comprehensive loss on fair value of investment which is temporary and not material in the opinion of management, gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and other financial information of the Company for the quarter ended March 31, 2021 and for the year ended March 31, 2021.

Basis of Qualified Opinion

- (i) Attention is drawn to Note 7 to the statement regarding non provision of interest for Rs. 24248.17 lakhs of overdue debts availed under the Modified Draft Restructuring Scheme (MDRS) till March, 2021. Owing to the pending legal cases, the Company could not liquidate the asset and repay the mentioned loan amount as per stipulation. However Company will settle these interest liabilities in near future on closure of pending legal cases,
- (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.



- (iii) According to Ind AS-19 related to employees 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 Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Ind-AS Financial Results" 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 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

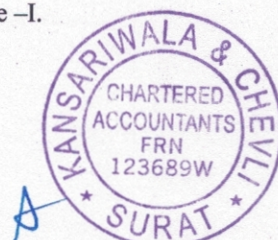
Material Uncertainty Related to Going Concern

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 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 on 21/10/2020 before Hon'ble High court of Gujarat and final order passed on 11/01/2021 as mentioned in Note 11 of the accompanying standalone financial results.

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 Rs. 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 due to labour dispute. In addition, the Company has segregated plant & machinery of Rs. 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 8 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 10 of the accompanying standalone financial results, as regards to the exceptional item of Rs. 381.81 lakhs comprises of liabilities written off of Rs. 15.07 lakhs and impairment of assets of Rs. 396.88 lakhs.

Our opinion is modified in respect of above matter mentioned as per Annexure -I.



Management's Responsibilities for the Standalone Ind-AS Financial Results

The Statement has been prepared on the basis of the standalone annual Ind-AS financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/(loss) and other comprehensive income/(loss) of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

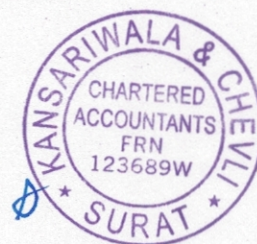
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind-AS Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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 with reference to financial statements 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 results 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.



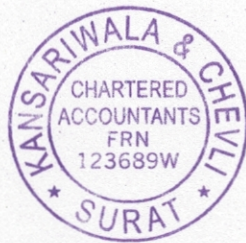
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Matter

The Statement includes the results for the quarter ended March 31, 2021 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2021 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.



For Kansariwala & Chevli
Chartered Accountants
Firm Registration Number: 123689W

A. H. Chevli
Partner

Membership Number: 038259
UDIN: 21038259AAAAEP8339

Place: Surat
Date: June 30, 2021



The Baroda Rayon Corporation Ltd.

CIN L99999GJ1958PLC000892

P O Fatehnagar, Udhna, Surat 394 220

Tel : 0261-2899555

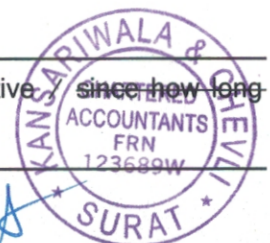
Email : brcsurat@gmail.com

Website : www.brcl.in

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)

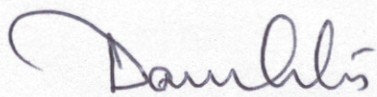
Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021				
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] (Rupees in lakhs)				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	288.95	-
	2.	Total Expenditure	12654.80	-
	3.	Net Profit/(Loss)	(12365.85)	Not ascertained
	4.	Earnings Per Share	(53.97)	Not ascertained
	5.	Total Assets	10234.98	Not ascertained
	6.	Total Liabilities	45194.53	Not ascertained
	7.	Net Worth	(34959.55)	Not ascertained
	8.	Any other financial item(s) (as felt appropriate by the management)	-	Not ascertained
II.	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification: <i>Refer Annexure-I</i>		
	b.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion		
	c.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing		

Head Office: Hoechst House, 193, Backbay Reclamation, Nariman Point, Mumbai 400 021

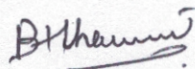


	For Audit Qualification(s) where the impact is quantified by the auditor,
	d. Management's Views: The effect is not quantified
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification:-
	(ii) If management is unable to estimate the impact, reasons for the same: <i>Refer Annexure-II</i>
	(iii) Auditors' Comments on (i) or (ii) above:
	Included in details of auditor's qualification stated above.

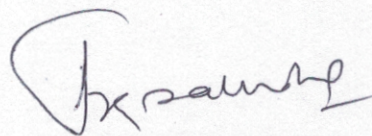
For The Baroda Rayon Corporation Limited



Damodarbhai Patel
Managing Director
DIN-00056513




Bhavanjibhai Patel
Audit Committee Chairman
DIN-01690183

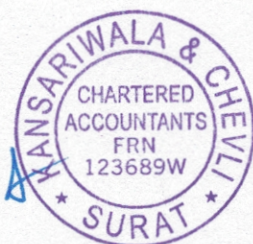


J K Jakhotia
Chief Financial Officer

For Kansariwala & Chevli



A H Chevli
Partner
Membership No. 38259
Firm Reg. No. 123689W



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KANSARIWALA & CHEVLI
CHARTERED ACCOUNTANTS

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Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with
Annual Audited Financial Results - (Standalone)

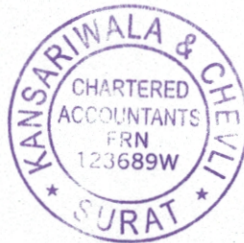
Annexure -I

- i) Attention is drawn to Note 7 to the statement regarding non provision of interest for Rs. 24248.17 lakhs of overdue debts availed under the Modified Draft Restructuring Scheme (MDRS) till March, 2021. Owing to the pending legal cases, the Company could not liquidate the asset and repay the mentioned loan amount as per stipulation.
- (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.
- (iii) According to Ind AS-19 related to employees 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.

Subject to above paragraph (i) to (iii), in our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss and its cash flows for the year ended on that date.

For Kansariwala & Chevli

A. H. Chevli
Partner
Membership No. 38259
Firm Reg. No. 123689W



DATE: 30.06.2021

UDIN: 21038259AAAAEP8339



The Baroda Rayon Corporation Ltd.

CIN L99999GJ1958PLC000892

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Annexure -II

In respect of the Qualifications as stated in the Audit Report, your management is of the view that –

Your Company is a sick unit and has standstill all the production/manufacturing activities of the company and due to loss of key personnel responsible for the various compliances, the non compliances as stated in the Report has occurred.

Pursuant to Government Notification S.O. No 3568(E) dated 25.11.2016 and S.O. 3569(E) dated 25.11.2016, BIFR has been wound up w.e.f. 01.12.2016 In pursuant to Insolvency and Bankruptcy Code (Removal of Difficulties) Order, 2017 vide notification dated 24/05/2017 issued by Ministry of Corporate Affairs relating to amendment to the Sick Industrial Companies (Special Provisions) Repeal Act, 2003, provided that any scheme sanctioned under sub-section (4) or any scheme under implementation under sub-section (12) of section 18 of the Sick Industrial Companies (Special Provisions) Act, 1985 shall be deemed to be an approved resolution plan under sub-section (1) of section 31 of the Insolvency and Bankruptcy Code, 2016 and the same shall be dealt with, in accordance with the provisions of Part II of the said Code.

Apropos the above Removal of Difficulties Order, company has written a letter dtd. 31.10.2017 as well on the portal of IBBI dtd 28.10.2017 to the Office of Insolvency and Bankruptcy Board of India, New Delhi seeking clarification of the implementation of the said order.

For The Baroda Rayon Corporation Limited

Damodarbhai Patel
Damodarbhai Patel
Managing Director
DIN-00056513

