

THE BARODA RAYON CORPORATION LIMITED



**48th
ANNUAL REPORT
2006-2008**

THE BARODA RAYON CORPORATION LIMITED

BOARD OF DIRECTORS

Mr. S.P. Gaekwad, Chairman
Mr. P.S. Gaekwad, Managing Director
Dr. P.N.Mishra (Nominee Director – BIFR)
Mr. A.K.Shah
Capt. J.P.Singh
Capt. V.K. Raichand
Mr. Subir Bisht (Nominee Director

REGISTERED OFFICE & FACTORY

Fatehnagar – Surat 394 220.

HEAD OFFICE

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

- YES BANK LTD.)

Mr. B. H. Patel (Additional Director)
Mr. D.B. Patel (Additional Director)

REGISTRAR & TRANSFER AGENT

Sharex Dynamic (India) Pvt. Ltd.
17/B, Dena Bank Building ,
2nd Floor, Horniman Circle,
Fort, Mumbai – 400 001.

AUDITORS

Desai & Porwal
Chartered Accountants
7, Hira Moti Building , 1st Floor,
Shri Nagar Society,
M.G. Road, Goregaon(West)
Mumbai- 400 062.

LISTING

The Stock Exchange , Ahmedabad.
The Stock Exchange , Mumbai.

CONTENTS

• Notice	02
• Directors Report	06
• Corporate Governance	16
• Additional Shareholder information	22
• Auditors Report	27
• Balance Sheet	35
• Profit & Loss Account	36
• Cash Flow Statement	37
• Schedules	38
• Information to Investors	59
• Proxy Form & Attendance Slip	61

THE BARODA RAYON CORPORATION LIMITED

NOTICE

NOTICE is hereby given that the Forty Eighth Annual General Meeting of the Company will be held on Wednesday, the 10th September, 2008 at 9.00 a.m. at Gandhi Smruti Hall, Timaliyawad, Near Jeevan Bharati School, Nan Pura, Surat -395 001, to transact the following business :

ORDINARY BUSINESS :

1. To consider, approve and adopt the Profit & Loss Account for the period ended 31st March, 2008, and the Balance Sheet as at that date together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Capt. J.P. Singh, who retires by rotation and being eligible, offers himself for re- appointment.
3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass, the following resolution as a Ordinary Resolution :
"RESOLVED THAT Mr. Subir Bisht (Nominee Director - YES BANK LTD.) , who under provisions of section 260 of the Companies Act, 1956, holds office up to the date of this Annual General Meeting and in respect of whom the Company has received notice in writing proposing his candidature for the office of a Director, as per the provisions of section 256 of the Companies act, 1956 be and is hereby appointed as Director retiring by rotation".
5. To consider and if thought fit, to pass, the following resolution as a Ordinary Resolution :
"RESOLVED THAT Mr. B. H. Patel (Additional Director),who under provisions of section 260 of the Companies Act, 1956, holds office up to the date of this Annual General Meeting and in respect of whom the Company has received notice in writing proposing his candidature for the office of a Director, as per the provisions of section 256 of the Companies act,1956 be and is hereby appointed as Director retiring by rotation".
6. To consider and if thought fit, to pass, the following resolution as a Ordinary Resolution :
"RESOLVED THAT Mr. D.B. Patel (Additional Director),who under provisions of section 260 of the Companies Act, 1956, holds office up to the date of this Annual General Meeting and in respect of whom the Company has received notice in writing proposing his

THE BARODA RAYON CORPORATION LIMITED

candidature for the office of a Director, as per the provisions of section 256 of the Companies act, 1956 be and is hereby appointed as Director retiring by rotation”.

7. Shareholders are requested to avail of the nomination facility if not done so far, in respect of the shares held by them.
8. The Shareholders are requested to avail of the DEMAT facilities, as the Company's shares are in compulsory DEMAT Segment as per the circular of SEBI. The benefits of DEMAT provided else wherein this report.
9. Members are requested to notify the change in their address to the Registrar and Share Transfer Agents of the Company.
10. Members attending the meeting are requested to bring with them 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.

BY ORDER OF THE BOARD OF DIRECTORS

Place : Mumbai.
Dated : 12.08.2008

P. S. GAEKWAD
MANAGING DIRECTOR

THE BARODA RAYON CORPORATION LIMITED

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY . A PROXY SO APPOINTED SHALL NOT HAVE RIGHT TO SPEAK AT THE MEETING. THE PROXY IN ORDER TO BE VALID, SHOULD BE COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, the 4th September, 2008 to Saturday, the 6th September, 2008 (all days inclusive).
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.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No.4.

Mr. Subir Bisht has been appointed as a (Nominee Director - YES BANK LTD.) On the Board on 10.03.2008. Mr. Subir Bisht holds office only up to the date of Annual General Meeting as per provisions of section 260 of the Companies Act, 1956, proposing the candidature of Mr. Subir Bisht for the office of the Director. Mr. Subir Bisht is Nominee appointed by YES BANK LTD. The brief profile of Shri Subir Bisht forms part of Corporate Governance Report. Taking into consideration wide experience of Mr. Subir Bisht, it will be in the interest of the Company to appoint Mr. Subir Bisht as a Director of the Company. Except Mr. Subir Bisht, no other Director is in any way concerned or interested in the resolution . Your Directors recommend the resolution for your approval.

Item No.5.

Mr. B.H. Patel, has been appointed as an Additional Director on the Board on 10.03.2008. Mr. B.H. Patel, holds office only up to the date of Annual General Meeting as per provisions of section 260 of the Companies Act, 1956 proposing the candidature of Mr. B.H. Patel, for the office of the Director. The Brief Profile of Mr. B.H. Patel , forms part of Corporate Governance Report. Taking into consideration wide experience of Mr. B.H. Patel, it will be in the interest of

THE BARODA RAYON CORPORATION LIMITED

the Company to appoint Mr. B.H. Patel, as a Director of the Company. Except Mr. B.H. Patel, no other Director is in any way concerned or interested in the resolution. Your Directors recommend the resolution for your approval.

Item No.6.

Mr. D.B. Patel, has been appointed as an Additional Director on the Board on 10.03.2008. Mr. D.B. Patel, holds office only up to the date of Annual General Meeting as per provisions of section 260 of the Companies Act, 1956 proposing the candidature of Mr. D.B. Patel, for the office of the Director. The Brief Profile of Mr. D.B. Patel, forms part of Corporate Governance Report. Taking into consideration wide experience of Mr. D.B. Patel, it will be in the interest of the Company to appoint Mr. D.B. Patel, as a Director of the Company. Except Mr. D.B. Patel, no other Director is in any way concerned or interested in the resolution. Your Directors recommend the resolution for your approval.

Place : Mumbai.

BY ORDER OF THE BOARD OF DIRECTORS

Dated : 12.08.2008

Registered Office :
Fatehnagar, Surat 394 220

P. S. GAEKWAD
MANAGING DIRECTOR

THE BARODA RAYON CORPORATION LIMITED

DIRECTORS' REPORT

To
The Members

Your Directors hereby present their report together with the audited accounts of the company for the period ended 31st March, 2008.

FINANCIAL RESULTS :

Rs in lacs

PARTICULARS	YEAR ENDED MARCH 31, 2008 (18 Months)	YEAR ENDED SEP.30,2006 (12 Months)
Sales & Other Income	17,817.06	9789.61
Expenditure	21,532.45	12592.31
(Loss) before Depreciation & Taxation	(3,718.53)	(2052.55)
Depreciation	1,237.13	904.89
(Loss) before Taxation	(4,955.66)	(2957.42)
Provision for Taxation	7.00	23.81
(Loss) after Taxation	(4962.66)	(2981.23)
Extraordinary items	275.85	1208.68
Profit & (Loss)available for appropriation	(4686.81)	(1759.56)
Balance as per last year's Balance sheet	(16,324.21)	(20437.61)
Profit & Loss Appropriation account	-----	5,872.96
Balance carried to Balance sheet	(21011.02)	(16324.21)

DIVIDEND

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

THE BARODA RAYON CORPORATION LIMITED

PERFORMANCE

During the year under review the company has operated the Rayon as well as Nylon Plant. NTC plant has not started due to the non availability of working capital as well as the depressed market conditions prevailing in the NTC market. Due to change in technology, the customers are reluctant to purchase our product, as they would prefer spindraw material, which is the latest available product in the market.

The raw material prices for the Nylon and Rayon products have increased disproportionately high as compared to the selling price prevailing in the market. As a result the said cost could not be passed on to the end users, which has contributed substantially to the losses suffered by the company during the period under reference. Cost of power has also increased considerably due to increase in the cost of coal prices.

As a result of all these reasons, inspite of the fact that the company and the management had put in all its efforts, to revive the company, the company could achieve the good quality product inly, but the same did not prove to be cost effective.

AUDITORS

M/s Desai & Porwal, Chartered Accountants, Mumbai, were appointed as statutory Auditors of the company to hold the office till the conclusion of the Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility for re – appointment U/S 224(1B) of The Companies Act, 1956. The Directors recommend the re-appointment of Auditors.

AUDITORS' REPORT

The observations made by the auditors are self –explanatory and have also been explained in the notes forming part of the accounts, where-ever required.

DIRECTORS

Mr. Robert Petty, a Director on the Board of the company, a nominee of M/s. Clearwater Capital Partners (CYPRUS) Limited has resigned from the position of Director of the company.

Mr. Narayan Seshadri, a Director on the Board of the company, a nominee of M/s. Halcyon Enterprises Pvt. Ltd. has resigned from the position of Director of the company.

Mr. Subir Bisht, was appointed as a Director on the Board of the company (Nominee Director - YES BANK LTD.) w. e.f. 23.07.2007

Mr. Damodarbhai Patel, has been appointed as an Additional Director of the company w.e.f. 10.03.2008.

THE BARODA RAYON CORPORATION LIMITED

Mr. Bhavanjibhai Patel, has been appointed as an Additional Director of the Company w.e.f. 10.03.2008

Capt. J.P. Singh, retires by rotation at the ensuring Annual General Meeting and being eligible, offers himself for re-appointment. The profile of the retiring Directors seeking re-appointment forms part of Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956. Your Directors confirm that:

- a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2008 and of loss of the company for that period ;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;and
- d) The Annual Accounts have been prepared on a going concern basis.

FIXED DEPOSIT

During the year, the Company has not accepted fresh deposits from the public and as on 31st March, 2008, the outstanding deposits amounts to Rs.226.18 lacs.

PERSONNEL

There were no employees covered under section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975

ENERGY, TECHNOLOGY AND FORGIEN EXCHANGE

As required by the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 the relevant data pertaining to conservation of Energy Technology absorption and Foreign Exchange earning and outgo are given in the annexure forming a part of this Report.

THE BARODA RAYON CORPORATION LIMITED

INDUSTRIAL RELATIONS

During the year under review, the Industrial relations remained cordial.

CODE OF CONDUCT

Pursuant to Clause 49 of the Listing Agreement, a Declaration signed by the Managing Director regarding compliance of code of Conduct for the financial period 2006-08, is annexed and forms part of this report.

COMPLIANCE CERTIFICATE

A certificate from the auditors of the Company regarding Compliance of Conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement is attached to this Report.

ACKNOWLEDGEMENT

The Directors are pleased to record their appreciation of the hard work put in by the Management / staff and the co-operation and understanding extended by all the employees during the period under review. The directors also appreciate the support extended by the Banks, Institutions and government Department during the period under review.

FOR AND BEHALF OF THE BOARD

Place : Mumbai.
Dated : 12.08.2008

P. S. GAEKWAD
MANAGING DIRECTOR

THE BARODA RAYON CORPORATION LIMITED

ANNEXURE TO DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES 1988

(A) CONSERVATION OF ENERGY

The following measures were taken during the year under review:

(1) POWER PLANT

- i) Reduced operating frequency of the TG sets from 50 to 48.5 Hz thus reducing the power consumption of all rotating fans, blowers, compressors etc in all the process plants. Self consumption of the Power Plant was also reduced by about 1.5% due to this measure.
- ii) By interconnection of the Boiler feed water lines of old and new Boilers, about 90 KW power was saved.
- iii) Practice has been started for regular internal cleaning of the Boilers to get better heat transfer rate and thus reducing consumption of fuel.

(2) RAYON PLANT

- i) 8 Nos of Spinning Machines were transferred to Inverter from Frequency Changer Set.
- ii) An electrical system was developed to stop the continuously running process pumps of Finishing Dept for reducing power consumption and maintenance.

(3) NYLON PLANT

- i) The take-up air-conditioning system's air distribution was optimized to reduce refrigeration load drastically. Now only one reciprocating chiller is in a position to take full load even during summer.
- ii) Due to above achievement, one condenser water pump is stopped.

THE BARODA RAYON CORPORATION LIMITED

ANNEXURE - I

Particulars under the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 for the year ended 31st March, 2008.

1 Research and Development : The Company continuously carries out research to improve yield parameters which are carried out at the lab level and the plant level on a continuous basis.

2 Conservation of Energy : FORM - A : Disclosures of particulars with respect of conservation of energy

A) POWER & FUEL CONSUMPTION:

			Rayon Division		Nylon Division		CS2 Division		Total	
			2006-07-08	2005-06	2006-07-08	2005-06	2006-07-08	2005-06	2006-07-08	2005-06
			18 month	12 month	18 month	12 month	18 month	12 month	18 month	12 month
1 ELECTRICITY										
a) Purchased	Unit/Lacs		10.03	4.45	0	0.00	0	0.00	10.03	4.45
Value	Rs/Lacs		52.85	23.07	0	0.00	0	0.00	52.85	23.07
Rate	Rs/Kwh		5.27	5.18	0	0.00	0	0.00	5.27	5.18
b) Own Generated										
i) Thro' Diesel										
Generator	Units/ Lacs		0.60	2.00	0	0.00	0	0.00	0.60	2.00
Units/Ltr. Of										
Diesel Oil	Rs/Lacs		5.65	25.00	0	0.00	0	0.00	5.65	25.00
Cost	Rs/Kwh		9.39	12.50	0	0.00	0	0.00	9.39	12.50
ii) Thro' Steam										
Turbine / Generator	Units/ Lacs		435.76	272.98	252.21	175.76	41.32	20.44	733.18	471.10
Units/MT of Steam	Rs/Lacs		2214.83	1078.22	1281.91	694.21	210.00	80.74	3728.56	1860.75
Coal Cost	Rs/Kwh		5.08	3.95	5.08	3.95	5.08	3.95	5.08	3.95
2 COAL										
Quantity	MT		68409.00	33378.65	39774.00	21391.67	6533.00	2512.44	115306.00	57514.69
Total Cost	Rs/Lacs		1945.00	862.92	1130.87	553.03	186.00	64.95	3278.43	1486.90
Average Rate	Rs/MT		2843.00	2585.26	2843.00	2585.26	2843.00	2585.26	2843.00	2585.26
3 FURNACE OIL										
Quantity	K. Ltrs		0	0.00	833.00	532.66	0	0.00	833.00	532.66
Total Amount	Rs./Lacs		0	0.00	168.00	109.77	0	0.00	168.00	109.77
Average Rate	Rs./K. Ltr		0	0.00	20180.00	20608.09	0	0.00	20180.00	20608.09

THE BARODA RAYON CORPORATION LIMITED

B) CONSUMPTION PER UNIT OF PRODUCTION

	Electricity		Steam Coal		Furnace Oil	
	Kwh per Mt of Prodn		Per Mt of Prodn		Ltr Per Mt of Prodn	
	2006-07-08 18 month	2005-06 12 month	2006-07-08 18 month	2005-06 12 month	2006-07-08 18 month	2005-06 12 month
RAYON YARN	7416	7787	11.64	9.52		
SULPHURIC ACID	0	0	0	0.00		
CARBON-DI-SULPHIDE	1445	1499	2.28	1.84		
NYLON & POLYESTER YARN	6756	7036	10.65	8.56	223	213
NYLON TYRE CORD	0	0	0	0.00		

ELECTRICITY :

The variation in consumption of electricity / Mt of production is due to

1. Overall under utilization of installed capacity and also due to
2. Nylon & Rayon : Change in product mix and variation in capacity utilization

3 TECHNOLOGY ABSORPTION:

FORM - B : Technology absorption, adaption and innovation

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

4 FOREIGN EXCHANGE EARNINGS & OUTGO : (Rs.in Lakhs)

	FY 06-07-08	FY 05-06
Earnings	Nil	Nil
Outgo	387.44	17.35

THE BARODA RAYON CORPORATION LIMITED

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

Industry Structure and Development:

The man made fibre industry got a fillip post the dismantling of the quota regime pursuant to the WTO agreement and the industry which has been passing through a difficult patch since 1997 started turning around in the early 2003. Exports have picked up since then and the domestic demand has grown in line with the GDP growth.

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

Briefly the following are the developments in the segment of the industry that your company is operating:

Viscose Filament Yarn :

The industry has been steadily growing and in the last year has grown @4%. The growth is expected to continue and the demand from user segment continues to be steady. Despite competition from POY the demand for VFY has not been affected and the market has grown steadily. No new capacities have come up and the oligopoly status of the market is likely to continue. The antidumping duty that was imposed during the year had helped in preventing dumping by the Chinese. The total installed capacity of the industry is at 5000 tonnes per month.

Nylon Filament Yarn:

The antidumping duty by the Government on imports from China has helped the domestic industry. The market for the fibre was steady and is likely to improve with new applications being developed. There is an effort being made by the industry to collectively promote the fibre by creating awareness about its properties and applications. One new player has entered the industry and the domestic capacity is at 4500tonnes per month.

Nylon Tyre Cord:

The price realization in this segment has fallen sharply in the last six months and it is believed

THE BARODA RAYON CORPORATION LIMITED

that the prices have bottomed out. The demand for tyre cord is expected to move up considerably in the coming years with the major Auto Companies planning India has the hub for manufacturing and exports. The Chinese Competition notwithstanding the industry is expected to do well as the demand is expected to surge and currently 45% of the demand is being met through exports.

OPPORTUNITIES AND THREATS

Opportunities

- The company has inherent strength due to location and the goodwill generated in the market over the last 50 years.
- WTO regime has given a boost to the man made fibre industry.
- Changes in economic legislations and rationalization of the tax structure and duty structure such as VAT, customs duty etc.
- VFY is emerging as a fibre with new applications. The general economic well being has resulted in the switch back to the use of this fibre for sarees.
- Competitive strength increases due to the availability of captive power plant.
- Huge infrastructural facility to meet the current and future demand.
- The reestablishment of the presence in key markets in the last year has strengthened the Company's position.

Threats

- The threat of competition from China continues. However, this has been softened due to the antidumping duty that has been imposed on imports from China.
- Threat from PFY due to its lower price has been a factor that has been having a cyclical impact in the market.
- Increase in the cost of raw material.
- Increase in coal prices have increased the cost of power.
- High cost of labour.

RISKS & CONCERNS

The major risk is due to the globalization of the economy which could result in cheaper goods

THE BARODA RAYON CORPORATION LIMITED

being dumped by China. Thus anti dumping duty is an important factor which has a major bearing on the perceived risk.

The risk in terms of maintenance has been substantially addressed during the course of this year. The risk now shifts to availability of skilled personnel as the industry is generally facing shortage of skilled manpower.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The internal controls systems are sound due to the improvements made during the year. Computerization and automation are being taken up in phases. The company is gearing up to implement a full fledged ERP system which is likely to address most of the issues with respect to internal Controls.

DISCUSSION OF THE FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Though the quality of the production has been improved considerably, due to disproportionate increase in the cost of major raw materials of the company, the losses kept mounting and the viability of running the plants has narrowed down. As a result of this, we had started cutting down the production of RFY and since Nylon marketability became a question mark, we have stopped the Nylon plant.

THE BARODA RAYON CORPORATION LIMITED

CORPORATE GOVERNANCE

The Company strongly believes that good CORPORATE governance is a prerequisite for enhancing shareholders' value. The Company's policies and practices are aimed at efficient conduct of business by increasing transparency and accountability to all its shareholders.

In terms of the provisions of clause 49 of the Listing Agreement pertaining to Corporate Governance the Company has complied with the said requirements.

BOARD OF DIRECTORS :

1.1 Composition of the Board of Directors

The Board of Directors comprises of a Chairman, Managing Director, five Non-Executive independent Directors and two Nominee Directors of BIFR and YES BANK LTD.

Subject to overall superintendence and control of the Board, the day-to-day management of the Company is vested with Mr. P. S. Gaekwad, Managing Director of the Company, who is supported by a Management team.

Composition and category of Directors

Sr. No.	Category	Name of Director
I.	Promoter and Executive Director	Mr. S.P. Gaekwad (Chairman) Mr. P.S Gaekwad (Managing Director)
II	Independent and Non-Executive Directors	Mr. Mr. A.K.Shah Capt. J.P.Singh Capt. V.K.Raichand Mr. B.H. Patel Mr. D.B. Patel
III	(BIFR) Nominee Director – (YES BANK LTD (Nominee Director)	Dr. P.N.Mishra Mr. Subir Bisht

1.2 Board Meetings

- A. The Company had four Board Meetings during the financial period ended March 31, 2008.
- B. Directors' attendance record at Board Meetings and Annual General Meeting, their

THE BARODA RAYON CORPORATION LIMITED

other Directorships and Committee Memberships

Names	Category	Attendance at		No. of other Directorships	Committee Membership		Shareholding In the Company No. Shares
		Board Meetings	AGM		As a Member#	As a Chairman#	
Mr. S.P.Gaekwad	Promoter and Non Executive Chairman	4	Yes	2	2	–	60810
Mr. A.K.Shah	Independent and Non-Executive Director	4	Yes	1	2	1	43
Capt. J.P. Singh	Independent and Non-Executive Director	4	Yes	4	2	1	–
Capt. V.K.Raichand	Independent and Non-Executive Director	4	Yes	6	2	–	–
Mr. P. S. Gaekwad	Managing Director	4	Yes	11	–	–	14618
Dr P. N. Mishra	Special Non Executive Director appointed by BIFR	2	–	–	1	–	–
Mr. Robert D. Petty*	Non- Executive Director	1	–	16	–	–	–
Mr. Narayan K. Seshadri *	Non- Executive Director	1	–	6	–	–	–

*Resigned w.e.f.10/03/2008

1.3 Information supplied to the Board

All information as required under Annexure 1A to Clause 49 of the Listing Agreement are made available to the Board. The Board is also regularly updated on statutory compliances as are applicable to the Company.

1.4 Code of Conduct

The Company has adopted a Code of Conduct for Directors and Senior Management personnel.

The Directors and Senior Management personnel of the Company are in the process of affirming their adherence to the code.

A Declaration by the Managing Director on compliance of the Code of Conduct has been annexed to this Report.

THE BARODA RAYON CORPORATION LIMITED

2. AUDIT COMMITTEE :

The Committee comprises of three Directors namely Mr. A.K. Shah (Chairman), Mr. S.P. Gaekwad and Dr. P.N. Mishra.

During the period, the Committee met four times, on 27th December,2006,31st January,2007,29th June,2007 and 10th March,2008. All members of the Committee attended these meetings.

The Committee at each meeting, besides Company's financial performance, also reviews the reporting process, adequacy of internal control system, quarterly financial results, risk management system and holds discussions with the Internal Auditors on significant observations, if any, and follow up actions taken on such issues. The Committee also discusses with the Statutory Auditors in the areas of concern, if any.

3. REMUNERATION COMMITTEE :

The Remuneration Committee comprised of three Independent Directors viz. Mr. A. K. Shah (Chairman), Capt. J.P. Singh and Capt. V.K. Raichand.

The committee met on 31st January,2007.

The Committee reviews and determines the remuneration package including the Performance Incentive, if any, payable to the Managing Director.

Details of Directors' Remuneration for the period ended March, 31,2008

Non-Executive Directors

(Rs.)

Name	Sitting fees
Mr. A.K. Shah	8,000
Capt. J.P. Singh	8,000
Capt. V.K. Raichand	8,000
Dr P.N. Mishra	4,000

4. SHARE HOLDER-CUM INVESTOR GRIEVANCES COMMITTEE :

The Shareholders'/Investors' Grievance Committee comprises of Capt. J.P. Singh, Capt. V.K. Raichand and Mr. S.P. Gaekwad.

The Committee reviews the redressal of shareholders' complaints relating to transfer, transmission, non-receipt of annual reports and other shares related complaints. The

THE BARODA RAYON CORPORATION LIMITED

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,31,2008, the Company letters from the Investors by the company were attended to/redressed in an average time frame of 15 days.

Mr. P S Gaekwad, Managing Director, is authorized to transfer the shares.

The Committee met 4 times during the period on 27th December, 2006, 31st January, 2007, 29th June, 2007 and 10th March, 2008. There were no outstanding complaints as on March,31,2008.

5. MANAGEMENT

5.1 A Report on Management Discussion and Analysis.

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

5.2 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.

5.3 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.

6. SHAREHOLDERS

Disclosure regarding re-appointment of the Directors.

The requisite information, pursuant to clause 49 of the Listing Agreement, in respect of directors i.e. Capt. J.P. Singh, Mr. Subir Bisht (Nominee Director – YES Bank Ltd.), Mr. Damodarbai B. Patel and Mr. Bhavanjibhai H. Patel are annexed hereto.

THE BARODA RAYON CORPORATION LIMITED

7. GENERAL BODY MEETINGS

Details of last three Annual General Meetings Held:

Particulars	F.Y.2003-2004	F.Y.2004-2005	F.Y. 2005-2006
Day	Tuesday	Thursday	Wednesday
Date	29th March, 2005.	30th March, 2006.	28th March, 2007
Time	9.00 a.m.	9.00 a.m.	9.00 a.m.
Venue	Gandhi Smurti Hall Timaliyawad, Near Jeevan Bharati School, Nan Pura Surat 395 001	Gandhi Smurti Hall Timaliyawad, Near Jeevan Bharati School, Nan Pura Surat 395 001	Gandhi Smurti Hall Timaliyawad, Near Jeevan Bharati School, Nan Pura Surat 395 001
Special Resolution	Nil	1 (One)	2(Two)

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

8. DISCLOSURES

a. Related Party Transactions

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 1999-2004. As such the Stock Exchanges had suspended trading in the Company. Post restart of operations, the Company is in the process of meeting all the requirements of the Stock Exchanges, SEBI and other statutory authorities on matters relating to capital market. Necessary application have been made to BSE for revocation of suspension, listing of reduced capital and listing of new issue pursuant to BIFR order.

c. CEO/CFO Certification

The Managing Director and Chief Financial Officer have certified to the board with regards to the financial statement and other matters as required by clause 49 of the Listing Agreement. The Certificate is contained in this Annual Report.

THE BARODA RAYON CORPORATION LIMITED

d. Non Mandatory Requirements

The Company has implemented the following non-mandatory requirements as prescribed under clause 49 of the Listing Agreement:

i. The Board

No specific tenure has been specified for the independent Directors.

ii. Remuneration Committee

Details of the Remuneration Committee are given under para 3 of this Report.

iii. Audit Qualifications

The audit qualifications have been replied and they form a part of the main body of the Directors Report

The board may consider adopting other non-mandatory requirements from time to time, as appropriate.

e. Auditors' Certificate on Corporate Governance

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

THE BARODA RAYON CORPORATION LIMITED

ADDITIONAL SHAREHOLDER INFORMATION

1. Forthcoming Annual General Meeting

Annual General Meeting : **Wednesday ,10th September 2008 at 9.00 a.m.**
Day, Date,Time & Venue : **Gandhi Smurti Hall, Timaliyawad,**
Near Jeevan Bharati School, Nan Pura,
Surat 395 001

2. Financial Period/ Calendar : **1st October, 2006 to 31st March, 2008.**

3. Date of Book Closure : **Thursday, 4th September 2008 to**
Saturday, 6th September 2008
(all days inclusive)

4. Listing on Stock Exchange : **Ahmedabad, Mumbai.**

Stock Code : **0770**

Demat ISIN NUMBERS IN NSDL & CDSL : INE 461A01024

5. Registrar and : **M/s. Sharex Dynamic (India) Pvt. Ltd.,**
Share Transfer Agents : **17-B, Dena Bank Building,**
2nd Floor, Horniman Circle,
Mumbai-400 001.

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 are 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.

THE BARODA RAYON CORPORATION LIMITED

7. DISTRIBUTION OF SHAREHOLDING PATTERN AS ON MARCH 31, 2008.

CATEGORY	NO OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
Promoters	10893147	47.545
Mutual Funds and UTI	12764	.056
Banks, Financial Institutions Insurance Companies (Central/State Govt. Institutions/ Non Government Institutions)	347522	1.517
Private Corporate Bodies	183730	.802
NRIs/ OCBs/	507505	2.215
FII's	8835425	38.564
Indian Public	2131186	9.302
Clearing Members	70	.000
Total	22911359	100.00

8. DISTRIBUTION OF SHAREHOLDING AS ON 31st March, 2008.

No of Shares	No. of Share Holders	%age	Share Amt.(In Rs.)	%age
Up to 5000	79774	99.71	16189630.00	7.07
5001-10000	115	.14	836330.00	.37
10001-20000	34	.04	462250.00	.20
20001-30000	17	.02	413220.00	.18
30001-40000	4	.00	141940.00	.06
40001-50000	5	.01	232060.00	.10
50001-100000	22	.03	1749010.00	.76
100001to above	37	.05	209089150.00	91.26
TOTAL :	80008	100	229113590.00	100.00

THE BARODA RAYON CORPORATION LIMITED

9. **Dematerialization of Shares** :The Shares of the Company were dematerialized with effect from 28.08.2002. The National Securities Depository Ltd., and Central Depository Services (India) Ltd., 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. 10,88,953 shares out of 2,29,11,359 shares of the company have been dematerialised as at 31st March,2008.

10. **OUTSTANDING GDR/ADR / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY**

- a. There were no outstanding GDRS/ADRs or any Convertible Instruments for the period under report.

11. Plant location : Fatehnagar, Surat 394 220

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

DECLARATION OF THE MANAGING DIRECTOR ON COMPLIANCE WITH THE CODE OF CONDUCT

This is to certify that all the Members of the Board of Directors and Senior Management Personnel (i.e. up to the level of Deputy General Manager) of the Company have confirmed compliance with the Company's Code of Conduct during the period 1st October, 2006 to 31st March, 2008.

Place : Mumbai.
Dated : 12.08.2008

P. S. GAEKWAD
MANAGING DIRECTOR

THE BARODA RAYON CORPORATION LIMITED

CERTIFICATE OF MANAGING DIRECTOR AND GENERAL MANAGER FINANCE AND ACCOUNTS ON CORPORATE GOVERNANCE.

To
The Board of Directors
The Baroda Rayon Corporation Limited

We have reviewed financial statements and the cash flow statement of The Baroda Rayon Corporation Limited for the period 1.10.2006 to 31.03.2008 and certify that :

- a. These statements to the best of our knowledge and belief :
 - i. do not contain any materially untrue statements or omit any material facts or contain statements that might be misleading ;
 - ii present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations ;
- b. to the best of our knowledge and belief, there are no transactions entered in to by the Directors and Senior Management during the year, which are fraudulent , illegal or violative of the Company's Code of Conduct;
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company for such reporting. We have disclosed to the Auditors and the Audit Committee, deficiency , if any , in the design or operation of such internal controls, of which we are aware, and the steps taken and / or proposed to be taken to rectify these deficiencies
- d. We have also indicated to the Auditors and the Audit Committee :
 - i. significant changes in the internal control with respect to financial reporting during the period.
 - ii. significant changes in accounting policies during the period and this have been disclosed in the notes to the financial statements
- e. to the best of our knowledge and belief, there are no instances of significant fraud involving either the management or employees having a significant role in the Company's internal control system with respect to financial reporting.

Mumbai
Dated : 12.08.2008

P.S. GAEKWAD
Managing Director

J.K. JAKHOTIYA
G.M. Finance & Accounts

THE BARODA RAYON CORPORATION LIMITED

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

To

The Members of The Baroda Rayon Corporation Limited.

1. We have examined the compliance of the conditions of the corporate governance by The Baroda Rayon Corporation Limited, for the period ended 31st March, 2008, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges (hereinafter referred to as "The Agreement").
2. The compliance of condition of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and based on the review and to the best of our examination and explanation given to us and subject to Para 4 below, we certify that the conditions of corporate governance as stipulated in the clause 49 of the agreement have been complied with in all material aspects by the company.
4. Attention is invited to the followings :
 - a. The company has not filed the quarterly results, six monthly results with limited review along with auditor's certificate with the respective stock exchanges, where the shares of the Company have been listed. The company neither has produced any evidence, which shows that the said result had been published in the newspaper as per listing compliance rules.
 - b. The Company has yet to comply various formalities for keeping the listing of shares active with respective stock exchanges.
5. On the basis of information and records, we hereby certify that there were no Investor grievances remained un-attended /ending for more than 30 days as at 31st March, 2008.
6. We further state that such compliance is neither an assurance as to the future liabilities of the company nor the efficiency nor effectiveness with which the management has conducted the affairs of the Company.

For Desai & Porwal
Chartered Accountants

P.B. SHETH
Partner
Membership No. 044062

Dated: 12.08.2008
Mumbai

THE BARODA RAYON CORPORATION LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the attached Balance Sheet of THE BARODA RAYON CORPORATION LIMITED as at 31st March 2008 and also the Profit and Loss Account of the Company for the period of 18 months from 1st October 2006 to 31st March 2008 annexed thereto and the Cash Flow Statements for the said period ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors Report) Order 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 (hereinafter referred to as 'the Act'), we enclose in the annexure a statement on the matters specified in the paragraph 4 and 5 of the said order, to the extent applicable to the Company.
3. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the informations and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of Accounts as required by Law have been kept by the Company so far as appears from our examinations of those books.
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with this report is in agreement with the books of account.
 - d) Except as discussed in paragraph (f)(ii)(a), (f)(ii)(b), (f)(ii)(c), (f)(ii)(d) and note 18 of notes to the accounts of Schedule X, in our opinion, the Profit and Loss Account and Balance Sheet comply with the Accounting standards referred to in Sub Section (3c) of Section 211 of the Companies Act, 1956 to the extent applicable to the Company.
 - e) On the basis of the written representations received from the directors as on 31st March 2008, we report that none of the directors is disqualified as on 31st March

THE BARODA RAYON CORPORATION LIMITED

2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

f) Attention is invited to

- (i) The financial statements have been prepared on the assumption that the company is a going concern. The comprehensive rehabilitation package is sanctioned by The Board for Industrial and Financial Reconstruction (now referred as BIFR) under the provisions of the Sick Industrial Companies (Special Provisions) Act 1985 for details refer to note 8 of Schedule X to the Accounts.
- (ii) a) We are unable to express any opinion on Employee's Cost relating to Gratuities liabilities under defined contribution plan and Provident fund liabilities under defined benefit plan and projected unit method, as the company has not complied the revised Accounting Standard 15 and its effect on the profit and loss of the company, as amount is not ascertained as per actuary valuation for details refer to note 12(i) and note 12(ii) of Schedule X. The Company has provided gratuities liabilities to the extent of employees retired up to the date of Balance Sheet. The accrued gratuities liabilities of Rs.2494.23 lacs are not provided in the books of accounts. However the Company has disclosed it by way of contingent liabilities in the notes to the Accounts for details refer to note 3©.
- b) The Company has not paid stipulated bonus as required by The Bonus Act 1965, as amended time to time, for Rs.140.24 lacs.
- c) No provision for interest has been made for Rs145.93 lacs.(Previous year Rs.86.20 Lacs) of Non-Convertible Redeemable debenture of PNB Asset Management Limited which is not the member of CDR scheme. Consequently, the reported loss will be understated by Rs 145.93 lacs and the accumulated losses will be understated by Rs145.93 lacs, which is contrary to the recognition of expenditure on accrual basis in compliance of Accounting Standard 5.
- d) We are unable to express a opinion on the financial impact, not ascertained by the Company, that may arise on account of impairment of assets related to discontinued operations for details refer to note 14 of Schedule X. No separate disclosure has been made in the profit and loss account and Cash flow statements for the period; however it is disclosed under Segment Accounting in Note 19 of Schedule X.

4. Subject to our comments/observation referred in Paragraph 4(f)(ii) above, and information relating to the amount payable to suppliers under Micro, Small and Medium

THE BARODA RAYON CORPORATION LIMITED

Enterprises Development Act, 2006 stated in note 9 of Schedule X to the accounts and the confirmation of various balances stated in note 11 & note 22 of Schedule X to the accounts, in our opinion and according to the best of information and explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:

- (i) In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008; and
- (ii) In so far as it relates to the Profit & Loss account, of the "Loss" of the Company for the period ended on that date;
- (iii) In the case of Cash Flow Statement of the cash flow for the period ended on that date.

**FOR DESAI & PORWAL
CHARTERED ACCOUNTANTS**

**PLACE: MUMBAI
DATE : 12.08.2008**

**P. B. Sheth
PARTNER
Membership No. 44062**

THE BARODA RAYON CORPORATION LIMITED

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

1. (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) According to the information given to us the Management has not physically verified the Fixed Assets of the Company since 1998-99, The independent valuer had verified the fixed assets of the company for the revaluation of fixed assets during the financial year 2005-06. However, we are unable to express any comments for any physical discrepancies/differences that may arrive in respect of the said verification of Fixed Assets.
 - © In our opinion, the disposal of fixed assets (certain scrap items) during the year does not affect the going concern assumption.
2. (a) As informed to us, the inventory has been physically verified during the year by the management.
 - (b) In our opinion, the procedures of physical verification of stocks followed by the management are proper in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory and as per the physical verification of stocks was carried for arriving the discrepancies with comparison to book records; there are no material differences. However the Company has considered the impairment aspect for the carrying value of stock, which are old and obsolete.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - (a) The Company has not granted any loans to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 but has taken unsecured loans from Eleven parties amounting to Rs. 975.34 lac. The maximum balance outstanding was Rs. 1518.25 lacs.
 - (b) In our opinion and according to the information and explanations given to us, the unsecured loans are interest free and other terms are not prejudicial to the interest of the company.
 - © In respect of the interest free unsecured loans, the amounts were repaid as per stipulation.

THE BARODA RAYON CORPORATION LIMITED

(d) There is no overdue amount in respect of loans taken by the Company. The company had not given loans to any party; hence there were no overdue payments.

4. In our opinion, there is adequate internal control procedure commensurate with the size of the company and the nature of business, for the purchase of inventory and sale of goods. In addition, the system of confirmation / reconciliation of balances of parties as well as inoperative bank accounts for details refer to note 14 of Schedule X need to be strengthened to make them commensurate with the size of the Company and the nature of its business.
5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, there was no transaction that needs to be entered in to the register maintained under section 301 of the Act.
6. In our opinion and according to the information and explanation given to us, the Company has contravened the provisions of repayment of deposits along with interest thereon as contemplated in Section 58A & 58AA of the Companies Act, 1956, and the rules framed there under with regard to deposits accepted from public, which are overdue. However, the Company is declared sick by The Board for Industrial and Financial Reconstruction (now referred BIFR) under section 3(1)(0) of the Sick Industrial Companies (Special Provisions) Act'1985. By virtue of the rehabilitation scheme of BIFR, all the claims relating to future and past interest is waived and the Company has to repay the 100% principal dues as on 31.03.2003 in five equal installments after 5 years from 22.05.2006 viz. date of the scheme. No fresh deposits are accepted from the public during the year.

In contemplation of Section 58AA inserted by the Companies (Amendment) Act, 2000, the company has yet to comply for intimating the Company Law Board (CLB) on a monthly basis.
7. In our opinion, the Company has internal audit system commensurate with the size and nature of its business.
8. We are of the opinion that the company has properly maintained books of account pursuant to the order made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956. The Company is in process to complete the cost audit for the current and past financial year subject to approval for appointment of cost auditors by the Central Government.
9. (a) The statutory liabilities are restructured and deferred as per the comprehensive rehabilitation scheme approved by the BIFR, however various statutory agencies are in

THE BARODA RAYON CORPORATION LIMITED

process of granting their sanction as per said scheme for deferment and settlement of said liabilities. Hence, we are reporting the Undisputed Statutory dues 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. IN LACS)
a.	Sales Tax/VAT	761.80
b.	Custom Duty	680.93
c.	Excise Duty (Including penalty of Rs. 5 lac)	298.36
d.	Interest on excise duty	539.50
e.	Wealth Tax	4.00
f.	Provident Fund dues	648.05
g.	Employee's State Insurance dues	158.04
h.	Water Tax	907.84
i.	Gujrat Electricity Board	681.78
j.	Textile Committee Cess	12.69
k.	Water Cess (Gujrat Pollution Control Board)	8.35
l.	Electricity Duty (Power plant)	793.55
m.	Income tax (TDS)	2.05

Note:

- (i) *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 claiming 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 Income Tax & Excise duties, which are given below.*

SR. NO.	NAME OF STATUE	NATURE OF DUES	AMOUNT (RS. IN LAC)	PERIOD TO WHICH THE AMOUNT RELATES	FORUM WHERE DISPUTE IS PENDING
1.	Central Excise Act, 1944	Excise Duty (Input)	51.27	1995-1996 to 1999-2000	Asst. Commissioner Central Excise CEGAT
2.	Central Excise Act, 1944	Excise Duty (Capital Goods)	0.08	1995-1996 & 1998-1999	Asst. Commissioner Central Excise CEGAT.
3.	Central Excise Act, 1944	Excise Duty (Input)	12.86	1996-1997 & 1997-1998	Commissioner (Appeal), Central Excise CEGAT

THE BARODA RAYON CORPORATION LIMITED

SR. NO.	NAME OF STATUE	NATURE OF DUES	AMOUNT (RS.IN LAC)	PERIOD TO WHICH THE AMOUNT RELATES	FORUM WHERE DISPUTE IS PENDING
4.	Central Excise Act, 1944	Excise Duty (Input)	11.35	1995-1996 to 1997-1998	The Appellant Tribunal, Central Excise CEGAT
5.	Central Excise Act, 1944	Excise Duty (Capital Goods)	10.89	1995-1996	The Appellant Tribunal, Central Excise CEGAT

10. The company has accumulated losses at the end of the financial year of Rs.21011.01 lacs; however it has generated cash loss Rs.3435.68 lacs in the current year (18 months) against the cash losses of Rs 2177.51 lacs (12 months) for immediately preceding year.
11. The Company has paid all the dues to CDR members, however, PNB Asset Management Limited which is not participating member under CDR scheme is as under:

(Rs. In lac)

NAME OF LENDER	PRINCIPAL AMOUNT	INTEREST OVERDUE & PROVIDED IN BOOKS	INTEREST OVERDUE & NOT PROVIDED IN BOOKS	TOTAL AMOUNT OUTSTANDING AT YEAR END	REPAYMENT OVERDUE FROM YEAR
Debenture Holders	177.15	196.76	466.13	840.04	F.Y.1997-98

12. According to the informations and explanations given to us, the company has not granted any loans on the basis of security by way of pledge of shares, securities, debentures or others.
13. In our opinion and according to the informations and explanations given to us, the nature of activities does not attract any special statue applicable to chit fund and nidhi/mutual benefit funds/societies.
14. In our opinion and according to the informations and explanations given to us, the company has no transaction of dealing in buying and selling of shares, securities or such other investments.
15. Except the guarantee being given to HDFC Limited of Rs. 60.91 lacs for availing Housing loan to staff, according to the informations and explanations given to us and the records examined by us, the company had not given the guarantee to banks for loans taken by others. However, said arrangement is not prejudicial to the interest of the company, as any invoked guarantee is recoverable from employee's salary.
16. As informed to us, the company had availed fresh loans during the year and it has utilised for the purpose for which it was taken.
17. On the basis of an overall examination of the balance sheet and the cash flows of the

THE BARODA RAYON CORPORATION LIMITED

company and the information and explanations given to us, we report that the Company has not utilized any funds raised on short-term basis for long-term investments.

18. The Company has not made preferential allotment of shares to parties or companies covered under Section 301 of the Act.
19. According to the information and explanations given to us, the company has not issued debentures during the year.
20. The Company has not raised any public issue during the year.
21. Based upon the audit procedures performed, informations, and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**FOR DESAI & PORWAL
CHARTERED ACCOUNTANTS**

**PLACE : MUMBAI
DATE : 12.08.2008**

**P. B. Sheth
PARTNER
Membership No. 44062**

THE BARODA RAYON CORPORATION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2008

(RS. IN LACS)

SOURCES OF FUNDS:	SCHEDULE	31ST MARCH, 2008	30TH SEPT, 2006
SHAREHOLDER'S FUNDS			
Share Capital	A	2,291.14	2,291.14
Reserves & Surplus	B	25,838.72	27,568.89
		28,129.86	29,860.03
LOAN FUNDS			
Secured Loans	C	4,733.17	5,085.93
Unsecured Loans	D	1,619.50	1,283.34
		6,352.66	6,369.27
Total		34,482.52	36,229.30
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	E	52,470.94	52,139.77
Less : Depreciation		27,235.34	24,295.29
		25,235.60	27,844.48
Capital Work In Progress		-	46.69
		25,235.60	27,891.17
INVESTMENTS			
	F	599.60	606.20
CURRENT ASSETS, LOANS & ADVANCES :			
Inventories	G	1,618.40	1,643.96
Sundry Debtors	H	599.69	360.38
Cash and Bank Balances	I	174.95	907.02
Loans & Advances	J	843.02	1,053.52
		3,236.05	3,964.88
LESS : CURRENT LIABILITIES & PROVISIONS :			
Current Liabilities	K	15,592.75	12,557.16
Provision	L	7.00	-
		15,599.75	12,557.16
NET CURRENT ASSETS		(12,363.70)	(8,592.28)
PROFIT & LOSS ACCOUNT	M	21,011.01	16,324.21
Total		34,482.52	36,229.30
Significant accounting policies & notes on Accounts	X		

FOR THE BARODA RAYON CORPORATION LTD

P. S. GAEKWAD
MANAGING DIRECTOR
CAPT. J. P. SINGH
DIRECTOR

A. K. SHAH
DIRECTOR
CAPT. V. K. RAICHAND
DIRECTOR

As per our report of even date.
FOR DESAI & PORWAL
CHARTERED ACCOUNTANTS
P. B. SHETH
PARTNER

MUMBAI
12.08.2008

THE BARODA RAYON CORPORATION LIMITED

Profit & Loss Account for the period ended 31st MARCH, 2008

(RS. IN LACS)

SOURCES OF FUNDS:	SCHEDULE	31ST MARCH, 08 (18 Months)	30TH SEPT, 08 (12 Months)
INCOME:			
Sales (Net of Returns)	N	18,930.06	10,656.97
Less : Excise Duty		1,242.96	915.13
		17,687.10	9,741.84
Other Income	O	129.96	47.77
		17,817.06	9,789.61
EXPENDITURE:			
Raw Materials consumed	P	9,683.86	5,250.76
Payments To & Provisions For Employees	Q	3,431.52	2,082.31
Manufacturing & Other Expenses	R	6,040.10	3,250.97
Interest	S	814.01	576.05
Administrative and Other Expenses	T	803.28	767.74
Selling & Distribution Expenses	U	759.67	664.47
		21,532.45	12,592.30
		(3,715.39)	(2,802.69)
Increase / (Decrease) in stocks	V	(3.14)	750.16
Profit / (Loss) Before Depreciation and Taxation		(3,718.53)	(2,052.54)
Less : Depreciation		1,237.13	904.89
Profit / (Loss) Before Taxation		(4,955.66)	(2,957.42)
Less : Provision for Taxation		-	-
		(4,955.66)	(2,957.42)
Less : Income Tax for Earlier Years		-	(13.00)
less : Fringe Benefit Tax		(7.00)	(10.81)
Add : Peior period/ Extraordinary items	W	275.85	1,221.68
PROFIT/(LOSS) AVAILABLE FOR APPROPRIATION		(4,686.81)	(1,759.56)
Balance as per last year's Balance Sheet		(16,324.21)	(20,437.61)
		(21,011.02)	(22,197.16)
Profit & Loss Appropriation Account		-	5,872.96
Balance Carried to Balance Sheet		(21,011.02)	(16,324.21)
Significant accounting polices & notes on Accounts	X		
Basic EPS (Rs.)		(21.66)	(8.79)

As per our report of even date.
FOR DESAI & PORWAL
CHARTERED ACCOUNTANTS
P. B. SHETH
PARTNER

MUMBAI
12.08.2008

FOR THE BARODA RAYON CORPORATION LTD
P. S. GAEKWAD A. K. SHAH
MANAGING DIRECTOR DIRECTOR
CAPT. J. P. SINGH CAPT. V. K. RAICHAND
DIRECTOR DIRECTOR

THE BARODA RAYON CORPORATION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST. MARCH 2008.

	31ST MARCH, 08	30TH SEPT, 06
Cash flow from operating activities :		
Net (loss) Profit before Extraordinary items :	(4,955.66)	(2,957.42)
Adjustment for :		
Depreciation	1,237.13	904.89
Provision for Gratuity / others	-	-
Bad debts / provision for doubtful debts / Advances	-	-
Miscellaneous expenses W / off	-	(10.79)
Loss on account of extraordinary items	275.85	1,221.68
Provision for Taxation	7.00	23.81
Loss on account sale of assets	-	-
Interest expenses	-	-
Operating Profit before working Capital changes	(3,435.68)	(817.83)
Adjustment for :		
Trade & other Receivables	(239.31)	(126.28)
Inventories	25.57	(926.27)
Loans & Advances	210.49	2,139.00
Trade Payable & other Liabilities	3,005.11	(542.61)
Cash generated from operations	(433.82)	(274.01)
Interest paid - Gross	-	-
Cash flow before extraordinary items	(433.82)	(274.01)
Extraordinary items - Misc. expenditure	-	-
Net cash flow from operating activities : (A)	(433.82)	(274.01)
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(323.70)	(617.72)
Purchase of Investments	6.60	(6.85)
Sale of Fixed Assets	2.24	314.78
Dividend Income	-	-
Net cash flow from investing activities : (B)	(314.86)	(308.79)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment / Increase of Borrowings	16.61	(1,367.43)
Interest written back	-	-
Proceeds from call arrears	-	-
Increase in share capital	-	883.54
Increase in share premium	-	1,827.56
Net cash flow from Financing activities : (C)	16.61	1,343.67
Net (Decrease) / Increase in Cash & cash equivalents (A+B+C)	(732.07)	758.87
Cash & Cash equivalent at the start of the year	907.02	147.15
Cash & Cash equivalent at the close of the year	174.95	907.02

As per our report of even date.
FOR DESAI & PORWAL
CHARTERED ACCOUNTANTS
P. B. SHETH
PARTNER

MUMBAI
12.08.2008

FOR THE BARODA RAYON CORPORATION LTD

P. S. GAEKWAD MANAGING DIRECTOR	A. K. SHAH DIRECTOR
CAPT. J. P. SINGH DIRECTOR	CAPT. V. K. RAICHAND DIRECTOR

THE BARODA RAYON CORPORATION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2008

(RS. IN LACS)

Schedules 'A' to 'X' forming part of the Accounts as at 31st, March, 2008

**31ST MARCH,
2008**

**30TH SEPT,
2008**

SCHEDULE "A"

SHARE CAPITAL :

Authorised :

130000000 Equity Shares of Rs.10/- each (Previous Year 130000000
Equity Shares of Rs.10/- Each)

13,000.00

13,000.00

20000000 15% Redeemable Cumulative Preference Shares of Rs.10/- each
(or such other rate as may be determined by the company as per the
prevailing guidelines as framed by the Government of India or any other
applicable Statutory Authority) (Previous Year 200000000)

2,000.00

2,000.00

TOTAL

15,000.00

15,000.00

Issued, Subscribed & Paid Up Capital

22911359 Equity Shares of Rs.10/- Each Fully Paid Up
(Previous year 22911359 Equity Shares)

2,291.14

2,291.14

TOTAL

2,291.14

2,291.14

SCHEDULE "B"

RESERVES AND SURPLUS :

Share Premium Account :

As per last Balance Sheet

5,192.97

2,365.41

Add : Received during the year

-

2,827.56

5,192.97

5,192.97

Capital Reserve :

3,669.21

3,669.20

Debentures Redemption Reserve :

1,142.54

1,142.54

Lease Special Reserve :

381.06

381.06

Revaluation Reserve

15,452.94

17,183.12

25,838.72

27,568.89

THE BARODA RAYON CORPORATION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2008

(RS. IN LACS)

Schedules 'A' to 'X' forming part of the Accounts as at 31st, March, 2008

	31ST MARCH, 2008	30TH SEPT, 2008
SCHEDULE "C"		
SECURED LOANS		
(i) Series II Secured Non-Convertible Redeemable Debentures	179.09	186.86
(ii) Bank against Hypothecation of stock-in-Trade and Stores	1,447.88	-
(iii) Interest accrued and due on series II secured NCRB	96.78	196.78
(iv) Yes Bank Working Capital Loan	714.29	2,500.00
(v) Secured Non- Convertible redeemable Debentures. (The said debentures will be redeemed in bullet at end of three years without claiming any set off and can be prepaid with no prepayment premium. The coupon rate for said debenture is 10% P. A. plus applicable interest tax for 1st year to be paid at quarterly without claiming any set off and after one year the rate of interest will be 14% P.A. plus applicable interest tax to be paid quarterly without claiming any set off.)	1,390.00	1,390.00
(vi) Optionally Cumulative Convertible Debentures (Secured against Fixed assets in Pari Passu with other long term loans)	800.00	800.00
(vii) Secured Loan against hypothecation of Vehicles	5.14	12.29
Total	4,733.17	5,085.93
SCHEDULE "D"		
UNSECURED LOANS		
Fixed Deposits / Loans :		
Public	226.18	237.39
Companies	1,393.32	1,045.95
Total	1,619.50	1,283.34
SCHEDULE "F"		
INVESTMENT (AT COST) :		
Long Term		
QUOTED :		
83 Fully paid Equity Shares of Rs. 10/- each of The Industrial Credit & Investment Corporation of India Ltd	0.00	0.00
333 Fully paid Equity Shares of Rs. 10/- each of HOCL (Previous Year)	0.25	-
UNQUOTED :		
10 shares of Rs. 20/- Each fully paid of the Surat District Co-operative purchase and Sales Union Ltd. Rs.200 - (Previous Year Rs200/-)	-	-
1875001 Ordinary Shares of Rs.100 Bhat each of Thai Baroda Industries Ltd (Pledge of shares with Yes Bank)	574.85	574.85
245000 Equity Shares at Rs.10/-each of TAIB Capital Corporation Ltd.	24.50	24.50
Other Investment	-	6.85
Total	599.60	608.20

FIXED ASSETS : Schedule - E

YEAR October 2006 - March 2008

	Description of Assets.	GROSS BLOCK (at cost)				As at 31.3.2008	Accumulat -ed upto 01.10.2006	DEPRECIATION		Dep on Revalued of the assets	Accumulat -ed upto 31.3.2008	Net Block as on 31.3.2008
		As at 01.10.2006	Addition/ Transfer	Revaluation	Deduction			Provided during the Year	Wtn/back during the Year			
A.1	Land (Free hold)	3851.52	0.00	0.00	0.00	3851.52	0.00	0.00	0.00	0.00	3851.52	
A.2	Roads	33.48	0.00	0.00	0.00	33.48	17.43	0.82	0.00	0.00	15.23	
A.3	Buildings	7041.99	1.76	0.00	0.00	7043.75	1194.33	91.67	-1.67	122.34	5633.74	
A.4	Plant & Machineries	40129.31	318.86	0.00	0.00	40448.17	22458.21	1106.28	0.00	1578.26	15305.42	
A.5	Tube Wells	10.21	0.00	0.00	0.00	10.21	3.08	0.00	0.00	0.54	6.59	
A.6	Waterworks & Pipelines	200.69	0.00	0.00	0.00	200.69	60.53	0.00	0.00	3.35	136.81	
A.7	Railway Sidings	33.31	0.00	0.00	0.00	33.31	10.05	0.00	0.00	1.62	21.65	
A.8	Furniture, Fixture & Equipments	680.69	4.84	0.00	0.00	685.52	411.07	21.05	0.00	24.06	229.33	
A.9	Vehicles	158.57	0.00	0.00	-5.71	164.28	140.60	17.30	28.93	0.00	35.31	
	Total	52139.77	325.48	0.00	-5.71	52470.94	24295.29	1237.13	27.26	1730.17	25235.60	
	Capital Work-in-Progress											
A.10	Plant & Machinery U/E	0.00	0.00	0.00	0.00	0.00					0.00	
A.11	Capital Work in progress	21.25	0.00	0.00	21.25	0.00					0.00	
A.12	Civil Work in progress	25.44	0.00	0.00	25.44	0.00					0.00	
	SUB TOTAL	46.69	0.00	0.00	46.69	0.00	0.00			0.00	0.00	
	Depreciation on Revalued		0.00	0.00	1730.17	0.00	1730.17					
	GR. TOTAL	52186.46	325.48	-1730.17	40.98	50740.77	24295.29	1237.13	27.26	1730.17	25235.60	

Note : 1) The Gross block and Depreciation Reserve of Non-factory buildings has been restored to rectify the error of earlier year.

THE BARODA RAYON CORPORATION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2008

(RS. IN LACS)

Schedules 'A' to 'X' forming part of the Accounts as at 31st, March, 2008

SCHEDULE "G"

INVENTORIES :

(As valued and certified by the management)

	31ST MARCH, 2008	30TH SEPT, 2006
Raw Materials at cost	125.13	208.21
Stock In Process at cost or Estimated Realisable value Whichever is lower	538.05	391.04
Finished Goods at Cost or Market Valued whichever is Lower	768.71	926.40
Stores and Spare parts and Consumable at Cost	186.50	118.30
Total	1,618.40	1,643.96

THE BARODA RAYON CORPORATION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2008

(RS. IN LACS)

Schedules 'A' to 'X' forming part of the Accounts as at 31st, March, 2008

	31ST MARCH, 2008	30TH SEPT, 2008
SCHEDULE "H"		
SUNDRY DEBTORS :		
(Unsecured)		
Debts outstanding for a period exceeding six month		
Considered good	-	-
Consider Doubtful	85.68	85.68
	85.68	85.68
Other Debts : Considered Good	599.69	360.38
	685.36	446.06
Less : Provision for Doubtful Debts	85.68	85.68
Total	599.69	360.38
SCHEDULE "I"		
CASH AND BANK BALANCE :		
Cash on Hand	31.82	392.60
With Scheduled Banks :		
In Current Accounts	142.92	281.25
In Fixed Deposits	0.21	253.18
	143.13	514.43
Total	174.95	907.02
SCHEDULE "J"		
LOANS AND ADVANCES		
(UNSECURED)		
Advances Recoverable in Cash or in Kind or for value to be received :		
Advances to Suppliers	437.36	492.46
Deposits	184.67	274.34
Other Advances	88.11	52.41
Advances to Parties	236.99	353.61
	947.12	1,172.83
Less : Provision for Doubtful Advances	300.61	300.61
	646.51	872.22
Deposits With Customs, Port Trust and Excise Authorities	196.51	181.30
Total	843.02	1,053.52

THE BARODA RAYON CORPORATION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2008

(RS. IN LACS)

Schedules 'A' to 'X' forming part of the Accounts as at 31st, March, 2008

SCHEDULE "K"

CURRENT LIABILITIES

	31ST MARCH, 2008	30TH SEPT, 2008
Duties & Taxes	4.00	12.23
GOG	3,287.00	135.67
Sundry Creditors	7,397.66	10,067.30
Central Government Liabilities	1,518.79	-
Other Liabilities	1,788.36	939.90
Provisions For Gratuity	1,470.19	1,339.24
Provisions	52.02	62.83
Credit Balance of Debtors	74.72	-
Total	15,592.75	12,557.16

SCHEDULE "L"

PROVISIONS:

Fring Benefit Tax

Total

7.00

7.00

SCHEDULE "M"

PROFIT & LOSS ACCOUNT :

Opening Balance as per P & L Account	16,324.21	16,324.21
Add:- Loss for the period as per P & L Account	4,686.81	-
Total	21,011.02	16,324.21

THE BARODA RAYON CORPORATION LIMITED

Profit & Loss Account for the period ended 31st MARCH, 2008

(RS. IN LACS)

	31ST MARCH, 08 (18 Months)	30TH SEPT, 06 (12 Months)
SCHEDULE "N"		
SALES (Net of Returns) :		
Yarns(Local)	18,277.57	10,327.96
Chemicals	467.68	156.37
Waste	184.82	170.85
Others	-	1.80
Total	18,930.06	10,656.97
SCHEDULE "O"		
OTHER INCOME		
INCOME FROM INVESTMENTS		
Dividend	0.51	8.85
	0.51	8.85
INTEREST :		
From Bank & Other	5.09	15.11
	5.09	15.11
OTHER INCOME		
Recovery from Staff	44.35	4.32
Other Income	5.94	-
Scrap Sales	74.07	19.48
	124.36	23.80
Total	129.96	47.77
SCHEDULE "P"		
RAW MATERIALS CONSUMED		
Opening Stock	208.21	21.70
Add : Purchases of Raw Material	9,600.78	5,437.27
	9,808.99	5,458.98
Less : Closing Stock	125.13	208.21
Total	9,683.88	5,250.76
SCHEDULE "Q"		
PAYMENTS TO AND PROVISION FOR EMPLOYEES		
Salaries , Wages , Bonus, Gratuity & Other Payments	2,824.41	1,685.84
Contribution to Provident Fund & Other Schemes	475.09	346.42
Welfare Expenses	132.02	50.04
Total	3,431.52	2,082.31

THE BARODA RAYON CORPORATION LIMITED

Profit & Loss Account for the period ended 31st MARCH, 2008

(RS. IN LACS)

	31ST MARCH, 08 (18 Months)	30TH SEPT, 08 (12 Months)
SCHEDULE "R"		
Manufacturing & Other Expenses		
Stores, Spare Parts, Consumables etc.	619.58	332.63
Power and Fuel	3,798.60	1,708.27
Rates & Taxes	87.07	294.54
Repairs to Plant & Machinery	122.38	16.93
Repairs to Factory Buildings	3.78	0.72
Service and Maintenance & Security Charges	1.75	4.91
Water Charges	422.34	123.99
Labour Charges	157.66	164.03
Chemicals & Packing Material	826.94	604.98
Total	6,040.10	3,250.97
SCHEDULE "S"		
Interest		
On Debentures	-	77.71
On Fixed Loans	256.40	295.26
Others	557.61	203.07
Total	814.01	576.05
SCHEDULE "T"		
ADMINISTRATIVE AND OTHER EXPENSES :		
Rent	2.86	9.20
Repairs to Administrative Buildings	2.91	0.14
Service and Maintenance	6.42	2.36
Insurance	39.32	16.20
Bank Charges , Guarantee Commission etc.	24.04	13.30
Conveyance & Travelling	135.91	88.23
Communication Expenses	41.59	33.84
Advertisement	0.23	0.23
Rates and Taxes	1.88	-
Printing & Stationery	22.48	16.08
Legal and Professional Charges	420.58	419.51
	698.23	599.10
Auditor's Remuneration :		
A) (I) Audit Fees (Including Service Tax)	5.62	3.93

THE BARODA RAYON CORPORATION LIMITED

Profit & Loss Account for the period ended 31st MARCH, 2008

(RS. IN LACS)

	31ST MARCH, 08 (18 Months)	30TH SEPT, 06 (12 Months)
(II) Certification Charges (Including Service Tax)	0.56	0.56
	6.18	4.49
Membership & Subscription	3.45	2.07
Office Expenses	18.10	8.80
Vehicle running & Maintenance	18.12	21.34
Miscellaneous Expenses	47.11	120.26
Share transfer Expenses	12.09	11.70
	98.89	164.16
Total	803.28	767.75
SCHEDULE "U"		
SELLING AND DISTRIBUTION EXPENSES		
Commission & Brokerage	149.93	109.66
Freight	70.75	50.93
Cash Discount	277.59	108.84
Qty. Discount	225.24	91.54
Others	36.16	303.50
	759.67	664.47
SCHEDULE "V"		
INCREASE / (DECREASE) IN STOCK		
Closing Stock :		
Stock in Process	545.59	391.04
Finished Goods	768.71	926.40
	1,314.30	1,317.45
Less : Opening Stock		
Stock in Process	391.04	107.51
Finished Goods	926.40	459.78
	1,317.45	587.29
Net Increase / (Decrease) in Stock	(3.14)	750.16
SCHEDULE "W"		
EXTRAORDINARY ITEMS :		
Profit on Sale of Assets	-	106.86
Interest Written Back	-	1,346.65
Sundry Balances W/Off	(0.77)	-
Prior Period Income/(Expenses)/written off/(impairment)	276.62	(231.84)
Total	275.85	1,221.68

THE BARODA RAYON CORPORATION LIMITED

SCHEDULE "X"

NOTES FORMING PART OF THE ACCOUNTS

1. ACCOUNTING POLICIES:

(a) Basis of Accounting

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

(b) Revenue Recognition

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

(c) Investments

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

(d) Research and Development

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

(e) Inventories

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

(f) Retirement Benefits

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

(g) Depreciation

The Company has provided depreciation for all the assets based on their utilisation on a pro rata basis, using a straight-line method at the rates specified in Schedule XIV of

THE BARODA RAYON CORPORATION LIMITED

the Companies Act, 1956. The identification of "continuous process plant" for the purpose of determining the appropriate rate of depreciation, being a technical matter, is based on a representation made by Management and accepted by the auditors.

Depreciation on Revalued Assets:

The depreciation on the revalued fixed assets have 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 accepted 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

THE BARODA RAYON CORPORATION LIMITED

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.

2. Estimated amount of contracts remaining to be executed on Capital Account and not provided are not ascertainable.
3. Contingent Liabilities not provided for:
 - (a) Guarantees given by the Company to Housing Development Finance Corporation Ltd. for loans availed by staff amounting to Rs.60.91 lacs (Previous Year Rs. 60.91 lacs)
 - (b) The Company has to pay interest on the outstanding Customs Duty amount at the time of clearance of goods and also the warehouse insurance charges of the notified Bonded Warehouse. - Amount not ascertained.
 - (c) The gratuities liabilities on accrued basis for Rs. Rs.2494.23 (Previous Year Rs. 2006.67 lacs).
 - (d) Bank Guarantees to Custom Rs. 25 lacs (Previous year Rs. 25 lacs)
 - (e) Interest, damages and penalty payable to E.S.I. and Provident fund dues is not ascertainable.
4. 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. In addition the agreement specifies past liabilities relating to provident fund E.S.I.C., Gratuities etc. All such amounts including the settlement amount have been reflected in these financial statements after adjustments of any amount included in the past.

This agreement supersedes all other earlier Memorandum of Understanding and settlements.

5. Claims against the Company not acknowledged as debts:
 - (a) Payment of Excise Duty disputed by the Company in respect of:

THE BARODA RAYON CORPORATION LIMITED

- (i) Matter finalised in the Company's favour in earlier years, but in respect of which show-cause notices have been issued Rs 17.93 lacs (Previous Year Rs. 17.93 Lacs)
 - (ii) Other matters – Rs. 2126.40 lacs (Previous Year Rs. 68.88 lacs)
 - (b) Claim against the company against sale of non-factory land related to statutory liabilities for provident fund dues, gratuities, Employees credit society.- Amount not ascertained
6. Various cases filed against the Company;
- (I) 7(Seven) Nos of Unsecured Creditors have filed Winding Up Petitions against the Company in Ahmedabad High Court for their total claims of Rs. 44936586/=.The Company has filed necessary appropriate responses and its Petition Leave has been admitted. The matters are pending for further disposal.
 - (II) Various cases of labour matters, excise matters, 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.
- 7 The settlement with the Secured lenders under the CDR was made a part of the scheme filed with BIFR and pursuant to the sanction of the scheme the amount payable to Principal PNB mutual fund is Rs. 77.70 lakhs, being 42% of the principal amount of Rs. 185 lakhs. The Company has made a payment of Rs.. 7.77 lakhs against the said liability and are awaiting confirmation of the balance from them to make balance payment.
8. Pursuant to the rehabilitation scheme approved by The Board for Industrial and Financial Reconstruction (referred as BIFR) under section 17(2) read with section 18 of the Sick Industries Companies (Special Provisions) Act 1985 the company has taken the following action in compliance thereof:
- Reduction of capital to Rs.407.64 lacs
 - New Issue of 18835000 equity shares at a premium to promoters and new investors pursuant to the BIFR order.
 - Reissue of Debentures to New Investors
 - Issue of 800000 OCCD of Rs.100 each to New Investors.
 - Revaluation of Assets as per the plan to restructure and restate the Balance Sheet to

THE BARODA RAYON CORPORATION LIMITED

align it with the current value of the fixed assets of the Company.

- Restatement of liabilities in respect of unsecured creditors, statutory dues etc in line with the BIFR order.
 - Applying for various relief and concessions pursuant to the BIFR order
 - * Received advance against sale of any assets for Rs. 1500 lacs, subject to approval from BIFR.
9. The Company has no information of the suppliers covered under the Micro, Small and Medium Enterprises Development Act' 2006. Accordingly, interest provision required under the said Act is not made.
10. (i) Excise Duty on manufactured goods lying in bond will be taken into account when goods are taken out of bond, as company's practice.
- (ii) The above practice has no effect on the loss.
11. The balances of Sundry Debtors, Sundry Creditors, Loans and Advances are subject to confirmation and are shown as appearing in the Account.
12. (i) The liability for retiring/resigned gratuities payable in accordance with the payment of Gratuities Act and Company's rule are determined and overdue for the employee's retired upto 31st March 2008 is for Rs. 1470.19 lacs.
- (ii) As per the past policy, the company's liability under Provident Fund Act (Funded) are determined on the basis of actuarial valuation made at the end of the financial year. The Company's Provident Fund liabilities are covered under defined benefit plans and all the future and current obligations for PF liabilities were secured by way of investment in Government Securities through Company's PF Trust. However, the company could not make any investment to cover the future and current obligation of PF liabilities as per Accounting Standard 15 and no actuarial losses are determined and debited as per projected unit credit method to Profit & Loss account.
- 13 Income Tax
- a. In view of the loss, the Company has not made any provision of Income Tax.
 - b. The Company has completed the assessment up to Assessment Year 2005-06 and no tax liabilities are pending.
 - c. The Company has received show cause notice for non-compliance of tax deducted at

THE BARODA RAYON CORPORATION LIMITED

sources for the past matters. The Company could not made the interest payments due to its potential sickness and financial constrains, to various debenture holders and entries were restricted to mere provision for compliance of Accounting Standard as contemplated in Section 211 (3) (c) of Companies Act 1956. Subsequently, the said interest provision was written back on account of interest waiver. The Company does not envisage any tax liabilities, as the Company is declared sick by The Board for Industrial and Financial Reconstruction (BIFR) under section 3(1)(0) of the Sick Industrial Companies (Special Provisions) Act 1985, matter is pending.

14. The Company has discontinued operation of NTC plant from financial year 1999-2000. No provision for impairment of assets of NTC plant has been made, as in the opinion of the management, these assets taken as a whole will realize at least the value at which they appear in the books of account, in aggregate. The loss from the discontinued operation has been disclosed in the Segment accounting in note 19 and it is not separately reported in the profit and loss account. During the period under consideration, there is no income from the discontinued operation.
15. There are 52 in-operative accounts of the Company, which is subject to confirmation amounting to Rs. 38.16 lacs out of which Rs. 29.56 lacs are related with debentures redemption fund, unpaid interest etc. On confirmation of the balances, the account will be closed or disposed off by transferring to Investors Protection fund.
16. (i) Since no commission is payable to the Managing Director as per the terms of appointment. The computation of net profit in accordance with section 349 of the Companies Act, 1956 is not required.
(ii) During the year, the Company has not paid managerial remuneration like previous year.

17. RELATED PARTY DISCLOSURE

I Relationship

(a) Associates

Kanchanganga Textiles Private Limited

Annapurna Textiles Private Limited

Tapti Synthetics Private Limited

Brazen Enterprises Private Limited

THE BARODA RAYON CORPORATION LIMITED

Expert Horticulture & Culinary Institute Private Limited
 Shree Durga Health & Natural Conservation Pvt. Ltd.
 Shivalik Golf & forest Resort Limited
 Harmony Investment Private Limited
 Gokarna Investment Private Limited
 Jay Prasad Synthetics Private Limited

(b) Key Management Personnel

Shri. S. P. Gaekwad

(c) Relative of Key Management personnel

Smt. Asha Raje Gaekwad (Wife of Mr. S. P. Gaekwad)

Shri. Pratapsinh Gaekwad (Son of Shri. S.P. Gaekwad)

Note: Related party relationship is as identified by the management and relied upon by the Auditors.

II. Transaction carried out with related parties referred in I above, in ordinary course of business:

(Rs. In lacs)

Nature of Transaction during the year	Referred in I(a)	Related Parties Referred in I(b)	Referred in I(c)
Purchases/Services	Nil	Nil	Nil
Sales / Services	Nil	Nil	Nil
Expenses			
Salary		Nil	Nil
	Nil	Nil	Nil
Finance Taken	1089.99	16.69	4.50
Repayment of finance taken	660.63	Nil	Nil
Transferred to Share Application	Nil	Nil	Nil
Outstanding: Interest free Unsecured loans	949.19	20.64	5.50

18. 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.

19. SEGMENT INFORMATION (AS-17)

THE BARODA RAYON CORPORATION LIMITED

SEGMENT INFORMATION (AS-17)

Particulars	Tyre Cord	Nylon	Rayon	Total
External Sales	Nil (Nil)	7974.78 (4869.86)	10955.29 (5787.11)	18930.06 (10656.97)
Total Sales	Nil (Nil)	7974.78 (4869.86)	10955.29 (5787.11)	18930.06 (10656.97)
Other Income	Nil (Nil)	14.65 (5.10)	115.31 (42.67)	129.96 (47.77)
Total Revenue	Nil (Nil)	7989.42 (4874.96)	11070.60 (5829.78)	19060.02 (10704.74)
Segment Profit / (Loss) before Interest, exceptional / extraordinary Items and tax	(62.11) (66.48)	(32.94) (915.03)	(2809.48) (2314.19)	(2904.53) (1465.50)
Interest	- (Nil)	78.66 (108.54)	735.35 (478.36)	814.01 (586.91)
Loss before Exceptional / extraordinary Items, sale of long term investment and tax	(92.75) (91.97)	(976.80) (124.80)	(3886.11) (2990.25)	(4955.66) (2957.42)
Exceptional / Extraordinary Items	(0.77) (Nil)	(96.55) (56.53)	373.17 (1278.21)	275.85 (1221.68)
Profit / Loss	(93.52) (91.97)	(1073.35) (68.27)	(3519.94) (1735.86)	(4686.81) (1759.56)
Segment Assets (note iv)	7849.97 (9056.93)	4888.67 (6218.47)	16332.62 (17184.39)	29071.26 (32459.79)
Segment Liabilities (note iv)	22.90 (24.77)	3501.31 (3811.48)	18428.20 (15090.18)	21952.41 (18926.43)
Total Cost Incurred during the year to acquire Segment Assets (note v)	Nil (Nil)	78.79 (Nil)	244.91 (295.28)	323.70 (295.28)
Segment Depreciation	30.64 (25.50)	865.20 (681.68)	341.28 (197.70)	1237.13 (904.88)
Revaluation Reserve				
(i) Gross	8294.63 (8299.40)	(2600.01) (3087.77)	11492.40 (11586.98)	17187.02 (22974.15)
(ii) Impairment adjusted against revaluation reserve	0.00 (4.77)	0.00 (5687.78)	0.00 (94.58)	0.00 (5787.13)
(iii) Depreciation on revalued assets	1180.59 (2.14)	58.63 (0.10)	494.83 (1.64)	1734.05 (3.88)
(iv) Revaluation Reserve: Net (iv) = (i)-(ii)-(iii)	7114.04	(2658.64)	10997.57	15452.97

THE BARODA RAYON CORPORATION LIMITED

Previous year figures are indicated below the current year figure in brackets.

Notes:

- (i) The company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organizational structure and internal reporting segments. The company's operations predominantly relate to manufacture of Nylon and Rayon based products.
- (ii) The Company has no export turnover; hence there are no reportable geographical segments.
- (iii) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.
- (iv) (a) Segment Assets includes assets used in head office, administrative office for general use, as it is allocated segment wise and the depreciation with respect to such asset is also provided segment wise.
(b) Segment liabilities includes secured loans and unsecured loans segment wise, accordingly interest is debited segment wise.
- (v) Capital cost incurred during the year.

20. Earning per Share

After Extra Ordinary Items	As on 31.03.2008	As on 30.09.2006
Earning/(loss) for the year (Rs. In lacs)	(4686.81)	(1759.56)
Number of Shares	229.11	338.90
+ / (-) Basic & Diluted EPS (Rs.)	(-)20.46	(-5.19)
Before Extra Ordinary Items		
Earning/(loss) for the year (Rs. In lacs)	(4962.66)	(2981.24)
Number of Shares	229.11	338.90
+ / (-) Basic & Diluted EPS (Rs.)	(-)21.66	(-)8.79

21. The major items of Extra ordinary items of Rs.275.85 lacs (net – credit) includes debit of Liabilities for sales tax of earlier years 112.16 lacs.

22. During the financial year 2005-06 the company has created revaluation reserve after

THE BARODA RAYON CORPORATION LIMITED

adjusting the impairment loss of Rs. 5787.15 lacs instead of debiting the same to Profit & Loss Account. However, there will be no impact on the Reserves & Surplus as the debit balance in Profit & Loss Account will be increased by Rs. 5787.15 lacs and the revaluation reserve will also be increased by Rs. 5787.15 lacs.

23. Additional information pursuant to the Provision of Paragraphs 3 and 4 in Para II of Schedule VI to the Companies Act, 1956.

Months	Licenced Capacity MT per annum		Installed Capacity @ MT per annum		Actual Production MT		Captive Production MT	
	2006-07-08	2005-06	2006-07-08	2005-06	2005-07-08	2005-06	2006-07-08	2005-06
					18 Mths	12 Mths	18 Mths	12 Mths
Viscose Filament Yarn	6134	6134	4500	4500	5353.898	3505.478	-	-
Nylon Yarn	6000*	6000*	2436+	2436+	3733.235	2498.012	-	-
Polyester Yarn	10777*	10777*	15204	15204	-	0.000	-	-
Nylon Industrial Yarn/ Tyrecord\$	4000*	4000*	4000	4000	-	0.000	-	-
Anhydrous Sodium Sulphate	3585	3585	2200	2200	1148.450	1152.000	-	-
Carbon-di-sulphide	1980	1980	1980	1980	2860.000	1363.927	1874.026	1053.197
Sodium Sulphide	145	145	145	145	-	-	-	-

Ⓒ As certified by the Management being a technical matter.

\$ Including Fabric Capacity of 3400 MT / Annum

** Licensed Capacity of Sulphuric Acid includes 24% Oleum – 10800 MT / Annum within the overall capacity of 21600 MT / Annum

+ Dry Chips Production Capacity – 5040 MT / Annum.

* These capacities have been Broad banded to 25000 MT / Annum under the description of "Synthetic Filament Yarn Including Industrial Yarn / Tyre Cord " vide Ministry of Industry letter dated 11-08-1988.

• **B Details of Stocks at commencement, Purchase, Turnover and Stocks at Close:**

(i) Stock at Commencement :

THE BARODA RAYON CORPORATION LIMITED

	2006-07-08 18 Months		2005-06 12 Months	
	Qty in MT	Rs. In lacs	Qty in MT	Rs. In lacs
Viscose Filament Yarn	286.290	483.280	268.640	442.380
Nylon Yarn	283.565	427.350	3.140	4.610
Anhydrous Sodicum Sulphate	80.800	5.454	0.000	0.000
Carbon-di-sulphide	23.406	4.283	114.831	0.990
Waste	11.625	6.033	14.425	11.800
		926.400		459.780

(ii) Turnover and Stocks at Close:

	31st Mar 2008 18 Months		30th Sept 2006 12 Months		31st Mar 2008 18 Months		30th Sept 2006 12 Months	
	Qty in MT	Rs. In lacs	Qty in MT	Rs. In lacs	Qty in MT	Rs. In lacs	Qty in MT	Rs. In lacs
Viscose Filament Yarn	5291.249	10302.796	3054.100	5478.930	348.939	572.611	286.290	483.280
Nylon Yarn	3951.314	7974.775	2081.846	4867.960	65.487	144.684	283.565	427.350
Anhydrous Sodicum Sulphate	1226.700	80.037	1071.200	118.610	2.550	0.199	80.800	5.454
Carbon-di-sulphide	1023.750	387.638	416.580	37.760	102.260	47.040	23.406	4.283
Waste	524.100	184.818	349.868	153.712	9.675	4.179	11.625	6.033
Total	12017.113	18930.064	6973.594	10656.972	529.111	768.713	695.686	926.400

C. (I) Consumption of Raw Materials:

	31 Mar 2008 18 Months		30th Sept 06 12 Months	
	Qty in MT	Rs. In lacs	Qty in MT	Rs. In lacs
Caprolactum	3708.700	4145.109	2645.225	2825.800
Wood Pulp	6375.356	2744.840	3774.300	1406.790
Sulphuric Acid	7731.766	348.019	4517.110	133.270
Carbon-di-Sulphide	1874.026	449.370	1105.500	185.690
Sulphur	2961.965	354.465	1459.535	79.560
Caustic Soda	4353.034	823.910	2778.565	619.650
Net Consumption	27004.847	8865.713	16280.235	5250.760
Net Consumption	27004.847	8865.713	16280.235	5250.760

THE BARODA RAYON CORPORATION LIMITED

(ii) Value of Material Consumed and Percentage thereof:

	31st Mar 08 18 Months		30th Sept 06 12 Months	
	Value (Rs. in lacs)	%	Value (Rs. in lacs)	%
Raw Materials				
Imported	387.440	4%	0	0%
Indigenous	8478.273	96%	5250.76	100%
	8865.713	100%	5250.76	100%
% Stores and Spares parts etc				
Imported	0	0%	0	0%
Indigenous	0	0%	649.59	100%
	0	0%	649.59	100%

24. The figures for the Previous Year have been regrouped and rearranged wherever necessary. The current year figure for the profit and loss account is for 18 months and corresponding figures for the previous year are for 12 months, hence the figures are not comparable.

Signature to Schedules 'A' to 'X' and Notes Forming Parts of the Accounts.

As per our report of even date.
FOR DESAI & PORWAL
CHARTERED ACCOUNTANTS
P. B. SHETH
PARTNER

MUMBAI
12.08.2008

FOR THE BARODA RAYON CORPORATION LTD

P. S. GAEKWAD MANAGING DIRECTOR	A. K. SHAH DIRECTOR
CAPT. J. P. SINGH DIRECTOR	CAPT. V. K. RAICHAND DIRECTOR

THE BARODA RAYON CORPORATION LIMITED

Unsecured Loan

	1	6	1	9	.	5	0
--	---	---	---	---	---	---	---

Profit & Loss Account

(2	1	0	1	1	.	0	1)
---	---	---	---	---	---	---	---	---	---

IV Performance of Company (Rs. In lacs)

Turnover

	1	7	6	8	7	.	1	0
--	---	---	---	---	---	---	---	---

Other Income

		1	2	9	.	9	8
--	--	---	---	---	---	---	---

Total Expenditure

	2	1	5	3	2	.	4	5
--	---	---	---	---	---	---	---	---

+ - (Loss) Before Tax

	(4	9	5	5	.	8	8)
--	---	---	---	---	---	---	---	---	---

+ - (Loss) After Tax/Extra Ordinary Items

-	(4	6	8	6	.	8	1)
---	---	---	---	---	---	---	---	---	---

Earnings per Share in Rs

	.	2	0	.	4	5
--	---	---	---	---	---	---

Dividend rate %

	N	I	L		
--	---	---	---	--	--

V Generic Names of Three Principal Product / Service of the company (As per monetary terms)

Item Code No (ITC Code)

	5	4	0	3	.	3	1
--	---	---	---	---	---	---	---

Product Description

R	A	Y	O	N	F	I	L	A	M	E	N	T	Y	A	R	N
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Item Code No (ITC Code)

	5	4	0	2	.	4	1
--	---	---	---	---	---	---	---

Product Description

N	Y	L	O	N	F	I	L	A	M	E	N	T	Y	A	R	N
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Item Code No (ITC Code)

	5	4	0	2	.	4	2
--	---	---	---	---	---	---	---

Product Description

P	O	L	Y	E	S	T	E	R	F	I	L	A	M	E	N	T	Y	A	R	N
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

PS GAEKWAD
MANAGING DIRECTOR

AK SHAH
DIRECTOR

Capt. J.P. SINGH
DIRECTOR

Capt. V.K. RAICHAND
DIRECTOR

Mumbai
Date : 12.08.2008

THE BARODA RAYON CORPORATION LIMITED

THE BARODA RAYON CORPORATION LIMITED
PROXY FORM

We _____ of _____
being a member/members of the above named Company hereby appoint _____ of _____
_____ or failing him _____ of _____ or failing him
_____ of _____ in the district of _____ as my/our proxy to vote
for me/us on my/our behalf at the 48TH ANNUAL GENERAL MEETING of the Company to be held at 9.00 A.M on
and at any adjournment thereof. Signed this _____ day of _____ 2008



Signature _____ Registered Folio No. _____

N.B. The proxy must be deposited at the Registered Office of the Company at Fatehnagar, Surat not less than 48 hours before the time for holding the meeting.

ATTENDENCE SLIP
THE BARODA RAYON CORPORATION LIMITED
Registered Office : P.O. Fatehnagar, Surat 394 220
PLEASE COMPLETE THE ATTENDENCE SLIP
AND HAND OVER AT THE ENTRANCE .

1. NO. OF SHARES HELD: _____
7. NAME AND SIGNATURE OF THE SHAREHOLDER _____

Folio No. _____

I hereby record my presence at the 48th Annual General Meeting of the Company held at Gandhi Smruti Hall, Surat 395 001 on 10th September, 2008.

SIGNATURE OF THE SHAREHOLDER OR PROXY _____

N.B. 1) No duplicate Attendance Slip will be issued at the place of Meeting. 2) Only Shareholders or their proxies will be allowed to attend the meeting.

BOOK - POST

If Undelivered Please return to :
THE BARODA RAYON CORPORATION LIMITED
P.O. Fatehnagar, Surat 394 220

Printed by Prominent Mailing Service
Mumbai - 400 004