



The Baroda Rayon Corporation Limited

57th
ANNUAL REPORT
2016-17

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

Non-Executive Director (DIN – 07159576)

Mr. Prashant Panda

Nominee Director, BIFR (DIN – 00596554)
(Ceased w.e.f. 01.12.2016)

STATUTORY AUDITOR:

AMPAC & Associates,
Chartered Accountants,
Mumbai

COMPANY SECRETARY & COMPLIANCE OFFICER:

Mr. Kunjal Desai (w.e.f. 01.06.2016)

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

57th ANNUAL GENERAL MEETING

Date : Saturday, 30th September, 2017

Time : 9:00 a.m.

Venue : Patidar Bhavan, Kadodara, Surat-394327



57th

Annual Report

2016-17

**The Baroda Rayon
Corporation Limited**

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NOTICE

Notice is hereby given that the **Fifty Seventh** (57th) Annual General Meeting of **THE BARODA RAYON CORPORATION LIMITED** (CIN - L99999GJ1958PLC000892) will be held on Saturday, the 30th of September, 2017 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 Financial Statements of the company for the financial year ended 31st March 2017 together with Directors' and the Auditors' Reports thereon.
2. To appoint a Director in place of Mr. Damodarbai Patel (DIN – 00056513), who retires by rotation and being eligible, offer himself for re-appointment.
3. To appoint the Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), M/s. Kansariwala & Chevli, Chartered Accountants, Surat (Firm Reg. No. 123689W) be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. AMPAC & Associates, Chartered Accountants, (FRN-112236W), Mumbai.

RESOLVED FURTHER THAT M/s. Kansariwala & Chevli, Chartered Accountants, Surat be and are hereby appointed as Statutory Auditors of the Company from the conclusion of this meeting until the conclusion of the 58th Annual General Meeting of the company and that they shall conduct the Statutory Audit for the period ended 31st March, 2018 on such remuneration as may be fixed by the Board of Directors in consultation with them.

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

SPECIAL BUSINESS:

4. Re-appointment of Mr. Damodarbai Patel (DIN-00056513) as Managing Director of the company.

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

“RESOLVED THAT pursuant to provisions of Section 196, 197 & 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendment, modification, variation or re- enactment thereof), the approval of the Company be and is hereby accorded to the re-appointment of Mr. Damodarbai Patel (DIN. 00056513) as the Managing Director of the Company, for a period of 5 (five) years effective from 12th December 2017 to 11th December 2022 on the following terms and conditions –

- (a) Duration – 5 years (12th December, 2017 to 11th December, 2022)
- (b) Basic Salary - Nil
- (c) Perquisites & Allowances – Nil

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters or things as may be necessary to give effect to the above resolution.”

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

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

“RESOLVED THAT in supersession of the resolution passed by the members at the 55th Annual General Meeting of the company held on 30th September, 2015 and pursuant to provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, and read with rules made thereunder and as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow such sum or sums of money, from time to time, which, together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in ordinary course of business) may

exceed, at any time, the aggregate of the paid-up share capital of the Company and its free reserves, provided that the total amount so borrowed by the Board shall not at any time exceed ₹ 500.00 Crores (Rupees Five hundred crores only).

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

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

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

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

“**RESOLVED THAT** in supersession of the resolution passed by the members at the 56th Annual General Meeting of the company held on 24th September, 2016 and pursuant to provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, and read with rules made thereunder and as amended from time to time, consent of the Company be and is hereby given to the Board of Directors of the Company to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company and to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations, if any, created by the Company, on such movable and/or immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or bodies/ trustees for holders of debentures/ bonds which may be issued to or subscribed to by all or any of the Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or any other person(s)/ bodies corporate by way of private placement or otherwise (hereinafter collectively referred to as 'Lenders'), provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said loans, for which such charges, mortgages or hypothecations are created, shall not, at any time exceed the limit of ₹ 500.00 Crores. (Rupees Five hundred crores only).

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

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

Place: Surat
Date: 01st September, 2017

By order of the Board of Directors

Kunjal Desai
Company Secretary
ACS-40809

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

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 Friday, 22nd September, 2017 to Saturday, 30th September, 2017 (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, 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. Pursuant to provisions of Section 72 of the Companies Act, 2013 members holding Shares in physical mode are advised to file a Nomination Form in respect of their Shareholding. Any Member wishing to avail this facility may submit the prescribed statutory form SH-13 to the Company's Share transfer agent.
9. 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.
10. 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.
11. Details under Regulations 36(3) of the SEBI Listing Regulations, 2015 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.
12. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the company electronically.
13. Members may please note that no gifts, gift coupons, or cash in lieu of gifts will be distributed at meeting, in compliance with Section 118(10) of the Companies Act, 2013 and the Secretarial Standards issued by Institute of Company Secretaries of India.
14. All relevant documents and Registers referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company between 9.30 a.m. to 11.30 a.m. on all working days, up to and including the date of the Annual General Meeting of the Company.

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

ITEM NO. 3

Explanatory statement to Item No. 3 is being given voluntarily, though strictly not required as per section 102 of the Companies Act, 2013. M/s. AMPAC & Associates, Chartered Accountants, Mumbai have tendered their resignation from the position of Statutory Auditors due to pre-occupation with other assignments, resulting into a casual vacancy in the office of Statutory Auditors of the company as envisaged by section 139(8) of the Companies Act, 2013 ("Act"). Casual vacancy caused by the resignation of auditors can only be filled up by the Company in general meeting. Board proposed that M/s. Kansariwala & Chevli, Chartered Accountants, Surat, be appointed as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. AMPAC & Associates, Chartered Accountants. M/s. Kansariwala & Chevli, Chartered Accountants, Surat, have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

Accordingly, Ordinary Resolution is submitted to the meeting for the consideration and approval of the members.

None of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.

ITEM NO. 4

The Board of Directors of the Company (the 'Board'), at its meeting held on 01st September, 2017, has, subject to the approval of the members, re-appointed Mr. Damodarbhai Patel (DIN – 00056513) as Managing Director, for further period of 5 (five) years from the expiry of the present term, which expires on 11th December, 2017.

Mr. Damodarbhai Patel satisfies all the conditions set out in the Schedule V of the Act, and all the conditions set out under sub-section (3) of section 196 of the Companies Act, 2013 for being eligible for his re-appointment. He is not disqualified from being appointed as a director in terms of section 164 of the Act.

Mr. Damodarbhai Patel is related to Mrs. Vidhya Bhavani (DIN – 07159576).

The Board recommends the resolution for your approval.

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

ITEM NO. 5

Under the provisions of Section 180(1)(c) of the Companies Act, 2013, these 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 ₹ 500.00 Crores (Rupees Five hundred crores only).

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.

ITEM NO. 6

Under the provisions of Section 180 (1) (a) of the Companies Act, 2013, these 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 sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company and to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business). As the documents to be executed between the Company and the lenders/ trustees for the holders of debentures/ bonds may contain the power to take over the management of the Company in certain events, it is necessary to obtain Members' approval under Section 180(1)(a) of the Companies Act, 2013, by way of a Special Resolution.

Accordingly, your Directors recommend the special resolution mentioned in Item no.6 for approval of the shareholders.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the said Special Resolution.

ANNEXURE TO ITEM NO. 2 & 4 OF THE NOTICE

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

Name of the Director	Mr. Damodarbhai Patel
DIN	00056513
Date of Birth	12/01/1962
Date of Appointment	10/03/2008
Areas of Specialization	Construction and Textile Industry
Qualifications	Commerce Graduate
No. of Shares Held in the Company	NIL
Directorship held in outside Public Limited Companies	Aalidhra and Bhavani Clinkers Limited
Chairman/member of the Committee of the Board of Directors of other Companies	NIL
Relationship with other Directors and Key Managerial Personnel	He is father-in-law of Mrs. Vidhya Bhavani (Non executive director)

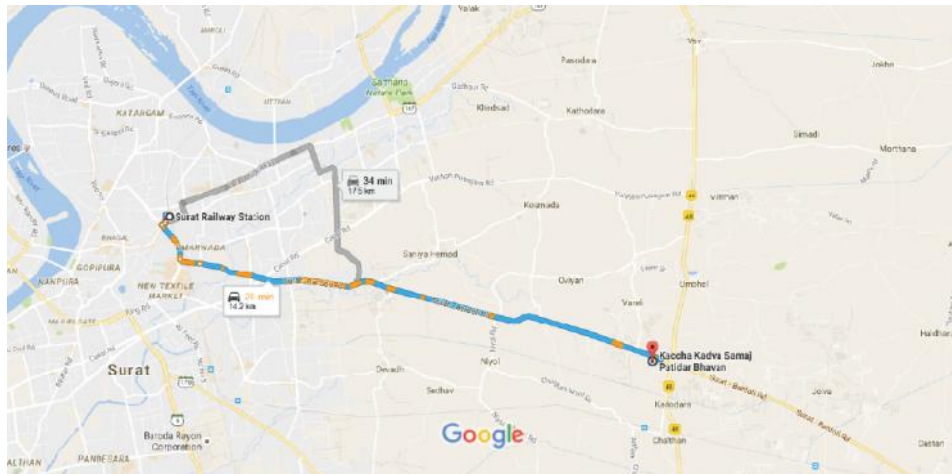
Place: Surat
Date: 01st September, 2017

By order of the Board of Directors

Kunjal Desai
Company Secretary
ACS-40809

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

ROUTE MAP TO THE VENUE OF AGM



DIRECTORS' REPORT

To
The Members of
The Baroda Rayon Corporation Limited

Your Directors are pleased to present the 57th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2017. The Financial results are shown as below.

Financial Results

Particulars	(₹ In Lakhs)	
	31.03.2017	31.03.2016
Income from Sales	NIL	NIL
Other Income	NIL	NIL
Total Income	NIL	NIL
Less: Expenditure	218.99	86.97
Profit/(Loss) before interest, depreciation and tax	(218.99)	(86.97)
Less : Depreciation	NIL	303.94
Interest	60.05	25.87
Provisions for Taxation	Nil	Nil
Profit/(Loss) before extraordinary item	(279.04)	(416.78)
Less: Extraordinary Item	(257.11)	-
Profit/(Loss) after Taxes	(21.93)	(416.78)
Profit/(Loss) available for appropriation	(21.93)	(416.78)
Balances as per last year's Balance sheet	(34888.49)	(35925.41)
Profit and Loss Appropriation Account	NIL	NIL
Balance carried to Balance sheet	(34910.42)	(34888.49)

Overview of Company's Financial Performance

Your company's net loss is ₹ 21.93 lakhs as against ₹ 416.78 lakhs in the previous year. Interest cost has increased to ₹ 60.05 lakhs as against ₹ 25.87 lakhs in previous year. Total expenditure of your company has increased to ₹ 218.99 lakhs as against ₹ 86.97 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 31st March, 2017 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 31st March, 2017 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

The Company is a sick unit and was registered under The Board of Industrial and Financial Restructuring (BIFR) vide case no. 67/2004. Further in pursuant to Insolvency and Bankruptcy Code (Removal of Difficulties) Order, 2017 vide notification dated 24/05/2017 issued by Ministry of Corporate Affairs relating to amendment to the Sick Industrial Companies (Special Provisions) Repeal Act, 2003, provided that any scheme sanctioned under sub-section (4) or any scheme under implementation under sub-section (12) of section 18 of the Sick Industrial Companies (Special Provisions) Act, 1985 shall be deemed to be an approved resolution plan under sub-section (1) of section 31 of the Insolvency and Bankruptcy Code, 2016 and the same shall be dealt with, in accordance with the provisions of Part II of the said Code. The said notification will be examined in relation to company's sanctioned scheme (SS06)/MDRS scheme and necessary action if any, required shall be initiated and the Board will be appraised.

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, 2017, 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, 2017 and of the loss of the Company for the year ended on that date;

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

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

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; 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 2016-17, your Company has not accepted any fixed deposits within the meaning of section 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

However, deposits of ₹ 1.95 lakhs were outstanding as at 31st March, 2017 as the matter is disputed.

Directors and key managerial personnel

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

The resolutions seeking approval of the members for the re-appointment of Mr. Damodarbai Patel as Managing Director for further 5 years have been incorporated in the Notice of the Annual General Meeting of the Company along with brief details about him.

In pursuant to Government Notification S.O. No 3568(E) dated 25.11.2016 and S.O. 3569(E) dated 25.11.2016, the Board for Industrial & Financial Reconstruction (BIFR) has been wound up w.e.f. 01.12.2016 and accordingly Mr. Prashant Panda who was appointed by BIFR as Nominee Director of the company ceases to be the director of the company.

The Board has appointed Mr. Kunjal Sawan Desai (ACS-40809) as Company Secretary cum Compliance Officer of the company w.e.f. 01st June, 2016.

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

- (i) Mr. Damodarbai Patel – Managing Director
- (ii) Mr. Kunjal Desai* – Company Secretary

*Appointed w.e.f. 01st June, 2016.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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

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

Committees of the Board

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

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

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

Corporate Governance Report

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

Auditors:

A. Statutory Auditors

M/s. AMPAC & Associates, Chartered Accountants, Mumbai have tendered their resignation from the position of Statutory Auditors due to pre-occupation with other assignments, resulting into a casual vacancy in the office of Statutory Auditors of the company as envisaged by section 139(8) of the Companies Act, 2013 ("Act"). Casual vacancy caused by the resignation of auditors can only be filled up by the Company in general meeting. Board proposed that M/s. Kansariwala & Chevli, Chartered Accountants, Surat, be appointed as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. AMPAC & Associates, Chartered Accountants. M/s. Kansariwala & Chevli, Chartered Accountants, Surat, have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under 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 2016-17, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report for FY 2016-17 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 2017-18.

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 2016-17, there were no transactions with related parties which qualify as material transactions under the Listing Regulations and that the provisions of section 188 of the Companies act, 2013 are not attracted. Thus disclosure in form AOC-2 is not required. Further, there were 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, 2017 (including investments made in the previous years) (in equity shares):

(₹ in lakhs)	
Name of Company	Amount as at 31 st March, 2017
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
Total	599.61

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)

	31.03.2017	31.03.2016
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgoings	NIL	NIL

Compliance Certificate

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

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 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 Chief Financial Officer as Key Managerial Personnel specified under section 203 of the Companies Act, 2013, however company is in search of the rightful candidate and will do the needful at the earliest.
- 2) Your Company is a sick unit under the Board for Industrial & Financial Reconstruction (BIFR) and the entire production/manufacturing activities of the company became stand still since August' 2008 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 LODR has occurred. However, your company has during the year appointed key personnel responsible for the compliances of the same.

Cash Flow Analysis

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

Vigil Mechanism

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 Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 2016-17.

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. These are in accordance with generally accepted accounting principles in India.

Significant/Material orders passed by the regulators

During the year under review, no significant/material orders were passed by any regulator.

General

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

Appreciation

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

Place: Surat

Date: 01st September, 2017

By order of the Board of Directors

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

ANNEXURE 'A' TO BOARD'S REPORT

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,
The Members,
THE BARODA RAYON CORPORATION LTD.
(CIN: L99999GJ1958PLC000892)
P O Fatehnagar, Udhna,
Surat, 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, during the audit period covering the financial year ended on **31st March, 2017**, complied with the statutory provisions of the applicable acts listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2017** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009 (Not applicable as the Company has not issued any securities);
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable as the Company has not formulated any Employee Stock Option Scheme and Employee Stock Purchase Scheme);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable as the Company has not issued any debts securities which were listed);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client (Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent);
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable as the Company has not opted for delisting); and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable as the Company has not done any Buyback of Securities).
- (vi) The Company is not attracting any sector specific laws as per representations made by the company.

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

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

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

- i. *The Company has not appointed Chief Financial Officer as Key Managerial Personnel specified under Section 203 of the Companies Act, 2013.*
- ii. *During the year, the Company has not provided E-voting Facility in AGM to its Members within the meaning of Section 108 of the Companies Act, 2013.*
- iii. *The Company has not filed Form DPT-3 as required under Section 73 of Companies Act, 2013 read with Rule 16 of the Companies (Acceptance of Deposits) Rules, 2014 for outstanding deposits of ₹ 1.95 Lakh disputed since long.*
- iv. *The Company has not complied with various Accounting standards more specially prescribed in Independent Auditors' Report dated 30th May, 2017.*
- v. *The Company has not complied with various Regulations prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- vi. *The Company has not complied with various provisions of SS-1 of Board Meeting and SS-2 of General Meeting issued by the Institute of Company Secretaries of India.*
- vii. *The Company has not complied with provision of Regulation 30 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.*
- viii. *As the Company is not having any website, various policies, details, information and documents as required by the Companies Act, 2013 are not uploaded.*

I further report that

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

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

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

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

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

(i) The Company has passed Special Resolution under Section 180(1)(a) of the Companies Act, 2013 authorizing Board of Directors to create charge/security over the assets of the company not exceeding ₹ 150.00 Crore.

(ii) The Company entered into a wage settlement agreement with its employees on 27th October' 2003 under section 2(p) read with Rule 62 under the provisions of the Industrial Disputes Act, 1947. Under this agreement the Company has settled all past claims relating to wages, salaries, claims with regard to perquisite and any other amounts due to employees prior to December 2003 in full and final satisfaction. The payments under this settlement are spread over a period of 5 years from the recommencement of the operations. The agreement specifies the past liabilities relating to unpaid salary, provident fund E.S.I.C., Gratuities etc. Owing to financial crisis Company had made partial payment. Unfortunately, due to adverse financial position of the company, operations had discontinued since 2008. Thereafter 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 Hon'ble High Court of Gujarat has given the controversial Judgment during the month of May 2015 and company has filed Letter Patents Appeal (LPA) challenging the above said judgment at High Court of Gujarat. LPA was admitted at High Court of Gujarat, hence Labour Union has approached to Supreme Court of India for settlement of issues. Supreme Court of India has given directives to the High Court of Gujarat to settle the dispute. The matter is pending 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 said scheme was circulated on 13th October' 2015. And hearing was fixed on 31st December 2015, thereafter due non availability of bench member hearing was re schedule and started hearing on 29th April 2016, 06th June 2016 and 30th June 2016. After the last hearing, company have received the SCN dated 14th July 2016, Further company have approach before AAIFR and application was made against SCN before AAIFR and hearing was fixed on 29th September 2016, and AAIFR directed to issue stay order and next hearing was fixed on 30th October 2016, and due to non availability of bench member hearing could not held and next hearing was fixed on 15th December 2016.

In pursuant to Government Notification S.O. No 3568(E) dated 25.11.2016 and S.O. 3569(E) dated 25.11.2016, BIFR has been wound up w.e.f. 01.12.2016 and all the pending cases are now transferred to National Company Law Tribunal (NCLT). The company has opted for no such application for transfer to NCLT within 180 Days under section 4(b) of Sick Industrial Companies (Special Provisions) Repeal Act, 2003. Further in pursuant to Insolvency and Bankruptcy Code (Removal of Difficulties) Order, 2017 vide notification dated 24/05/2017 issued by Ministry of Corporate Affairs relating to amendment to the Sick Industrial Companies (Special Provisions) Repeal Act, 2003, provided that any scheme sanctioned under sub-section (4) or any scheme under implementation under sub-section (12) of section 18 of the Sick Industrial Companies (Special Provisions) Act, 1985 shall be deemed to be an approved resolution plan under sub-section (1) of section 31 of the Insolvency and Bankruptcy Code, 2016 and the same shall be dealt with, in accordance with the provisions of Part II of the said Code.

Date: 01/09/2017
Place: Surat

MANISH R. PATEL
Company Secretary in Practice
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

To,
The Members,
The Baroda Rayon Corporation Limited
(CIN: L99999GJ1958PLC000892)
P O Fatehnagar, Udhna,
Surat – 394220, Gujarat.

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

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

Date: 01/09/2017
Place: Surat

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

ANNEXURE 'B' TO BOARD'S REPORT

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2017
[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

I. Registration and other details	
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

II. Principal Business Activities of the Company		
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 entire operational activities of the company became standstill since August'2008. During the year under review company has not carried out any business activities.

III. Particulars of Holding, Subsidiary and Associate Companies				
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 (01.04.2016)				No. of shares held at the end of the year (31.03.2017)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1. Indian									
a. Individual/HUF	0	108879	108879	0.475	0	108879	108879	0.475	0.00
b. Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c. State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d. Bodies Corporate	0	10784268	10784268	47.07	0	10784268	10784268	47.07	0.00
e. Banks/Fls	0	0	0	0.00	0	0	0	0.00	0.00
f. Any other...	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total A(1)	0	10893147	10893147	47.545	0	10893147	10893147	47.545	0.00
2. Foreign									
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/Fls	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
Sub-Total A(2)	0	0	0	0.00	0	0	0	0.00	0.00

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 (01.04.2016)				No. of shares held at the end of the year (31.03.2017)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
B. Public shareholding									
1. Institutions									
a. Mutual Funds	1889	1738	3627	0.016	1889	1738	3627	0.016	0.00
b. Banks/FI	18941	11571	30512	0.133	18939	11571	30510	0.133	0.00
c. Central Govt;	0	0	0	0.000	0	0	0	0	0.00
d. State Govt;	306031	52	306083	1.336	306031	52	306083	1.336	0.00
e. Venture Capital Fund	7245	0	7245	0.032	0	0	0	0	-0.032
f. Insurance Companies	0	40	40	0.000	0	40	40	0.000	0.00
g. FIs	0	435	435	0.002	0	435	435	0.002	0.00
h. Foreign Venture Capital Funds	0	0	0	0.000	0	0	0	0	0.00
i. Others	0	0	0	0.000	0	0	0	0	0.00
Sub-Total B(1)	334106	13836	347942	1.519	326859	13836	340695	1.487	-0.032
2. Non-Institutions									
a. Body Corporate									
i) Indian	75156	8935202	9010358	39.327	81638	8115902	8197540	35.779	-3.548
ii) Overseas	0	0	0	0	0	0	0	0	0.00
b. Individual Holding									
i) Upto Rs.1 Lakh	434027	1351876	1785903	7.795	435070	1397184	1832254	7.997	0.202
ii) Above Rs. 1 Lakh	322348	39894	362242	1.581	322348	813194	1135542	4.956	3.375
c. Qualified Foreign Invs	0	0	0	0	0	0	0	0	0.00
d. Others									
i) Clearing Member	10	0	10	0	464	0	464	0.002	0.002
ii) OCB	0	500215	500215	2.183	0	500215	500215	2.183	0.00
iii) NRI	8646	2896	11542	0.050	8606	2896	11502	0.050	0.00
iv) Foreign National	0	0	0	0.00	0	0	0	0	0.00
Sub-Total B(2)	840187	10830083	11670270	50.936	848126	10829391	11677517	50.967	0.031
Total Public Shareholding (B)=B(1)+B(2)	1174293	10843919	12018212	52.455	1174985	10843227	12018212	52.454	-0.001
C. Shares Held by Custodian for GDR's and ADR's	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	1174293	21737066	22911359	100.00	1174985	21736374	22911359	100.00	0.00

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	Kanchenjunga Texturisers Pvt. Ltd.	7401202	32.304	0.00	7401202	32.304	0.00	0.00
2	Shivalik Golf & Forest Resorts Ltd.	2620000	11.435	0.00	2620000	11.435	0.00	0.00
3	Gaekwad Investments Corp. Ltd.	453255	1.978	0.00	453255	1.978	0.00	0.00
4	Harmony Investments Pvt. Ltd.	89449	0.390	0.00	89449	0.390	0.00	0.00
5	Gokarna Investments Pvt. Ltd.	62156	0.271	0.00	62156	0.271	0.00	0.00

6	Shree Durga Ind Controls Pvt. Ltd.	61972	0.270	0.00	61972	0.270	0.00	0.00
7	Sangramsinh P Gaekwad	60810	0.265	0.00	60810	0.265	0.00	0.00
8	Indreni Holdings Pvt. Ltd.	38377	0.168	0.00	38377	0.168	0.00	0.00
9	Annapurna Texturisers Pvt. Ltd.	37259	0.163	0.00	37259	0.163	0.00	0.00
10	Sangramsinh Gaekwad (HUF)	18376	0.080	0.00	18376	0.080	0.00	0.00
11	Pratapsinh Sangramsinh Gaekwad	14618	0.064	0.00	14618	0.064	0.00	0.00
12	Prasang Holdings Pvt. Ltd.	14478	0.063	0.00	14478	0.063	0.00	0.00
13	Asha Raje Gaekwad	10000	0.044	0.00	10000	0.044	0.00	0.00
14	Tapti Synthetics Pvt. Ltd.	6120	0.027	0.00	6120	0.027	0.00	0.00
15	Priyadarshini Raje Scindia	4620	0.020	0.00	4620	0.020	0.00	0.00
16	Ganesh Kumari Shreshta	285	0.001	0.00	285	0.001	0.00	0.00
17	Samarjitsinh Gaekwad	170	0.001	0.00	170	0.001	0.00	0.00
	TOTAL	10893147	47.545	0.00	10893147	47.545	0.00	0.00

iii) Change in Promoters Shareholding				
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
At the beginning of the year	10893147	47.545	10893147	47.545
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	10893147	47.545	10893147	47.545

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)								
Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase/ Decrease in the Shareholding			Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	Date	Increase/ Decrease in shares	Reason	No. of Shares	% of total shares of the Company
1	Sejima Taxyarn Pvt. Ltd.	5236800	22.857	09.09.2016	-819300	Sale	4417500	19.281
2	Ramsons Properties Pvt. Ltd.	3598200	15.705	-	-	-	3598200	15.705
3	Versa S A	242947	1.060	-	-	-	242947	1.060
4	Ruchit Bharat Patel	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	Mitsubishi Heavy Industries	45652	0.199	-	-	-	45652	0.199

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Increase/ Decrease in the Shareholding			Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	Date	Increase/ Decrease in shares	Reason	No. of Shares	% of total shares of the Company
1	Damodarbai Patel – Manging Director	NIL	0.00	-	-	-	NIL	0.00
2	Bhavanjibhai Patel – Independent Director	NIL	0.00	-	-	-	NIL	0.00
3	Bhaveshbhai Patel – Independent Director	NIL	0.00	-	-	-	NIL	0.00
4	Jayantilal Patel – Independent Director	NIL	0.00	-	-	-	NIL	0.00
5	Vidhya Bhavani – Non executive Director	NIL	0.00	-	-	-	NIL	0.00
6	Prashant Panda – Nominee Director*	NIL	0.00	-	-	-	NIL	0.00
7	Kunjal Desai – Company Secretary@	NIL	0.00	-	-	-	NIL	0.00

*Ceased w.e.f. 01.12.2016

@Appointed w.e.f. 01.06.2016

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (₹ in Lakhs)
Indebtedness at the beginning of the financial year				
i) Principal Amount	6342.23	1438.37	1.95	7782.55
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	6342.23	1438.37	1.95	7782.55
Change in Indebtedness during the financial year				
Addition	625.11	12702.12	-	13327.23
Reduction	-	-	-	-
Net Change	625.11	12702.12	-	13327.23
Indebtedness at the end of the financial year				
i) Principal Amount	6967.34	14140.49	1.95	21109.78
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	6967.34	14140.49	1.95	21109.78

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. Damodarbhai Patel Managing Director	Total amount (₹ in Lakhs)
1	Gross salary	NIL	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	NIL	NIL
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NIL	NIL
2	Stock option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission	NIL	NIL
	- as % of profit	NIL	NIL
	- others (specify)	NIL	NIL
5	Others, please specify	NIL	NIL
	TOTAL(A)	NIL	NIL
	Ceiling as per the Act		

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	(a) Fee for attending Board Committee Meetings	NIL	NIL	NIL	NIL
	(b) Commission	NIL	NIL	NIL	NIL
	(c) Others, please specify	NIL	NIL	NIL	NIL
	TOTAL B(1)	NIL	NIL	NIL	NIL

2. Other Non Executive Directors

Sr. No.	Particulars of Remuneration	Mrs. Vidhya Bhavani (Non-executive Director)	Mr. Prashant Panda (Nominee Director)*	Total amount (₹ in Lakhs)
1	(a) Fee for attending Board Committee Meetings	NIL	NIL	NIL
	(b) Commission	NIL	NIL	NIL
	(c) Others, please specify	NIL	NIL	NIL
	TOTAL B(2)	NIL	NIL	NIL
	TOTAL B=B(1)+B(2)	NIL	NIL	NIL
	Total Managerial Remuneration (A+B)	NIL	NIL	NIL

*Ceased w.e.f. 01.12.2016

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Mr. Kunjal Desai (Company Secretary)*	Total amount (₹ in Lakhs)
1	Gross Salary	4.00	4.00
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	NIL	NIL
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary u/s 17(3) of the Income tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission	NIL	NIL
	- as % of profit	NIL	NIL
	- others, specify...	NIL	NIL
5	Others, please specify	NIL	NIL
	TOTAL(C)	4.00	4.00

*Mr. Kunjal Desai was appointed w.e.f. 01/06/2016.

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)
A. COMPANY					
Penalty					
Punishment			NONE		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NONE		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
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 2016-17 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 2016-17	Percentage Increase/ decrease in remuneration in the Financial Year 2016-17	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 – Non Executive Director	NIL	NIL	NIL
6	Mr. Prashant Panda – Nominee Director*	NIL	NIL	NIL

*ceased w.e.f. 01.12.2016

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: Surat
Date: 01st September, 2017

Damodarbai Patel
Chairman & Managing Director
DIN: 00056513

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

Overview of Economy

Global economy growth continued to stagnate following slow trades, low investments and policy uncertainties in advanced economies. Major global events during the year included United Kingdom's decision to leave the European Union and the outcome of presidential elections in United States of America both the events are expected to have long-term effects on the global economy. Global growth in 2016 was estimated at 3.1% and is projected to rise to 3.5% in 2017. Growth in emerging markets and developing economies is expected to pick up in 2017 on the back of fiscal stimulus measures in developed economies and narrowing of divergence between commodity exporters and importers. The main factors that could possibly weigh on the medium-term growth prospects across many emerging markets and developing economies are weak investments, below par levels of productivity coupled with heightened policy uncertainty, and protectionist pressures.

Industry Scenario

Textile and Apparel Industry Conditions

India emerged as a 'bright spot' in an otherwise subdued world economy when it overtook China in 2016-17 as the fastest-growing major economy in the world. Though India's fundamentals still remain strong, the recent demonetisation initiative undertaken by the Indian Government is expected to lower India's GDP growth from 7.6% in FY16 to 6.8% in FY17. The IMF mentioned that this cash shortage and slowed private consumption would only be a temporary disruption and the otherwise healthy economy will return to familiar territories post the predicted slowdown in FY17. The Indian Government's decisive policy manoeuvres towards ensuring fiscal consolidation and pegging back inflation will help it maintain economic stability in the years ahead. India's eight core infrastructure industries – coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity registered cumulative growth of 4.9% during the April-November period compared to 2.5% a year ago.

The Indian textiles industry is one of the oldest industries of the country. The textile industry has two broad segments. First, the unorganized sector consisting of handloom, handicrafts and sericulture and the second is the organised sector consisting of spinning, weaving, knitting, garments and home textiles segment. The industry has a major contribution to the national economy in terms of direct and indirect employment generation and net foreign exchange earnings. The sector contributes 14% to industrial production, 4% to India's Gross Domestic Product (GDP) and 15% to the country's export earnings. It is the second largest employment provider in the country employing nearly 51 million people directly and 68 million people indirectly in 2016-17. Exports have been a core feature of India's textile sector. The Indian textiles export market estimated at \$18 billion is expected to grow at a CAGR of 4% as compared to the global CAGR of 3% over 2016-26.

The domestic apparel market which is estimated at \$46 billion is expected to grow at a CAGR of 9.7% over 2016-26 driven by increase in both the per capita consumption and the average spends on apparel. Currently, at 41% Men's wear is the biggest category in the Indian apparel market; however the rate of growth in women's wear and kid's wear has been rapid. It is estimated that, within another decade, the Women's wear category will rival the Men's wear.

Overall, the government has been supportive in encouraging textile industry in India. Many incentives and schemes have been announced in the Union Budget to promote the sector. Further, introduction of GST is seen as positive step as it will result in 'Fibre-neutrality effect' on the sector. With the right government policies, we believe that the Indian Textile Industry is well poised to benefit from the large opportunity offered in the domestic and export market.

India's retail market, estimated at \$63 billion, is dominated by traditional retail. The retail market is expected to grow at CAGR of 11.1% over 2016-20 aided by growth in organised retail and e-commerce. India's organised retail segment is expected to continue to grow mainly due to the following factors:

- Rapidly changing fashion industry which is driving the shift from unorganised to organised retail.
- Increased fashion awareness along with rising disposable incomes.
- Organised retail is no longer just limited to only metro and Tier-1 cities and is rapidly growing in suburban areas.

Retail industry is gradually shifting towards omni channel retailing, which is an integrated multi-channel approach that seeks to provide the customer with a seamless shopping experience, whether via online or brick-and-mortar stores.

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.

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

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2017, in terms of Regulation 34(3) read with schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

2. BOARD OF DIRECTORS

2.1 Composition of the Board of Directors

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. Damodarbhai B. Patel, Managing Director of the company, who is supported by a Management team.

Composition and category of Directors

Sr. No.	Category	Name of Directors
1.	Promoter Directors	NIL
2.	Executive Directors - ED	Mr. Damodarbhai B. Patel Chairman & Managing Director
3.	Non-Executive Independent Directors - NED (I)	Mr. Bhavanjibhai H. Patel Mr. Bhaveshbhai V. Patel Mr. Jayantilal D. Patel
4.	Non-Executive Director – NED	Mrs. Vidhya Bhavani
5.	Non-Executive Director – Nominee Director	Mr. Prashant Panda*

*ceased w.e.f. 01/12/2016.

2.2 Board Meetings

- A. The company had 5(Five) Board Meetings during the financial year 2016-17 on 30.05.2016, 10.08.2016, 24.09.2016, 12.11.2016, 13.02.2017.
- 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 (24.09.2016)		As a Member	As a Chairman	
Mr. Damodarbhai Patel	ED	5/5	Yes	1	-	-	-
Mr. Bhavanjibhai Patel	NED (I)	4/5	No	1	-	-	-
Mr. Bhaveshbhai Patel	NED (I)	5/5	Yes	1	-	-	-
Mr. Jayantilal Patel	NED (I)	5/5	Yes	-	-	-	-
Mrs. Vidhya Bhavani	NED	4/5	Yes	-	-	-	-
Mr. Prasant Panda*	NED (Nominee)	1/4	Yes	5	-	3	-

* Ceased w.e.f. 01/12/2016.

2.3 Information supplied to the Board

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

2.4 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. Bhaveshbhai Patel -Chairman NED (I)
Mr. Bhaveshbhai Patel - Member NED (I)	Mr. Bhaveshbhai Patel - Member NED (I)	Mr. Damodarbhai Patel - Member NED (I)
Mr. Jayantilal Patel - Member NED (I)	Mr. Jayantilal Patel - Member NED (I)	Mr. Bhavanjibhai Patel - Member NED (I)

A) AUDIT COMMITTEE:

Constitution

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

The Audit Committee comprises of the following Directors.

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

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

Terms of reference

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

Duties/Powers/Responsibilities:

- Recommendation for appointment, reappointment and terms of appointment of Auditors of the Company.
- Review and monitor auditor's independence and performance and effectiveness of Audit Process.
- 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 2016-17, the Audit Committee of the Company met 4(four) times on 04.05.2016, 30.07.2016, 11.11.2016 & 13.02.2017. The gap between two Audit Committee meetings did not exceed four months.

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

Name	No. of Audit Committee Meetings attended
Mr. Bhavanjibhai H. Patel – Chairman – NED (I)	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 Regulation 19 of Listing Regulations, 2015 Nomination and Remuneration Committee comprises of following Independent Directors viz; (i) Mr. Bhavanjibhai H. Patel, (ii) Mr. Bhaveshbhai V. Patel and (iii) Mr. Jayantilal D. Patel

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

Meetings and Attendance

1(One) meeting was held on 05.05.2016 of the Nomination and Remuneration Committee during the year under review. 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.

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

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 director for the period ended March 31, 2017.

Nomination and Remuneration Policy of the Company:

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

- A. Appointment and removal of Director, KMP and Senior Management:
 - The NRC will have the responsibility and authority to decide the essential and desirable skills/competencies/expertise/experience/criteria of independence required from the individuals for the office of Directors, KMP & Senior Management Personnel.
 - The expertise required from the Directors, KMP and Senior Management Personnel would be defined based on the Company's strategy and needs.
 - The NRC shall review the criteria for the role and define the role Specifications for the appointment.
 - In case of Directors and KMP, in addition to the above specifications the NRC shall ensure that the candidate possesses the requisite qualifications and attributes as per the Applicable Laws.
- B. Identifying candidates who are qualified to become Directors, KMP & Senior Management Personnel:
 - The NRC may assign the responsibility of identifying the candidate for the final interview by the NRC to the following:
 - To Managing Director/Whole Time Director and Chairman of NRC, in case of selection of Directors; and
 - To the Managing Director/Whole Time Director and Human Resource Officer (HRO), in case of selection of KMP & Senior Management Personnel.
 - The NRC shall identify member(s) of the Board who will interview the candidate recommended to the NRC as above.
 - Upon selection of the candidate, the NRC shall make a recommendation to the Board for appointment

of Director/ KMP/ Senior Management Personnel. For discharging this duty the NRC may seek inputs from the persons responsible for identifying the candidates stated in as above.

- The appointment of Directors and KMP shall be subject to the compliance of the Act, Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Article of Association.
- C. Selection of Independent Directors:
- Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Human Resources, Nomination and Remuneration Committee, for appointment, as an Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation, and takes appropriate decision. Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.
- D. Term of Appointment:
- The term of appointment of Directors shall be governed by the provisions of the Act and Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
 - The term of the KMP (other than the MD) and Senior Management Personnel shall be governed by the prevailing policies of the Company.
- E. Letter of Appointment to Independent Directors:
- The appointment of Independent Directors shall be formalized through a letter of appointment to be issued by the Company in accordance with the Applicable Laws.
- F. Removal of Director, KMP or Senior Management Personnel:
- The Removal of Director, KMP or Senior Management Personnel may be warranted due to reasons such as disqualification prescribed under the Applicable Laws and / or disciplinary reasons.
 - In regard to removal of any Director, KMP or Senior Management Personnel, the NRC shall in consultation with the MD and the Chairman of Audit committee, for Directors, and with the MD for KMP and Senior Management Personnel, review the performance and/or other factors meriting a removal and subject to the provisions of the Act and the Articles of Association of the Company recommend to the Board its course of action.
- G. Retirement of Director, KMP or Senior Management Personnel:
- The retirement age of Directors shall be as per the Applicable Laws.
 - The retirement age of KMP and Senior Management Personnel shall be as per the prevailing policy of the Company subject to the Applicable Laws.
- H. Remuneration of Director, KMP and Senior Management Personnel
- Remuneration to Executive Director(s):
 - The remuneration payable to Executive Director(s) shall be determined by the NRC and recommended to the Board for approval. Such remuneration (including revisions thereof) shall be subject to the approval of the shareholders of the Company and/or Central Government, wherever required under the Act, Listing Regulations and the Articles of Association of the Company.
 - The remuneration shall be in accordance with and subject to the ceiling limits and other conditions prescribed under the Act, Listing Regulations and the Articles of Association of the Company.
 - Additionally, the Executive Director may be entitled to Employee Stock Options granted under any Employee Stock Option Plan/ Scheme(s), Stock Appreciation Rights granted under any Stock Appreciation Rights Plan/Scheme(s) of the Company and such other long term incentive schemes of the Company.
 - Annual revisions in the remuneration within the remuneration limits approved by the Board, shareholders/Central Government, shall be based on the prevailing policy of the Company and the same shall be approved by the NRC. The Board shall note such annual increases.
 - Remuneration to Non-Executive Directors (NED):
 - The remuneration (including revisions thereof) payable to the NED shall be in accordance with and subject to the ceiling limits and other conditions prescribed under the Act, Listing Regulations and the Articles of Association of the Company.
 - The NRC shall determine the remuneration to NED including the mode, quantum, recipients of the

- remuneration and the frequency of payment of such remuneration, and recommend the same to the Board for approval.
- The remuneration of NED may comprise following:
 - a) Remuneration/Commission; and
 - b) Sitting fees for attending each meeting of the Board and its Committees.
 - The remuneration of NED (including revisions thereof) shall be based on certain financial parameters like the performance of the Company, its market capitalization, etc., industry benchmarks, role of the Director and such other relevant factors.
 - NEDs shall not be entitled to any stock option or stock appreciation rights of the Company.
 - The NRC shall determine the periodicity at which such remuneration shall be reviewed and revised.
 - Remuneration to KMP & Senior Management Personnel:
 - The NRC shall approve the remuneration policy of the Company applicable to KMP and Senior Management Personnel.
 - For appointments to the office of KMP or Senior Management Personnel, the NRC shall approve the remuneration and recommend the same to the Board for its approval.
 - The NRC shall approve the annual revision in the remuneration of KMP and Senior Management Personnel based on the remuneration policy of the Company applicable to KMP and Senior Management Personnel.
 - Factors to be considered while determining the remuneration to Directors, KMP and Senior Management Personnel While determining the remuneration to Directors, KMP and Senior Management Personnel.
 - The NRC shall ensure the following:
 - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and Senior Management Personnel to deliver the quality required to run the Company successfully;
 - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - Remuneration to Directors, KMP and Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
 - Board Evaluation:
 - The Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its Functioning. Towards this end, the NRC shall establish the criteria and processes for evaluation of performance of Individual Directors, Chairman of the Board, the Board as a whole and the Committees of the Board and recommend the same to the Board.
 - The Board is responsible for monitoring and reviewing of the Board Evaluation framework.
 - The NRC is responsible for carrying out evaluation of every director's performance and various criteria can be framed by NRC in separate policy also.
 - The performance evaluation shall take place annually. It shall be the responsibility of the Chairman of the NRC to organize the evaluation process;
 - The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.
 - Meeting of Independent Directors:
 - Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-independent Directors and members of the management.
 - Such meeting shall review the performance of Non-independent Directors and the Board as a whole; &
 - review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-executive Directors;
 - Familiarization Programme For Independent Directors:
 - The Company will impart Familiarization Programmes for Independent Directors inducted on the Board of the Company. Familiarization - immediately upon appointment of Director the Familiarization

Programme of the Company will provide information relating to the Company, Specialty Chemical industry, business model of the Company, business processes & policies, geographies in which Company operates, etc. The Programme intends to improve awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarization Programme shall also provide information relating to the financial performance of the Company and budget and control process of the Company and all other information's which affect its rights and responsibility.

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

- **Diversity Of Board Of Directors:**

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

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

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

Evaluation of Board Effectiveness

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of Listing Regulations, 2015, 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 Regulation 20 of Listing Regulations, 2015.

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, 2017, 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 on the last day every month. The attendance of committee members are as under –

Name	No. of Meetings attended
Mr. Bhaveshbhai Patel – Chairman – NED (I)	12
Mr. Damodarbai Patel – Member - ED	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, 2017 are as follows:

No. of complaints received during the year	11
No. of complaints resolved during the year	11
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 Regulation 25(3) of the SEBI Listing Regulations, 2015, the Independent Directors met on February 13, 2017, 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 2013-14	FY 2014-15	FY 2015-16
Day	Tuesday	Wednesday	Saturday
Date	30 th September, 2014	30 th September, 2015	24 th September, 2016
Time	9:00 a.m.	9:00 a.m.	9:00 a.m.
Venue	Patidar Bhavan, Kadodara, Surat-394 327.	Patidar Bhavan, Kadodara, Surat-394 327.	Patidar Bhavan, Kadodara, Surat-394 327.
Special Resolution	1(One)	1(One)	1(One)

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

A special resolution was passed at the 55th Annual General Meeting of the company held on 30th September, 2015 to borrow money under section 180(1)(c) of the Companies Act, 2013 and rules made thereunder:

A special resolution was passed at the 56th Annual General Meeting of the company held on 24th September, 2016 To approve creation of charge/security over the assets of the Company under Section 180(1)(a) of the Companies Act, 2013 and rules made thereunder.

POSTAL BALLOT

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 and 2008-till date. 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 Managing Director 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 Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the Stock Exchange, which is annexed.

e. Vigil Mechanism

The Audit Committee has established a Vigil Mechanism and adopted a Whistle-Blower Policy, which provides a formal mechanism for all Directors and employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical 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 : Saturday, 30th of September, 2017 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 1st to March 31st each year

3. Date of Book Closure

: Friday, 22nd September, 2017 to Saturday, 30th September, 2017.

4. Listing of Stock Exchange Stock Code CIN

: Mumbai
: 500270
: 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, 1st 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, 2017)

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)	336633	1.46
Private Corporate Bodies	8197373	35.77
NRIs/OCBs	511717	2.23
FII	435	0.00
Indian Public	2967963	12.95
Clearing Members	464	0.02
Total	22,911,359	100.00

8. DISTRIBUTION OF SHAREHOLDING (As at 31st March, 2017)

Shareholding of Nominal Value (Rs.)	Share Amount		Shareholder	
	₹	% to total	Number	% to total
1 – 5000	16049230	7.00	78621	99.66
5001 – 10000	929630	0.41	125	0.16

10001 – 20000	437800	0.19	33	0.04
20001 – 30000	385600	0.17	16	0.02
30001 – 40000	140180	0.06	4	0.01
40001 – 50000	229380	0.10	5	0.01
50001 – 100000	1716040	0.75	21	0.03
100001 & above	209225730	91.32	66	0.07
Total	22,91,13,590	100.00	78,891	100.00

9. DEMATERIALIZATION OF SHARES:

The Shares of the company were dematerialized with effect from 28.08.2002. The National Securities Depository Limited and Central Depository Services (India) Limited were the depository of the shares of the company. Under SEBI Circular SMDRP/POLICY/CIR-23/2000 dated May 29, 2000 the Company' shares are in compulsory demat segment for the trading and to do any transaction of shares. The shareholders of the company can forward their physical share certificates of the company to M/s. Sharex Dynamic (India) Pvt. Ltd. Through their DP to convert the same into demat mode. 11,74,985 shares out of 2,29,11,359 shares of the company have been dematerialized as at 31st March, 2017.

11,74,985 Equity Shares aggregating to 5.13% of the total Equity Capital is held in dematerialized form as on 31.03.2017 of which 3.85% (881546 Equity Shares) of total equity capital is held with NSDL and 1.28% (293439 Equity Shares) of total equity capital is held with CDSL as on 31.03.2017.

10. **Number of Shareholders** (As at 31st March, 2017): **78,891**

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

Declaration pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of
The Baroda Rayon Corporation Limited

All Board Members and Senior Management Personnel have affirmed compliance with the code of ethics for the financial year ended 31st March, 2017.

For The Baroda Rayon Corporation Limited

Place: Surat
Date: 01st September, 2017

Damodarbhai B. Patel
Managing Director
DIN – 00056513

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

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

We have examined the compliance of conditions of Corporate Governance by The Baroda Rayon Corporation Limited, for the year ended March 31, 2017 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

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

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

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

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

**Date: 30th May, 2017
Place: Mumbai**

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE BARODA RAYON CORPORATION LIMITED

REPORT ON THE STANDALONE 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, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the 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 standalone financial statements to 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made there under including the accounting standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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 the disclosures in the financial statements. The procedures selected depend on the auditors' 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's 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 standalone 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 become standstill since August' 2008 and there are many legal cases pending against the Company which may affect the future functioning of the Company.*
- b. *Employee Union had filed the litigation for recovery of their total dues against the Company at Gujarat High Court. The Company had referred the said matter with Hon'ble BIFR for making necessary modification in Modified Draft Rehabilitation Scheme (MDRS) for details refer to Note 22 of financial statements. In pursuant to Government Notification S.O. No 3568(E) dated 25.11.2016 and S.O. 3569(E) dated 25.11.2016, BIFR has been wound up w.e.f. 01.12.2016 and all the pending cases are now transferred to National Company Law Tribunal (NCLT). The application for such transfer shall be made by the company to NCLT within 180 Days under section 4(b) of Sick Industrial Companies (Special Provisions) Repeal Act, 2003. In pursuant to Insolvency and Bankruptcy Code (Removal of Difficulties) Order, 2017 vide notification dated 24/05/2017 issued by Ministry of Corporate Affairs relating to amendment to the Sick Industrial Companies (Special Provisions) Repeal Act, 2003, provided that any scheme sanctioned under sub-section (4) or any scheme under implementation under sub-section (12) of section 18 of the Sick Industrial Companies (Special Provisions) Act, 1985*

shall be deemed to be an approved resolution plan under sub-section (1) of section 31 of the Insolvency and Bankruptcy Code, 2016 and the same shall be dealt with, in accordance with the provisions of Part II of the said Code. Subject to the final verdict, we are unable to express any opinion on probable liabilities, which may arise in future.

- c. *The balances for Sundry Debtors, Sundry creditors, loans & advances, bank balances, statutory and other liabilities as on 31st March' 2017 are subject to confirmation. The figures reported in the financial statement are as per the ledger account.*
- d. *No provision for interest has been provided in the profit & loss account for overdue loans availed in Modified Draft Rehabilitation Scheme (MDRS) for Rs. 21097.27 lacs, hence there is understatement of reported loss and accumulated losses reported under Note for details refer to Note 34.*
- e. *We have relied on the information & documents submitted to us by management for physical verification of stores & spares, Fixed assets.*

Subject to above paragraph (a) to (e) and paragraph mentioned under Report on Other Legal and Regulatory Requirements under paragraph 10(d) relating to non-compliance of Accounting Standard from (i) to (ii), in our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its losses and its 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, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure "A" a statement on the matters specified in paragraphs 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 ₹ 348,95,99,330/= 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 these, We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.*
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) *Except for the following Accounting Standards as referred below in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, 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 as required by Accounting Standard -28 relating to Impairment of Assets. As informed to us, the impairment exercise will be carried out at the time of operation of plant, as entire plants are not in operation since August' 2008.*
 - ii. *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.*
 - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- i. The Company has pending litigation with labour as referred in paragraph 8(b) above and note 24 relating to various legal cases, which would impact its financial position;
- ii. As per the information provided to us, the Company did not have any provision as at March 31, 2017, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts.
- iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund by the Company.
- iv. The Company has disclosed in the financial statements as to holding as well as dealings in Specified Bank Notes (SBN) during the period from 8th November 2016 to 30th December 2016 and these are in accordance with books of account maintained by the Company (Refer Note 35 to the financial statements)

For AMPAC & ASSOCIATES
Chartered Accountants
Firm Registration Number: 112236W

PIYUSH SHETH
Partner
Membership Number: 044062

Place: Mumbai,
Date: May 30, 2017

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31st March 2017, we report that:

- i. (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed asset
- (b) According to the information given to us, the management has physically verified the Fixed Assets of the Company in current financial year. *The Company has recognized discrepancies/differences in the verification of Fixed Assets.*
- (c) The title deeds of immovable properties, as disclosed in Note 8 on fixed assets to the financial statements, are held in the name of the Company,
- ii. *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.*
- iii. The Company has not granted any loans to parties covered in the register maintained under Section 189 of the Act. There are no firms /LLPs/ other parties covered in the register maintained under Section 189 of the Act, hence the other clauses are not applicable.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. The old deposits have been paid except disputed deposit of ₹ 1,95,000/=.
- vi. Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. However, there are no manufacturing activities since August' 2008, hence the Company has not maintained.
- vii. (a) *The statutory liabilities are restructured and deferred as per the comprehensive rehabilitation scheme approved by the BIFR, however various statutory agencies are in process of granting their sanction as per said scheme for deferment and settlement of said liabilities. Hence, we are reporting the Undisputed Statutory dues, which is subject to confirmation from respective departments and shown as per the ledger account including 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 (Rs.)
a.	Sales Tax/VAT & interest thereon	189340497.00
b.	Custom Duty	68596547.00
c.	Interest on excise duty	68727273.00
d.	Income Tax/TDS/Wealth Tax/FBT	4460043.00
e.	Provident Fund dues & interest thereon	32000000.00
f.	Employee's State Insurance dues	40197407.00
g.	Water Tax & interest thereon	161145144.00
h.	Textile Committee Cess	636223.00
i.	Water Cess (Gujarat Pollution Control Board)	834775.00
j.	Electricity Duty (Power plant)	167801202.00
k.	BSE Listing fees	634796.00
L.	Surat Municipal Corporation	5126911.00
M.	Revenue Tax – Mamlatdar Surat	10958116.00

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, 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 TO WHICH THE AMOUNT RELATES	FORUM WHERE DISPUTE IS PENDING
1.	Central Excise Act, 1944	Excise Duty	13,97,249/-	1994-1995	Tribunal (CESTAT)
2.	Central Excise Act, 1944	Excise Duty	21,89,465/-	1996-1997	Tribunal (CESTAT)
3.	Central Excise Act, 1944	Excise Duty	1,01,467/-	1998-1999	Tribunal (CESTAT)
4.	Central Excise Act, 1944	Excise Duty	1,89,748/-	2009-2010	Asst. Commissioner Central Excise
5.	Central Excise Act, 1944	Excise Duty	44,24,28,525/-	2006-2008	Tribunal (CESTAT)
6.	Central Excise Act, 1944	Service Tax	10,45,703/-	2005-2006	Asst. Commissioner Central Excise

Note: Company have requested to BIFR for waiver of duty, Interest, penalty and fine and also refund of Rs.70 lakh along with case law related to above Item number 4& 5. It is also mentioned in MDRS circulated dated 13th October 2015.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date, except the following, the details are as under:

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

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.

ix. In our opinion, and according to the information and explanations given to us, the long term & short term loan taken from the investor have been applied for the purposes for which they were obtained.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. There is no managerial remuneration payable during the year.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has not entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. Hence the details of such related party transactions are not required to be disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. The Company has not made any preferential allotment of shares during the year under review and the requirement of section 42 of the Companies Act, 2013.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For AMPAC & ASSOCIATES
Chartered Accountants
Firm Registration Number: 112236W

PIYUSH SHETHI
Partner
Membership Number: 044062

Place: Mumbai
Date: May 30, 2017

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of The Baroda Rayon Corporation Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

Subject to our qualification & other comments of our main report & various comments regarding closure of operation & loss of key personnel, in our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For AMPAC & ASSOCIATES
Chartered Accountants
Firm Registration Number: 112236W

PIYUSH SHETH
Partner
Membership Number: 044062

Place: Mumbai
Date: May 30, 2017

THE BARODA RAYON CORPORATION LIMITED
Balance Sheet as at 31st March, 2017

(₹ In Lakhs)

Particulars	Note No.	As at 31 st March, 2017	As at 31 st March, 2016
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	2291.14	2291.14
(b) Reserves and surplus	2	(21361.08)	(19922.78)
		(19069.94)	(17631.65)
2 Non-current liabilities			
(a) Long-term borrowings	3	17531.62	6425.59
(b) Other long-term liabilities		-	-
(c) Long-term provisions		-	-
		17531.62	6425.59
3 Current liabilities			
(a) Short-term borrowings	4	3578.17	1356.97
(b) Trade payables	5		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		415.58	432.45
(c) Other current liabilities	6	8416.55	21442.55
(d) Short-term provisions	7	3012.70	3435.90
		15423.00	26667.86
TOTAL		13884.68	15461.80
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	10818.42	12202.31
(ii) Capital work-in-progress		-	32.47
		10818.42	12234.78
(b) Non-current investments	9	599.61	599.61
(c) Long-term loans and advances	10	436.82	513.11
(d) Other non-current assets		-	-
		1036.43	1112.72
2 Current assets			
(a) Current investments		-	-
(b) Inventories	11	17.89	17.89
(c) Trade receivables	12	19.92	69.57
(d) Cash and cash equivalents	13	4.86	26.84
(e) Short-term loans and advances		-	-
(f) Other current assets	14	1987.16	2000.00
		2029.83	2114.30
TOTAL		13884.68	15461.80
See accompanying notes forming part of the financial statements	1 to 36	-	-

In terms of our report attached.

For AMPAC & Associates
Chartered Accountants
FRN 112236W

P.B. Sheth
Partner
Membership No. 044062

Place: Mumbai
Date: 30th May, 2017

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

Kunjai Desai
Company Secretary
ACS-40809

Place: Surat
Date: 30th May, 2017

THE BARODA RAYON CORPORATION LIMITED
Statement of Profit and Loss for the year ended 31st March, 2017

(₹ In Lakhs)

Particulars		Note No.	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
INCOME				
1	Revenue from operations (gross)		-	-
	Less: Excise duty		-	-
	Revenue from operations (net)		-	-
2	Other income		-	-
3	Total revenue (1+2)		-	-
Expenses				
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	-	396.84
	(e) Finance costs	16	60.18	26.02
	(f) Depreciation and amortisation expense	8	-	303.94
	(g) Other expenses	17	218.86	(310.02)
	Total expenses		279.04	416.78
5	Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		(279.04)	(416.78)
6	Exceptional item		-	-
7	Profit / (Loss) before extraordinary items tax (5-6)		(279.04)	(416.78)
8	Extraordinary Item		(257.11)	-
9	Profit / (Loss) before tax (7-8)		(21.93)	(416.78)
Tax expense				
	(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	Profit / (Loss) (9 - 10)		(21.93)	(416.78)
12	Profit / (Loss) for the year		(21.93)	(416.78)
Earnings Per Share				
Earnings per share (of 10/- each):				
	Basic & Diluted	18	(0.10)	(1.82)
	Earning per share (excluding extraordinary items) (of ₹ 10/- each):	18	(1.22)	(1.82)
	See accompanying notes forming part of the financial statements	1 to 36		

In terms of our report attached.

For AMPAC & Associates
Chartered Accountants
FRN 112236W

P.B. Sheth
Partner
Membership No. 044062

Place: Mumbai
Date: 30th May, 2017

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

D B Patel
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B H Patel
Director
DIN-01690183

Kunjai Desai
Company Secretary
ACS-40809

Place: Surat
Date: 30th May, 2017

CASH FLOW STATEMENT FOR COMPANIES OTHER THAN FINANCE COMPANIES

THE BARODA RAYON CORPORATION LIMITED
Cash Flow Statement for the year ended 31st March, 2017

(₹ In Lakhs)

Particulars	For the year ended 31 st March, 2017		For the year ended 31 st March, 2016	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax	(279.04)		(416.78)	
<u>Adjustments for:</u>				
Depreciation and amortization	-		303.94	
(Profit)/Loss on sale /write off of assets	-		-	
Expense on employee stock option scheme	-		-	
Finance costs	60.18		26.02	
	(218.86)	(218.86)	(86.82)	(86.82)
Operating profit / (loss) before working capital changes		(218.86)		(86.82)
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	-		-	
Trade receivables	49.65		-	
Short-term loans and advances	-		-	
Long-term loans and advances	76.29		(8.27)	
Other Current assets	12.84		(2000.00)	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	(16.86)		-	
Other current liabilities	(12768.89)		2187.80	
Short-term provisions	(423.20)		(697.71)	
Long-term provisions	-		-	
	(13070.17)	(13070.17)	(518.17)	(518.17)
Cash flow from extraordinary items		(13289.03)		(605.00)
Cash generated from operations		-		-
Net income tax (paid) / refunds		(13289.03)		(605.00)
Net cash flow from / (used in) operating activities (A)		(13289.03)		(605.00)
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances		-		-
Proceeds from sale of fixed assets		-		-
Purchase of Shares		-		-
Cash flow from extraordinary items		-		-
Net cash flow from / (used in) investing activities (B)		-		-

C. Cash flow from financing activities				
Share application money received / (refunded)	-		-	
Proceeds from long-term borrowings	11106.03		590.22	
Repayment of long term borrowing	-		-	
Net increase / (decrease) in working capital borrowings	-		-	
Proceeds from other short term borrowings	2221.21		58.48	
Repayment of other short term borrowings	-		-	
Finance cost	(60.18)		(26.02)	
Dividend paid	-		-	
Tax on dividend	-		-	
	13267.05	13267.05	622.68	622.68
Cash flow from extraordinary items				
		13267.05		622.68
Net cash flow from / (used in) financing activities (C)		13267.05		622.68
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(21.98)		17.68
Cash and cash equivalents at the beginning of the year		26.84		9.16
Effect of exchange differences on restatement of foreign currency Cash & Cash equivalents		-		-
Cash and cash equivalents at the end of the year		4.86		26.84
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet		4.86		26.84
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		4.86		26.84
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)		-		-
Cash and cash equivalents at the end of the year *		4.86		26.84
* Comprises:				
(a) Cash on hand		3.24		2.72
(c) Balances with banks				
(i) In current accounts		0.56		20.14
(ii) In earmarked accounts (Refer Note below)		1.06		3.98
		4.86		26.84

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.
(ii) The increase in the proceeds in long term borrowings are due to regrouping of other current liabilities to long term borrowings.
See accompanying notes forming part of the financial statements

In terms of our report attached.

For AMPAC & Associates

Chartered Accountants

FRN 112236W

P.B. Sheth

Partner

Membership No. 044062

Place: Mumbai

Date: 30th May, 2017

**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

Kunjil Desai

Company Secretary

ACS-40809

Place: Surat

Date: 30th May, 2017

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

Note 1 Share capital

(₹ In Lakhs)

Particulars	As at 31 st March, 2017		As at 31 st March, 2016	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
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) Issued				
Equity shares of Rs. 10/- each with voting rights	22,911,359	2291.14	22,911,359	2291.14
(c) Subscribed and fully paid up				
Equity shares of Rs. 10/- each with voting rights	22,911,359	2291.14	22,911,359	2291.14

(₹ In Lakhs)

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:								
Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Buy back	Other changes	Closing Balance
Equity shares with voting rights								
Year ended 31 March, 2017								
- Number of shares	22,911,359	-	-	-	-	-	-	22,911,359
- Amount (₹)	2291.14	-	-	-	-	-	-	2291.14
Year ended 31 March, 2016								
- Number of shares	22,911,359	-	-	-	-	-	-	22,911,359
- Amount (₹)	2291.14	-	-	-	-	-	-	2291.14

Note: Since last nine 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, 2017		As at 31 March, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights:				
Kanchenjunga Texturisers Pvt. Ltd.	74,01,202	32.30%	74,01,202	32.30%
Sejima Taxyarn Pvt. Ltd.	44,17,500	19.28%	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 st March, 2017	As at 31 st March, 2016
	₹	₹
(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	69.90	1142.54
Less: Utilised / transferred during the year	-	1072.64
Closing balance	69.90	69.90
(d) Revaluation reserve		
Opening balance	6033.63	7994.18
Less: Utilised for set off against depreciation	1062.57	1062.57
Decline of assets...refer note (a) below	353.79	897.98
Closing balance	4617.27	6033.63
(e) Lease Special reserve		
Opening balance	-	381.06
Less: Written back to Statement of Profit and Loss during the year	-	381.06
Closing balance	-	-
(f) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(34888.50)	(35925.41)
Add: Profit / (Loss) for the year	(21.93)	(416.79)
	(34910.43)	(36342.20)
Add: Debenture Redemption Reserve	-	1072.64
Add: Lease Special Reserve	-	381.06
Closing Balance	(34910.43)	(34888.50)
Total	(21361.08)	(19922.78)
Note : -		
(a) In terms of Valuation Report of Independent Valuer, the decline in value has been reduced from the respective revaluation reserve.		

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

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	₹	₹
Secured:		
Loan from Body Corporates	5806.12	5285.19
Unsecured:		
Loan from Body Corporates	11476.33	1020.40
Loan from Directors	249.17	120.00
Total	17531.62	6425.59

Notes:

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

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

Particulars	Nature of Security	Upto 1 year	1 to 2 year	3 years & more
i) Secured Loan From Body Corporate (Interest Free for initial five years)	Fixed Assets includes moveble & immovable properties	967.69	1935.37	2903.06
ii) Unsecured Loan From Body Corporate (Interest Free for initial five years)	NIL	1912.72	3825.44	5738.16

Note 4 Short-term borrowings

(₹ In Lakhs)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	₹	₹
Unsecured		
(a) Inter- corporate Deposit - Refer Note	2295.27	204.08
(b) PNB Asset Management-Refer Note (i)	69.90	69.90
(c) Deposits - Refer Note (ii)	1.95	1.95
(d) Loan from Directors	49.83	24.00
Total	2416.95	299.93
Secured		
Other loans and advances	1161.22	1057.04
Total	1161.22	1057.04
Total	3578.17	1356.97

Notes:

(i) Details of security for the secured & unsecured short term borrowings:

Particulars	Nature of Security	As at 31 st March, 2017	As at 31 st March, 2016
		₹	₹
<u>Borrowings:</u>			
Inter-corporate deposits	Unsecured & interest free	2295.27	204.08
PNB Asset Management Deposits		69.90	69.90
		1.95	1.95
Total unsecured borrowings		2367.12	275.93
<u>Other loans and advances</u>			
From Body Corporate	Secured and interest free	1161.22	1057.04
Total secured loan		1161.22	1057.04

(i) The debentures of PNB Asset Management Services & others have become overdue for payment since long time. In the financial year 2003-04, the Company had settled various debt due to financial institution, banks, debenture holders under Corporate debt restructuring scheme, however PNB Asset Management Services has not participated in the scheme, hence the unsecured loan have become overdue. But in proposed MDRS the whole amount of ₹ 69,89,900/- is considered.

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

Note 5 Trade payables

(₹ In Lakhs)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	₹	₹
Trade payables: refer note below		
Acceptances	-	-
Other than Acceptances	415.59	432.45
Total	415.59	432.45

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

Note 6 Other current liabilities

(₹ In Lakhs)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	₹	₹
(a) Current maturities of long-term debt	-	-
(b) Other payables		
(i) Statutory Liabilities	6783.98	6708.50

(ii) Liabilities related to Staff, PF dues, ESIC dues etc.	1326.96	1176.71
(iii) Premium Payable on Debentures	-	-
(iv) Trade / security deposits received	2.84	2.84
(v) Other Liabilities	302.77	13554.50
Total	8416.55	21442.55

Refer to Note 3(b) for details under the head Long term Borrowings

Note 7 Short-term provisions

(₹ In Lakhs)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	₹	₹
(a) Provision for employee benefits: Provision for gratuity (net) (Refer note no. 27(i) forming part of the financial statements)	3012.69	3435.90
Total	3012.69	3435.90

NOTE 8A FIXED ASSETS

(₹ In Lakhs)

PARTICULARS	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	As at 01.04.2016	Addition/ sale During the year	TOTAL As at 31.03.2017	Up to 31.3.2016	Sales/ Trans / Adj.	Provided During the year	Depreciation on Revalued Assets	TOTAL As at 31.3.2017	As at 31.3.2017	As at 31.3.2016
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Land (Free Hold)	3851.52	-	3851.52	-	-	-	-	-	3851.52	3851.52
Roads	33.48	-	33.48	31.81	-	-	-	31.81	1.67	10.84
Buildings	7043.75	-	7043.75	6563.20	-	-	369.44	6932.64	111.11	4490.70
Plant & Machinery	40556.03	-	40556.03	32715.52	-	-	1018.05	33733.57	6822.47	3700.43
Tube wells	10.21	-	10.21	9.69	-	-	0.36	10.05	0.16	3.72
Waterworks & Pipeline	200.69	-	200.69	195.27	-	-	2.23	197.51	3.18	118.98
Railway sliding	33.31	-	33.31	31.70	-	-	1.08	32.78	0.53	13.01
Furniture, Fixture & Equipment	686.06	-	686.06	637.18	-	-	25.21	662.39	23.67	8.99
Cars & Vehicles	164.28	-	164.28	160.18	-	-	0.00	160.18	4.10	4.11
TOTAL	52546.86	-	52546.86	40344.55	-	-	1416.37	41760.92	10818.42	12202.31
PREVIOUS YEAR	52579.34	-	52579.34	38080.06	-	303.94	1960.55	40344.55	12202.31	14466.81

Note:

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

(ii) During the year the company has declined the value of assets for ₹ 3,53,79,849/- based on Valuation Report of Independent Valuer. The said decline in the value is adjusted by reducing the revaluation reserve.

Note 8 B (cont.)

Particulars				
Depreciation and amortisation:				
Particulars	For the year ended 31 st March, 2017		For the year ended 31 st March, 2016	
	₹		₹	
Depreciation and amortisation for the year on tangible assets.	1416.37		2264.49	
Less: Utilised from revaluation reserve				
Depreciation and amortisation	1416.37		1960.55	
Depreciation and amortisation			303.94	

Note 9 Non-current investments

(₹ In Lakhs)

Particulars	As at 31 st March, 2017			As at 31 st March, 2016		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost):						
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 Jilla Sahakari Kharid Vechan Sangh limited	-	-	-	-	-	-
(iv) 468750* 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
	0.25	599.36	599.61	0.25	599.36	599.61
Less: Provision for diminution in value of investments	-	-	-	-	-	-
Total	0.25	599.36	599.61	0.25	599.36	599.61
Aggregate amount of quoted investments			0.25			0.25
Aggregate market value of listed and quoted investments			0.95			0.70
Aggregate amount of unquoted investments			599.36			599.36
Note-	* The number of shares of Thai Baroda Industries Ltd have been reduced from 1875001 to 468750 for rectification, which was not corrected in earlier years financial statement at the time reduction of capital by Thai Baroda Industries Limited.					

Note 10 Long-term loans and advances

(₹ In Lakhs)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	₹	₹
(i) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT & Service Tax credit receivable	120.50	120.50
(ii) Other loans and advances	-	-
Advances recoverable in cash or kind (refer note below)	316.32	392.61
Doubtful	-	-
Less: Provision for other doubtful loans and advances	-	-
	(ii) 316.32	392.61
Total (i+ii)	436.82	513.11
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 st March, 2017	As at 31 st March, 2016
	₹	₹
Stores and spares	17.89	17.89
Total	17.89	17.89

Note 12 Trade receivables

(₹ In Lakhs)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	₹	₹
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	19.92	69.57
Doubtful	-	-
	19.92	69.57
Less: Provision for doubtful trade receivables	-	-
Total	19.92	69.57

Note 13 Cash and cash equivalents

(₹ In Lakhs)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	₹	₹
(a) Cash on hand	3.24	2.72
(b) Balances with banks		
(i) In current accounts	0.56	20.14
(ii) In Current account inoperative (refer note 1 below)	1.06	3.98
(iii) In earmarked accounts	-	-
- Unpaid dividend accounts under reconciliation	-	-
- Unpaid Debenture under reconciliation	-	-
- Preference Share application money received under reconciliation	-	-
Total	4.86	26.84
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements.	4.86	26.84

Notes:

1. There are 4 non-operative current account of the Company and is under process of closure of the same. The balances are subject to confirmation.

Note 14 Other current assets

(₹ In Lakhs)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	₹	₹
Advance to Hon'ble High Court of Gujarat (For Labour Payment)...Refer Note Below	1987.16	2000.00
Total	1987.16	2000.00

Notes:

Pursuant to order of the Hon'ble High Court of Gujarat, dated 08.01.2016 the company has deposited ₹ 20 crores. Out of the said deposit amount, ₹ 16.68 crores is for 1668 employees as agreed to be payable i.e. ₹ 1 lakh per employee. The said amount will be adjusted at the time of final settlement.

Note 15 Employee benefits expense

(₹ In Lakhs)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
	₹	₹
Leave Encashment	-	20.50
Adhoc (i) & (ii) allowances	-	0.39
Interest to ESI & Gratuity	-	375.95
Total	-	396.84

Note 16 Finance costs

(₹ In Lakhs)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
	₹	₹
(a) Interest expense on:		
(i) Borrowings	-	-
(ii) Others	60.05	25.87
(b) Other borrowing cost - Bank Charges	0.13	0.15
Total	60.18	26.02

Note 17 Other expenses

(₹ In Lakhs)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
AGM Expenses	4.48	8.86
Computer expenses	0.51	0.41
GEB Settlement Expenses	18.95	49.75
Legal Expenses	0.32	0.04
Legal & Professional Charges	93.77	55.55
Office Expenses	2.59	4.88
Other expenses	8.72	3.15
Rates & Taxes	57.69	69.69
Rent expenses	7.20	-
Payments to auditors - Statutory Audit (Refer Note (i) below)	4.60	4.49
Prior period items (net) (Refer Note (ii) below)	20.01	5.33
Excess Provision written back	-	(512.17)
Total	218.86	(310.02)

Notes:

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors – statutory audit	4.60	4.49
- Out of pocket	-	-
	4.60	4.49
(ii) Details of prior period items (net)		
Prior period expenses (Sundry Balances Written off)	20.01	5.33
Prior period income (Liabilities no longer payable)		
TOTAL	20.01	5.33

Note 18 Disclosures under Accounting Standards (contd.)

	Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
		₹	₹
18	Earnings per share		
18.a	<u>Basic & Diluted</u>		
	Net profit / (loss) for the year	(21.93)	(416.79)
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year from attributable to the equity shareholders	(21.93)	(416.79)
	Weighted average number of equity shares	22911359	22911359
	Par value per share	10	10
	Earnings per share from continuing operations - Basic	(0.10)	(1.82)
18.b	<u>Basic & Diluted (Excluding Extraordinary items)</u>		
	Net profit / (loss) for the year	(21.93)	(416.79)
	Add /(Less): Extraordinary items (net of tax) relating to continuing operations	(257.11)	-
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year from attributable to the equity shareholders	(279.04)	(416.79)
	Weighted average number of equity shares	22911359	22911359
	Par value per share	10	10
	Earnings per share from continuing operations excluding extraordinary items - Basic	(1.22)	(1.82)

NOTES FORMING PART OF FINANCIAL STATEMENTS

19. ACCOUNTING POLICIES:

(a) Basis of Accounting

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

(b) Revenue Recognition

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

(c) Investments

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

(d) Research and Development

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

(e) Inventories

Inventories are valued at lower of cost and estimated realizable 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.

Depreciation on Revalued Assets:

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

(h) Fixed Assets

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

Revaluation of Assets:

The fixed assets have been revalued to align it with the current value of the fixed assets of the Company. The revalue reserve has been created to the extent of the increase in the value of the fixed assets after netting of the impairment loss in the value of the assets.

(i) Deferred Revenue Expenditure

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

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

(j) Contingent Liabilities and Provisions

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

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

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

reliable estimate can be made.

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

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

- (a) The Company has to pay interest on the outstanding Customs Duty amount at the time of clearance of goods – Amount not ascertained. However company have made the application for extend the period of private warehouse and Re-Export of Plant and machinery as per departmental guidelines and waiver of interest by way of Re-Export and it is also mentioned circulated on MDRS dated 13th October 2015.
- (b) Bank Guarantees to Custom ₹ 21.67 lacs (Previous year ₹ 21.67 lacs)
- (c) State Government Liabilities (in lakhs)

	31.3.2017	31.3.2016
• Electricity Duty	623.10	623.10
• Surat Canal Division	387.57	387.57
• VAT / Sales Tax Liabilities	314.10	314.10
• Bombay Sales Tax	25.64	25.64

Company have filed the application on 11th January 2011, under GR dated 15th July 2010, for payment of dues through OTS and waiver of interest and fine, as per information of the company, the said application is under process for final approval of High power committee of Gujarat State. Further GOG had also return concern to BIFR for waiver interest and fine as per GR dated 15th July 2010.

(d) Central Government Liabilities

	31.3.2017	31.3.2016
• Interest on Excise Duty	441.33	441.33
• Provident Fund	799.79	799.79
• Employee State Insurance	367.39	367.39

Regarding interest on Excise duty, company had requested to BIFR for waiver of interest, fine and penalty on duty for default period and it is also mentioned in circulated MDRS dated 13th October 2015, further department have no objection within 60 days from date of circulated of MDRS.

Regarding interest and damages on P.F. company had requested to BIFR for waiver of damages and grant the installment facility for interest amount, it is also mentioned in circulated MDRS dated 13th October 2015, further department have written concern 23rd December 2015, for waiver of damages subject to recommendation of BIFR/AAIFR and installment facility as per policy guidelines adopted by EPFO.

Regarding interest and damages on ESI, company had requested to BIFR for waiver of damages and grant the installment facility for interest amount, it is also mentioned in circulated MDRS dated 13th October 2015, further department have written concern 23rd December 2015, for waiver of damages subject to recommendation of BIFR/AAIFR and installment facility as per policy guidelines adopted by ESIC.

22. The company entered into a wage settlement agreement with its employees on 27th October' 2003 under section 2(p) read with Rule 62 under the provisions of the Industrial Disputes Act, 1947. Under this agreement the Company has settled all past claims relating to wages, salaries, claims with regard to perquisite and any other amounts due to employees prior to December 2003 in full and final satisfaction. The payments under this settlement are spread over a period of 5 years from the recommencement of the operations. The agreement specifies the past liabilities relating to unpaid salary, provident fund E.S.I.C., Gratuities etc. Owing to financial crisis Company had made partial payment. Unfortunately, due to adverse financial position of the company, operations had discontinued since 2008. Thereafter 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 Letter Patents Appeal (LPA) challenging the above said judgment at High Court of Gujarat. LPA was admitted at

High Court of Gujarat, hence Labour Union has approached to Supreme Court of India for settlement of issues. Supreme Court of India has given directives to the High Court of Gujarat to settle the dispute. The matter is pending 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 said scheme was circulated on 13th October' 2015. And hearing was fixed on 31st December 2015, thereafter due non availability of bench member hearing was re schedule and started hearing on 29th April 2016, 06th June 2016 and 30th June 2016. After the last hearing, company have received the SCN dated 14th July 2016, Further company have approach before AAIFR and application was made against SCN before AAIFR and hearing was fixed on 29th September 2016, and AAIFR directed to issue stay order and next hearing was fixed on 30th October 2016, and due to non availability of bench member hearing could not held and next hearing was fixed on 15th December 2016.

In pursuant to Government Notification S.O. No 3568(E) dated 25.11.2016 and S.O. 3569(E) dated 25.11.2016, BIFR has been wound up w.e.f. 01.12.2016 and all the pending cases are now transferred to National Company Law Tribunal (NCLT). The application for such transfer shall be made by the company to NCLT within 180 Days under section 4(b) of Sick Industrial Companies (Special Provisions) Repeal Act, 2003. Further in pursuant to Insolvency and Bankruptcy Code (Removal of Difficulties) Order, 2017 vide notification dated 24/05/2017 issued by Ministry of Corporate Affairs relating to amendment to the Sick Industrial Companies (Special Provisions) Repeal Act, 2003, provided that any scheme sanctioned under sub-section (4) or any scheme under implementation under sub-section (12) of section 18 of the Sick Industrial Companies (Special Provisions) Act, 1985 shall be deemed to be an approved resolution plan under sub-section (1) of section 31 of the Insolvency and Bankruptcy Code, 2016 and the same shall be dealt with, in accordance with the provisions of Part II of the said Code.

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 – ₹ 44,73,52,157/- (Previous Year ₹ 44,73,52,157/-).

24. Various cases filed against the Company;

- (I) 4(Four) Nos of Unsecured Creditors have filed Winding Up Petitions against the Company in Ahmadabad High Court for their total claims of ₹ 1,82,73,791/- 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 balances of Sundry Debtors, Sundry Creditors, Bank balances and Loans & Advances are subject to confirmation and are shown as appearing in the Account.

27. (i) The liability for retiring/resigned employee's gratuities payable in accordance with the payment of Gratuities Act and Company's rule are determined and overdue for the employees up to 31st March, 2017 is ₹ 30,12,69,568/-. (PY ₹ 34,35,89,651/-).

(ii) As per the past policy, the company's liability under Provident Fund Act (Funded) is determined on the basis of actuarial valuation made at the end of the financial year. But the cancellation of the Trust as per order of Ministry of Labour, Government of Gujarat, the company has paid the amount of PF contribution along with interest of trust, hence no requirement of further funding against the PF contribution. The Company has received no dues certificate from Provident fund authorities relating to principal payment of Provident fund. 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. The Provident fund authorities have issued letter to BIFR for interest & Damages for delayed in depositing & payment of PF contribution. The necessary provision has been made in the books of accounts for interest amount.

28. Income Tax

- a. In view of the loss, the Company has not made any provision of Income Tax.
29. 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 30th 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.
30. No provision for impairment of assets of the Company has been made due to closure of all operation and will be exercised at the time of operation of plant.
31. 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.
32. 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.
33. Extra Ordinary item of ₹ 2,57,10,929/= represents sundry creditors written off, which are not payable.
34. Under the Modified Draft restructuring Scheme (MDRS), the Company has availed the loan with immediate object to revive the Company. The loans mentioned under long term borrowings (refer Note 3) as Secured loans & unsecured loans and amount reported under Note 4 as short term borrowings are aggregating to ₹ 21097.27 lacs. Owing to the pending legal cases, the Company could not liquidate the asset and repay the mentioned loan amount as per stipulation, which has become over due. In compliance of the terms & condition mentioned in the agreement, the Company will create the security of overdue unsecured loans along with the secured loans, which shall rank pari passu. The interest amount payable for aforesaid loans is estimated to be ₹ 28510.16 lacs, which is not provided in the books of accounts.
35. Pursuant to MCA notification dated 30th March, 2017, the details of Specified Bank Notes (SBN) and transacted during the period from 08th November, 2016 to 30th December, 2016 are as below:-
(in ₹)

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	NIL	2,49,957	2,49,957
(+) Permitted receipts	NIL	30,000	30,000
(-) Permitted payments	NIL	0	0
(-) Amount deposited in Banks	NIL	0	0
Closing cash in hand as on 30.12.2016	NIL	2,79,957	2,79,957

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

In terms of our report attached.
For AMPAC & Associates
Chartered Accountants
FRN 112236W

P.B. Sheth
Partner
Membership No. 044062

Place: Mumbai
Date: 30th May, 2017

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

Kunjal Desai
Company Secretary
ACS-40809

Place: Surat
Date: 30th May, 2017

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

ATTENDANCE SLIP

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

57th Annual General Meeting

I/We hereby record my/our presence at the 57th Annual General Meeting of the Company at Patidar Bhavan, Kadodara, Surat at 9:00 a.m. on Saturday, September 30th, 2017.

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

Form No. MGT – 11

PROXY FORM

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

Name of the Member(s):

.....

Registered Address:.....

E-mail Id:.....

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

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

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

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

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

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

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

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

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 57th Annual General Meeting of the Company, to be held on Saturday, September 30th, 2017 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, 2017 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	Appointment of M/s. Kansariwala & Chevli as Statutory Auditors to fill the casual vacancy caused by resignation of M/s. AMPAC & Associates, Chartered Accountants, and to fix their remuneration for the financial year ending 31st March, 2018	Ordinary		
4	To re-appoint Mr. Damodarbhai Patel (DIN-00056513) as Managing Director of the company for further 5 years.	Ordinary		
5	To authorize Board of Directors to borrow money under section 180(1)(c) of the Companies Act, 2013 and rules made thereunder:	Special		
6	To authorize Board of Directors to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company under section 180(1)(a) of the Companies Act, 2013 and rules made thereunder:	Special		

Signed this Day of 2017.

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

Affix Revenue Stamp Of Re. 1/-

Note:

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

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

NOTES

Book Post

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