



**The Baroda Rayon Corporation Limited**

**53<sup>rd</sup>**

**ANNUAL REPORT**

**2012-13**

### BOARD OF DIRECTORS

Mr. Damodarbai B. Patel  
Chairman & Managing Director  
Mr. Bhavanjibhai H. Patel  
Mr. Bhavesh V. Patel  
Mr. Jayantilal Patel

### AUDITORS

AMPAC & Associates,  
Chartered Accountants,  
Mumbai

### REGISTRAR AND SHARE TRANSFER AGENT

Sharex Dynamic (India) Private Limited  
Unit 1, Luthra Ind. Premises,  
1st Floor, M Vasanti Marg,  
Andheri Kurla Road, Safed Pool,  
Andheri (E), Mumbai-400072

### 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

**53<sup>rd</sup>**  
**ANNUAL REPORT**  
**2012-13**



## The Baroda Rayon Corporation Limited

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## NOTICE

Notice is hereby given that the Fifty Third (53rd) Annual General Meeting of the THE BARODA RAYON CORPORATION LIMITED will be held on Saturday, the 21st of September, 2013 at 9:00 a.m. at Patidar Bhavan, Kadodara, Surat-394327 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date together with the report of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Bhaveshbhai Patel, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint the Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and authorize the Board to fix their remuneration.

Place: Mumbai  
Date: 01.08.2013

**By Order of the Board of Directors**

**D B Patel  
Chairman & Managing Director**

### Notes :

1. A member of the company entitled to attend and vote at the annual general meeting (the meeting) is entitled to appoint a proxy (ies) to attend and vote on a poll instead of himself and the proxy need not be a member of the company.
2. The instrument appointing the proxy should be lodged with the company at its registered office not less than forty eight hours before the commencement of the meeting. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the board resolution authorizing their representatives to attend and vote on their behalf at the meeting.
3. The Register of Members and Share Transfer Book of the company will remain closed from Tuesday, 17th of September, 2013 to Saturday, 21st of September, 2013 (both days inclusive) for the purpose of the Meeting.
4. 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.
5. Members are requested to notify the change in their address to the Registrar and Share Transfer Agent of the company.
6. Members attending the meeting are requested to bring their copy of the Annual Report and the attendance slip attached thereto duly filled in and signed and hand over the same at the entrance of the hall.

Place: Mumbai  
Date: 01.08.2013

**By Order of the Board of Directors**

**D B Patel  
Chairman & Managing Director**

## Directors' Report

To  
The Members of  
The Baroda Rayon Corporation Limited

Your Directors are pleased to present the 53rd Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2013. The Financial results are shown as below.

### Financial Results

(₹ In Lacs)

Particulars	31.03.2013	31.03.2012
Income from Sales	NIL	NIL
Other Income	NIL	NIL
<b>Total Income</b>	<b>NIL</b>	<b>NIL</b>
Less: Expenditure	140.35	107.54
<b>Profit/(Loss) before interest, depreciation and tax</b>	<b>(140.35)</b>	<b>(107.54)</b>
Less : Depreciation	303.94	303.94
Interest	380.81	986.68
Provisions for Taxation	Nil	Nil
<b>Profit/(Loss) after Taxes</b>	<b>(825.10)</b>	<b>(1398.16)</b>
Profit/(Loss) available for appropriation	(825.10)	(1398.16)
Balances as per last year's Balance sheet	(34,474.71)	(33,076.55)
Profit and Loss Appropriation Account	NIL	NIL
Balance carried to Balance sheet	(35,299.81)	(34,474.71)

### Dividend

Your Directors regret their inability to recommend any dividend for the financial period under review in view of the continued losses.

### Performance

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.

### Directors' Responsibility Statement

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors confirm;

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure;
- (ii) That they had selected such accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the company at the end of the financial year 2012-13 and of the loss of the company for that period;
- (iii) That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) That they had prepared the annual accounts on a going concern basis.

### Fixed Deposits

Your Company has not accepted any fixed deposits during the year. Deposits of ₹ 196.04 Lacs were outstanding as at 31st March, 2013. During the year your company repaid the fixed deposits of ₹ 23.96 lacs.

### Directors

Mr. Bhaveshbhai Patel, Director of the company retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The profile of Mr. Bhaveshbhai Patel is as given below:

Mr. Bhaveshbhai Patel, aged about 34 years is MBA and a Commerce Graduate and engaged in Private Business. He is having a vast experience in the field of Textiles.

**Auditors**

M/s. AMPAC & Associates, Chartered Accountants, Mumbai who are the Statutory Auditors of the Company, hold office up to the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. As required under the proviso to Section 224(1) of the Act, the Company has obtained written confirmation from M/s. AMPAC & Associates that their appointment, if made, would be in conformity with the limits specified in Section 224(1B) of the Act.

**Auditors' Report**

The observations made by the Auditors are self explanatory and have also been explained in the notes forming part of the accounts, wherever required.

**Particulars of Employees**

During the year under report, the company has no employees covered under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

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

Information pursuant to Section 217 (1)(e) of The Companies Act, 1956 read with the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 the relevant data pertaining to conservation of Energy Technology absorption and Foreign Exchange Earnings and Outgo are given below:

**(A) Conservation of Energy**

Information pursuant to Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 as 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 Lacs)

	31.03.2013	31.03.2012
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 Clause 49 of the Listing Agreement is attached to this report.

**Management's View on Auditors Qualification:**

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

**Appreciation**

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

Place: Mumbai  
Date: 01.08.2013

**By Order of the Board of Directors**

**D B Patel**  
Chairman & Managing Director

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT AS PER CLAUSE 49 OF THE LISTING AGREEMENT

### Industry Structure and Development:

The men made fiber industry got a fillip post the dismantling of the quota regime pursuant to the WTO Agreement and the industry which has been passing through a difficult patch since 1997 started turning around in the early 2003. Exports have picked up since then and the domestic demand grown in line with the GDP growth but in current scenario there is fall in export of textile products due to vast competition from other countries of South East Asia.

The past financial year has been a mixed bag for the Indian textile industry as a whole. India's textile exports declined 5.9 per cent year-on-year to \$14.1 billion during the April-September 2012 because of slowdown in major international markets. With China's textile sector coming under stress, Indian markets have witnessed a good third quarter with expectations of a bullish phase in the final quarter. Reduction of Duty on manmade fibers has been a long awaited decision that is likely to kick start Indian textile growth story.

PFY has provided the consumer with a cheaper substitute and has been one of the main competitors for the VFY and NFY being manufactured by the company. The versatility of these fibers and development of newer applications have resulted in new markets being developed. Further, with the excellent growth in GDP and the consequent increase in the purchase power of end consumers the growth of these fibers has been steady.

### Viscose Filament Yarn:

Demand for VFY remained stable during the year but the industry in general, in both the PSY and CSY segments, faced pressure on off-take due to substantial arrivals from China, coupled with inroads made by polyester yarn into some of the sectors hitherto dominated by VFY. No new capacities have come up and the oligopoly status of the market is likely to continue. The antidumping duty that was imposed during the year had helped in preventing dumping by the Chinese.

### Nylon Filament Yarn:

The anti dumping duty by the Government on imports from China has helped the domestic industry. The market for the fiber was steady and is likely to improve with new applications being developed. There is an effort being made by the industry to collectively promote the fiber by creating awareness about its properties and applications.

### Nylon Tyre Cord:

The price realization in this segment has fallen sharply in the last few years and it is believed that the prices have bottomed out. The demand for tyre cord is expected to move up considerably in the coming years with the major Auto Companies planning India has the hub for manufacturing and exports. The Chinese competition notwithstanding the industry is expected to do well as the demand is expected to surge.

## Opportunities and Threats

### 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.
- Competitive strength increases due to the availability of captive power plant.
- Huge infrastructure facility to meet the current and future demand.

### Threats

- The goodwill of the company is decreased due to legal proceedings and labor disputes which are still going on.
- The threat of competition from China. However, this has been softened due to the antidumping duty that has been imposed on imports from China.
- Threat from PFY due to its lower price has been a factor that has been having a cyclical impact in the market.
- Increase in the cost of raw material.
- Increase in coal prices has increased the cost of power.
- High cost of labour.

### 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.

### Internal Control System and their adequacy

The Company has adequate internal control procedures commensurate with the size of the Company and the nature of the Business. The company is planning to implement a full fledged computerized system which is likely to address most of the issues with respect to internal controls, as when operations restart.

### 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 are 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.

## CORPORATE GOVERNANCE

In terms of the provisions of clause 49 of the Listing Agreement pertaining to Corporate Governance, your company has not complied with certain requirements. However, your Company makes continue efforts to comply the same to achieve the better corporate governance.

### 1. BOARD OF DIRECTORS

#### 1.1 Composition of the Board of Directors

The Board of Directors comprises of Non executive Directors consisting Managing Director.

Subject to overall superintendent and control of the Board, the day to day management of the company is vested with Mr. Damodarbhai 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 and Executive Director	NIL
2.	Independent and Executive Director	Mr. Damodarbhai H. Patel
3.	Independent and Non Executive Director	Mr. Bhavanjibhai H. Patel Mr. Bhavesh V. Patel Mr. Jayantilal Patel

#### 1.2 Board Meetings

- A. The company had Seven Board Meetings during the financial year 2012-13 on 18.06.2012, 28.07.2012, 09.08.2012, 25.08.2012, 05.10.2012, 29.12.2012 and 23.03.2013.
- B. Directors' attendance record at Board Meeting and Annual General Meeting, their other Directorships and Committee Memberships.

Names	Category	Attendance at		No. of other Directorship held in other Company	Committee Membership held in other Company.		Sharehold-ings in the Company
		Board Meetings	AGM		As a Member	As a Chairman	No. of Shares
Mr. D.B. Patel	Independent and Executive Director	7	Yes	-	-	-	-
Mr. B.H. Patel	Independent and Non Executive Director	5	Yes	-	-	-	-
Mr. B.V. Patel	Independent and Non Executive Director	6	Yes	-	-	-	-
Mr. Jayantilal Patel	Independent and Non Executive Director	4	Yes	-	-	-	-

#### 1.3 Information supplied to the Board

All information as required under Annexure 1A to Clause 49 of the Listing Agreement is made available to the Board.

#### 1.4 Code of Conduct

The Company has adopted a code of conduct for Directors and senior management personnel. The Directors and Senior Management personnel of the company are in the process of affirming their adherence to the code. A declaration by the Director on compliances of the code of conduct has been annexed to this Report.

#### 1.5 AUDIT COMMITTEE:

The Audit Committee comprises of following Non-Executive Directors:

Mr. Bhavanjibhai H. Patel,  
Mr. Bhavesh V. Patel and  
Mr. Jayantilal Patel.

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

The role and terms of reference of the Audit Committee include review of Internal Audit Reports and the Statutory Auditors' Report on the financial statements, general interaction with the internal auditors and statutory auditors, review of financial statements both quarterly and annual before submission to the Board, review of management discussion and analysis of financial condition and results of operations and review of performance of statutory and internal auditors and adequacy of internal control systems and other matters specified under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

During the year under review, 4 Meetings of the Audit Committee were held, the dates being 27th April, 2012, 14th July, 2012, 17th October, 2012 and 12th January, 2013.

Details of attendance of each member at the Audit Committee Meetings are as follows:-

Name	No. of Audit Committee Meetings attended
Mr. Bhavanjibhai H. Patel	4
Mr. Bhavesh V. Patel	4
Mr. Jayantilal Patel	4

#### 1.6 REMUNERATION COMMITTEE:

The Remuneration Committee comprises of following Non-Executive Directors viz; (i) Mr. Bhavanjibhai H. Patel, (ii) Mr. Bhavesh V. Patel and (iii) Mr. Jayantilal Patel

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

The committee reviews and determines the remuneration package including the performance incentive, if any, payable to the Managing Director. During the year under review, no remuneration committee meeting was held.

No remuneration paid to any directors for the period ended March, 31, 2013.

#### 1.7 SHAREHOLDERS CUM INVESTORS' GRIEVANCES COMMITTEE:

The Shareholders'/Investors' Grievance Committee comprises of following Directors viz; (i) Mr. Damodarbai B. Patel, (ii) Mr. Bhavanjibhai H Patel and (iii) Mr. Bhavesh V. 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. During the period ended March 31, 2013, the Company has received letters of complaint from the Investors and tried to resolve their grievances in a prescribed time frame.

## 2. MANAGEMENT

### 2.1 A Report on Management Discussion and Analysis

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

### 2.2 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.

### 2.3 Accounting Policies

The company has not adopted any Accounting Policy, which is contrary to the Accounting Standards prescribed by the Institute of Chartered Accountants of India.

### 3. GENERAL BODY MEETINGS

Details of last three Annual General Meetings Held:

Particulars	FY 2009-10	FY 2010-11	FY 2011-12
Day	Thursday	Monday	Friday
Date	30 <sup>th</sup> September, 2010	12 <sup>th</sup> December, 2011	28 <sup>th</sup> September, 2012
Time	9:00 a.m.	9:00 a.m.	9:00 a.m.
Venue	P.O. Baroda Rayon, Fatehnagar, Udhna, Dist. Surat-394220.	Patidar Bhavan, Kadodara, Surat-394 327.	Patidar Bhavan, Kadodara, Surat-394 327.
Special Resolution	NIL	3 (Three)	NIL

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

#### 1. DISCLOSURES

##### a. Related Party Transaction

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.

##### b. Compliance by the company

The company was closed during the period of 1999-2004. As such the stock Exchange had suspended the trading in the company. Post restart operations, the company is in the process of meeting all the requirement of the Stock Exchanges, SEBI and other statutory authorities on matters relating to capital market.

##### c. CEO/CFO Certification

The requirement with respect to certification of financial statement by CEO/CFO is not complied with as there is no CEO/CFO in the company due to loss of key personnel but the certification has been made by the Directors of the Company.

##### d. Auditors' Certificate on Corporate Governance

The company has obtained a certificate from the Auditors of the company regarding compliance with the provisions of the Corporate Governance laid down in Clause 49 of the Listing Agreement with the Stock Exchange, which is annexed.

### ADDITIONAL SHAREHOLDERS INFORMATION

- Forthcoming Annual General Meeting**  
Annual General Meeting : Saturday, 21<sup>st</sup> of September, 2013 at 9:00 a.m.  
Day, Date, Time & Venue : Patidar Bhavan, Kadodara, Surat-394327
- Financial period/Calendar** : The financial year of the Company is from April 1 to March 31 each year
- Date of Book Closure** : Tuesday, 17<sup>th</sup> September, 2013 to Saturday, 21<sup>st</sup> September, 2013
- Listing of Stock Exchange** : Mumbai  
**Stock Code** : 500270  
**Demat ISIN Number in NSDL & CDSL** : INE 461A01024
- Registrar and Share Transfer Agents** : M/s. Sharex Dynamic (India) Pvt. Ltd.,  
Unit 1, Luthra Ind. Premises, 1<sup>st</sup> Floor,  
M Vasanti Marg, Andheri Kurla Road,  
Safed Pool, Andheri (E), Mumbai-400072
- 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, 2013)**

Category	Number of Shares Held	Percentage of Holding
Promoters	10893147	47.55
Mutual Funds & UTI	3627	0.02
Banks, Financial Institutions and Insurance Companies(Central/State Government Institutions/Non Government Institutions)	343624	1.50
Private Corporate Bodies	9010795	39.33
NRIs/OCBs	509513	2.22
FII	435	0.00
Indian Public	2150208	9.38
Clearing Members	10	0.00
<b>Total</b>	<b>22,911,359</b>	<b>100.00</b>

**8. DISTRIBUTION OF SHAREHOLDING (As at 31st March, 2013)**

(₹ In Lacs)

Shareholding of Nominal Value (Rs.)	Share Amount		Shareholder	
	₹	% to total	Number	% to total
1 - 5000	1,61,12,200	7.03	78851	99.71
5001 - 10000	8,45,430	0.37	117	0.15
10001 - 20000	4,48,370	0.20	33	0.04
20001 - 30000	3,90,390	0.17	16	0.02
30001 - 40000	1,41,940	0.06	4	0.01
40001 - 50000	1,84,190	0.08	4	0.01
50001 - 100000	15,65,480	0.68	20	0.02
100001 & above	20,94,25,590	91.41	36	0.04
<b>Total</b>	<b>22,91,13,590</b>	<b>100.00</b>	<b>79,081</b>	<b>100.00</b>

**9. DEMATERIALIZATION OF SHARES:**

The Shares of the company were dematerialized with effect from 28.08.2002. The National Securities Depository Limited and Central Depository Services (India) Limited 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's 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. 11,48,744 shares out of 2,29,11,359 shares of the company have been dematerialized as at 31st March, 2013.

**10. Number of Shareholders(As at 31st March, 2013): 79,081****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 Share Department  
The Baroda Rayon Corporation Ltd.  
P.O. Fatehnagar, Udhna, Dist. Surat 394 220**DECLARATION OF THE DIRECTOR ON COMPLIANCE WITH THE CODE OF CONDUCT**

This is to certify that all the Members of the Board of Directors and Senior Management Personnel (i.e. up to level of Deputy General Manager) of the company are in the process of confirming the compliance with the company's code of conduct during the period 1st April, 2012 to 31st March, 2013.

Place: Mumbai

Date: 01.08.2013

**By Order of the Board of Directors****D B Patel**  
**Chairman & Managing Director**

**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF THE CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To  
The Members of  
The Baroda Rayon Corporation Limited

1. We have examined the compliance of the conditions of the corporate governance by The Baroda Rayon Corporation Limited, for the period ended 31st March, 2013, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges (hereinafter referred to as "The Agreement").
2. The compliance of condition of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has not complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing agreement.
4. Attention is invited to the followings:
  - a. the company has not filed the quarterly results, six monthly results with limited review along with Auditor's certificate with the respective stock exchanges, where the shares of the company have been listed. The company neither has produced any evidence, which shows that the said results had been published in the newspapers as per listing compliance rules.
  - b. the company has yet to comply various formalities for keeping the listing of shares active with respective stock exchanges.
5. In absence of information, we are unable to certify that they were no investor grievances remained un-attended/ending for more than 30 days as at 31st March, 2013.
6. We further state that such compliance is neither an assurance as to the future liability of the company nor the efficiency nor effectiveness with which the management has conducted the affairs of the company.

**For AMPAC & Associates  
Chartered Accountants  
(FRN 112236w)**

**P. B. Sheth  
Partner**

**Membership No. 044062**

Date: 01.08.2013

Place: Mumbai

## AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of The Baroda Rayon Corporation Limited, which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

#### **Attention is invited to followings:**

- a. As stated in note No.19 (a) in financial statements, 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 been suspended since August' 2008 and there are many legal cases pending against the Company which may affect the future functioning of the Company. In our opinion, the Company is not a going concern, though accounts have been prepared on historic cost basis. No valuation reports is obtained for arriving at the fair market value of the assets, hence we are unable to report on the realizable value of the asset valuation as well as the provision for impairment.  
In the absence of key personnel in accounting and finance departments and the non-availability of adequate data and information for its accounting compilation, the Company had to prepare the accounts ongoing concern basis. Consequently no adjustments have been made in the accounts relating to the recoverability of recorded assets and in respect of recorded liabilities and contingent liabilities that might devolve on the Company.
- b. The Company could not make full payment of settled past dues as desired in the terms of wage settlement agreement referred in Note 22 of financial statements during its tenure and no fresh renewal agreement was entered as the agreement has expired. Subsequently, employee Union has filed the litigation in September' 2008 for recovery of their total dues against the Company at Gujarat High court. The Hon'ble High court has directed to resolve the litigation by way of arbitration process; accordingly Company has filed the necessary affidavit with Board. The matter is pending with the Board. In absence of the information, we are unable to express any opinion on probable liabilities on account of the non compliance and expiry of the said agreement and the pending disposal of final verdict in arbitration award.
- c. The balances for Sundry Debtors, Sundry creditors, secured and unsecured loans, loans & advances, bank balances, statutory and other liabilities as on 31st March' 2013 are subject to confirmation. The figures reported in the financial statement are as per the ledger account.
- d. On account of closure of operation since August' 2008 and loss of key personnel, we have not physically verified the stores & spares and fixed assets of the Company as on 31st March' 2013.

- e. No information is available regarding the amount payable to suppliers under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, interest provision required under the said Act is not made.

Subject to above paragraph from a) to f) and paragraph mentioned under Report on Other Legal and Regulatory Requirements 2d) relating non-compliance of Accounting standards from I) to IV), in our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair viewing conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a) In view of huge accumulated losses of ₹ 35240.63 lacs and financial constraints, there was loss of key personnel and staff responsible for financial and accounting matters, as such the financial information and accounting data were prepared on the basis of available information and we are expressing our opinion with such limitation, subject to above, we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of Accounts as required by Law have been kept by the Company so far as appears from our examinations of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) Except for the following Accounting Standards as referred below, in our opinion, the Profit and Loss Account and Balance Sheet comply with the Accounting standards referred to in Sub Section (3c) of Section 211 of the Companies Act, 1956 to the extent applicable to the Company.
- I) We are unable to express an opinion on the financial impact, not ascertained by the Company, that may arise on account of impairment of assets related to discontinued operations for details refer to note 34 of financial statements. No separate disclosure has been made in the profit and loss account and Cash flow statements for the year for the discontinued operations. Non-disclosure of information with respect to discontinued operation and non-provision of impairment value in assets are inconsistent with the compliance of Accounting Standard - 24 relating to discontinuing operation and Accounting Standard-28 relating to Impairment of Assets.
- II) No information is disclosed of related party disclosure in the financial statement, which is contrary to AS 18.
- III) The Company has not made any provision for the decline in the value of investment related to investment in unquoted shares of Thai Baroda Industries Ltd for ₹ 574.84 lacs and equity shares in TAIB Capital Corporation Ltd for ₹ 24.50 lacs, which is contrary to the Accounting Standard 13.
- IV) The provision has been made for Gratuities, P.F, E.S.I.C. and leave salary as per Company's own estimate up to 31ST March' 2009; no liabilities have been ascertained for the financial year 2009-10, 2010-11, 2011-12 & 2012-13. Hence the reported losses and accumulated losses are understated to the extent of such non-provision. The accounting of said employees dues are not as per the actuary valuation, which is contrary to Accounting Standard AS 15.
- V) In absence of the information related to the Corporate compliances, statutory records related to Registrar of Companies and qualification of directors as contemplated in Section 274 (1) (g) of the Companies Act' 1956, we are unable to express our opinion of qualification/ disqualification of directors for their appointment and reappointment.

**For AMPAC & Associates**  
**Chartered Accountants**  
**(FRN 112236w)**

**P. B. Sheth**  
**Partner**

**Membership No. 044062**

Date: 01.08.2013

Place: Mumbai

## ANNEXURE TO OUR REPORT

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

**1. In respect of fixed assets :**

- (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) According to the information given to us the Management has not physically verified the Fixed Assets of the Company since 1998-99, We are unable to express any comments for any physical discrepancies/differences that may arise in respect of the verification of Fixed Assets.
- (c) The Company has not disposed off any substantial part of assets.

**2. In respect of Inventories :**

- (a) As informed to us, the inventory has not been physically verified during the year by the management. After closure of operation since August 2008, the Company does not have any inventory except few stores of ₹ 17.89 lacs.
- (b) In our opinion, the Company has not physically verified the stock; hence our opinion on procedures of physical verification of stocks followed by the management does not arise.
- (c) The Company was maintaining proper records of inventory, 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. However, the Company has not considered the impairment aspect for the carrying value of stock, which are old and obsolete.

**3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:**

- a. The Company has granted loans of ₹ 182.21 lacs to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. The Company has granted loans to 3 parties and maximum balance outstanding at any time during the year was ₹182.21 lacs.
- b. In our opinion and according to the information and explanation given to us, the aforesaid loan is interest free and other terms and conditions, are prima facie prejudicial to the interest of the Company.
- c. The said loans are repayable on demand and there is no repayment schedule.
- d. As the said loans are repayable on demand, the question of overdue amounts does not arise.
- e. As informed to us, the Company has taken unsecured loans from thirteen parties referred as above amounting to ₹ 1310.90 lacs. The maximum balance outstanding at any time during the year was ₹ 1320.90 lacs.
- f. In our opinion and according to the information and explanations given to us, the unsecured loans are interest free and other terms are not prejudicial to the interest of the company.
- g. In respect of the interest free unsecured loans, the amounts were repaid as per stipulation and there is no overdue amount in respect of loans taken by the Company.

**4. Since there is closure of operation from August 2008, in our opinion, there is no internal control procedure commensurate with the size of the company and the nature of business. On account of the closure of operation there is no sale or purchase of goods and purchase of fixed assets; however there is no internal control on safeguarding the asset of the Company like scrap materials, stores and other movable assets. In addition, the system of confirmation / reconciliation of balances of parties as well as inoperative bank accounts for details refer to note 13 of financial statements need to be strengthened to make them commensurate with the size of the Company and the nature of its business.**

**5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, the Company does not have any transaction that needs to be entered in to the register maintained under section 301 of the Act.**

**6. In our opinion and according to the information and explanation given to us, the Company has contravened the provisions of repayment of deposits along with interest thereon as contemplated in Section 58A & 58AA of the Companies Act, 1956, and the rules framed there under with regard to deposits accepted from public, which are overdue. However, the Company is declared sick by The Board for Industrial and Financial Reconstruction (now referred BIFR) under section 3(1)(0) of the Sick Industrial Companies (Special Provisions) Act 1985. By virtue of the rehabilitation scheme of BIFR, all the claims relating to future and past interest is waived and the Company has to repay the 100% principal dues as on 31.03.2003 in five equal installments after 5 years from 22.05.2006 viz. date of the scheme. The Company has started repayment of fixed deposits.**

7. In our opinion, the Company has no internal audit system commensurate with the size and nature of its business.
8. We are of the opinion that the company has not maintained books of account pursuant to the order made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956. In the current year, the Company does not have any manufacturing activities.
9. (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 provident fund, Investor Education and Protection fund, Employee's State Insurance, Income tax, Sales tax, Custom duty, Excise 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;

<b>SR. NO.</b>	<b>STATUTORY DUES</b>	<b>AMOUNT (₹ IN LACS)</b>
a.	Sales Tax/VAT & interest thereon	1893.40
b.	Custom Duty	680.93
c.	Excise Duty	34.00
d.	Interest on excise duty	626.66
e.	Income Tax/TDS/Wealth Tax/FBT	1.31
f.	Provident Fund dues & interest thereon	972.67
g.	Employee's State Insurance dues	338.54
h.	Water Tax & interest thereon	1611.45
i.	Gujarat Electricity Board & interest thereon	1071.49
j.	Textile Committee Cess	12.19
k.	Water Cess (Gujarat Pollution Control Board)	8.35
l.	Electricity Duty (Power plant)	1691.48
m.	Municipal Tax	118.26
n.	Professional Tax	20.18

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, GEB etc claiming penal interest, damages and penalty 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.

<b>Sr. No.</b>	<b>Name of Statute</b>	<b>Nature of dues</b>	<b>Amount (₹ in lacs)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
1.	Central Excise Act, 1944	Excise Duty	8.16	1995-1996	Asst. Commissioner Central Excise CEGAT
2.	Central Excise Act, 1944	Excise Duty	0.91	1996-1997	Asst. Commissioner Central Excise CEGAT.
3.	Central Excise Act, 1944	Excise Duty	11.72	1996-1997	Commissioner (Appeal), Central Excise CEGAT
4.	Central Excise Act 1944	Excise Duty	10.18	1996-1997	The Appellant Tribunal, Central Excise CEGAT
5.	Central Excise Act, 1944	Excise Duty	8.93	1996-1997	Asst. Commissioner Central Excise CEGAT
6.	Central Excise Act, 1944	Excise Duty	29.15	1997-1998	Asst. Commissioner Central Excise CEGAT
7.	Central Excise Act, 1944	Excise Duty	2046.54	1998-1999	Asst. Commissioner Central Excise CEGAT
8.	Central Excise Act, 1944	Excise Duty	1880.87	2005-2007	The Appellant Tribunal, Central Excise CEGAT

10. The company has accumulated losses at the end of the financial year of ₹ 35240.63 lacs; however it has generated cash loss ₹ 521.16 lacs in the current year against the cash losses of ₹ 1094.21 lacs for immediately preceding year.

10. The Company has paid all the dues to CDR members, however, PNB Asset Management Limited which is not participating member under CDR scheme is as under:

(₹ In Lacs)

<i>Name of lender</i>	<i>Principal amount</i>	<i>Interest overdue &amp; provided in books</i>	<i>Interest overdue &amp; not provided in books</i>	<i>Total amount outstanding At year end</i>	<i>Repayment Overdue from year</i>
<i>Debenture Holders</i>	177.15	196.78	<i>Not Ascertained (Up to P.Y. 466.13)</i>	<i>Not ascertained (Up to P.Y. 840.06)</i>	<i>F.Y.1997 - 98</i>

Note: The above balance is subject to confirmation.

12. According to the information and explanations given to us, the company has not granted any loans on the basis of security by way of pledge of shares, securities, debentures or others.
13. In our opinion and according to the information and explanations given to us, the nature of activities does not attract any special statue applicable to chit fund and nidhi/mutual benefit funds/societies.
14. In our opinion and according to the information and explanations given to us, the company has no transaction of dealing in buying and selling of shares, securities or such other investments.
15. Except the guarantee being given to HDFC Limited of ₹ 60.91 lacs for availing Housing loan to staff, according to the information and explanations given to us and the records examined by us, the company had not given the guarantee to banks for loans taken by others. However, said arrangement is not prejudicial to the interest of the company, as any invoked guarantee is recoverable from employee's salary.
16. As informed to us, the company had not availed any fresh loans during the year.
17. On the basis of an overall examination of the balance sheet and the cash flows of the company and the information and explanations given to us, we report that the Company has not utilized any funds raised on short-term basis for long-term investments.
18. The Company has not made preferential allotment of shares to parties or companies covered under Section 301 of the Act.
19. According to the information and explanations given to us, the company has not issued debentures during the year.
20. The Company has not raised any public issue during the year.
21. Based upon the audit procedures performed, information, and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For AMPAC & Associates  
Chartered Accountants  
(FRN 112236w)**

**P. B. Sheth  
Partner**

**Membership No. 044062**

Date: 01.08.2013

Place: Mumbai

**THE BARODA RAYON CORPORATION LIMITED**  
Balance Sheet as at 31<sup>st</sup> March, 2013

(₹ In Lacs)

	Particulars	Note No.	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	1	2291.14	2291.14
	(b) Reserves and surplus	2	(14735.54)	(12907.03)
			<b>(12444.40)</b>	<b>(10615.89)</b>
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	3	-	2457.09
	(b) Other long-term liabilities		-	-
	(c) Long-term provisions		-	-
			-	<b>2457.09</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	4	1605.01	6591.75
	(b) Trade payables	5	2393.98	3009.88
	(c) Other current liabilities	6	22909.66	14399.24
	(d) Short-term provisions	7	3812.97	4077.09
			<b>30721.62</b>	<b>28077.96</b>
	<b>TOTAL</b>		<b>18277.22</b>	<b>19919.16</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	8	17199.84	18566.35
	(ii) Capital work-in-progress		32.47	32.47
			<b>17232.31</b>	<b>18598.82</b>
	(b) Non-current investments	9	599.61	599.60
	(c) Long-term loans and advances	10	247.03	122.61
	(d) Other non-current assets		-	-
			<b>846.64</b>	<b>722.21</b>
<b>2</b>	<b>Current assets</b>			
	(a) Current investments			
	(b) Inventories	11	17.89	17.89
	(c) Trade receivables	12	132.95	171.95
	(d) Cash and cash equivalents	13	47.43	215.87
	(e) Short-term loans and advances	14	-	192.42
	(f) Other current assets		-	-
			<b>198.27</b>	<b>598.13</b>
	<b>TOTAL</b>		<b>18277.22</b>	<b>19919.16</b>
	See accompanying notes forming part of the financial statements	<b>19 to 36</b>	-	-

In terms of our report attached.

**For AMPAC & Associates**

Chartered Accountants

FRN 112236w

**P. B. Sheth**

Partner

Place : Mumbai

Date : 1<sup>st</sup> August, 2013

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

**D B Patel**

Managing Director

Place : Mumbai

Date : 1<sup>st</sup> August, 2013

**B H Patel**

Director

**THE BARODA RAYON CORPORATION LIMITED**  
**Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2013**

(₹ In Lacs)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>INCOME</b>			
1 Revenue from operations (gross)		-	-
Less: Excise duty		-	-
Revenue from operations (net)		-	-
2 Other income		-	-
3 <b>Total revenue (1+2)</b>		-	-
<b>Expenses</b>			
(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	15	12.84	30.01
(e) Finance costs	16	381.69	988.18
(f) Depreciation and amortisation expense	8	303.94	303.94
(g) Other expenses	17	126.64	76.03
<b>Total expenses</b>		<b>825.11</b>	<b>1398.16</b>
5 <b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		(825.11)	(1398.16)
6 Exceptional & Extraordinary Items		-	-
7 <b>Profit / (Loss) before tax (5 + 6)</b>		(825.11)	(1398.16)
8 <b>Tax expense:</b>			
Current tax expense relating to prior years		(59.17)	-
		-	-
9 <b>Profit / (Loss) (7 +8)</b>		(765.94)	(1398.16)
10 <b>Profit / (Loss) for the year</b>		(765.94)	(1398.16)
11 <b>Earnings Per Share</b>			
<b>Earnings per share (of 10/- each):</b>			
Basic & Diluted	18	(3.34)	(6.10)
<b>See accompanying notes forming part of the financial statements</b>	19 to 36		

In terms of our report attached.

**For AMPAC & Associates**

Chartered Accountants

FRN 112236w

**P. B. Sheth**

**Partner**

Place : Mumbai

Date : 1<sup>st</sup> August, 2013

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

**The Baroda Rayon Corporation Limited**

**D B Patel**

**Managing Director**

Place : Mumbai

Date : 1<sup>st</sup> August, 2013

**B H Patel**

**Director**

**CASH FLOW STATEMENT FOR COMPANIES OTHER THAN FINANCE COMPANIES**

**THE BARODA RAYON CORPORATION LIMITED**

Cash Flow Statement for the year ended 31<sup>st</sup> March, 2013

(₹ In Lacs)

Particulars	For the year ended 31 <sup>st</sup> March, 2013		For the year ended 31 <sup>st</sup> March, 2012	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax	(825.10)		(1398.16)	
<u>Adjustments for:</u>				
Depreciation and amortization	303.94		303.94	
Finance costs	381.69		988.18	
	(139.47)	(139.47)	(106.04)	(106.04)
Operating profit / (loss) before working capital changes		(139.47)		(106.04)
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	-			
Trade receivables	39.00		57.17	
Short-term loans and advances	192.42		-	
Long-term loans and advances	(124.43)		257.65	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	(615.90)		(720.65)	
Other current liabilities	8510.42		(3908.14)	
Short-term provisions	(204.98)		(197.80)	
Long-term provisions				
	7796.53	7796.53	(4511.77)	(4511.77)
Cash flow from extraordinary items		7657.06		(4617.81)
Cash generated from operations		-		-
Net income tax (paid) / refunds		7657.06		(4617.81)
		-		-
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>7657.06</b>		<b>(4617.81)</b>
<b>B. Cash flow from investing activities</b>				
Purchase of Shares		0.01		-
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>0.01</b>		<b>-</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from long-term borrowings	(2457.09)		2457.09	
Proceeds from other short-term borrowings	(4986.74)		3181.44	
Finance cost	(381.69)		(882.14)	
	(7825.52)	(7825.52)	4756.39	4756.39
Cash flow from extraordinary items				
		(7825.52)		4756.39
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(7825.52)</b>		<b>4756.39</b>
<b>Net increase / (decrease) in Cash and</b>		<b>(168.45)</b>		<b>138.58</b>

<b>cash equivalents (A+B+C)</b>			
Cash and cash equivalents at the beginning of the year.		215.87	77.29
<b>Cash and cash equivalents at the end of the year</b>		47.42	215.87
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>			
Cash and cash equivalents as per Balance Sheet		47.42	215.87
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements		-	-
<b>Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19</b>		<b>47.42</b>	<b>215.87</b>
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Note (ii) to Note 16 Current investments)		-	-
<b>Cash and cash equivalents at the end of the year *</b>		<b>47.42</b>	<b>215.87</b>
* Comprises:			
(a) Cash on hand		0.17	7.96
(c) Balances with banks			
(i) In current accounts		28.07	188.73
(ii) In earmarked accounts (Refer Note below)		19.18	19.18
		47.42	215.87

**Notes:**

(i) These earmarked account balances with banks can be utilized only for the specific identified purposes. The details of the said account are given in Note forming part of financial statements.

**See accompanying notes forming part of the financial statements**

In terms of our report attached.

**For AMPAC & Associates**  
Chartered Accountants  
FRN 112236w  
**P. B. Sheth**  
**Partner**

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

**D B Patel**  
**Managing Director**

**B H Patel**  
**Director**

Place : Mumbai  
Date : 1<sup>st</sup> August, 2013

Place : Mumbai  
Date : 1<sup>st</sup> August, 2013

**THE BARODA RAYON CORPORATION LIMITED**  
Notes forming part of the financial statements

**Note 1 Share capital**

(₹ In Lacs)

Particulars	As at 31 <sup>st</sup> March, 2013		As at 31 <sup>st</sup> March, 2012	
	Number of shares	₹	Number of shares	₹
<b>(a) Authorised</b>				
Equity shares of Rs.10/- each with voting rights	130,000,000	13,000.00	130,000,000	13,000.00
Redeemable preference shares of 10/- each	20,000,000	2,000.00	20,000,000	2,000.00
<b>(b) Issued</b>				
Equity shares of Rs. 10/- each with voting rights	22,911,359	2291.14	22,911,359	2291.14
<b>(c) Subscribed and fully paid up</b>				
Equity shares of Rs. 10/- each with voting rights	22,911,359	2291.14	22,911,359	2291.14

(₹ In Lacs)

<b>(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:</b>								
Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Buy back	Other changes	Closing Balance
Equity shares with voting rights								
Year ended 31 March, 2013								
- Number of shares	22,911,359	-	-	-	-	-	-	22,911,359
- Amount (₹)	2291.14	-	-	-	-	-	-	2291.14
Year ended 31 March, 2012								
- Number of shares	22,911,359	-	-	-	-	-	-	22,911,359
- Amount (₹)	2291.14	-	-	-	-	-	-	2291.14

**Note:** Since last five years there is no change in share capital

**Particulars**

**Notes:**

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 <sup>st</sup> March, 2013		As at 31 <sup>st</sup> March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights:</b>				
Kanchenjunga Texturiserd Pvt. Ltd.	73,80,000	32.21%	73,80,000	32.21%
Sejima Teyam Pvt. Ltd.	52,36,800	22.86%	-	-
Ramsons Properties Pvt. Ltd.	35,98,200	15.71%	29,45,000	12.85%
Shivalik Golf & Forests Resorts Ltd	26,20,000	11.44%	26,20,000	11.44%
High Street Accounting Services Pvt. Ltd.	-	-	29,45,000	12.85%
Hena Khanna	-	-	26,20,000	11.44%

**Note 2 Reserves and Surplus**

(₹ In Lacs)

Particulars	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
	₹	₹
(a) Capital reserve		
Opening balance	3669.21	3669.21
Closing balance	3669.21	3669.21
(b) Securities premium account		
Opening balance	5192.97	5192.97
Closing balance	5192.97	5192.97
(c) Debenture redemption reserve		
Opening balance	1142.54	1142.54
Closing balance	1142.54	1142.54
(d) Revaluation reserve		
Opening balance	11181.89	12244.46
Less: Utilised for set off against depreciation	1062.57	1062.57
Closing balance	10119.32	11181.89
(e) Lease Special reserve		
Opening balance	381.06	381.06
Closing balance	381.06	381.06
(f) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(34474.70)	(33076.54)
Add: Profit / (Loss) for the year	(765.94)	(1398.16)
Closing balance	(35240.64)	(34474.7)
<b>Total</b>	<b>(14735.54)</b>	<b>(12907.03)</b>

**Note 3 Long-term borrowings**

(₹ In Lacs)

Particulars	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
	₹	₹
Secured Term loans from Asset Care & Reconstruction Enterprise Limited	-	2457.09
<b>Total</b>	<b>-</b>	<b>2457.09</b>

In the financial year 2011-12, Asset Care & Reconstructions Enterprise Limited (referred as Assignee), incorporated under the Companies Act' 1956, a securitization & reconstruction Company, by virtue of Assignment Agreement dated 27th March' 2012, has acquired the loan from IFCI (referred as Assignor) for total consideration of ₹ 25,00,00,000/- against the security of immovable properties of the Company. The said loans are upon the terms and subject to condition mentioned in the said agreement as well as it is as envisaged under Section 5(1)(b) of SRFSAESI. Subsequently, Asset Care & Reconstructions Enterprise Limited (referred as Assignee) has entered into an agreement with body corporate, who will act as the "Resolution Agent" for the recovering of the dues on behalf of Asset Care & Reconstructions Enterprise Limited by way of sale of immovable properties located at Udhna. The entire dues will be payable to Asset Care & Reconstructions Enterprise Limited within 18 months from date of agreement viz. 27th March' 2012. Since the amount is payable within 6 months, the balance amount is reported under short term borrowings under note 6.

**Note 4 Short-term borrowings**

(₹ In Lacs)

Particulars	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
	₹	₹
(a) Inter- corporate Deposit		
Unsecured & Interest Free	915.87	4399.82
	915.87	4399.82
(b) Deposits	196.18	220.00
	196.18	220.00
(b) Other loans and advances		
Unsecured from friend & relatives of directors	492.96	1971.93
	492.96	1971.93
<b>Total</b>	<b>1605.01</b>	<b>6591.75</b>

**Note 5 Trade payables**

(₹ In Lacs)

Particulars	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
	₹	₹
Trade payables:		
Acceptances	-	-
Other than Acceptances	2393.98	3009.88
<b>Total</b>	<b>2393.98</b>	<b>3009.88</b>

**Note 6 Other current liabilities**

(₹ In Lacs)

Particulars	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
	₹	₹
(a) Current maturities of long-term debt (Refer Note (i) below)	2450.00	-
(b) Advance against sale of fixed assets	10348.96	1503.22
(c) Application money received for allotment of securities and due for refund and interest accrued thereon	-	515.6
(d) Unpaid matured deposits and interest accrued thereon	-	-
(e) Unpaid matured debentures and interest accrued thereon (refer to Note (ii) below)	373.93	375.87
(f) Other payables		
(i) Statutory Liabilities	7859.32	7860.05
(ii) Liabilities related to Staff, PF dues, -ESIC dues etc.	1559.73	1725.51
(iii) Premium Payable on Debentures	35.00	35.00
(iv) Trade / security deposits received	26.50	61.75
(v) Other Liabilities (Refer note (iii) below)	256.22	2322.24
<b>Total</b>	<b>22909.66</b>	<b>14399.24</b>

**Note:**

(i) Current maturities of long-term debts (Refer Note 3 – Long term borrowings for details of security and guarantee).

(ii) The said debentures of PNB Asset Management Services & others have become overdue for payment since long time. In the financial year 2003-04, the Company had settled various debts due to financial institution, banks, secured debenture holders under corporate debt restructuring scheme, however PNB Asset Management Services has not participated in the scheme, hence the debentures have become overdue.

(iii) Other liabilities include book overdraft balance of bank for ₹ 133.94 lakhs.

**Note 7 Short-term provisions**

(₹ In Lacs)

Particulars	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
	₹	₹
(a) Provision for employee benefits: Provision for gratuity (net) (Refer note no. 29(i) forming part of the financial statements)	3812.97	4018.07
(b) Provision - Others:		
(i) Provision for tax (net of advance tax)	-	49.41
(ii) Provision for wealth tax	-	9.62
<b>Total</b>	<b>3812.97</b>	<b>4077.10</b>

**NOTE 8A FIXED ASSETS**

(₹ In Lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01.04.2012	Addition/ sale During the year	TOTAL As at 31.03.2013	Up to 31.3.2012	Sales/ Trans/ Adj.	Provided During the year	Depreciation on Revalued Assets	TOTAL As at 31.3.2013	As at 31.3.2013	As at 31.3.2012
Tangible Assets	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land (Free Hold)	3851.52	-	3851.52	-	-	-	-	-	3851.52	3851.52
Roads	33.48	-	33.48	20.44	-	0.55	-	20.99	12.49	13.04
Buildings	7043.75	-	7043.75	1979.17	-	61.11	81.56	2121.84	4921.91	5064.58
Plant & Machinery	40523.56	-	40523.56	31144.94	-	226.83	961.30	32333.06	8190.50	9378.62
Tube wells	10.21	-	10.21	5.05	-	-	0.36	5.41	4.80	5.16
Waterworks & Pipeline	200.89	-	200.89	72.77	-	-	2.23	75.01	125.68	127.92
Railway sliding Furniture, Fixture & Equipment	33.31	-	33.31	15.98	-	-	1.08	17.06	16.25	17.33
Cars & Vehicles	686.06	-	686.06	581.99	-	15.45	16.04	613.49	72.57	104.07
	164.28	-	164.28	160.16	-	-	0.00	160.16	4.11	4.115
<b>TOTAL</b>	<b>52546.86</b>	<b>-</b>	<b>52546.86</b>	<b>33880.5</b>	<b>-</b>	<b>303.94</b>	<b>1062.57</b>	<b>35347.02</b>	<b>17199.83</b>	<b>18566.35</b>
PREVIOUS YEAR	52546.86	-	52546.86	32613.99	-	303.94	1062.57	33980.51	18566.35	19632.86

**Note 8b Depreciation and amortisation:**

(₹ In Lacs)

Particulars	For the year ended	For the year ended
	31 March, 2013	31 March, 2012
	₹	₹
Depreciation and amortization for the year on tangible assets	1366.51	1366.51
Less: Utilized from revaluation reserve		
Depreciation and amortization	1062.57	1062.57
Depreciation and amortization	303.94	303.94
<b>Notes:</b>		
There are no amounts written off on reduction of capital or revaluation of assets or sums added to assets on revaluation during the preceding 5 years:		

**Note 9 Non-current investments**

(₹ In Lacs)

Particulars	As at 31 <sup>st</sup> March, 2013			As at 31 <sup>st</sup> March, 2012		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
<b>Investments (At cost):</b>						
a) Investment in equity instruments						
(i) 50 Fully paid Equity Shares of Rs.10/- each of ICICI Bank	-	-	-	-	-	-
(ii) 333 Fully paid equity share of Rs.10/- each of HOCL	0.25	-	0.25	0.25	-	0.25
(iii) 10 Shares of Rs.20/- each fully paid of the Surat District Co-operative Purchase & Sales Union Ltd	-	-	-	-	-	-
(iv) 1875001 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 TAIB Capital	-	24.5	24.5	-	24.5	24.5
(vi) 100 Equity Shares of Rs. 10/- each of City Co-op. Bank Limited	-	0.01	0.01	-	-	-
			<b>599.61</b>			<b>599.60</b>
Less: Provision for diminution in value of investments			-			-
<b>Total</b>			<b>599.61</b>			<b>599.60</b>
Aggregate amount of quoted investments			0.25			0.25
Aggregate market value of listed and quoted investments			0.70			0.80
Aggregate amount of unquoted investments			599.36			599.35

**Note 10 Long-term loans and advances**

(₹ In Lacs)

Particulars	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
	₹	₹
(a) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT & Service Tax credit receivable	(i) 92.15	92.15
(b) Other loans and advances		
Advances recoverable in cash or kind (refer note below)	154.89	30.46
Doubtful	290.00	290.00
	444.89	320.46
Less: Provision for other doubtful loans and advances	290.00	290.00
	154.89	30.46
<b>Total (i+ii)</b>	<b>247.04</b>	<b>122.61</b>

**Note 11 Inventories**

(At lower of cost and net realisable value)

(₹ In Lacs)

Particulars	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
	₹	₹
Stores and spares	17.89	17.89
<b>Total</b>	<b>17.89</b>	<b>17.89</b>

**Note 12 Trade receivables****(₹ In Lacs)**

Particulars	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
	₹	₹
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	132.95	171.95
Doubtful	85.68	85.68
	218.63	257.63
Less: Provision for doubtful trade receivables	85.68	85.68
<b>Total</b>	<b>132.95</b>	<b>171.95</b>

**Note 13 Cash and cash equivalents****(₹ In Lacs)**

Particulars	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
	₹	₹
(a) Cash on hand	0.17	7.96
(b) Balances with banks		
(i) In current accounts	3.47	166.53
(ii) In Current account inoperative (refer note 1 below)	24.00	22.19
(iii) In earmarked accounts (refer note 2 below)		
- Unpaid dividend accounts under reconciliation	0.12	0.12
- Unpaid Debenture under reconciliation	18.91	18.91
- Preference Share application money received under reconciliation	0.15	0.16
<b>Total</b>	<b>47.42</b>	<b>215.87</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements.	47.42	215.87

**Notes:**

- There are 42 non-operative current account of the Company and is under process of closure of the same. The balances are subject to confirmation.
- There are 13 account of debenture redemption fund, 1 account of preference share dividend account and 3 accounts of preference share application account, which is subject to reconciliation pending from the bankers and registrar's account. On confirmation of and reconciliation of balances, the account will be closed or disposed off by transferring to Investor Protection fund.

**Note 14 Short-term loans and advances****(₹ In Lacs)**

Particulars	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
	₹	₹
(a) Inter-corporate deposits		
Unsecured, considered good	-	157.21
Less: Provision for doubtful inter-corporate deposits	-	-
		157.21
(b) Others		
Unsecured, considered good to individuals & firm	-	35.21
Less: Provision for other doubtful loans and advances	-	-
		35.21
<b>Total</b>	<b>-</b>	<b>192.42</b>

**Note 15 Employee benefits expense****(₹ In Lacs)**

Particulars	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
	₹	₹
Salaries and wages	0.80	18.56
Ex-gratia payments	12.04	11.45
<b>Total</b>	<b>12.84</b>	<b>30.01</b>

**Note 16 Finance costs****(₹ In Lacs)**

Particulars	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
	₹	₹
(a) Interest expense on:		
(i) Borrowings	380.81	880.64
(ii) Others	-	106.04
(b) Other borrowing cost - Bank Charges	0.88	1.50
<b>Total</b>	<b>381.69</b>	<b>988.18</b>

**Note 17 Other expenses**

(₹ In Lacs)

Particulars	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
	₹	₹
Advertisement	0.09	1.55
Computer expenses	0.49	1.56
Donations	4.00	4.00
Legal Expenses	0.68	3.06
Legal & Professional Charges	65.50	56.38
Office Expenses	10.52	4.56
Rates & Taxes	40.30	5.61
Payments to auditors - Statutory Audit	2.42	2.00
Prior period items (net) Balances written off/ liabilities no longer payable	2.64	(2.69)
<b>Total</b>	<b>126.64</b>	<b>76.03</b>

**Notes**

(₹ In Lacs)

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	₹	₹
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	2.25	2.00
- Out of Pocket	0.17	-
<b>TOTAL</b>	<b>2.42</b>	<b>2.00</b>
(ii) Details of Prior period items (net)		
Prior period expenses (Sundry Balances Written off)	2.64	-
Prior period income (Liabilities no longer payable)	-	(2.69)
<b>TOTAL</b>	<b>2.64</b>	<b>(2.69)</b>

**Note 18 Disclosures under Accounting Standards**

(₹ In Lacs)

	Particulars	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
		₹	₹
18	<b>Earnings per share</b>		
18.a	<b>Basic &amp; Diluted</b>		
	Net profit / (loss) for the year	(765.94)	(1398.16)
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year from attributable to the equity shareholders	(765.94)	(1398.16)
	Weighted average number of equity shares	22911359	22911359
	Par value per share	10	10
	Earnings per share from continuing operations - Basic	(3.34)	(6.10)
18.b	<b>Basic &amp; Diluted (Excluding Extraordinary items)</b>		
	Net profit / (loss) for the year	(765.94)	(1398.16)
	(Add) / Less: Extraordinary items (net of tax) relating to continuing operations	-	-
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year from attributable to the equity shareholders	(765.94)	(1398.16)
	Weighted average number of equity shares	22911359	22911359
	Par value per share	10	10
	Earnings per share from continuing operations excluding extraordinary items - Basic	(3.34)	(6.10)

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 19 ACCOUNTING POLICIES:

(a) **Basis of Accounting**

The accounts have been prepared on the basis that the Company is going concern and on the basis of historical costs.

(b) **Revenue Recognition**

Sale of goods is recognized on dispatch to customers. Sales includes amount recovered towards excise duty but excludes amount recovered towards sales tax and are net of trade discounts.

(c) **Investments**

Investments are valued at cost subject to application of Accounting Standard 13 accounting for investment prescribed by the Institute of Chartered Accountants of India.

(d) **Research and Development**

Revenue expenditure on research and development (R & D) is charged to the Profit and Loss Account. Capital expenditure on R & D is shown as addition to Fixed Assets.

(e) **Inventories**

Inventories are valued at lower of cost and estimated realisable value.

(f) **Retirement Benefits**

Retirement benefits to employees are provided for by payment to gratuity, superannuation and provident funds. The Company has taken a policy with the Life Insurance Corporation of India for the payment of gratuity. The premium on policy and the difference between the amount of gratuity paid on retirement, and amount estimated as recoverable from Life Insurance Corporation of India is debited to Profit and Loss Account. Liability in respect of superannuation benefit extended to the specified employees is contributed by the Company to a Fund established with Life Insurance Corporation of India Ltd. at the rate of 15% of the annual salary of those employees. The leave encashment benefit to the employees on retirement is debited to Profit & Loss Account on Cash Basis.

(g) **Depreciation**

The Company has provided depreciation for all the assets based on their utilisation on a pro rata basis, using a straight-line method at the rates specified in Schedule XIV of the Companies Act, 1956. The identification of "continuous process plant" for the purpose of determining the appropriate rate of depreciation, being a technical matter, is based on a representation made by Management and accepted by the auditors.

**Depreciation on Revalued Assets:**

The depreciation on the revalued fixed assets has been reduced from the revaluation reserve.

(h) **Fixed Assets**

Fixed assets are recorded at historical costs and include interest to the date of commissioning on attributable borrowings. In respect of borrowings in foreign currencies for acquisition of fixed assets, increase/decrease in liability consequent on changes in rupee/foreign currencies parity, both on account of repayment during the year and restatement of the liability as at the Balance Sheet date, have been added to the cost of the Fixed Assets. Depreciation is provided on such increased costs.

**Revaluation of Assets:**

The fixed assets have been revalued to align it with the current value of the fixed assets of the Company. The revalue reserve has

been created to the extent of the increase in the value of the fixed assets after netting of the impairment loss in the value of the assets.

**(i) Deferred Revenue Expenditure**

Expenses incurred towards increase in the Authorised Share Capital and towards issue of Right Equity Shares are amortised over a period of ten years from the year in which they are incurred.

After 31.03.2003, any expenditure incurred for which the company will benefit in future will be amortized for 5 years according to generally accounting principles and Accounting Standards.

**(j) Contingent Liabilities and Provisions**

Contingent Liabilities are possible but not probable obligations as on the Balance Sheet date, based on the available evidence.

Department appeals, in respect of cases won by the Company, are also considered as Contingent Liabilities.

Provisions are recognized when there is a present obligation as a result of past events; and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date.

The above policies were followed up to 31st March' 2009. Subsequently, there were no activities carried, hence there is no specific requirement for adherence of accounting policies.

**20. Estimated amount of contracts remaining to be executed on Capital Account is Nil.**

**21. Contingent Liabilities not provided for:**

- (a) Guarantees given by the Company to Housing Development Finance Corporation Ltd. for loans availed by staff amounting to ₹ 60.91 lacs (Previous Year ₹ 60.91 lacs)
- (b) The Company has to pay interest on the outstanding Customs Duty amount at the time of clearance of goods.
- (c) Bank Guarantees to Custom ₹ 25 lacs (Previous year ₹ 25 lacs)
- (d) Interest, damages and penalty payable to E.S.I. and Provident fund dues is not ascertainable.

22. The company entered into a wage settlement agreement with its employees on 27th October' 2003 under section 2(p) read with Rule 62 under the provisions of the Industrial Disputes Act, 1947. Under this agreement the Company has settled all past claims relating to wages, salaries, claims with regard to perquisite and any other amounts due to employees prior to December 2003 in full and final satisfaction. The payments under this settlement are spread over a period of 5 years from the recommencement of the operations. The agreement specifies the past liabilities relating to unpaid salary, provident fund E.S.I.C., Gratuities etc. However the said agreement is expired and there is no further renewal/settlement is made. Owing to financial crisis Company could not make the payment, the aggrieved union has filed the litigation with various claims against the Company with Gujarat, High Court. The HC, Gujarat has directed to resolve the dispute by appointing the arbitrator with their permission. The arbitration award is awaited, hence the liabilities are not crystallized and the probable liabilities will be booked on final declaration of the arbitration award subject to acceptance by both the parties.

**23. Claims against the Company not acknowledged as debts:**

Payment of Excise Duty disputed by the Company in respect of:  
Input & Capital Goods Matters – ₹ 2115.59 lacs (Previous Year ₹ 2079.46 lacs)

**24. Various cases filed against the Company;**

- (i) 7(Seven) Nos. of Unsecured Creditors have filed Winding Up Petitions against the Company in Ahmadabad High Court for their total claims of ₹ 44936586/-. The Company has filed necessary appropriate responses and its Petition Leave has been admitted. The matters are pending for further disposal.
- (ii) Various cases of labour matters, excise matters and gratuity matters 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.
25. The settlement with the Secured lenders under the CDR was made a part of the scheme filed with BIFR and pursuant to the sanction of the scheme the amount payable to Principal PNB mutual fund is ₹ 77.70 lakhs, being 42% of the principal amount of ₹ 185 lakhs. The Company has made a payment of ₹ 7.77 Lakhs against the said liability and is awaiting confirmation of the balance from them to make balance payment.
26. The Company has no information of the suppliers covered under the Micro, Small and Medium Enterprises Development Act' 2006. Accordingly, interest provision required under the said Act is not made.
27. (i) Excise Duty on manufactured goods lying in bond will be taken into account when goods are taken out of bond, as company's practice.
- (ii) The above practice has no effect on the loss.
28. The balances of Sundry Debtors, Sundry Creditors, secured loans, unsecured loans, Bank balances and Loans & Advances are subject to confirmation and are shown as appearing in the Account.
29. (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 employee's retired upto 31st March 2008 is for ₹ 1470.19 lacs. No details of said liabilities are calculated for the employees retired up to 31st March'2009, however the gross liability of the entire employee on accrual basis is provided for ₹ 4215.88 lacs up to 31st March' 2009. No liabilities are calculated up to 31st March 2010, 2011, 2012 and 2013.
- (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. The Company's Provident Fund liabilities are covered under defined benefit plans and all the future and current obligations for PF liabilities were secured by way of investment in Government Securities through Company's PF Trust. However, the company could not make any investment to cover the future and current obligation of PF liabilities as per Accounting Standard 15 and no actuarial losses are determined and debited as per projected unit credit method to Profit & Loss account.
- 30. Income Tax**
- a. In view of the loss, the Company has not made any provision of Income Tax.
- b. The Income Tax Department has seized ₹ 12.06 lacs bank balance on account of dispute.
31. In the financial year 2011-12, Asset Care & Reconstructions Enterprise Limited has purchased the IFCI loan for total consideration of ₹ 25 Crore from IFCI by way of Assignment Deed dated 27th March' 2012. Consequently, all the charges attached with the movable and immovable of the properties are registered with Asset Care & Reconstructions Enterprise Limited.
32. The Company has discontinued operation of NTC plant from financial year 1999-2000 and all other plants have been discontinued from August' 2008. No provision for impairment of assets of the Company has been made. No effect is separately reported in the

profit and loss account as per Accounting Standard 24 related to Discontinue operation.

33. (i) Since no commission is payable to the Managing Director as per the terms of appointment. The computation of net profit in accordance with section 349 of the Companies Act, 1956 is not required.  
(ii) During the year, the Company has not paid managerial remuneration like previous year.
34. In view of substantial accumulated losses carried forward and unabsorbed depreciation under the Income Tax Act, the Accounting Standard 22 (AS 22) relating to "Accounting for Taxes on Income" cannot be implemented on Balance Sheet date as sufficient future taxable income is not yet achieved.
35. Owing to the closure of all operation, there are no material consumption, no inflow and outflow of foreign exchange due to import or any other expenditure were incurred during the year.
36. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached  
For **AMPAC & Associates**  
Chartered Accountants  
FRN 112236w

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

**P. B. Sheth**  
Partner

**D B Patel**  
Managing Director

**B H Patel**  
Director

Place: Mumbai  
Date: 1<sup>st</sup> August, 2013

Place: Mumbai  
Date: 1<sup>st</sup> August, 2013

**THE BARODA RAYON CORPORATION LIMITED**  
**Registered Office:** P.O. Baroda Rayon, Fatehnagar, Udhna, Dist. Surat-394220

**ATTENDANCE SLIP**

**Fifty Third Annual General Meeting**

I hereby record my presence at the FIFTY THIRD ANNUAL GENERAL MEETING of the Company at Patidar Bhavan, Kadodara, Surat at 9:00 a.m. on Saturday, September 21, 2013.

\_\_\_\_\_  
Name of Member's/Proxy's

\_\_\_\_\_  
Member's / Proxy's Signature

Note: Please fill up this attendance slip and hand it over at the Entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the Meeting.

\_\_\_\_\_  
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**THE BARODA RAYON CORPORATION LIMITED**  
**Registered Office:** P.O. Baroda Rayon, Fatehnagar, Udhna, Dist. Surat-394220

**PROXY FORM**

Folio No. : \_\_\_\_\_

No. of Shares held : \_\_\_\_\_

DP ID : \_\_\_\_\_

Client ID : \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_  
being a member/members of The Baroda Rayon Corporation Limited, hereby appoint \_\_\_\_\_ of \_\_\_\_\_

or failing him/her \_\_\_\_\_ of \_\_\_\_\_  
as my/our proxy to vote for me/us and on my/our behalf at the Fifty Third Annual General Meeting of the Company to be held on Saturday, September 21, 2013 at Patidar Bhavan, Kadodara, Surat at 9:00 a.m. or at adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

Affix  
Revenue  
Stamp

Signature(s) of the  
Shareholder(s)

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**THE BARODA RAYON CORPORATION LIMITED**

P.O.Baroda Rayon, Fatehnagar, Udhna, Dist. Surat-394220.