



**The Baroda Rayon Corporation Limited**

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**55th**  
**ANNUAL REPORT**  
**2014-15**

**THE BOARD OF DIRECTORS:**

**Mr. Damodarbai B. Patel**  
Chairman & Managing Director (DIN – 00056513)  
**Mr. Bhavanjibhai H. Patel**  
Independent Director (DIN – 01690183)  
**Mr. Bhaveshbhai V. Patel**  
Independent Director (DIN – 03270321)  
**Mr. Jayantilal D. Patel**  
Independent Director (DIN – 05339476)  
**Mrs. Vidhya V. Bhavani**  
Additional Director (DIN – 07159576)  
(w.e.f. – 29<sup>th</sup> April, 2015)

**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

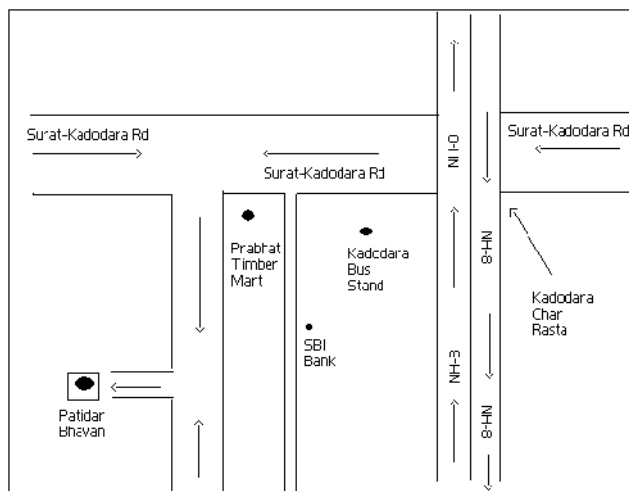
**HEAD OFFICE:**

Hoechst House, Ground Floor,  
193, Backbay Reclamation,  
Nariman Point,  
Mumbai-400 021

**55<sup>th</sup> ANNUAL GENERAL MEETING**

**Date : Wednesday, 30th September, 2015**  
**Time : 9:00 a.m.**  
**Venue : Patidar Bhavan, Kadodara, Surat-394327**

**Route Map to the venue of AGM**



55<sup>th</sup>

Annual Report

2014-15

The Baroda Rayon  
Corporation Limited

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## NOTICE

Notice is hereby given that the **Fifty Fifth** (55th) Annual General Meeting of **THE BARODA RAYON CORPORATION LIMITED** (CIN - L99999GJ1958PLC000892) will be held on Wednesday, the 30th of September, 2015 at 09:00 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 and Statement of Profit and Loss for the year ended 31st March 2015 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Damodarbai Patel (DIN – 00056513), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s. AMPAC & Associates, Chartered Accountants, Mumbai (Registration No. FRN 112236W) as approved by Members at the Fifty Fourth Annual General Meeting as Statutory Auditors of the Company, to hold office until the conclusion of Fifty Ninth Annual General Meeting, and to fix their remuneration for the financial year ending 31st March, 2016.

"RESOLVED THAT, pursuant to provisions of section 139 of the Companies Act 2013 and all other applicable provisions, if any (including any statutory modification or re-enactment thereof for the time being in force) the appointment of M/s AMPAC & Associates, Chartered Accountants, Mumbai (Firm Reg. No. 112236W) be and is hereby ratified to hold the office as auditors till the conclusion of 59<sup>th</sup> Annual General Meeting to conduct audit for the financial year 2015-16 with such remuneration as may be mutually decided between Board of Directors and Auditors."

### **SPECIAL BUSINESS:**

#### **4. Appointment of Mrs. Vidhya Viralbai Bhavani as Non-Executive Director:**

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

"RESOLVED THAT Mrs. Vidhya Viralbai Bhavani (DIN - 07159576), who was appointed as an Additional Director of the Company with effect from 29th April, 2015 on the Board of the company in terms of Section 161(1) of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and who holds office upto the date of Annual General Meeting of the Company and in respect of whom a notice has been received from a member in writing under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing her candidature for the office of the Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation."

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

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

"RESOLVED THAT in supersession of all the resolutions passed earlier and pursuant to provisions of Clause (c) of Sub Section (1) of Section 180 and all other applicable provisions, if any, of the Companies Act, 2013, and read with rules made thereunder and as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow such sum or sums of money, from time to time, which, together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in ordinary course of business) may exceed, at any time, the aggregate of the paid-up share capital of the Company and its free reserves, provided that the total amount so borrowed by the Board shall not at any time exceed ₹ 150.00 Crores (Rupees One hundred and fifty crores).

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

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

**Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Proxies in order to be effective must be received by the Company, at its Registered Office not less than 48 hours before the Meeting.  
  
A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The Register of Members and Share Transfer Book of the company will remain closed from Thursday, 24th of September, 2015 to Wednesday, 30th of September, 2015 (both days inclusive) for the purpose of the Meeting.
3. 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.
4. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding share in physical form can submit their PAN details to the Company / Registrars and Transfer Agents, M/s Sharex Dynamic (India) Private Limited.
5. Members are requested to notify the change in their address to the Registrar and Share Transfer Agent of the company.
6. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, (Corresponding to Section 173(2) of the Companies Act, 1956) in respect of Special Business set out in the Notice is annexed hereto.
7. 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.
8. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company / Registrars and Transfer Agent, M/s. Sharex Dynamic (India) Pvt. Ltd.
9. Corporate Members intending to send their authorised representative to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Annual General Meeting.
10. Details under clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
11. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the company electronically.

**By order of the Board of Directors**

**Damodarbhai B. Patel**  
**Chairman & Managing Director**  
**DIN - 00056513**

Place: Mumbai  
Date: 14<sup>th</sup> August, 2015

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

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

### ITEM NO. 4

Mrs. Vidhya Viralbai Bhavani (DIN – 07159576) was appointed as an Additional Director w.e.f. 29<sup>th</sup> April, 2015 in accordance with the provisions of Section 161 of the Companies Act, 2013. She holds office upto the date of Annual General Meeting.

In terms of the provisions of Section 149(1) of the Companies Act, 2013 read with amended Clause 49 of the Listing Agreement, the company should have at least one woman Director in the Board of Directors of the Company.

The Company has received a notice in writing from a member along with the deposit of requisite amount under section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Vidhya Bhavani (DIN – 07159576) for the office of the Director of the Company, liable to retire by rotation.

In the opinion of the Board, Mrs. Vidhya Bhavani (DIN – 07159576) fulfils the conditions for her appointment as a Non-Executive Director of the Company as specified in the Companies Act, 2013 and the Listing Agreement.

Mrs. Vidhya Bhavani is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director.

Mrs. Vidhya Bhavani does not hold by herself or for any other person on a beneficial basis, any shares in the Company. She is not a director in any other company registered in India. The Board considers that the appointment of Mrs. Vidhya Bhavani as a Director of the Company would be of immense benefit to the Company.

The Board recommends the resolution for your approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mrs. Vidhya Bhavani and Mr. Damodarbai Patel (relative) are considered to be interested or concerned in the above resolution.

### ITEM NO. 5

Under the erstwhile Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company could, with the consent of the shareholders obtained by an Ordinary Resolution, borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.

Under the provisions of Section 180(1)(c) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company provided that the total amount so borrowed by the Board shall not at any time exceed ₹ 150.00 Crores (Rupees One hundred and fifty crores).

Accordingly, your Directors recommend the special resolution mentioned in Item no.5 for approval of the shareholders.

None of the Directors, KMP or their relatives are considered to be interested or concerned in passing of the said resolution.

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

(Details of Director seeking Appointment/Re-appointment at the forthcoming Annual General Meeting in pursuance of Clause 49(IV)(G)(i) of the Listing Agreement)

Name of the Director	Mr. Damodarbai Patel	Mrs. Vidhya Viralbai Bhavani
DIN	00056513	07159576
Date of Birth	12/01/1962	13/09/1987
Date of Appointment	10/03/2008	29/04/2015
Areas of Specialization	Construction and Textile Industry	Construction and Textile Industry
Qualifications	Commerce Graduate	Master of Business Administration (M.B.A)
No. of Shares Held in the Company	NIL	NIL
Directorship held in outside Public Limited Companies	1) Aalidhra And Bhavani Clinkers Limited	NIL
Chairman/member of the Committee of the Board of Directors of this Company	1) Chairman and Managing Director.	-
	2)Chairman of Stakeholders Relationship Committee	
Chairman/member of the Committee of the Board of Directors of other Companies	-	-
Other information	Relative of Mrs. Vidhya Viralbai Bhavani.	Relative of Mr. Damodarbai Patel.

Place: Mumbai  
Date: 14<sup>th</sup> August, 2015

**By order of the Board of Directors**

**Damodarbai B. Patel**  
**Chairman & Managing Director**  
**DIN - 00056513**

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

## DIRECTORS' REPORT

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

Your Directors are pleased to present the 55<sup>th</sup> Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2015. The Financial results are shown as below.

### **Financial Results**

Particulars	(₹ In Lakhs)	
	31.03.2015	31.03.2014
Income from Sales	NIL	NIL
Other Income	NIL	NIL
<b>Total Income</b>	NIL	NIL
Less: Expenditure	37.64	1296.46
<b>Profit/(Loss) before interest, depreciation and tax</b>	<b>(37.64)</b>	<b>(1296.46)</b>
Less : Depreciation	303.94	303.94
Interest	20.31	598.5
Provisions for Taxation	Nil	Nil
<b>Profit/(Loss) before extraordinary item</b>	<b>(361.89)</b>	<b>(2199.01)</b>
Less: Extraordinary Item	(11.02)	(1865.12)
<b>Profit/(Loss) after Taxes</b>	<b>(350.87)</b>	<b>(333.89)</b>
Profit/(Loss) available for appropriation	(350.87)	(333.89)
Balances as per last year's Balance sheet	(35574.53)	(35240.64)
Profit and Loss Appropriation Account	NIL	NIL
Balance carried to Balance sheet	(35925.41)	(35574.53)

### **Overview of Company's Financial Performance**

Your company's net loss is ₹ 350.87 lakhs as against ₹ 333.89 lakhs in the previous year. Interest cost has reduced to ₹ 20.31 lakhs as against ₹ 598.5 lakhs in previous year. Total expenditure of your company has reduced to ₹ 37.64 lakhs as against ₹ 1296.46 lakhs in previous year.

### **Dividend**

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

### **Share Capital**

The issued, subscribed and paid-up equity share capital of the company as on 31<sup>st</sup> March, 2015 is ₹ 2291.14 lakhs. During the year under review, the Company has not issued shares with differential voting rights, nor granted stock options nor sweat equity. As on 31<sup>st</sup> March, 2015 none of the Directors of the company holds equity shares in the company.

### **Transfer to Reserves**

During the year under review, no amount was transferred to General Reserve.

### **Change in nature of business**

During the year under review, there is no change in the nature of business of the company.

### **Review of Operation**

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

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

There were 2(Two) material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial year 2014-15 and the date of this Report viz. –

- 1) Secured working capital loan of Punjab National Bank (PNB) have been paid in full for which a "No Due Certificate" was obtained on 27.04.2015 and the charge was satisfied with ROC on 27.05.2015. Hence, no liability is outstanding towards the same.
- 2) A settlement was made with Dakshin Gujarat Vij Company Limited on 30.05.2015 through third party regarding electricity dues of ₹ 557.82 lakhs as principal and 25% against the overdue interest on electricity charges, the bank guarantee for ₹ 644.59 lakhs was also given to DGVCL. Thereafter legal cases were withdrawn by both the sides.

### **Directors' Responsibility Statement**

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

a) in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit/loss of the Company for the year ended on that date;

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

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

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

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

#### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

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

#### **Deposits**

During the financial year 2014-15, your Company has not accepted any fixed deposits within the meaning of section 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

During the year under review your company has repaid fixed deposits of ₹ 109.98 lakhs. However, deposits of ₹ 61.51 lakhs were outstanding as at 31st March, 2015 as the matter is disputed.

#### **Directors and key managerial personnel**

##### **Appointments:**

In compliance with the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Shri Bhavanjibhai Patel, Shri Bhaveshbhai Patel and Shri Jayantilal Patel were appointed as Independent Directors on the Board of Directors of your Company at the 54th AGM of your Company held on 30<sup>th</sup> September, 2014 to hold office up to 5 (five) consecutive years up to Annual General Meeting to be held in Calendar year 2019.

At the aforementioned AGM, Shri Damodarbai Patel, Managing Director of your Company were re-appointed for 3 (three) years commencing from 12<sup>th</sup> December, 2014 to 11<sup>th</sup> December, 2017.

On the recommendation of the Nomination & Remuneration Committee, the Board appointed Mrs. Vidhya Viralbai Bhavani (DIN – 07159576) as an Additional Director of the Company with effect from 29<sup>th</sup> April, 2015 upto the date of Annual General Meeting.

#### **Disclosure relating to Remuneration and Nomination Policy**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy is explained in Corporate Governance Report.

#### **Managerial Remuneration**

During the year under review, no director was paid any remuneration.

#### **Independent Directors' Meeting**

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

#### **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders Relationship Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

#### **Meetings**

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

#### **Declaration by independent directors**

Your Company has received declarations from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

#### **Committees of the Board**

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



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

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

### **Corporate Governance Report**

In compliance with the provisions of Clause 49 of the Listing Agreement, a separate report on Corporate Governance along with a certificate from the Auditors on its compliance forms an integral part of this Report.

### **Auditors:**

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

At the Annual General Meeting held on September 30, 2014, Messrs AMPAC & Associates, Chartered Accountants (Registration No. FRN 112236W), were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2019. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of AMPAC & Associates, Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

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

Mr. Manish Patel, Practicing Company Secretary, Surat was appointed to conduct the secretarial audit of the Company for the financial year 2014-15, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report for FY 2014-15 forms part of the Annual Report as "Annexure A" to the Board's report.

The Board has appointed Mr. Manish Patel, Practicing Company Secretary, as secretarial auditor of the Company for the financial year 2015-16.

### **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.

### **Related Party Transactions**

During the financial year 2014-15, there were no transactions with related parties which qualify as material transactions under the Listing Agreement and that the provisions of section 188 of the Companies act, 2013 are not attracted. Thus disclosure in form AOC-2 is not required. Further, there were not material related party transactions during the year under review with the Promoters, Directors of Key Managerial Personnel.

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

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

A). Details of investments made by the Company as on 31st March, 2015 (including investments made in the previous years) (in equity shares):

(₹ in lakhs)	
Name of Company	Amount as at 31 <sup>st</sup> March, 2015
ICICI Bank Ltd.	-
Hindustan Organic Chemicals Ltd.	0.25
Thai Baroda Industries Ltd.	574.85
TAIB Capital Corporation Ltd.	24.50
Zoroastrian Co-op. Bank Ltd.	0.01
<b>Total</b>	<b>599.61</b>

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

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

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

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

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

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

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

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

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

(₹ In Lakhs)

	31.03.2015	31.03.2014
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.

**Extract of Annual Return**

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as "Annexure B" to the Board's report.

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

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

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

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

- 1) Your company has not appointed woman director on its Board as required under Companies Act, 2013 and Listing Agreement during the period under review, however your company has appointed Mrs. Vidhya Bhavani (woman director) on its Board w.e.f. 29<sup>th</sup> April, 2015.
- 2) Your Company is a sick unit under the Board for Industrial & Financial Reconstruction (BIFR) and had discontinued 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 Secretarial Report regarding Companies Act, 2013 and Listing Agreement has occurred. However, your company is in process of appointing key personnel responsible for the compliances of the same.
- 3) In respect of Specific Acts applicable to the Company, your company has not complied with any of the compliances required under the specified Acts above on account of discontinued operational activities by the company since August, 2008.

**Cash Flow Analysis**

The Cash Flow Statement for the year under reference in terms of clause 32 of the Listing Agreement with the stock exchanges forms part of the Annual Report.

**Vigil Mechanism**

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. More details on the vigil mechanism and the Whistle Blower Policy of your Company have been outlined in the Corporate Governance Report which forms part of this report.

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

Since your company is having no operative activities, it has not received any complaint on sexual harassment during the financial year 2014-15.

**Particulars of Employees**

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

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

Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 1956, to the extent applicable. These are in accordance with generally accepted accounting principles in India.

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

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

**General**

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

**Appreciation**

Your Directors wish to place on record their appreciation towards all associates including Customers, Collaborators, 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: 14<sup>th</sup> August, 2015

**By order of the Board of Directors**

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

## ANNEXURE 'A' TO BOARD'S REPORT

FORM NO. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**THE BARODA RAYON CORPORATION LIMITED**  
(CIN: L99999GJ1958PLC000892)  
P.O. Baroda Rayon, Udhna Dist.,  
Surat-394220, Gujarat

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has not, during the audit period covering the financial year ended on **31st March, 2015**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2015** according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
6. Employees Provident Fund and Miscellaneous Provisions Act, 1952.
7. The Payment of Gratuity Act, 1972.
8. Employees' State Insurance Act, 1948.
9. Minimum Wages Act, 1948.
10. Payment of Wages Act, 1948 and other applicable labour laws.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. **(Not applicable to the Company during the audit period).**
- (ii) The Listing Agreement entered into by the Company with Stock Exchanges.

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

- i. *The company has not appointed woman director on its Board pursuant to section 149(1) of the Companies Act, 2013 and Clause 49(II)(A)(1) of the Listing Agreement.*
- ii. *The Company has not appointed Company Secretary and Chief Financial Officer (Key Managerial Personnel) Specified under section 203 of the Companies Act, 2013.*
- iii. *Company has not filed Form MGT-14 for Board Resolution approving June, 2014, September, 2014 and December, 2014 Quarterly Results.*
- iv. *The Company has not filed Form DPT-4 as required under section 74(1) of the Companies Act, 2013 read with Rule 20 of Companies (Acceptance of Deposits) Rules, 2014.*
- v. *Company has not made appointment of internal auditor as per section 138 of the companies Act, 2013.*
- vi. *During the period under review, the company has not provided e-voting facility to its members. This is a non compliance of section 108 of the Companies Act, 2013.*
- vii. *Company has not applied the Schedule II of Companies Act, 2013 for charging depreciation on Assets.*
- viii. *The Company has not complied with various Accounting Standards more specifically prescribed in Independent Auditors' Report dated 30/05/2015.*
- ix. *The Company has not complied with provision of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.*
- x. *The Company has not complied with various clauses such 16, 30, 31, 32, 35, 35A, 35B, 38, 41, 47, 49, 50, 52, 54, etc. of the Listing Agreement.*
- xi. *The Company has not submitted Share Reconciliation Audit Report on quarterly basis with the Stock Exchange as per Clause 55A of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.*
- xii. *The Company has not filed Annual return of Foreign Liabilities and Assets (FLA) required to field with the Reserve Bank of India under Foreign Exchange Management Act, 1999 & regulations.*
- xiii. *In respect of specific Acts applicable to the company, the company has not complied with any of the compliances required under the specified Acts above on account of discontinued operational activities by the company since August, 2008.*

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

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

Adequate notice is given to all Directors to schedule the Board Meetings, at least seven days in advance and a moderate system exists for seeking and obtaining further information before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are *no* adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Date: 14/08/2015  
Place: Surat

**MANISH R. PATEL**  
Company Secretary  
ACS No: 19885  
COP No. : 9360

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

## Annexure A of Secretarial Audit Report

To,  
The Members,  
**THE BARODA RAYON CORPORATION LIMITED**  
(CIN : L99999GJ1958PLC000892)  
P.O. Baroda Rayon, Udhna Dist.,  
Surat-394220,  
Gujarat

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 14/08/2015  
Place: Surat

**MANISH R. PATEL**  
Company Secretary  
ACS No: 19885  
COP No. : 9360

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

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended 31.03.2015  
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**FORM NO. MGT - 9**

<b>I. Registration and other details</b>	
CIN	L99999GJ1958PLC000892
Registration Date	30th May, 1958
Name of the Company	The Baroda Rayon Corporation Limited
Category/Sub Category of the Company	Public Company / Limited by shares
Address of the Registered Office and contact details	P.O.Baroda Rayon, Udhna Dist. Surat - 394220 Gujarat. (T) 022 – 66324086 Fax – 66324087
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Sharex Dynamic (India) Private Limited Unit 1, Luthra Ind. Premises, 1st Floor, M Vasanti Marg, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai-400072 (T) - 022-28515644

<b>II. Principal Business Activities of the Company</b>		
All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:		
Name & Description of Main Products/Services	NIC Code of Product/Service	% of total turnover of the Company
Spinning, weaving and finishing of textiles*	131	0

\* The company has discontinued its entire operational activities since August'2008. During the year under review company has not carried out any business activities.

<b>III. Particulars of Holding, Subsidiary and Associate Companies</b>				
Name & Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
-	-	-	-	-

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Shareholding**

Category of shareholders	No. of shares held at the beginning of the year (01.04.2014)				No. of shares held at the end of the year (31.03.2015)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a. Individual/HUF	0	108879	108879	0.475	0	108879	108879	0.475	0.00
b. Central/State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c. Bodies Corporate	0	10784268	10784268	47.070	0	10784268	10784268	47.070	0.00
d. Banks/FIs	0	0	0	0.00	0	0	0	0.00	0.00
e. Any other...	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total A(1)</b>	<b>0</b>	<b>10893147</b>	<b>10893147</b>	<b>47.545</b>	<b>0</b>	<b>10893147</b>	<b>10893147</b>	<b>47.545</b>	<b>0.00</b>
<b>2. Foreign</b>									
a. NRI-Individual	0	0	0	0.00	0	0	0	0.00	0.00
b. Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
c. Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d. Banks/FIs	0	0	0	0.00	0	0	0	0.00	0.00
e. Any other...	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total A(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>

Total shareholding of Promoter & Group (A)=A(1)+A(2)	0	10893147	10893147	47.545	0	10893147	10893147	47.545	0.00
Category of shareholders	No. of shares held at the beginning of the year (01.04.2014)				No. of shares held at the end of the year (31.03.2015)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>B. Public shareholding</b>									
<b>1. Institutions</b>									
a. Mutual Funds	1889	1738	3627	0.016	1889	1738	3627	0.016	0.00
b. Fins/Bank	19021	11571	30592	0.134	18941	11571	30512	0.133	-0.001
c. Central Govt;	0	0	0	0.000	0	0	0	0.000	0.00
d. State Govt;	296894	52	296946	1.296	296894	52	296946	1.296	0.00
e. Govt; companies	9137	0	9137	0.039	9137	0	9137	0.039	0.00
f. Venture Capital Fund	7245	0	7245	0.032	7245	0	7245	0.032	0.00
g. Insurance Companies	0	40	40	0.000	0	40	40	0.000	0.00
h. FIs	0	435	435	0.002	0	435	435	0.002	0.00
i. Foreign Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.00
j. Qualified Foreign Invs	0	0	0	0.000	0	0	0	0.000	0.00
k. Others	0	0	0	0.000	0	0	0	0.000	0.00
<b>Sub-Total B(1)</b>	<b>334186</b>	<b>13836</b>	<b>348022</b>	<b>1.519</b>	<b>334106</b>	<b>13836</b>	<b>347942</b>	<b>1.519</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
a. Body Corporate									
i) Indian	75880	8935202	9011082	39.330	75406	8935202	9010608	39.328	-0.002
ii) Overseas	0	0	0	0.000	0	0	0	0.000	0.00
b. Individual Holding									
i) Upto Rs.1 Lakh	428146	1357915	1786061	7.796	431515	1354645	1786160	7.796	0.00
ii) Above Rs. 1 Lakh	322348	39894	362242	1.581	322348	39894	362242	1.581	0.00
c. Qualified Foreign Invs	0	0	0	0.000	0	0	0	0.000	0.00
d. Others									
i) Clearing Member	10	0	10	0.000	10	0	10	0.000	0.00
ii) OCB	0	500215	500215	2.183	0	500215	500215	2.183	0.00
iii) NRI	7239	3341	10580	0.046	7660	3375	11035	0.048	0.002
<b>Sub-Total B(2)</b>	<b>833623</b>	<b>10836567</b>	<b>11670190</b>	<b>50.936</b>	<b>836939</b>	<b>10833331</b>	<b>11670270</b>	<b>50.937</b>	<b>0.001</b>
<b>Total Public Shareholding (B)=B(1)+B(2)</b>	<b>1167809</b>	<b>10850403</b>	<b>12018212</b>	<b>52.455</b>	<b>1171045</b>	<b>10847167</b>	<b>12018212</b>	<b>52.456</b>	<b>0.001</b>
<b>C. Shares Held by Custodian for GDR's and ADR's</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>1167809</b>	<b>21743550</b>	<b>22911359</b>	<b>100.00</b>	<b>1171045</b>	<b>21740314</b>	<b>22911359</b>	<b>100.00</b>	<b>0.00</b>

#### ii) Shareholding of Promoters

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	
1	Shivalik Golf & Forest Resorts Ltd.	2620000	11.435	0.00	2620000	11.435	0.00	0.00
2	Kanchenjunga Texturisers Pvt. Ltd.	7380000	32.211	0.00	7380000	32.211	0.00	0.00
3	Asha Raje Gaekwad	9744	0.043	0.00	9744	0.043	0.00	0.00
4	Asha Raje Gaekwad	256	0.001	0.00	256	0.001	0.00	0.00
5	Annapurna Texturisers Pvt. Ltd.	37259	0.163	0.00	37259	0.163	0.00	0.00
6	Gaekwad Investments Corp. Ltd.	453255	1.978	0.00	453255	1.978	0.00	0.00



7	Gokarna Investments Pvt. Ltd.	57519	0.251	0.00	57519	0.251	0.00	0.00
8	Ganesh Kumari Shreshta	285	0.001	0.00	285	0.001	0.00	0.00
9	Gokarna Investments Pvt. Ltd.	4637	0.020	0.00	4637	0.020	0.00	0.00
10	Harmony Investments Pvt. Ltd.	89449	0.390	0.00	89449	0.390	0.00	0.00
11	Indreni Holdings Pvt. Ltd.	36338	0.159	0.00	36338	0.159	0.00	0.00
12	Indreni Holdings Pvt. Ltd.	330	0.001	0.00	330	0.001	0.00	0.00
13	Indreni Holdings Pvt. Ltd.	108	0.000	0.00	108	0.000	0.00	0.00
14	Indreni Holdings Pvt. Ltd.	1601	0.007	0.00	1601	0.007	0.00	0.00
15	Kanchenjunga Texturisers Pvt. Ltd.	21202	0.093	0.00	21202	0.093	0.00	0.00
16	Prasang Holdings Pvt. Ltd.	14478	0.063	0.00	14478	0.063	0.00	0.00
17	Pratapsinh Sangramsinh Gaekwad	14618	0.064	0.00	14618	0.064	0.00	0.00
18	Priyadarshini Raje Scindia	4620	0.020	0.00	4620	0.020	0.00	0.00
19	Sangramsinh Gaekwad	48196	0.210	0.00	48196	0.210	0.00	0.00
20	Sangramsinh Gaekwad (HUF)	18376	0.080	0.00	18376	0.080	0.00	0.00
21	Sangramsinh Gaekwad	3202	0.014	0.00	3202	0.014	0.00	0.00
22	Samarjitsinh Gaekwad	26	0.000	0.00	26	0.000	0.00	0.00
23	Sangramsinh Gaekwad	6913	0.030	0.00	6913	0.030	0.00	0.00
24	Sangramsinh Gaekwad	2307	0.010	0.00	2307	0.010	0.00	0.00
25	Sangramsinh Gaekwad	140	0.001	0.00	140	0.001	0.00	0.00
26	Samarjitsinh Gaekwad	144	0.001	0.00	144	0.001	0.00	0.00
27	Sangramsinh Gaekwad	52	0.000	0.00	52	0.000	0.00	0.00
28	Shree Durga Ind Controls Pvt. Ltd.	61972	0.270	0.00	61972	0.270	0.00	0.00
29	Tapti Synthetics Pvt. Ltd.	6120	0.027	0.00	6120	0.027	0.00	0.00
	<b>TOTAL</b>	<b>10893147</b>	<b>47.545</b>	<b>0.00</b>	<b>10893147</b>	<b>47.545</b>	<b>0.00</b>	<b>0.00</b>

<b>iii) Change in Promoters Shareholding</b>				
<b>Shareholding at the beginning of the year</b>			<b>Cumulative Shareholding during the year</b>	
	<b>No. of shares</b>	<b>% of total shares of the Company</b>	<b>No. of shares</b>	<b>% of total shares of the Company</b>
At the beginning of the year	<b>10893147</b>	<b>47.545</b>	<b>10893147</b>	<b>47.545</b>
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	No change during the year		No change during the year	
At the end of the year	<b>10893147</b>	<b>47.545</b>	<b>10893147</b>	<b>47.545</b>

<b>iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)</b>					
Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Sejima Texyarn Pvt. Ltd.	5236800	22.857	5236800	22.857
2	Ramsons Properties Pvt. Ltd.	3598200	15.705	3598200	15.705
3	Versa S A	242947	1.060	242947	1.060
4	Vanraj Vinod Shah	155000	0.677	155000	0.677
5	Life insurance Corporation of India	153275	0.669	153275	0.669
6	Vinod K Nayar	100000	0.436	100000	0.436
7	CASA International Ltd.	78187	0.341	78187	0.341
8	The New India Assurance Company	62320	0.272	62320	0.272
9	COMO Investments Ltd.	48457	0.211	48457	0.211
10	Custodian A/C Pallav Sheth	47633	0.208	47633	0.208

<b>v) Shareholding of Directors and Key Managerial Personnel</b>				
For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Directors</b>				
At the beginning of the year	<b>NIL</b>	<b>0.00</b>	<b>NIL</b>	<b>0.00</b>
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	No change during the year		No change during the year	
At the end of the year	<b>NIL</b>	<b>0.00</b>	<b>NIL</b>	<b>0.00</b>
<b>Key Managerial Personnel</b>				
At the beginning of the year	<b>NIL</b>	<b>0.00</b>	<b>NIL</b>	<b>0.00</b>
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	No change during the year		No change during the year	
At the end of the year	<b>NIL</b>	<b>0.00</b>	<b>NIL</b>	<b>0.00</b>

<b>V) INDEBTEDNESS</b>				
<b>Indebtedness of the Company including interest outstanding/accrued but not due for payment</b>				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (₹ in Lakhs)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4750.43	1758.95	171.49	6680.87
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>4750.43</b>	<b>1758.95</b>	<b>171.49</b>	<b>6680.87</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	794.54	-	-	794.54
Reduction	-	231.58	109.98	341.56
<b>Net Change</b>	<b>794.54</b>	<b>(231.58)</b>	<b>(109.98)</b>	<b>452.98</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	5544.97	1527.37	61.51	7133.85
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>5544.97</b>	<b>1527.37</b>	<b>61.51</b>	<b>7133.85</b>

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL					
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:					
Sr. No.	Particulars of Remuneration	Mr. Damodarbai Patel Managing Director			Total amount (₹ in Lakhs)
1	-	NIL			NIL
	<b>TOTAL</b>	<b>NIL</b>			<b>NIL</b>
B. Remuneration to other Directors:					
1. Independent Directors					
Sr. No.	Particulars of Remuneration	Mr. Bhaveshbhai Patel	Mr. Bhavanjibhai Patel	Mr. Jayantilal Patel	Total amount (₹ in Lakhs)
1	-	NIL	NIL	NIL	NIL
	<b>TOTAL B(1)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
2. Other Non Executive Directors					
Sr. No.	Particulars of Remuneration				Total amount (₹ in Lakhs)
1	-				NIL
	<b>TOTAL B(2)</b>				<b>NIL</b>
	<b>TOTAL B=B(1)+B(2)</b>				<b>NIL</b>
C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD					
Sr. No.	Particulars of Remuneration				Total amount (₹ in Lakhs)
1	-				NIL
	<b>TOTAL(C)</b>				<b>NIL</b>

VII) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment			NONE		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			NONE		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			NONE		
Compounding					

#### ANNEXURE 'C' TO BOARD'S REPORT

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

- The ratio of the remuneration of each Director to the Median Remuneration of the Employees of the Company for the Financial Year 2014-15 and
- The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year.

Sr. No.	Name of Director/KMP and Designation	Remuneration for the FY 2014-15	Percentage Increase/ decrease in remuneration in the Financial Year 2014-15	Ratio of Remuneration of each director to the Median Remuneration of Employees
1	Mr. Damodarbai Patel – Chairman & Managing Director	NIL	NIL	NIL

2	Mr. Bhavanjibhai Patel – Independent Director	NIL	NIL	NIL
3	Mr. Bhaveshbhai Patel – Independent Director	NIL	NIL	NIL
4	Mr. Jayantilal Patel – Independent Director	NIL	NIL	NIL
5	Mrs. Vidhya Bhavani – Additional Director w.e.f. 29/04/2015	NA	NA	NA

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

For and on behalf of the Board

Place: Mumbai  
Date: 14<sup>th</sup> August, 2015

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

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

**Overview of Economy**

As per the latest GDP growth estimates, Indian economy grew up 7.4% in FY 2015 compared to 6.9% in FY 2014, mostly driven by improved economic fundamentals and revision of GDP methodology calculation. Even inflation showed signs of moderation, a welcome sign – wholesale price and consumer price inflation declined to 4.2% and 7.4% respectively, compared with last year's 6.3% and 10.1%. Reduced inflation, falling crude oil prices, stable Rupee, improved purchasing power and consumer spending, higher capital inflows supported by the government policy reforms have already put India on an accelerating growth track and improved the business outlook.

The Government envisages GDP growth to accelerate to 8% in FY 2016 driven by strengthening macroeconomic fundamentals and implementation of policy reforms recently announced. Reforms like e-auction of coal mines and telecom, FDI hike in insurance, speedier regulatory approvals etc. will be critical growth enablers to de-bottleneck stalled projects, improve the investment outlook and the ease of doing the business in the country. Reforms currently underway such as GST implementation, Amendment on Land Acquisition Bill, Labour Reforms, etc. are expected to provide the requisite thrust for growth in the medium-term.

**Industry Scenario**

**Textile and Apparel Industry Conditions**

The Textile and Apparel Industry contributes around 6% to India's GDP, 11% to export earnings and is the second largest employer after agriculture. The industry has shown continued growth with a potential to increase its global trade share from the current 4.5% to 8% in the next 5 years supported by a rich abundance of raw material, skilled labour and talent.

In FY 2015, the textile industry is estimated to have contributed USD 42 billion (4%) to India's GDP, and 27% to the country's foreign exchange inflows.

**Opportunities, Threats and Challenges**

**Opportunities**

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

**Threats**

- ❖ The goodwill of the company is decreased due to legal proceedings and labor disputes which are still going on.
- ❖ The Company is experiencing pressure on margins due to severe competition from other low-cost countries like China. Threat from PFY due to its lower price has been a factor that has been having a

- ❖ cyclical impact in the market.
- ❖ The Company perceives threat from imports and consequent pressure on domestic prices, apart from the increase in cost of raw materials and other inputs. Increase in coal prices has increased the cost of power.
- ❖ Rising input costs (wages, power and interest cost), restrictive labour laws and intensified competition from other low cost countries like China.

#### **Risk & Concerns**

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

#### **Internal Control System and their adequacy**

Since the operational activities of the company are discontinued since August'2008, there is no 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 and 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 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. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

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

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

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

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

The Board of Directors comprises of Executive & Non executive Directors consisting Managing Director as Executive Director.

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

Composition and category of Directors

<b>Sr. No.</b>	<b>Category</b>	<b>Name of Directors</b>
1.	Promoter Directors	NIL
2.	Executive Directors - <b>ED</b>	Mr. Damodarbhaj B. Patel Chairman & Managing Director
3.	Non-Executive Independent Directors - <b>NED (I)</b>	Mr. Bhavanjibhai H. Patel Mr. Bhaveshbhai V. Patel Mr. Jayantilal D. Patel
4.	Non-Executive Directors – <b>NED</b>	Mrs. Vidhya Bhavani Additional Director (w.e.f. 29/04/2015)

##### **2.2 Board Meetings**

- A. The company had 4(Four) Board Meetings during the financial year 2014-15 on 30.05.2014, 14.08.2014, 01.12.2014, 16.03.2015.
- 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.		Shareholdings in the Company No. of Shares
		Board Meetings	AGM (30.09.2014)		As a Member	As a Chairman	
Mr. Damodarbai Patel	ED	4/4	Yes	1	-	-	-
Mr. Bhavanjibhai Patel	NED (I)	4/4	Yes	1	-	-	-
Mr. Bhaveshbhai Patel	NED (I)	4/4	Yes	1	-	-	-
Mr. Jayantilal Patel	NED (I)	4/4	Yes	-	-	-	-
Mrs. Vidhya Bhavani Additional Director (w.e.f. 29/04/2015)	NED	N.A.	N.A.	-	-	-	-

### 2.3 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.

### 2.4 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.

### 2.5 BOARD COMMITTEES:

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

Audit Committee	Nomination And Remuneration Committee	STAKEHOLDERS RELATIONSHIP COMMITTEE
Mr. Bhavanjibhai Patel - Chairman NED (I)	Mr. Bhavanjibhai Patel - Chairman NED (I)	Mr. Damodarbai Patel -Chairman ED
Mr. Bhaveshbhai Patel - Member NED (I)	Mr. Bhaveshbhai Patel - Member NED (I)	Mr. Bhaveshbhai Patel - Member NED (I)
Mr. Jayantilal Patel - Member NED (I)	Mr. Jayantilal Patel - Member NED (I)	Mr. Bhavanjibhai Patel - Member NED (I)

#### A) AUDIT COMMITTEE:

##### Constitution

The Audit Committee comprises of the following Directors.

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

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

##### Terms of reference

The terms of reference of the Audit Committee are in accordance with Clause 49 of the Listing Agreement entered into with the stock exchanges and include the following:

##### Duties/Powers/Responsibilities:

- Recommendation for appointment, reappointment and terms of appointment of Auditors of the Company.
- Review and monitor auditor's independence and performance and effectiveness of Audit Process.
- Examining Financial Statement and Auditors' report thereon.
- Approval/Subsequent modification of transaction of the Company with related parties.
- Scrutiny of inter corporate loans and investments.
- Valuation of undertakings and assets of the Company.
- Valuation of internal financial control and risk management systems.
- Monitoring the end use of funds raised through public and related matters.
- Establish and review the functioning of the Vigil Mechanism under the Whistle-Blower policy of the Company and review the functioning of the legal compliance mechanism.

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

The Audit Committee may call for the Comments of the Auditors about internal control systems, the

scope of Audit, including observations and review of financial statements before their submission to the Board and any related issues with internal and statutory auditors and management of the Company.

#### **Meetings and attendance**

During the financial year 2014-15, the Audit Committee of the Company met 4(four) times on 05.05.2014, 14.07.2014, 15.10.2014 & 15.01.2015. The gap between two Audit Committee meetings did not exceed four months.

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

<b>Name</b>	<b>No. of Audit Committee Meetings attended</b>
Mr. Bhavanjibhai H. Patel – Chairman – NED (I)	4
Mr. Bhaveshbhai V. Patel – Member – NED (I)	4
Mr. Jayantilal D. Patel – Member – NED (I)	4

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

Pursuant to section 178 of Companies Act, 2013 and Clause 49 of Listing Agreement, Nomination and Remuneration Committee comprises of following Independent Directors viz; (i) Mr. Bhavanjibhai H. Patel, (ii) Mr. Bhaveshbhai V. Patel and (iii) Mr. Jayantilal D. Patel

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

#### **Meetings and Attendance**

The Nomination and Remuneration Committee met two times in the year on 16.06.2014 and 25.03.2015. All the members of the Committee were present at the meeting. The Chairman of the Committee was present in the last Annual General Meeting of the Company.

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

<b>Name</b>	<b>No. of Meetings attended</b>
Mr. Bhavanjibhai H. Patel – Chairman – NED (I)	2
Mr. Bhaveshbhai V. Patel – Member – NED (I)	2
Mr. Jayantilal Patel – Member – NED (I)	2

#### **The Nomination and Remuneration Committee is empowered, pursuant to its terms of reference, inter alia, to:**

1. Identify persons who are qualified to become directors and persons who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
2. Carry on the evaluation of every Director's performance;
3. Formulate criteria for determining qualifications, positive attributes and independence of a Director;
4. Recommend to the Board a policy, relating to the remuneration of the directors, Key Managerial Personnel and other employees;
5. Formulate criteria for evaluation of Independent Directors and the Board;
6. Devise a policy on Board Diversity; and
7. Undertake any other matters as the Board may decide from time to time.

No remuneration was paid to any directors for the period ended March 31, 2015.

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

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

- A. Appointment and removal of Director, KMP and Senior Management:
  - The NRC will have the responsibility and authority to decide the essential and desirable skills/competencies/expertise/experience/criteria of independence required from the individuals for the office of Directors, KMP & Senior Management Personnel.
  - The expertise required from the Directors, KMP and Senior Management Personnel would be defined based on the Company's strategy and needs.
  - The NRC shall review the criteria for the role and define the role Specifications for the appointment.

- In case of Directors and KMP, in addition to the above specifications the NRC shall ensure that the candidate possesses the requisite qualifications and attributes as per the Applicable Laws.
- B. Identifying candidates who are qualified to become Directors, KMP & Senior Management Personnel:
- The NRC may assign the responsibility of identifying the candidate for the final interview by the NRC to the following:
    - To Managing Director/Whole Time Director and Chairman of NRC, in case of selection of Directors; and
    - To the Managing Director/Whole Time Director and Human Resource Officer (HRO), in case of selection of KMP & Senior Management Personnel.
    - The NRC shall identify member(s) of the Board who will interview the candidate recommended to the NRC as above.
    - Upon selection of the candidate, the NRC shall make a recommendation to the Board for appointment of Director/ KMP/ Senior Management Personnel. For discharging this duty the NRC may seek inputs from the persons responsible for identifying the candidates stated in as above.
    - The appointment of Directors and KMP shall be subject to the compliance of the Act, Clause 49 of the listing agreement and Article of Association.
- C. Selection of Independent Directors:
- Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Human Resources, Nomination and Remuneration Committee, for appointment, as an Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation, and takes appropriate decision. Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.
- D. Term of Appointment:
- The term of appointment of Directors shall be governed by the provisions of the Act and Clause 49 of the Listing agreement.
  - The term of the KMP (other than the MD) and Senior Management Personnel shall be governed by the prevailing policies of the Company.
- E. Letter of Appointment to Independent Directors:
- The appointment of Independent Directors shall be formalized through a letter of appointment to be issued by the Company in accordance with the Applicable Laws.
- F. Removal of Director, KMP or Senior Management Personnel:
- The Removal of Director, KMP or Senior Management Personnel may be warranted due to reasons such as disqualification prescribed under the Applicable Laws and / or disciplinary reasons.
  - In regard to removal of any Director, KMP or Senior Management Personnel, the NRC shall in consultation with the MD and the Chairman of Audit committee, for Directors, and with the MD for KMP and Senior Management Personnel, review the performance and/or other factors meriting a removal and subject to the provisions of the Act and the Articles of Association of the Company recommend to the Board its course of action.
- G. Retirement of Director, KMP or Senior Management Personnel:
- The retirement age of Directors shall be as per the Applicable Laws.
  - The retirement age of KMP and Senior Management Personnel shall be as per the prevailing policy of the Company subject to the Applicable Laws.
- H. Remuneration of Director, KMP and Senior Management Personnel
- Remuneration to Executive Director(s):
    - The remuneration payable to Executive Director(s) shall be determined by the NRC and recommended to the Board for approval. Such remuneration (including revisions thereof) shall be subject to the approval of the shareholders of the Company and/or Central Government, wherever required under the Act, Clause 49 and the Articles of Association of the Company.
    - The remuneration shall be in accordance with and subject to the ceiling limits and other conditions



prescribed under the Act, Clause 49 and the Articles of Association of the Company.

- Additionally, the Executive Director may be entitled to Employee Stock Options granted under any Employee Stock Option Plan/ Scheme(s), Stock Appreciation Rights granted under any Stock Appreciation Rights Plan/Scheme(s) of the Company and such other long term incentive schemes of the Company.
- Annual revisions in the remuneration within the remuneration limits approved by the Board, shareholders/Central Government, shall be based on the prevailing policy of the Company and the same shall be approved by the NRC. The Board shall note such annual increases.
- Remuneration to Non-Executive Directors (NED):
  - The remuneration (including revisions thereof) payable to the NED shall be in accordance with and subject to the ceiling limits and other conditions prescribed under the Act, Clause 49 and the Articles of Association of the Company.
  - The NRC shall determine the remuneration to NED including the mode, quantum, recipients of the remuneration and the frequency of payment of such remuneration, and recommend the same to the Board for approval.
  - The remuneration of NED may comprise following:
    - a) Remuneration/Commission; and
    - b) Sitting fees for attending each meeting of the Board and its Committees.
  - The remuneration of NED (including revisions thereof) shall be based on certain financial parameters like the performance of the Company, its market capitalization, etc., industry benchmarks, role of the Director and such other relevant factors.
  - NEDs shall not be entitled to any stock option or stock appreciation rights of the Company.
  - The NRC shall determine the periodicity at which such remuneration shall be reviewed and revised.
- Remuneration to KMP & Senior Management Personnel:
  - The NRC shall approve the remuneration policy of the Company applicable to KMP and Senior Management Personnel.
  - For appointments to the office of KMP or Senior Management Personnel, the NRC shall approve the remuneration and recommend the same to the Board for its approval.
  - The NRC shall approve the annual revision in the remuneration of KMP and Senior Management Personnel based on the remuneration policy of the Company applicable to KMP and Senior Management Personnel.
  - Factors to be considered while determining the remuneration to Directors, KMP and Senior Management Personnel While determining the remuneration to Directors, KMP and Senior Management Personnel.
  - The NRC shall ensure the following:
    - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and Senior Management Personnel to deliver the quality required to run the Company successfully;
    - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    - Remuneration to Directors, KMP and Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
  - Board Evaluation:
    - The Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its Functioning. Towards this end, the NRC shall establish the criteria and processes for evaluation of performance of Individual Directors, Chairman of the Board, the Board as a whole and the Committees of the Board and recommend the same to the Board.
    - The Board is responsible for monitoring and reviewing of the Board Evaluation framework.
    - The NRC is responsible for carrying out evaluation of every director's performance and various criteria can be framed by NRC in separate policy also.
    - The performance evaluation shall take place annually. It shall be the responsibility of the Chairman of the NRC to organize the evaluation process;

- The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.
- Meeting of Independent Directors:
- Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-independent Directors and members of the management.
- Such meeting shall review the performance of Non-independent Directors and the Board as a whole; &
- review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-executive Directors;
- Familiarization Programme For Independent Directors:  
The Company will impart Familiarization Programmes for Independent Directors inducted on the Board of the Company. Familiarization - immediately upon appointment of Director the Familiarization Programme of the Company will provide information relating to the Company, Specialty Chemical industry, business model of the Company, business processes & policies, geographies in which Company operates, etc. The Programme intends to improve awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarization Programme shall also provide information relating to the financial performance of the Company and budget and control process of the Company and all other information's which affect its rights and responsibility.

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

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

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

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

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

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Stakeholders Relationship Committee. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

#### **C) STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The composition of the Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Stakeholders Relationship Committee comprises of following Directors viz; (i) Mr. Damodarbai B. Patel, (ii) Mr. Bhavanjibhai H Patel and (iii) Mr. Bhaveshbhai 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, 2015, the Company has received letters of complaint from the Investors and tried to resolve their grievances in a prescribed time frame.

The Committee generally meets once in every month. The attendance of committee members are as under –

Name	No. of Meetings attended
Mr. Damodarbai Patel – Chairman – ED	12
Mr. Bhaveshbhai Patel – Member – NED (I)	12
Mr. Bhavanjibhai Patel – Member – NED (I)	12

Details pertaining to the number of complaints received and responded and the status thereof during the financial year ended 31st March, 2015 are as follows:

No. of complaints received during the year	10
No. of complaints resolved during the year	10
No. of complaints pending at the end of the year	00

## 2.6 Independent Directors' Meeting

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Independent Directors met on March 25, 2015, inter alia, to discuss:

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

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

## 3. MANAGEMENT

### 3.1 A Report on Management Discussion and Analysis

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

### 3.2 Disclosure of material transaction

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

### 3.3 Accounting Policies

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

## 4. GENERAL BODY MEETINGS

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

Particulars	FY 2011-12	FY 2012-13	FY 2013-14
<b>Day</b>	Friday	Saturday	Tuesday
<b>Date</b>	28 <sup>th</sup> September, 2012	21 <sup>st</sup> September, 2013	30 <sup>th</sup> September, 2014
<b>Time</b>	9:00 a.m.	9:00 a.m.	9:00 a.m.
<b>Venue</b>	Patidar Bhavan, Kadodara, Surat-394 327.	Patidar Bhavan, Kadodara, Surat-394 327.	Patidar Bhavan, Kadodara, Surat-394 327.
<b>Special Resolution</b>	NIL	NIL	1(One)

A special resolution was passed at the 54<sup>th</sup> Annual General Meeting of the company held on 30<sup>th</sup> September, 2014 for reappointment of Mr. Damodarbai Patel as Managing Director of the Company.

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.

**e. Vigil Mechanism**

The Audit Committee has established a Vigil Mechanism and adopted a Whistle-Blower Policy at its meeting held on May 05, 2014, which provides a formal mechanism for all Directors and employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The Company affirms that no director or employee of the Company has been denied access to the Audit Committee.

**ADDITIONAL SHAREHOLDERS INFORMATION**

1. **Forthcoming Annual General Meeting**  
**Annual General Meeting** : Wednesday, 30th of September, 2015 at 09:00 a.m.  
**Day, Date, Time & Venue** : Patidar Bhavan, Kadodara, Surat-394327
2. **Financial period/Calendar** : The financial year of the Company is from April 1<sup>st</sup> to March 31<sup>st</sup> each year
3. **Date of Book Closure** : Thursday, 24th September, 2015 to Wednesday, 30th September, 2015.
4. **Listing of Stock Exchange** : Mumbai  
**Stock Code** : 500270  
**CIN** : L99999GJ1958PLC000892  
**Demat ISIN Number in NSDL & CDSL** : INE 461A01024
5. **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
6. **Share Transfer System** :

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

**7. DISTRIBUTION OF SHAREHOLDING PATTERN: (As at 31st March, 2015)**

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)	343880	1.50
Private Corporate Bodies	9010608	39.33
NRIs/OCBs	511250	2.23
FII	435	0.00

Indian Public	2148402	9.37
Clearing Members	10	0.00
<b>Total</b>	<b>22,911,359</b>	<b>100.00</b>

**8. DISTRIBUTION OF SHAREHOLDING (As at 31<sup>st</sup> March, 2015)**

Shareholding of Nominal Value (Rs.)	Share Amount		Shareholder	
	₹	% to total	Number	% to total
1 – 5000	16076210	7.02	78705	99.71
5001 – 10000	821670	0.36	114	0.14
10001 – 20000	461380	0.20	34	0.04
20001 – 30000	387380	0.17	16	0.02
30001 – 40000	205770	0.09	6	0.01
40001 – 50000	234190	0.10	5	0.01
50001 – 100000	1422510	0.62	18	0.02
100001 & above	209504480	91.44	36	0.05
<b>Total</b>	<b>22,91,13,590</b>	<b>100.00</b>	<b>78,934</b>	<b>100.00</b>

**9. DEMATERIALIZATION OF SHARES:**

The Shares of the company were dematerialized with effect from 28.08.2002. The National Securities Depository Limited and Central Depository Services (India) Limited were the depository of the shares of the company. Under SEBI Circular SMDRP/POLICY/CIR-23/2000 dated May 29, 2000 the Company' shares are in compulsory demat segment for the trading and to do any transaction of shares. The shareholders of the company can forward their physical share certificates of the company to M/s. Sharex Dynamic (India) Pvt. Ltd. Through their DP to convert the same into demat mode. 11,71,045 shares out of 2,29,11,359 shares of the company have been dematerialized as at 31st March, 2015.

11,71,045 Equity Shares aggregating to 5.11% of the total Equity Capital is held in dematerialized form as on 31.03.2015 of which 3.83% (8,76,941 Equity Shares) of total equity capital is held with NSDL and 1.28% (294104 Equity Shares) of total equity capital is held with CDSL as on 31.03.2015.

**10. Number of Shareholders** (As at 31<sup>st</sup> March, 2015): 78,934

**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 address for correspondence is:  
The Share Department  
The Baroda Rayon Corporation Ltd.  
P.O. Fatehnagar, Udhna, Dist. Surat 394 220

To,  
The Members of  
The Baroda Rayon Corporation Limited

It is hereby certified and confirmed that as provided in clause 49 I(D) of the Listing Agreement with the Stock Exchange, the Board Members and the senior management personnel of the Company have affirmed compliance with the code of conduct of the company for the financial year ended March 31, 2015.

**For The Baroda Rayon Corporation Limited**

Place: Mumbai  
Date: 14<sup>th</sup> August, 2015

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

**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 conditions of corporate governance by The Baroda Rayon Corporation Limited, for the year ended on March 31, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.
2. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statement 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 followings:
  - a. The Company has not filed the quarterly results, six monthly results with limited review along with Auditors 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 news paper 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. As per the information given to us, we certify that there are no investor grievances remained unattended/ending for more than 30 days as at 31st March' 2015.
6. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**Date: 30<sup>th</sup> May, 2015  
Place: Mumbai**

**P. B. Sheth  
Partner  
Membership No. 044062**

## INDEPENDENT AUDITORS' REPORT

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

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

We have audited the accompanying Standalone financial statements of **The Baroda Rayon Corporation Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the (Standalone) Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the accounting standards specified under section 133 of the act, read with rule 7 of the companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and the rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by companies directors, 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 on the financial statements.

### **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. 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. Thereafter arbitrator had issued impugned award then the Company has challenged the said award Order Under provision of Section 34 of Arbitration and Conciliation Act, 1996. Consequently, the award is automatically stayed. Simultaneously, the Company has referred the said matter with Hon'ble BIFR for making necessary modification in Modified Draft Rehabilitation Scheme (MDRS). The matter is pending with the Board. Subject to the final verdict, we are unable to express any opinion on probable liabilities on account of the non compliance of 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 31<sup>st</sup> March' 2015 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 31<sup>st</sup> March' 2015.*
- 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.*
- f. *Company has not applied the Schedule II of Companies Act' 2013 for charging depreciation for details refer to Note 8 under Fixed Assets as per residuary method and the effect of the changed depreciation is not arrived, hence we cannot quantify its effects on the reported losses resulting understatement of current losses and overstatement of carrying value of fixed assets.*

*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 view in conformity with the accounting principles generally accepted in India:*

- (i) in the case of the Balance sheet, of the state of affairs of the company as at March 31, 2015;
- (ii) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (iii) 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, 2015 ('the Order') issued by the Central Government of India in terms of sub-section(11) of the section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a. *In view of huge accumulated losses of ₹ 359,25,40,756 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. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - c. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - d. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - e. *Except for the following Accounting Standards as referred below in our opinion, the aforesaid Financial Statements comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014;*



- 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 ₹ 5,74,84,744 and equity shares in TAIB Capital Corporation Ltd for ₹24,50,000 which is contrary to the Accounting Standard 13.*
- iv. *The provision has been made for P.F, E.S.I.C. and leave salary as per Company's own estimate up to 31<sup>ST</sup> March' 2009; no liabilities have been ascertained for the financial year 2009-10, 2010-11, 2011-12, 2012-13, 2013-14 & 2014-15. The provision for gratuities has been made up to financial year 2013-14 as per Company's own estimates. 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.*
- f. on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013;
- g. With respect to the other matters included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to best of our information and according to the explanation & information provided to us:-
  - i) The company has pending litigation with labour as referred in paragraph (b) above under opinion, which would impact its financial position;
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii) There has not been any occasion in case of the Company during the year under report, to transfer any sums to the Investor Education & Protection Fund.

For AMPAC & Associates,  
Chartered Accountants  
Firm's Registration No.: 112236W

CA Piyush B. Sheth  
Partner  
Membership No.:44062

Mumbai  
May 30, 2015

## ADDITIONAL INFORMATION ANNEXED TO THE INDEPENDENT AUDITORS' REPORT

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we report that

1. (i) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets, however the fixed assets register is not up dated due to loss of key personal responsible for its maintenance.  
  
(ii) 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.
2. a) As per the information and explanations given to us, the inventories have not been physically verified by the management at reasonable intervals, as Company is not in operation since August' 2008. However, the Company does not have any inventory except few stores of ₹ 17,89,072/-.  
  
b) 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.  
  
c) Since the Company has not verified physically inventory, no discrepancies are arrived.
3. As per information furnished, the company has not granted any loans to companies, firms or other parties covered in the register maintained under section 189 of the Act.
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. 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 73 to 76 of the Companies Act, 2013, 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. However, the company has yet to comply for intimating the Company Law Board (CLB) on a monthly basis.
6. We are of the opinion that the company is not required to maintain books of account pursuant to the order made by the Central Government for the maintenance of cost records under Section 148 of the Companies Act, 2013, as the Company does not have any manufacturing activities..
7. (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;

SR. NO.	STATUTORY DUES	AMOUNT  (₹)
a.	Sales Tax/VAT & interest thereon	189340497.00
b.	Custom Duty	68093056.00

c.	Excise Duty	3400000.00
d.	Interest on excise duty	68727273.00
e.	Income Tax/TDS/Wealth Tax/FBT	3006634.00
f.	Provident Fund dues & interest thereon	66302843.00
g.	Employee's State Insurance dues	33347467.00
h.	Water Tax & interest thereon	161145144.00
i.	Gujarat Electricity Board & interest thereon	107148870.00
j.	Textile Committee Cess	1219205.00
k.	Water Cess (Gujarat Pollution Control Board)	834775.00
l.	Electricity Duty (Power plant)	167801202.00
m.	Professional Tax	2018192.00
n.	Revenue Tax – Mamlatdar Surat	9672952.00

**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.

SR. NO.	NAME OF STATUE	NATURE OF DUES	AMOUNT (₹)	PERIOD WHICH AMOUNT RELATES	TO THE FORUM DISPUTE PENDING	WHERE IS
1.	Central Excise Act, 1944	Excise Duty	13,97,249/-	1994-1995	Tribunal (CESTAT)	
2.	Central Excise Act, 1944	Excise Duty	8,16,033/-	1995-1996	Asst. Commissioner Central Excise	
3.	Central Excise Act, 1944	Excise Duty	12,12,545/-	1996-1997	Asst. Commissioner Central Excise	
4.	Central Excise Act, 1944	Excise Duty	11,72,313/-	1996-1997	Commissioner Appeals	
5.	Central Excise Act, 1944	Excise Duty	10,18,152/-	1996-1997	Tribunal (CESTAT)	
6.	Central Excise Act, 1944	Excise Duty	29,15,835/-	1997-1998	Asst. Commissioner Central Excise	
7.	Central Excise Act, 1944	Excise Duty	3,11,579/-	1998-1999	Asst. Commissioner Central Excise	

8.	Central Excise Act, 1944	Excise Duty	1,01,467/-	1998-1999	Tribunal (CESTAT)
9.	Central Excise Act, 1944	Excise Duty	1,89,748/-	2006-2013	Asst. Commissioner Central Excise
10.	Central Excise Act, 1944	Excise Duty	44,24,28,525/-	2006-2013	Tribunal (CESTAT)

(c) There has not been any occasion in case of the Company during the year under report, to transfer any sums to the Investor Education & Protection Fund.

8. *The company has accumulated losses at the end of the financial year of ₹ 359,25,40,756/-; however it has generated cash loss ₹ 46,93,239/- in the current year against the cash losses of ₹ 29,94,609/- for immediately preceding year.*

9. *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..*

(₹)

NAME OF LENDER	PRINCIPAL AMOUNT	INTEREST OVERDUE & PROVIDED IN BOOKS	INTEREST OVERDUE & NOT PROVIDED IN BOOKS	TOTAL AMOUNT OUTSTANDING AT YEAR END	REPAYMENT OVERDUE FROM YEAR
Debenture Holders	1,77,15,144/-	1,96,77,668/-	Not Ascertained (Up to P.Y.. 466.13)	Not ascertained (Up to P.Y. 840.04)	F.Y.1997-98

*However as per company, the settlement with the unsecured 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 ₹ 77,66,556/- being 42% of the principal amount of ₹ 1,84,91,800. The Company has made a payment of ₹ 7,76,656/- on 11.11.2006 against the said liability and the balance amount of ₹ 69,89,900 is awaiting confirmation of the same.*

*Note: The above balance is subject to confirmation.*

10. According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

11. According to information and explanations given to us, the Company has not raised term loans during the year.

12. As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For AMPAC & Associates,  
Chartered Accountants  
Firm's Registration No.: 112236W

CA Piyush B. Sheth  
Partner  
Mumbai

May 30, 2015  
Membership No.:44062

**THE BARODA RAYON CORPORATION LIMITED**  
Balance Sheet as at 31<sup>st</sup> March, 2015

(₹ In Lakhs)

	Particulars	Note No.	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<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	(17545.44)	(16132.00)
			<b>(15254.31)</b>	<b>(13840.86)</b>
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	3	5835.37	12317.16
	(b) Other long-term liabilities		-	-
	(c) Long-term provisions		-	-
			<b>5835.37</b>	<b>12317.16</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	4	1298.48	2536.54
	(b) Trade payables	5	432.45	432.45
	(c) Other current liabilities	6	19254.75	10984.02
	(d) Short-term provisions	7	4133.61	4603.53
			<b>25119.29</b>	<b>18556.54</b>
	<b>TOTAL</b>		<b>15700.35</b>	<b>17032.84</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	8	14466.81	15833.32
	(ii) Capital work-in-progress		32.47	32.47
			<b>14499.28</b>	<b>15865.79</b>
	(b) Non-current investments	9	599.61	599.61
	(c) Long-term loans and advances	10	504.84	468.40
	(d) Other non-current assets		-	-
			<b>1104.45</b>	<b>1068.01</b>
<b>2</b>	<b>Current assets</b>			
	(a) Current investments			
	(b) Inventories	11	17.89	17.89
	(c) Trade receivables	12	69.57	71.85
	(d) Cash and cash equivalents	13	9.16	9.30
	(e) Short-term loans and advances	14	-	-
	(f) Other current assets		-	-
			<b>96.62</b>	<b>99.04</b>
	<b>TOTAL</b>		<b>15700.35</b>	<b>17032.84</b>
	See accompanying notes forming part of the financial statements	<b>19 to 37</b>	-	-

In terms of our report attached.

**For AMPAC & Associates**

Chartered Accountants

FRN 112236w

**P. B. Sheth**  
Partner

Place: Mumbai

Date: 30th May, 2015

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

**D B Patel**  
Managing Director  
DIN – 00056513

**B H Patel**  
Director  
DIN - 01690183

**THE BARODA RAYON CORPORATION LIMITED**  
Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2015

(₹ In Lakhs)

Particulars		Note No.	For the year ended 31 <sup>st</sup> March, 2015	For the year ended 31 <sup>st</sup> March, 2014
<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>				
4	(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	-	998.69
	(e) Finance costs	16	20.59	598.61
	(f) Depreciation and amortisation expense	8	303.94	303.94
	(g) Other expenses	17	37.36	297.77
	<b>Total expenses</b>		<b>(361.89)</b>	<b>2199.01</b>
5	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		(361.89)	(2199.01)
6	Exceptional		-	-
7	<b>Profit / (Loss) before extraordinary items tax (5-6)</b>		(361.89)	(2199.01)
8	Extraordinary Item	36	(11.02)	(1865.12)
9	<b>Profit / (Loss) before tax (7-8)</b>		(350.87)	(333.89)
<b>Tax expense</b>				
	(a) Current tax expense relating to prior years		-	-
	(b) (Less): Mat credit (where applicable)		-	-
	(c) Current tax expense relating to prior years		-	-
	(d) Net current tax expense		-	-
	(e) Deferred tax		-	-
11	<b>Profit / (Loss) (9 - 10)</b>		(350.87)	(333.89)
12	<b>Profit / (Loss) for the year</b>		(350.87)	(333.89)
<b>Earnings Per Share</b>				
<b>Earnings per share (of 10/- each):</b>				
	Basic & Diluted	18	(1.53)	(1.46)
	Earning per share (excluding extraordinary items) (of ₹ 10/- each):	18	(1.58)	(9.60)
<b>See accompanying notes forming part of the financial statements</b>				
		19 to 37		

In terms of our report attached.

**For AMPAC & Associates**

Chartered Accountants

FRN 112236w

**P. B. Sheth**

**Partner**

Place: Mumbai

Date : 30<sup>th</sup> May, 2015

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

**D B Patel**  
**Managing Director**  
**DIN – 00056513**

**B H Patel**  
**Director**  
**DIN - 01690183**

**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, 2015

(₹ In Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2015		For the year ended 31 <sup>st</sup> March, 2014	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax	(361.89)		(2199.01)	
<u>Adjustments for:</u>				
Depreciation and amortization	303.94		303.94	
(Profit)/Loss on sale /write off of assets	-		-	
Expense on employee stock option scheme	-		-	
Finance costs	20.59		598.61	
	(37.36)	(37.36)	(1296.46)	(1296.46)
Operating profit / (loss) before working capital changes		(37.36)		(1296.46)
<u>Changes in working capital:</u>				
Adjustments for (increase) / decrease in operating assets:				
Inventories	-		-	
Trade receivables	2.28		61.10	
Short-term loans and advances	-		-	
Long-term loans and advances	(36.44)		(221.36)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	-		(1961.53)	
Other current liabilities	8281.75		(10060.52)	
Short-term provisions	(469.93)		790.56	
Long-term provisions	-		-	
	7777.66	7777.66	(11391.76)	(11391.76)
Cash flow from extraordinary items		7740.30		(12688.22)
Cash generated from operations		-		-
Cash generated from operations		7740.30		(12688.22)
Net income tax (paid) / refunds		-		-
		7740.30		(12688.22)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>7740.30</b>		<b>(12688.22)</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances		-		-
Proceeds from sale of fixed assets		-		-
Purchase of Shares		-		-
Cash flow from extraordinary items		-		-
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>-</b>		<b>-</b>

<b>C. Cash flow from financing activities</b>				
Share application money received / (refunded)			-	
Proceeds from long-term borrowings	(6481.79)		12317.16	
Repayment of long term borrowing	-		-	
Net increase / (decrease) in working capital borrowings	-		-	
Proceeds from other short term borrowings	(1238.05)		931.53	
Repayment of other short term borrowings	-		-	
Finance cost	(20.59)		(598.61)	
Dividend paid			-	
Tax on dividend			-	
	(7740.43)	(7740.43)	12650.09	12650.09
Cash flow from extraordinary items		(7740.43)		12650.09
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(7740.43)</b>		<b>12650.09</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(0.13)</b>		<b>(38.13)</b>
Cash and cash equivalents at the beginning of the year		<b>9.30</b>		47.43
Effect of exchange differences on restatement of foreign currency Cash & Cash equivalents		-		-
<b>Cash and cash equivalents at the end of the year</b>		<b>9.16</b>		<b>9.30</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
Cash and cash equivalents as per Balance Sheet		9.16		9.30
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements		-		-
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19		<b>9.16</b>		<b>9.30</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>9.16</b>		<b>9.30</b>
* Comprises:				
(a) Cash on hand		4.66		4.98
(c) Balances with banks				
(i) In current accounts		0.52		0.33
(ii) In earmarked accounts (Refer Note below)		3.98		3.98
		9.16		9.30

**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

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

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

**D B Patel**  
**Managing Director**  
**DIN - 00056513**

**B H Patel**  
**Director**  
**DIN - 01690183**

Place : Mumbai  
Date : 30<sup>th</sup> May, 2015



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

**Note 1 Share capital**

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	Number of shares	₹	Number of shares	₹
<b>(a) Authorised</b>				
Equity shares of Rs.10/- each with voting rights	130,000,000	13000.00	130,000,000	13000.00
Redeemable preference shares of 10/- each	20,000,000	2000.00	20,000,000	2000.00
<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 Lakhs)

<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, 2015								
- Number of shares	22,911,359	-	-	-	-	-	-	22,911,359
- Amount (₹)	2291.14	-	-	-	-	-	-	2291.14
Year ended 31 March, 2014								
- Number of shares	22,911,359	-	-	-	-	-	-	22,911,359
- Amount (₹)	2291.14	-	-	-	-	-	-	2291.14

**Note:** Since last seven 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 March, 2015		As at 31 March, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights:</b>				
Kanchenjunga Texturisers Pvt. Ltd.	73,80,000	32.21%	73,80,000	32.21%
Sejima Teyarn Pvt. Ltd.	52,36,800	22.86%	52,36,800	22.86%
Ramsons Properties Pvt. Ltd.	35,98,200	15.71%	35,98,200	15.71%
Shivalik Golf & Forests Resorts Ltd.	26,20,000	11.44%	26,20,000	11.44%

**Note 2 Reserves and Surplus****(₹ In Lakhs)**

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
	₹	₹
(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	9056.76	10119.33
Less: Utilised for set off against depreciation	1062.57	1062.57
Closing balance	7994.19	9056.76
(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	(35574.53)	(35240.64)
Add: Profit / (Loss) for the year	(350.88)	(333.89)
Closing balance	(35925.41)	(35574.53)
<b>Total</b>	<b>(17545.44)</b>	<b>(16132.00)</b>

**Note 3 Long-term borrowings****(₹ In Lakhs)**

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
	₹	₹
Loan From Body Corporates:		
Secured	4620.81	3510.40
Unsecured	1214.56	8806.76
<b>Total</b>	<b>5835.37</b>	<b>12317.16</b>

**Notes:**

a. During the financial year 2013-14, entire term loan of Asset Care Reconstruction Enterprise (ACRE) was paid. The security is in process of assignment from ACRE to Bhavani Syntex Ltd, Ramsons Properties Pvt. Ltd. and Unipat Rayon Ltd. The Loan will be paid in 6 equal installments from year 2016 as per proposed Modified Debt Restructuring Scheme ("MDRS").

b. Unsecured loan from Corporate Body will be paid in 6 equal installments from year 2016 onwards as per proposed MDRS scheme.

Particulars	Nature of Security	Upto 1 year	1 to 2 year	3 years & more
i) Secured Loan From Body Corporate (Interest free)	<b>Fixed Assets</b>	-	770.14	3850.67
ii) Unsecured Loan From Body Corporate (Interest free)	<b>NIL</b>	-	202.43	1012.13

**Note 4 Short-term borrowings****(₹ In Lakhs)**

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
	₹	₹
<b>Unsecured</b>		
(a) Inter- corporate Deposit - Refer Note (i)	242.91	1125.01
(b) PNB Asset Management-Refer Note (ii)	69.90	-
(c) Deposits - Refer Note (iii)	61.51	171.49
<b>Total</b>	<b>374.32</b>	<b>1296.50</b>
<b>Secured</b>		
Other loans and advances - Refer Note (i)	924.16	1240.03
<b>Total</b>	<b>924.16</b>	<b>1240.03</b>

		Total	1298.48	2536.53
<b>Notes:</b>				
(i) Details of security for the secured & unsecured short term borrowings:				
Particulars	Nature of Security	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014	
		₹	₹	
<b>Borrowings:</b>				
Inter-corporate deposits	Unsecured & interest free	242.91	1125.01	
PNB Asset Management Deposits		69.90	-	
		61.51	171.49	
<b>Total unsecured borrowings</b>		<b>374.32</b>	<b>1296.50</b>	
<b>Other loans and advances</b>				
From Body Corporate	Secured and interest free	924.16	1240.03	
<b>Total secured loan</b>		<b>924.16</b>	<b>1240.03</b>	
Unsecured Loan other than Fixed Deposit, Payment will be considered in 6 Equal Installment from 2016 onwards as per MDRS.				
(ii) The debentures of PNB Asset Management Seviles & others have become overdue for payment since long time. In the financial year 2003-04, the Company had settled various debt due to financial institution, banks, debenture holders under Corporate Debt Restructuing scheme, however PNB Asset Management Seviles has not participated in the scheme, hence the debentures have become overdue. But in proposed MDRS the whole amount of ₹ 69,89,900/- is considered.				
(iii) Fixed Deposits of ₹ 61,51,000/- are yet to be paid as the matter is disputed.				

**Note 5 Trade payables**

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
	₹	₹
Trade payables:		
Acceptances	-	-
Other than Acceptances	432.45	432.45
<b>Total</b>	<b>432.45</b>	<b>432.45</b>

**Note 6 Other current liabilities**

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
	₹	₹
(a) Current maturities of long-term debt	-	-
(b) Advance against sale of fixed assets	-	-
(c) Application money received for allotment of securities and due for refund and interest accrued thereon	-	-
(d) Unpaid matured deposits and interest accrued thereon	-	-
(e) Unpaid matured debentures and interest accrued thereon	-	-
(f) Other payables		
(i) Statutory Liabilities	7806.46	7939.97
(ii) Liabilities related to Staff, PF dues, ESIC dues etc.	1156.25	2314.20
(iii) Premium Payable on Debentures	-	-
(iv) Trade / security deposits received	2.84	21.85
(v) Other Liabilities (Refer note (i) below)	10289.20	708.00
<b>Total</b>	<b>19254.75</b>	<b>10984.02</b>

**Note:**

(i) Other liabilities includes book overdraft balance of bank for ₹ 1,67,59,870/-

**Note 7 Short-term provisions**

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
	₹	₹
(a) Provision for employee benefits:		
Provision for gratuity (net) (Refer note no. 29(i) forming part of the financial statements)	4133.61	4603.53
<b>Total</b>	<b>4133.61</b>	<b>4603.53</b>

## NOTE 8A FIXED ASSETS

(₹ In Lakhs)

PARTICULARS	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	Tangible Assets	As at 01.04.2014	Addition/ sale During the year	TOTAL As at 31.03.2015	Up to 31.3.2014	Sales/ Trans / Adj.	Provided During the year	Depreciation on Revalued Assets	TOTAL As at 31.3.2015	As at 31.3.2015
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Land (Free Hold)	3851.52	-	3851.52	-	-	-	-	-	3851.52	3851.52
Roads	33.48	-	33.48	21.54	-	0.55	-	22.09	11.39	11.94
Buildings	7043.75	-	7043.75	2264.51	-	61.11	81.56	2407.19	4636.56	4779.24
Plant & Machinery	40523.56	-	40523.56	33521.18	-	226.83	961.29	34709.30	5814.26	7002.38
Tube wells	10.21	-	10.21	5.77	-	-	0.36	6.13	4.08	4.44
Waterworks & Pipeline	200.69	-	200.69	77.24	-	-	2.23	79.47	121.22	123.45
Railway sliding	33.31	-	33.31	18.14	-	-	1.08	19.22	14.09	15.17
Furniture, Fixture & Equipment	686.06	-	686.06	644.99	-	15.46	16.04	676.48	9.57	41.07
Cars & Vehicles	164.28	-	164.28	160.16	-	-	0.00	160.17	4.11	4.11
<b>TOTAL</b>	<b>52546.86</b>	<b>-</b>	<b>52546.86</b>	<b>36713.54</b>	<b>-</b>	<b>303.94</b>	<b>1062.57</b>	<b>38080.06</b>	<b>14466.81</b>	<b>15833.32</b>
PREVIOUS YEAR	52546.86	-	52546.86	35347.03	-	303.94	1062.57	36713.54	15833.32	17199.83

**Note:** The Company has not applied the rate of depreciation on the basis of residual value of above fixed assets as contemplated in Schedule II of Companies Act' 2013 on account of lack of information pertaining to the asset. Since financial year 2008-2009, the Company's entire operation was discontinued and key person responsible for updation of fixed asset register had left the organisation and it is yet to update the item wise description of assets in the fixed asset register, which is necessary to arrive at the new rate of depreciation. Hence the Company has followed the depreciation of Schedule XIV of Companies Act' 1956. Further the exercise of applying new rate of depreciation is under process on the basis of history of the assets, hence the effect of depreciation has not been arrived and reflected in the loss incurred during the year.

**Note 8 B (cont.)**

Particulars				
<b>Depreciation and amortisation:</b>				
Particulars	For the year ended 31 <sup>st</sup> March, 2015		For the year ended 31 <sup>st</sup> March, 2014	
	₹		₹	
Depreciation and amortisation for the year on tangible assets.	1366.51		1366.51	
Less: Utilised from revaluation reserve Depreciation and amortisation	1062.57		1062.57	
Depreciation and amortisation	<b>303.94</b>		<b>303.94</b>	
<b>Notes:</b>				
There has been no amounts written off on reduction of capital or revaluation of assets or sums added to assets on revaluation during the preceding 6 years.				

**Note 9 Non-current investments**

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2015			As at 31 <sup>st</sup> March, 2014		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
<b>Investments (At cost):</b>						
a) Investment in equity instruments						
(i) 250 Fully paid Equity Shares of Rs.10/- each of ICICI Bank	-	-	-	-	-	-
(ii) 333 Fully paid equity share of Rs.10/- each of HOECL	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	-	24.50	24.50	-	24.50	24.50
(vi) 100 Equity Shares of Rs. 10/- each of Zoroastrian Co-op. Bank Limited	-	0.01	0.01	-	0.01	0.01
			<b>599.61</b>			<b>599.61</b>
Less: Provision for diminution in value of investments			-			-
<b>Total</b>			<b>599.61</b>			<b>599.61</b>
Aggregate amount of quoted investments			0.25			0.25
Aggregate market value of listed and quoted investments			0.91			0.78
Aggregate amount of unquoted investments			599.36			599.36

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

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
	₹	₹
(a) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT & Service Tax credit receivable	117.15	92.15
(b) Other loans and advances	-	-
Advances recoverable in cash or kind (refer note below)	387.69	376.25
Doubtful	-	-
	<b>387.69</b>	<b>376.25</b>

Less: Provision for other doubtful loans and advances	-	-
(ii)	387.69	376.25
<b>Total (i+ii)</b>	<b>504.84</b>	<b>468.40</b>

The advances recoverable in cash or kind includes advances for expenses, staff loan, prepaid expenses, security deposit etc.

#### Note 11 Inventories

(At lower of cost and net realizable value)

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
	₹	₹
Stores and spares	17.89	17.89
<b>Total</b>	<b>17.89</b>	<b>17.89</b>

#### Note 12 Trade receivables

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
	₹	₹
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	69.57	71.85
Doubtful	-	-
	69.57	71.85
Less: Provision for doubtful trade receivables	-	-
<b>Total</b>	<b>69.57</b>	<b>71.85</b>

#### Note 13 Cash and cash equivalents

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
	₹	₹
(a) Cash on hand	4.66	4.99
(b) Balances with banks		
(i) In current accounts	0.52	0.33
(ii) In Current account inoperative (refer note 1 below)	3.98	3.98
(iii) In earmarked accounts	-	-
- Unpaid dividend accounts under reconciliation	-	-
- Unpaid Debenture under reconciliation	-	-
- Preference Share application money received under reconciliation	-	-
<b>Total</b>	<b>9.16</b>	<b>9.30</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements.	9.16	9.30

#### Notes:

- There are 5 non-operative current account of the Company and is under process of closure of the same. The balances are subject to confirmation.

#### Note 14 Short-term loans and advances

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
	₹	₹
(a) Inter-corporate deposits	-	-
(b) Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### Note 15 Employee benefits expense

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	₹	₹
Salaries and wages	-	-
Gratuity Payable	-	998.69
Ex- gratia payments	-	-
<b>Total</b>	<b>-</b>	<b>998.69</b>

**Note 16 Finance costs**

(₹ In Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2015	For the year ended 31 <sup>st</sup> March, 2014
	₹	₹
(a) Interest expense on:		
(i) Borrowings	-	598.50
(ii) Others	20.31	-
(b) Other borrowing cost - Bank Charges	0.28	0.11
<b>Total</b>	<b>20.59</b>	<b>598.61</b>

**Note 17 Other expenses**

(₹ In Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2015	For the year ended 31 <sup>st</sup> March, 2014
	Advertisement	0.42
Computer expenses	1.32	0.12
Donations	-	-
Legal Expenses	0.05	-
Legal & Professional Charges	20.65	74.26
Office Expenses	1.50	7.11
Other expenses	7.80	15.74
Rates & Taxes	0.34	131.44
Payments to auditors - Statutory Audit	4.49	4.49
Prior period items (net) Balances written off/ liabilities no longer Payable	0.80	64.48
<b>Total</b>	<b>37.37</b>	<b>297.76</b>

**Notes:**

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors – statutory audit	4.49	4.49
- Out of pocket	-	-
	4.49	4.49
(ii) Details of prior period items (net)		
Prior period expenses (Sundry Balances Written off)	0.80	64.48
Prior period income (Liabilities no longer payable)		-
<b>TOTAL</b>	<b>0.80</b>	<b>64.48</b>

**Note 18 Disclosures under Accounting Standards (contd.)**

	Particulars	For the year ended	For the year ended
		31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014
		₹	₹
18	<b>Earnings per share</b>		
18.a	<u>Basic &amp; Diluted</u>		
	Net profit / (loss) for the year	(350.88)	(333.89)
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year from attributable to the equity shareholders	(350.88)	(333.89)
	Weighted average number of equity shares	22911359	22911359
	Par value per share	10	10
	Earnings per share from continuing operations - Basic	(1.53)	(1.46)
18.b	<u>Basic &amp; Diluted (Excluding Extraordinary items)</u>		
	Net profit / (loss) for the year	(350.88)	(333.89)
	(Add) / Less: Extraordinary items (net of tax) relating to continuing operations	11.02	1865.12
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year from attributable to the equity shareholders	(361.90)	(2199.01)
	Weighted average number of equity shares	22911359	22911359
	Par value per share	10	10
	Earnings per share from continuing operations excluding extraordinary items - Basic	(1.58)	(9.60)

**NOTES FORMING 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**

As per Companies Act, 2013, depreciation is to be provided as per life of assets provided in Part C of Schedule II of the Companies Act, 2013. Since financial year 2008-2009, the Company's entire operation was discontinued and key person responsible for updation of fixed asset register had left the organization and it is yet to update the itemwise description of assets in the fixed asset register,



which is necessary to arrive the new rate of depreciation. Hence the Company has followed the depreciation of Schedule XIV of Companies Act' 1956. Further the exercise of applying new rate of depreciation is under process on the basis of history of the assets, hence the effect of depreciation has not been arrived and reflected in the loss incurred during the year.

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 31<sup>st</sup> March' 2009. Subsequently, there were no activities carried, hence there is no specific requirement for adherence of accounting policies. However, there is no specific information relating to any change of policies due to loss of key personnel in accounts as well as finance department.

20. Estimated amount of contracts remaining to be executed on Capital Account and not provided are not ascertainable.

21. Contingent Liabilities not provided for:

(a) The Company has to pay interest on the outstanding Customs Duty amount at the time of clearance of goods – Amount not ascertained.

(b) Bank Guarantees to Custom ₹ 25 lacs (Previous year ₹ 25 lacs)

(c) Interest, damages and penalty payable to E.S.I. and Provident fund dues are not ascertainable.

22. The company entered into a wage settlement agreement with its employees on 27<sup>th</sup> 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. 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 was given as impugned award by the Arbitrator. *Under provision of Section 34 of Arbitration and Conciliation Act, 1996, the said award Company is challenged in District Court, Surat. Thereafter the Ho'ble High Court of Gujarat has given the controversial Judgment during the month of May 2015 and company has filed Leave Petition challenging the above said judgment at High Court of Gujarat. Simultaneously, the*

Company has referred the said matter with Hon'ble BIFR for making necessary modification in Modified Draft Rehabilitation Scheme (MDRS). The probable liabilities will be booked on final verdict and BIFR directions. Hence neither liability is booked nor is it disclosed as contingent liability as awaiting for final judgment.

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

- (a) Payment of Excise Duty disputed by the Company in respect of:  
Input & Capital Goods Matters – ₹ 45,15,63,446/- (Previous Year ₹ 19,55,84,081/-)

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

- (I) 3(Three) Nos of Unsecured Creditors have filed Winding Up Petitions against the Company in Ahmadabad High Court for their total claims of ₹ 1,76,93,526/-.The Company has filed necessary appropriate responses and its Petition Leave has been admitted and other matters are pending for further disposal.
- (II) Various cases of labour matters, excise matters, gratuity matters and criminal cases under section 138 of the Negotiable Instruments Act, 1938 have been filed against the Company during the normal course of business, which are insignificant to affect the existence of the Company in the opinion of the management.

**25. The settlement with the unsecured 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 ₹ 77,66,556 being 42% of the principal amount of ₹ 1,84,91,800. The Company has made a payment of ₹ 7,76,656 on 11.11.2006 against the said liability and the balance amount of ₹ 69,89,900 is awaiting confirmation of the same.**

**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 employees upto 31<sup>st</sup> March, 2015 is ₹ 41,33,60,529/-. (PY ₹ 46,03,53,449/-).**

- (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.

As per the past policy, the company's liability under Provident Fund Act (Funded) is determined on the basis of actuarial valuation made at the end of the financial year. But the cancellation of the Trust as per order of Ministry of Labour, Government of Gujarat, the company has paid the amount of PF contribution along with interest during the current financial year, hence no requirement of further funding against the PF contribution. Owing to the dispute with the labour since past many years, the liability may arise in event of final verdict issued in favour of labour. No interest & penalties notices are issued after cancellation of said trust.

**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 ₹ 12,06,455 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 30<sup>th</sup> March' 2012. Consequently, all the charges attached with the movable and immovable of the properties are registered with Asset Care & Reconstructions Enterprise Limited (ACRE). Now company has paid entire loan of ACRE and security assignment is under process from ACRE to Body Corporate enlisted Note of Balance sheet.**

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 198 of the Companies Act, 2013 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. The Extra Ordinary items reported in profit & loss account for ₹ 11,01,878/- is on account of liabilities no longer payable to suppliers & other parties. The said entries are passed on account various reconciliation and confirmation from various parties.
37. 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**

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

**D B Patel**  
**Managing Director**  
**DIN – 00056513**

**B H Patel**  
**Director**  
**DIN – 01690183**

**Place: Mumbai**  
**Date: 30<sup>th</sup> May, 2015**

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

**ATTENDANCE SLIP**

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

**55<sup>th</sup> Annual General Meeting**

I/We hereby record my/our presence at the 55<sup>th</sup> Annual General Meeting of the Company at Patidar Bhavan, Kadodara, Surat at 9:00 a.m. on Wednesday, September 30th, 2015.

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

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

**Form No. MGT – 11**

**PROXY FORM**

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

Name of the Member(s):

.....

Registered Address:.....

E-mail Id:.....

Folio No./Client Id:..... DP ID:.....

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

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

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

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

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

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

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

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 55<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, September 30th, 2015 at Patidar Bhavan, Kadodara, Surat at 9:00 a.m. and at my adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Type of Resolution	Optional*	
			For	Against
1	Adoption of Audited Financial Statements for the financial year ended March 31, 2015 and reports of the Board of Directors and the Auditors thereon	Ordinary		
2	Appointment of a Director in place of Mr. Damodarbhai Patel, who retires by rotation and being eligible, offers himself for re-appointment.	Ordinary		
3	Ratification of the appointment of M/s. AMPAC & Associates, Statutory Auditors and to fix their remuneration for the financial year ending 31st March, 2016	Ordinary		
4	Appointment of Mrs. Vidhya Viralbhai Bhavani as Non – Executive Director of the company.	Ordinary		
5	To authorize Board of Directors to borrow money under section 180(1)(c) of the Companies Act, 2013.	Special		

Signed this ..... Day of ..... 2015.

Signature of Proxy holder(s): \_\_\_\_\_ Signature of Shareholder: \_\_\_\_\_

Affix Revenue Stamp Of Re. 1/-
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**Note:**

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

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





**Book Post**

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