



BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

Reg. Office: Namrup, P.O. Parbatpur, Dist.: Dibrugarh, Assam – 786623

CIN - U24123AS2002GOI006786

Website: www.bvfcl.com

Phone no: 0374-2500618, email: rkgupta@bvfc.co.in

Notice of Adjourned 19th AGM

Notice is hereby given that the Adjourned 19th Annual General Meeting of the Members of Brahma Putra Valley Fertilizer Corporation Limited will be held through Video Conference (VC)/ Other Audio Video Means *on Tuesday, the 21st day of December, 2021 at 3.00 PM*, to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021, together with the Revised reports of Board of Directors, Independent Audit and the comments of the Comptroller & Auditor General of India (C & AG) thereon and to pass the following resolution with or without any modification(s) as Ordinary Resolution :

“RESOLVED THAT In supersession to the resolution approved by the members of the Company in 19th Annual General Meeting (Original) held on 30th November, 2021, the Audited Annual Financial Statements of the Company for the financial year ended 31st March, 2021 along with the revised Director’s Report, Independent Audit Report and Comments of C&AG thereon, be and are hereby approved and adopted.”

By Order of the Board of Directors

Sd/-

**R.K.Gupta
Company Secretary**

Place : Namrup
Date : 16th December, 2021

Note:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted holding of Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members. In compliance with the provisions of the Companies Act, 2013 (“Act”), s”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. The meeting web link will be sent to all the members of the Company at their official mail id. The Members can join the AGM in the VC/OAVM mode 15 minutes before the time

scheduled for commencement of the meeting. Members can also join within 15 minutes of the commencement of meeting.

3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India shall attend the AGM through VC/OAVM and cast their votes through show of hands.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.bvfcl.com.
6. Relevant documents referred to in the Notice are open for inspection by the members at the registered office of the Company on all working days (that is, except Sundays and Public Holidays) during business hours upto the date of the Meeting.

To
All Members of BVFCL
All the Directors on the BVFCL Board
Statutory Auditors of the Corporation
Secretarial Auditors of the Corporation s

DIRECTORS' REPORT

To,
The Members,
Brahmaputra Valley Fertilizer Corporation Ltd.

Dear Members,

Your Directors have pleasure in presenting the 19th (Nineteenth) Annual Report on the performance of the your company along with the Audited Annual Financial Statements for the financial year ended 31st March, 2021 together with Independent Audit Report and Comments of Comptroller and Auditor General of India thereon.

1. REVIEW OF FINANCIAL PERFORMANCE:

The summarized financial performance of the Company during the year under review vis-a-vis previous year are stated as under :

Particulars	Rs. in Crores	
	For the year ended 31.03.2021	For the year ended 31.03.2020
Profit (+) / Loss (-) before Depreciation, Interest & Tax	(-) 101.35	(-) 93.00
Depreciation	36.40	36.70
Interest	0	0
Profit (+)/Loss (-) before Tax (PBT)	(-)137.75	(-)129.70
Net Profit (+) / Loss (-) after Tax	(-)137.75	(-)129.70

During the financial year 2020-21 under review, the company incurred losses before Depreciation, Interest & Tax (PBDIT) of Rs. 101.35 Crores against the loss before Depreciation, Interest & Tax of Rs. (-) 93.00 crores in the previous year. The increase in loss is mainly due to the decrease in production and sales during the financial year 2020-21 in comparison to the previous year. During the financial year 2020-21, urea was produced 131880 MT (previous year 155992 MT) and Urea was sold 137569 MT (previous year 160186 MT).

2. MANAGEMENT DISCUSSION & ANALYSIS REPORT

A Report on Management Discussion and Analysis Report covering the operations and future prospects of the Corporation is enclosed at **Annexure –I**, forming part of the Directors' Report.

3. CORPORATE GOVERNANCE

A report on Corporate Governance along with declaration of compliance of code of conduct rules for Senior Management and Board members, Secretarial Audit Report, Certificate from Practising Company Secretaries firm conforming the compliance of corporate governance guidelines issued by the Ministry of Corporate Affairs (MCA) and the Department of Public Enterprises (DPE) and the management replies on the observations made in Secretarial Audit Report are enclosed at **Annexure –II**, forming part of the Directors' Report.

4. CHANGES IN BOARD OF DIRECTORS'

During the period under review, the following changes took place in the Board of Directors of the Corporation:

- Shri Ashim Kumar Ghosh, CMD, BVFCL has retired from the services of the company on attaining his age of superannuation on 30th September, 2021.
- Shri Siba Prasad Mohanty has been appointed for the post of Chairman & Managing Director, BVFCL vide GOI Order dated 8.09.2021 and assumed the office of CMD, BVFCL w.e.f. 1.10.2021.
- Shri Sanjai Maheshwari, Director (Finance), BVFCL retired on attaining his age of superannuation on 30.06.2020.
- Shri Digambar Sahai, DGM (Operations & Instruments) appointed as Director (Production), BVFCL by the Govt. of India vide Order dated 27.10.2020, who assumed the charge of the post of Director (Production), BVFCL w.e.f. 16.11.2020.
- Shri Subash Chandra Das appointed as Director (Finance), BVFCL by the Govt. of India vide order dated 4.12.2020. He assumed the charge of the post of Director (Finance), BVFCL w.e.f.18.12.2020.
- The Govt. of India, Ministry of Chemicals and Fertilizers, Department of Fertilizers vide Order dated 29th September, 2021 appointed Shri Shyam Sunder Agrawal, Joint Director(FICC), DOF as a part time Govt. Nominee Director on the Board of BVFCL vice Shri Vinay Kumar Pandey, Ex-Director, DOF.
- The Govt. of India, Ministry of Chemicals and Fertilizers, Department of Fertilizers vide Order dated 20.04.2020 appointed Shri K. Gurusurthy, Director (IFD), DOF as a part time Govt. Nominee Director on the Board of BVFCL vice Shri Satya Mohan Gupta, Ex- Deputy Secretary, DOF.
- The Govt. of India, Ministry of Chemicals and Fertilizers, Department of Fertilizers vide Order dated 20.04.2020 appointed Shri Bipina Bihari Padhy, Practicing Chartered Accountants, Bhubaneswar as Non official Director on the Board of the Company for three years. He assumed the charge of the post w.e.f. 9th May, 2020.
- The Govt. of India, Ministry of Chemicals and Fertilizers, Department of Fertilizers vide Order dated 5.11.2021 appointed Shri S.K.Sharma and Shri Rabi Ranjan Sen as Non official Directors on the Board of the Company for three years.

Board of Directors wishes to place on record its sincere appreciation for the services rendered by the retiring Directors during their tenure on the BVFCL Board.

5. DIRECTORS' RESPONSIBILITY STATEMENT:

In compliance of the provisions of Section 134 (3(c) read with Section 134 (5) of Companies Act, 2013, your Directors states that:

- a) in the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made 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 at March 31, 2021 and of the loss of the Company for the year ended on that date;

- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.

The Disclosure of information in accordance with the provisions of Section 134 (3) (m) read with Companies read with Rule 8(3) of the Companies (Accounts) Rules, 2014, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are enclosed at **Annexure-I (A) & (B)**.

7. STATUTORY AUDITORS:

M/s. Parik & Co., Chartered Accountants, Guwahati were appointed as Statutory Auditors of the Company by the Comptroller & Auditor General of India to audit the accounts of the Company for the financial year 2020-21. The above Auditors have submitted their Independent Audit Report dated 27.09.2021 on the annual financial statements of the Company for the financial year ending 31st March, 2021. Subsequently, in the process of supplementary Audit by Govt. Audit Team raised provisional 7 nos. of audit paras on the audited financial statements of the company for the financial year 2020-21 and while replying on the audit para in consultation with Statutory Auditor. In this process, Statutory Auditors has revised Annexure-A of his Audit Report dated 22.11.2021, by amending its clause 1(c). The Statutory Auditors has drawn the attention with due emphasis on certain key audit matters. The management replies on the above key audit matters including revised dated 22.1.2021 are enclosed at **Annexure -III**, forming part of the Directors' Report. The Audit Committee has issued directions to the executive management to take necessary actions on them during the current financial year 2021-22.

8. COMMENT OF COMPTROLLER & AUDITOR GENERAL OF INDIA (C & AG)

The Comptroller & Auditor General of India (C & AG) has undertaken supplementary audit on the audited annual financial statements of the Company for the year ended 31st March, 2021 under the provisions of Section 143 (6) of the Companies Act, 2013. We have received 7(seven) Nos. observations from C & AG Audit Team on 7.10.2021 and Management reply including comment of Statutory Auditors were sent to the Director o/o the Principal Director of Audit (Agriculture, Food & Water Resources), Kolkata on 2.11.2021. The Comment of the C&AG dated 01.12.2021 on the Audited Financial Statements of the Company for the year ended on 31st March, 2021 is enclosed at **Annexure-IV**, forming part of the Directors' Report and do not requires for any reply, as nil comments has been reported by C&AG.

9. COST AUDITORS:

Your Corporation is maintaining cost accounting records as specified by the Central Government under the provisions of Section 148(1) of the Companies Act, 2013 and rules made thereunder. M/s. Subhadra Dutta & Associates, Cost Accountants, Guwahati were appointed to conduct the

audit of cost accounting records of the Company for the financial year 2020-21. The above firm has submitted their Cost Audit Report to the management on 10.10.2021. The Cost Audit Report for the financial year 2020-21 was filed/uploaded on the website www.mca.gov.in vide SRN T56637242 dated 28.10.2021, after duly approved by the Board of Directors of the company on 27.09.2019.

10. INTERNAL AUDITOR:

M/s. Birmiwal and Associates, Chartered Accountants, Tinsukia, Assam was appointed as Internal Auditor of the Company for the financial year 2020-21. The above firm has submitted their audit report for the year 2020-21.

The Audit Committee after review the Internal Audit Report and compliance, issued necessary directions / advisories to the executive management for taking corrective actions, wherever sought necessary.

The Technical Internal Audit of the Namrup Plants are being conducted by an in house Technical Internal Audit Committee consisting the representatives of Technical Services, Finance and Material Management Departments.

11. IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY:

Your Company is making all efforts to propagate and implement Official Language Policy of the Government of India. All Govt. directions for implementation of Official Language Policy of the Govt. of India are being followed. During the year under review, following activities were take place to increase the awareness and motivate the employees for the use of Hindi Raj Bhasha in the Corporation:

- i) Hindi fortnight was celebrated from 14th September to 28th September, 2021. During the fortnight competitions like essay writing, speech, questionnaire , translation etc. were organized, in which employees and officials participated enthusiastically;
- ii) Two (03) Hindi workshops were organized during the year;
- iii) Ten (10) employees were trained in July-November session under Hindi teaching scheme. Prabodh/Pravin/Pragya training organized by Hindi Training Institute for the employees/officers who do not know Hindi.
- iv) 11th January (being a Sunday on 10th January) was celebrated as World Hindi Day. On this occasion several officials participated in a technical workshop organized by NARAKAS.
- v) For awareness of daily routine notes of Hindi, are being displayed on the official intranet and one word Hindi/English is being displayed in the campus every day, which will help in the use of Hindi.
- vi) Bi-lingual official seals of higher officials of the Corporation were made for official use;
- vii) Annual and quarterly report about implementation of official language are regularly sent to the Rajbhasha Department, Home Ministry , Govt. of India, Regional Implementation Office, Official Language Home Ministry , Guwahati and Oil India Ltd., Duliajan (Narakas office) and Department of Fertilizers. Online quarterly progress reports are being sent to Rajbhasha Department, Home Ministry, Govt. of India.
- viii) Company is regularly participated in the quarterly meetings held at Department of Fertilizers, New Delhi and Half yearly meetings held at Oil India Ltd., Duliajan, Narakas through Video Conference.

During the year under review, your company have been awarded 'Oil Naracas Rajbhasha Shield' by the Hon'ble Governor of Meghalaya State in OIL RAJBHASHA CONVENTION, 2020 in Shillong on 18/19th October, 2020 for meritorious work in progressive use of Hindi Language in the in official work.

12. PARTICULARS OF EMPLOYEES UNDER SECTION 197:

As per the provisions of Section 197 of the Companies Act, 2014 and rules made there under, Government Companies are exempted from inclusion of the statement of particulars of employees.

13. RIGHT TO INFORMATION ACT, 2005

Right to Information Act 2005 mandates timely response to citizen's requests for information relating to Public Authorities. BVFCL is a wholly owned Government Company under the administrative control of the Ministry of Chemicals and Fertilizers, Department of Fertilizers and come within the purview of Public Authority. As per the provisions of Right to Information Act, 2005 your company makes all efforts to follow the directives so issued under the Act. Your Company has nominated Transparency Officer, Appellate Authority, Public Information Officer and Alternate PIO to respond effectively to the requests of the applicants under the Act. The details of the officers nominated under the Act have been displayed on BVFCL website to facilitate information about the affairs of the Company.

The Company's website (www.bvfcl.com) is maintained with updated information and all provisions of Right to Information Act have been kept uploaded. During the year under review, Twenty Eight (28) applications were received under RTI. Out of this, 27 applications were disposed off. Three applications received at First appeal stage, which were disposed off within stipulated time period.

14. DETAILS OF LOANS/INVESTMENTS/GUARANTEES

In compliance with the provisions of the Companies Act, 2013, the details of investments made and loans/guarantees provided as on 31.03.2021 are given in the respective notes to the financial statements.

15. EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3) (a) of the Companies Act, 2013, an extract of the annual return in the prescribed form is enclosed at **Annexure –V**, forming part of the Directors' Report. The Annual Return for the year 2019-20, has been displayed in the weblink of the company at www.bvfcl.com, which is available at weblink <https://www.bvfcl.com/wp-content/uploads/2021/04/Annual Return 2019-20.pdf>

16. SECRETARIAL STANDARDS

During the year 2020-21, your company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) duly approved by the Central Government under the provisions of Section 118(10) of the Companies Act, 2013 and rules made thereunder.

17. COMPLIANCE OF CORPORATE GOVERNANCE GUIDELINES ISSUED BY DEPARTMENT OF PUBLIC ENTERPRISES

The Department of Public Enterprises (DPE), Government of India, has laid down certain parameters for the purpose of grading the CPSEs on the basis of their compliance with guidelines on Corporate Governance and this report needs to be submitted to the Government on quarterly/annual basis. Your Company is regularly complying with the Guidelines on Corporate Governance for CPSEs laid down by DPE and submits reports to the DOF/DPE. During the year 2020-21, DPE has issued '**Excellent Rating**' to your Company.

18. BOARD MEETINGS

The detailed disclosures of Board meetings have been made in the annexed Corporate Governance Report.

19. DECLARATION BY INDEPENDENT DIRECTORS UNDER SECTION 149 (6) OF COMPANIES ACT, 2013

The Independent Director on the Board has given declaration towards meeting the criteria of independence as laid down under section 149 (6) of the Companies Act, 2013.

20. CPSE CONCLAVE "VISION 2022"

The Department of Public Enterprises (DPE) has embarked on a collaborative exercise for redefining the role and functioning of Central Public Sector Enterprises (CPSEs) in the context of challenges and expectations emerging from broad vision of 'New India-2022'. This exercise had culminated in the CPSE Conclave "New India – Vision 2022" held on 9th April, 2018 at Vigyan Bhavan, New Delhi which was addressed by Hon'ble Prime Minister. During the period under review, you company has completed the process of on boarding on GeM, TReDS and Sambandh Portals and taking adequate actions towards achieving targets for import substitution thereby minimizing the import bill of the Country, MSEs, Skill India, encourage Digital transactions, Reduction in wasteful expenditure and increasing geostrategic reach of a Company.

21 ACKNOWLEDGEMENT:

The Board of Directors acknowledges the valuable guidance and continued support extended by the various Departments and Ministries of the Govt. of India viz. Ministry of Chemicals & Fertilizers, Fertilizer Industry Co-ordination Committee (FICC), Ministry of Agriculture, Indian Council for Agricultural Research, Ministry of Petroleum & Natural Gas, Ministry of Railways, Ministry of Finance, Ministry of Home, Department of Public Enterprises, members of MOU task force, Statutory Auditors, Cost Auditors, Practising Company Secretaries, Comptroller & Auditor General of India, Assam Gas Company Limited, Oil India Limited, PDIL, NFL, RCF valued dealers, customers and the Press and Electronic Media.

The Board of Directors wishes to place on record its sincere appreciation to all the North Eastern States, Uttar Pradesh, Bihar, West Bengal, UCO Bank, State Bank of India, Syndicate Bank and Bank of India for their valued co-operation.

The Board of Directors also acknowledges and appreciates the untiring efforts put in by the employees of your Corporation at all levels for improving the production performance of Namrup-II and III plants, despite of several constraints.

For and on Behalf of the Board

Sd/-

**Siba Prasad Mohanty
Chairman & Managing Director**

Place: Namrup

Date: 16th December, 2021

ANNEXURE –I

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. PREAMBLE

Brahmaputra Valley Fertilizer Corporation Limited (BVFCL) incorporated in the year 2002 (CIN U24123AS2002GOI006786) is a Schedule 'B' category Central Public Sector Enterprise (CPSU) under the administrative control of the Department of Fertilizers (DOF), Ministry of Chemicals & Fertilizers, Govt of India. BVFCL is engaged in the manufacture of Urea, Bio-fertilizers, Vermi-Compost manure at Namrup (Assam) and trading of Seeds, Pesticides, Fertilizers (MOP, SSP, Rock Phosphate) and Micronutrients. Corporation is marketing its products under the brand name "**Mukta**".

2. Industry Structure & Developments:

Urea, as a major source of nitrogen, is also the only controlled fertilizer and has a major share of consumption compared to all other fertilizers put together. Urea is at present covered under Essential Commodity Act (ECA) and the Government declares statutory price of urea for sale and issues movement orders under ECA to different manufacturers. The statutorily notified sale price and indicative MRP is less than the cost of production of the respective manufacturing unit. The difference between the cost of production and the selling price/ MRP is paid as subsidy/ concession to manufacturers based on approved FICC Energy norm.

Natural Gas is the only raw material for production of Urea fertilizer and accounts for most of the urea production costs. Gas supply from M/s OIL continued to be intermittently affected due to various technical and HR problems being faced by M/s OIL. Gas supply remained restricted at an average level of 1.60 MMSCMD.

BVFCL, being the only urea manufacturing unit in entire north-east and eastern India, bears primary responsibility of supplying timely urea to farmers across the region.

3. Indian Council for Fertilizer and Fertilizer Technology Research (ICFFTR)

Indian Fertilizer industry is predominantly dependent on imports either for the raw material & intermediaries or for finished products. Further for manufacturing technology also, the country is completely dependent on big foreign players for the technology license for setting up of new plants as well as for technological up-gradation of existing plants. Country is having a number of research institutions doing research on the subjects focused primarily on agriculture, however, there is no dedicated research institution in the country which is exclusively devoted to research in fertilizer sector. There is a growing need for setting up a National Level Research & Development Centre, exclusively devoted to promotion of research in fertilizer sector.

Therefore, in line with the direction of Department of Fertilizers, Indian Council for Fertilizers and Fertilizer Technology Research was formed as a society jointly by NFL, RCF, FAGMIL, PDIL, FACT, BVFCL, MFL, FCIL and HFCL on 19th Aug, 2019. As a member of ICFFTR, your company has contributed Rs.5.00 lacs as a corpus of fund and rupees One

Lac annual membership fee in FY 2020-21 also. Chairman and Managing Director of your company is a member in the Governing Council of ICFFTR and Director (Production) and Dy.GM(Technical Services) of the Company are Executive Members of ICFFTR.

Although our country has a number of research institutions doing research in the field of agriculture, however, there is no dedicated research institution in the country which is exclusively devoted to research in fertilizer sector. There is a growing need for setting up a National Level Research & Development Centre, exclusively devoted to promotion of research in fertilizer sector.

ICFFTR is funding following Research Proposals undertaken by various member companies:

1. Use of Phosphate Gypsum for production of Calcium nitrate, Calcium ammonium nitrate and Sulphur nutrient (Hydrometallurgy) – By PDIL
2. Development, testing and pilot scale production of Organic Fertilizer – By RCF
3. Development, testing and pilot scale production of Bio-stimulants – By RCF

4. Review of Performance:

Urea Production in Namrup-II and Namrup-III in the year 2020-21 was 2222 MT and 129858 MT, respectively compared to 46,087 MT and 1,09,905 MT, respectively in FY 2019-20. The targeted Urea production in 2020-21 could not be achieved due to various unforeseen breakdowns of old, unreliable equipments. Energy consumption per MT of urea produced in Namrup-II and Namrup-III was 29.31 GCal/MT and 15.87 GCal/MT, respectively for the FY 2020-21.

Production of Urea, Bio Fertilizer and Vermi Compost during the year 2020-21 and 2019-20 are given below:

FY Year	Urea (MT)		Bio-Fertilizers (MT)		Vermi Compost (MT)	
	Production	Sale	Production	Sale	Production	Sale
2019-20	155992	160186	35.54	29.60	83.86	64.73
2020-21	131880	137569	14.755	16.484	81.02	80.19

Namrup-II plants suffered two major failures in the year on 17.05.2019 and 06.01.2020. Ammonia & Urea Plant continued to remain under Shutdown after the 2nd major failure on 06.01.2020 in the Ammonia Synthesis Section caused by shearing off of a pipeline carrying high pressure Synthesis Mix Gas (SMG), going to Ammonia Synthesis Reactor inlet (Cold Shot). M/s PDIL was assigned the job of deputation of Technical Experts and Non Destructive Test (NDT) Team to Study the Health of the Synthesis Section of Ammonia Plant and to carryout NDT of weld joints and pipelines wherever required. M/s PDIL and M/s Inspection Survey, Kolkata had carried out various NDT activities, report of the same were forwarded to PDIL and advice from PDIL were received. Process for Placement of Work Order/ Purchase Order for Service Contract & Procurement of spares is in progress. However, orders will be placed only after receipt of clearance to re-commission the Namrup-II plants. In this regard, The Department of Fertilizers vide Order dated 5th November, 2021 constituted a three members Committee for vetting the proposal for restoration of Namrup-II Plants.

Namrup-III plants remained under Shutdown till 18.04.2020 due to maintenance jobs of the Urea Reactor liner leakage and National Lockdown due to COVID-19 pandemic. 3 Nos. of petals of bottom hemisphere liner of Urea Reactor were replaced. After completion of the liner leakage job, the Reactor was tested by fully pressurizing the same. Ammonia Production was achieved on 25.04.2020.

Namrup-III Plants were taken under Annual Shut Down from 19.11.2020. Some of the major jobs attended during this period are as follows:

- a) Replacement of Water Cooled Condenser of Ammonia Plant
- b) Catalyst Replacement of HT Converter
- c) Retrofitting of Woodward Governor in Process Air Compressor
- d) Overhauling of 1st & 2nd Barrel of Synthesis Gas Compressor.

All the planned jobs were successfully completed during the Annual Turn Around and the plants resumed production w.e.f. 21.12.2020.

In view of the increasing trend of dP of LT Converter and limitation of Feed Control of Process Air Compressor, it was decided to take the Plants under Shut Down on 13.02.2021.

Following maintenance jobs were done during this Shut Down:

- a. Cleaning job of LT Converter downstream- lines and equipments, mainly Condensate Boiler, Carbonate Boiler and Separators.
- b. Synthesis Gas Compressor 2nd barrel bearing check-up.
- c. Turbine washing of Process Air Compressor & Synthesis Gas Compressor
- d. 2 nos. leaky tube of Condensate Reboiler (1.32 HE-1) plugged.
- e. Process Air Compressor: HP barrel front vibration probe attended by Inst. Maint
- f. Catalyst unloading & repairing of top bed grating of LT Converter.

After arrival of LT Catalyst (Shiftmax-210), Loading of catalyst had started on 15.03.2021 and was completed by 19.03.2021. Ammonia Production resumed from 01.04.2021 & Urea Production was achieved at 04.04.2021.

5. MARKETING PERFORMANCE REVIEW

During the year under review, your corporation has following

marketing activities: **A. Review of Marketing Operations:** a)

Own Products:

- i) **Mukta Neem Coated Urea:** During the financial year 2020-21, company sold 1,37,569.455 MT Urea (Previous year 1,60,185.915 MT).
- ii) **Bio-Fertilizers:** 13.40 MT Bio-Fertilizers valued Rs.6.70 lakhs and 3.084 KL liquid Bio-Fertilizers valued Rs. 4.63 lakhs were sold (Previous year 29.600 MT valued Rs.14.80 lacs).
- iii) **Vermi Compost:** 80.194 MT Vermicompost valued Rs.11.26 lakhs were sold (Previous year 64.730 MT valued Rs. 9.09 lakhs).

b) Traded Products:

Corporation has done trading business of various Agri Inputs and performed following trading activities during 2019-20:

- i) Urea (NFL)** : 18668.34 MT valued Rs. 988.05 lakhs (Previous year 43148.07 MT valued Rs. 2284.06 lakhs);
- ii) SSP Fertilizers:** 23340.30 MT valued Rs.1741.81 lakhs were sold (Previous year 10232.350 MT valued Rs.772.74 lakhs);
- iii) MOP Fertilizers** : 8970.90 MT valued Rs. 1360.67 lakhs were sold (Previous year 8676.20 MT valued Rs. 14118.06 lakhs)
- iv) DAP Fertilizers** : 565.20 MT, valued Rs. 123.97 lakhs were sold (Previous year 1212.20 MT , valued Rs. 265.88 lakhs);
- v) Rock Phosphate** : 7598.00 MT , valued Rs. 485.84 lakhs were sold (Previous year 2535.00 MT , valued Rs. 162.10 lakhs);
- vi) City Compost:** 1202 MT valued Rs.81.52 lakhs were sold (Previous year 565 MT valued Rs.27.47);
- vii) Jinc** : 159.50 MT valued Rs. 63.13 lakhs (previous Year Nil);
- viii) Boron** : 22 MT valued Rs. 10.43 lakhs (Previous year Nil).

c) Agricultural Promotion Programme:

Your Corporation is the only urea manufacturing company in Northeast, playing proactive roles in imparting education/ creating awareness to its customers/farmers for maintaining the soil health and increase in crop production. The details of farmers/dealers training programme undertaken by the company are mentioned as below:

- i) Farmers Training Programme/Fertilizers application awareness programme:**
Your Corporation has conducted 24 nos. of Farmers Training Programme/ Fertilizers Application Awareness Programme at different destinations of Assam. During the Farmers Training Programme, farmers were encouraged for soil testing and advised to use balanced/recommended doses of fertilizers, Neem Coated Urea, Bio-fertilizers & Vermi compost of the your Corporation.
- ii) Dealers Training Programme:** 03 (Three) nos. of Dealers Training Programme were conducted at the different destinations of Assam. Since the dealers are vital link in disseminating the information to the farmers & retailers. Dealers were educated about the importance of soil testing, benefits of balanced use of fertilizers based on soil sample report and benefits of Neem Coated Urea, Vermi Compost & Bio-fertilizers of the your corporation. Dealers were requested to facilitate supply of fertilizers to the farmers conforming to their soil requirement.
- iii) Distribution of crop Literatures:** Your Corporation has distributed 22,000 nos. of handbills/leaflets on different crops to the farmers with details of agriculture knowledge including specific literature on balance use of fertilizers, importance of soil testing and Neem Coated Urea, Vermi Compost & Bio fertilizers of your corporation.
- iv) Model Fertilizer Retail Shops:** As per the directives of Department of Fertilizers, Govt of India, your corporation is running 10 nos. of model fertilizer retail shops in the name of Kisan Suvida Kendra (KSK) in its marketing territory. Out of this, 07 (Seven) nos. running at Namrup, Jorhat, Nagaon, Kamrup, Barpeta, Bogaigaon & Cachar districts under BVFCL own arrangement and 03 (Three) nos. at Sibsagar, Dibrugarh & Tinsukia districts of Assam on franchisee basis to ensure the smooth supplies of fertilizers.

6. CONSTRAINTS FACED IN MARKETING OF UREA:

During the year under review, company experienced constraints in marketing of urea due the following reasons :

Railway related issues:

- Non-availability of rakes due to Restrictions, Congestions and Quota problem.

Freight Problem:

- In case of Ex-factory- for interstate dispatches to Manipur & Nagaland average freight rates are reimbursed instead of destination States' freight rates.
- Secondary freight revised are District wise having discrepancies in PTPK rates.

Movement Problem:

- Negligible or no Supply plan for Bihar and West Bengal.
- Distance limitation of 1400 Kms for rake movement.
- Limitation of 500 Kms road freight reimbursement in case of Ex-factory dispatches. **Other**

issues:

- Mktg Dept. is working with very limited manpower.
- Trading business always depends upon the market conditions and supplies.

PRODUCTION AND MARKETING OF ORGANIC FERTILIZERS:

Your company is producing two types of Bio-fertilizers i.e. Azotobacter and Phosphobactrin (PSB) since 2008-09 and started producing in Liquid form w.e.f. 8th Jan 2021. Production of Career based Bio Fertilizer has been stopped due to non-availability of the career materials and their economic non-viability. Production of Liquid Bio Fertilizer has been started by using in-house expertise. This is highly beneficial in achieving higher production on a steady basis in economically viable way, depending upon demand and marketability.

Vermi Compost Project is also located at Namrup having production from F.Y. 2008 09 onwards. For composting at the initial stage, the earthworm Red wigglers (*Eisenia fetida*) species were procured from Assam Agricultural University, Jorhat. The Vermicompost produced is as per FCO norms. Efforts are being made to further increase the production of Vermicompost.

Your company has started marketing of City Compost from October 2016. City compost supplies are arranged from West Bengal as no manufacturer is available in NE states, which results very high cost of City compost. The current MDA of Rs.1500/MT is not sufficient for Assam as the cost of transportation by Road from West Bengal to various districts of Assam is very high.

Your company is the only urea manufacturing company in Northeast and playing proactive roles in imparting education/ creating awareness to its customers/ farmers for maintaining the soil health and increasing Crop production. BVFCL is having Ten (10) numbers of Kisan Suvidha Kendra (Model Fertilizer Retail Shops) i.e. at Namrup, Jorhat, Nagaon, Kamrup, Barpeta, Bogaigaon, Cachar, Sibsagar, Dibrugarh and Tinsukia districts of Assam.

Some of the major steps adopted to reduce marketing cost are as follows:

- Rationalization of movement - Rail-Road movement ratio brought down to 94:06 against permissible limit of 80:20 by DoF (Railway freight is 100% reimbursable).

- ✓ Sales in North-Eastern States is given priority.
- ✓ Reduction in Inventory Carrying Cost by maximizing Rail- head sales with minimum storage.
- ✓ Minimum Inventory level in Silos.
- ✓ Maximum Payment collection is through RTGS/CMS.

Constraints in Marketing of Organic fertilizers:

- i. Lack of awareness about uses & benefits of Organic fertilizers among farmers.
- ii. Organic fertilizer does not show instant and dramatic response like chemical fertilizers.
- iii. The shelf life of bio-fertilizer is limited to 6-12 months in powder form and 12-24 months for liquid form.
- iv. Adaptability of bio-fertilizer strains is limited to specific soil & climatic conditions.
- v. Organic fertilizers are pushed to the dealers along with Chemical fertilizers and forced sale is taking place at Dealers/Retailers level to farmers.
- vi. Needs special care during its handling & transportation to avoid leakage/bursting of packing's.

Steps taken by BVFCL to overcome the Constraints:

- i. Switched over to Liquid bio-fertilizers as they have longer Shelf life to the extent of 12 to 24 months.
- ii. Training to farmers on uses and benefits of Organic fertilizers during Fertilizer Application Awareness Programme (FAAP), Mass Contact Programme & Farmers Training Programmes etc.
- iii. Training programmes to Dealers & Retailers on Organic fertilizers on mode of action, benefits so that they can guide farmers in a proper way as they are having day to day contact with the farmers at larger level.
- iv. Involvement and active Support of States' Agriculture Department/ Agriculture Universities and Krishi Vigyan Kendra Scientists to promote Organic fertilizers.
- v. In order to promote the use of Organic fertilizer, BVFCL's Organic fertilizers are sold in North Eastern states i.e. Assam, Manipur, Tripura, Nagaland & Mizoram.
- vi. We are also trying our best efforts to promote Organic fertilizers in Meghalaya, Arunachal Pradesh & Sikkim states as well, in close coordination with the State Administration/Agriculture Department/ KVKs of these states.

Provision for subsidy:

- i. Inclusion of Organic Fertilizers i.e. Bio-fertilizer and Vermi-compost under Subsidy scheme like other Chemical fertilizers & City Compost will help these products to get added into regular package of practices by the farmers.
- ii. M.D.A. applicable for City compost @ Rs 1500/- Per MT needs to be restored.
- iii. Achievements of BVFCL Marketing Dept. in FY 2020-21 towards enhancing the trading are as follows:

The company is continuing the trading activities of Sale of City Compost, Sale of SSP etc. for agricultural products to help farmers so that all Agro products are available under one roof (Single Window Concept).

Neem Coated Urea: As per Government of India's directive for mandatory 100% production of Neem coated urea considering beneficial effects of Neem coated urea (NCU) on increase in soil fertility and higher yield, BVFCL has successfully set-up developed in-house Neem coating plants in Namrup-III and Namrup-II to produce only Neem coated urea. The company has been producing only Neem Coated Urea with effect from 20th August 2015 from both of its plants. The GoI has allowed sale of NCU at 5% of above MRP of Urea as encouragement for its production and to recover extra cost of coating.

Rationalizing the size of urea bag: Government has made it mandatory to resize urea bag from 50kg to 45kg. The Company is using only 45kg urea filled bags w.e.f. 01.05.2018 by replacing 50kg bags as directed by Dept. of Fertilizer vide No. 12012/20/2007-FPP dated 4th Sept. 2017.

7. Future outlook and initiatives for the current year:

Some of the new initiatives taken are as follows:

- i. Due to delay/non-availability of career material like Lignite, Half burnt Rice Husk etc. for production of solid Bio Fertilizers causing production loss/delay, particularly due to various difficulties in post COVID-19 restrictions, decision has been taken to start producing Liquid Bio Fertilizers at the earliest. This will ensure increased Bio Fertilizer production which will not require any career material. This is in line with the GoI initiative to promote organic fertilizers with the aim to reduce Urea consumption, resulting Atmanirbharta in Urea production and soil upgradation.
- ii. In the month of May 2020, Urea-III plant was stopped for one week due to its reactor liner leakage, Urea-II plant was run with the Ammonia and CO₂ produced in Ammonia-III plant. This approach of production had never been tried in past, but the innovative idea of technical personnel and their zeal to achieve the same resulted in continuing production.
- iii. For sustenance of ammonia synthesis reaction in the converter, continuous purging of some quantity of circulated gas from the loop is needed. This purging is particularly needed to avoid the build-up of the inert (Argon and Methane) levels in the synthesis loop. If inert level rises then the loop pressure will increase and also there will be slow down of the converter reaction leading to drop in converter temperature which may even cease the reaction and stop production.

For this purpose, a bleed line from exit of Synthesis Gas Compressor recirculator is provided for purging synthesis loop gas and which can be sent either to flare header or to ammonia recovery section. Ammonia recovery section was not operational since long due to different operational/machineries issues. These issues have been sorted out in-house and the section has been taken in line. This has resulted in reduction of approximately 900 NM³/Hr gas consumption of value Rs.5200.00 per hour, of Natural Gas consumption as fuel in primary reformer and also an increase in about 3.0 MT/day ammonia production.

8. Status Report for Atmanirbhar Bharat pertaining to BVFCL Namrup:

The Company is immensely contributing to Atmanirbhar Bharat by producing indigenous urea by running two very old designed plants of 1960's and 1970's at a very low production cost. The plant is using only APM Natural Gas from the near-by wells and thereby ensuring no dependence on imported LNG/RLNG etc. Moreover, as the plants are very old, so most of the spares are now procured from indigenous sources by developing local vendors for the same.

Salient points are given below:

- a) During the year, the Company has used only cheap Natural Gas available from the near-by fields and not used any LNG/RLNG or other imported feedstock. In spite of the plants surpassing their effective life and troubled with frequent failures, saving of foreign exchange was achieved by producing indigenous cheap urea using local Natural Gas, which would have to be imported otherwise to meet the shortfall in Urea.
- b) List of items have been prepared for the next three years, which can be procured exclusively from indigenous sources.
- c) A proposal to replace the existing plants by establishing a new modern project of bigger capacity is under consideration of DoF to reduce dependence of urea import by boosting Urea production by more than three times to encourage Atmanirbharta.
- d) Unlike other projects which are dependent on RLNG for about 30% of their feedstock requirement, the existing plants and the proposed project will be based entirely on domestic Natural Gas available from the near-by areas from M/s OIL. This will give a big boost to the scheme of Atmanirbharta.
- e) This project has a very high potential to export Urea to the neighbouring countries like Bangladesh, Nepal, Myanmar etc. because of its close proximity to these countries and good connectivity, when self sufficiency in urea production is achieved in the country. The Company had already exported more than 2.0 LMT of Urea to Nepal in the last few years. This will boost the vision of honourable Prime Minister for 'Make for World', along with 'Make in India'.
- f) The Company has procured 33% of the total procurement in FY 2020-21 from GeM portal against the mandatory procurement requirement of 25% from MSEs for the available items.
- g) Percentage of procurement of Goods and Services from MSEs (including MSEs owned by SC/ST entrepreneurs) out of total procurement is 39.45% in FY 2020-21.

9. Issues pending with Department of Fertilizers:

- i. In view of low production in the plants resulting dismal fund generation, Concessional Rate may be revised to IPP rate for BVFCL urea produced, for next three years.

- ii. Revision in energy consumption norm and Concessional price of urea. A letter was sent to DoF vide dated 24.02.2020 with a request to review the Concessional Price and Specific Energy Consumption Norm of Urea.
- iii. Your company has entered into a Marketing tie-up with M/s National Fertilizers Limited, for doing trading business for FY 2019-20 and 2020-21. Department of Fertilizers and Directorate of Agriculture, Assam has been requested to take-up the matter with M/s NFL to provide their urea product to meet the shortage in the North Eastern region, because of shutdown of Namrup-II plants and low production in Namrup-III plants. Response from M/s NFL is yet to be received to meet the demand of urea of this region.
- iv. Non-mopping of discounted gas price (40% concession for NE states) for determining urea Concessional price, resulting no benefit of GoI policy being available to the CPSE.
- v. Due to de-escalation of Natural Gas price and subsequent recovery from Company's subsidy receivable. Out of Rs. 32.69 crores, Rs. 26.25 crores has been released by FICC and a letter dated 24.06.2021 has been sent to DOF with a request to review the case and release the balance amount of Rs. 6.44 crores in view of precarious financial status of the company.
- vi. The release of Special Compensation of Rs.150 per MT of Urea for Namrup-II and Namrup-III units of BVFCL under Modified NPS-III Scheme needs review by DOF considering financial strain of the company.
- vii. Approval for Urea export to Nepal, as the Company had so far exported about 2.25 LMT in earlier years and the same will boost GoI exchequer by profit sharing in 65: 35 ratio with CPSE.

10.THE ISSUES BEING TAKEN-UP WITH THE GOVT. OF ASSAM:

i. Conversion of the Kendriya Vidyalaya Namrup from Project KV to Civil KV:

Kendriya Vidyalaya, Namrup is a Project School under the full patronage of BVFCL and the Company has been taking the full financial and infrastructural liabilities of the school as per the KVS norms so long, inspite of severe financial crisis.

Due to acute financial crisis and day by day increase in the expenditure, it has become unmanageable for BVFCL to run the school.

In this connection, letters were sent to the commissioner of KVS on many times to take over this Project School and to run in civil sector, but no positive response has been received in this regard.

However, to lower the financial burden towards KV Namrup, the nearby organizations like Assam Petro-chemicals Ltd and Namrup Thermal Power Station (APGCL) have been requested for sharing the financial burden of KV, Namrup. But till date no final outcome has been received in this regard.

Govt. of Assam has been requested to kindly take initiative for conversion of the School from Project to Civil KV at the earliest.

ii. Taking over of the BVFCL Higher Secondary School by Govt. of Assam:

Your company is running a Higher Secondary School at Namrup with 29 Nos. Temporary Teachers and 1 No. Permanent Teacher. As stated above, due to acute financial crisis due to low fund generation because of very low Urea production from the existing plants of BVFCL, the Company is facing huge financial crunch to continue to run the school.

In view of the above, your company has requested to request the Govt. of Assam to take over the school and run as Govt. sponsored school.

iii. Monetization of land assets:

The Company is having land under its ownership as per the following details:

Type of land	Land area	
	Hectare	Sq. Mtr
Factory	86.97	869744
Township	262.40	2623968
Total	349.37	3493712

BVFCL has requested AIDC, vide letter dated 12.11.2020 for conducting a study and preparation of a road map for monetization of surplus land of BVFCL and its maximum utilization for industrial development.

AIDC asked consent & views of Assam Petrochemicals Limited (APL), Namrup vide letter dated 05.01.2021 for utilization of BVFCL land in setting up of new Industrial Project under APL. M/s APL vide letter dated 18.01.2021 has also in principle agreed to the proposal.

Further, AIDC vide letter dated 10.03.2021 has requested BVFCL to provide about the details land available for setting up of new industrial unit by APL and accordingly, BVFCL has assessed approximately 14.72 Hectare of encumbrance free land situated adjacent to APL within their periphery. A formal call from APL is yet to be obtained in this regards. Govt. of Assam may kindly take initiative for the same at the earliest.

11. MoU Rating :

The Company had started signing MoU with Department of Fertilizer w.e.f. 2004-05 and Ratings obtained during the year 2019-20 was "Poor".

MoU for the year 2020-21 was signed between the Secretary (Fertilizers),DOF and the CMD, BVFCL on 28.10.2020. MoU parameters are being reviewed in the Quarterly Review Meeting held at Department of Fertilizers regularly.

12. Compliance of various directives of the controlling Ministry and other GoI Ministries/agencies etc.

Govt. of India has set-up many online portals viz. Samanvay, Samadhan, Sambandh, Drishti etc. to monitor various parameters of the CPSEs and the Company is regularly updating these sites with the latest available information and fully complying all the requirements.

Department of Public Enterprises has recently launched eSamikSha portal which is an online Monitoring and Compliance Mechanism, developed to fast track the compliance of pending action-points/proposals/issues/projects/schemes/targets, etc. of various implementing agencies such as Ministries/Departments/Organizations of Government of India, State Governments, Autonomous Bodies, PSUs, etc.

Once the action-points/proposals/issues/targets, etc. are added in the eSamikSha digital platform, system automatically pushes it for the regular interval updation to the respective stakeholder(s), till it get compliance. Monitoring Agency(ies) may obtain various exceptional and compliance status reports on the fly.

This system also facilitates the Monitoring Agency (ies) to further give directions/remarks and send email/SMS to the stakeholder(s) on a particular action-points/proposals/issues/targets etc. Monitoring Agencies(ies) directions/remarks may be prioritized and displayed in different colours to act promptly by the stakeholder(s). The Company has duly nominated its Nodal Officer and is effectively interacting by using the latest GoI portal.

13. Status report towards setting-up of Namrup-IV project:

As the plants are facing ageing problem and they have already surpassed their effective life, so if the establishment of a new project is not immediately expedited, serious interruption in urea production may be resulted because of major failures of the equipments and machineries. Still with the available in-house resources, utmost efforts are being made to continue to run the plants safely till the new project is commissioned.

As per the Cabinet Approval, RFQ was floated on 28.01.2016 and RFP was floated on 17.06.2016. Two bidders viz. M/s Gujarat Fertilizers & Chemicals Limited and M/s Adani Enterprises Ltd. were pre-qualified, but none of them submitted their financial bids in response to RFP. As such, the Two Stage bidding process approved by the Union Cabinet could not be successful, as there was no response from the Bidders for the Request for Proposal.

In view of no response received in PPP mode bidding, a meeting was held on 05.09.2016 at DoF and it was inter-alia decided that a proposal should be put up for setting up the new Ammonia-Urea plant of BVFCL at Namrup (i.e. Namrup-IV) through PSU route. A new initiative was taken by DoF for setting-up of a 12.70 LMTPA NG based plant through nomination route by forming a JV of CPSEs and Govt. of Assam.

A high level meeting of all the stake holders of the proposed Namrup-IV project was held on 21.01.2021 under the chairmanship of Hon'ble Minister for Chemicals and Fertilizers and the following distribution of equity for the project was agreed.

Govt. of Assam 26%

NFL 28%
OIL 18%
RCF 17%
BVFCL 11%

In view of the above, Department of Fertilizers had advised CMD, NFL to prepare and submit the Techno Economic Feasibility Report (TEFR) and detailed demand for Viability Gap Funding (VGF) to make the project successful so that the matter can be taken-up by Department of Fertilizers for approval of the Cabinet.

Accordingly, NFL has initiated the process of updating the TEFR and submission of demand for VGF.

14. Risk Management:

The company had laid down Risk Management Policy for Assessment & Minimization procedures to be reviewed by the Board of Directors on quarterly basis. The possible risks have been identified and grouped under specific responsibility areas such as Feed/Fuel, Plant Operation & Maintenance, Utilities, Environment Regulatory, Business Competition, Market, Finance, Human Resources, Project Management, Information Technology, Legal and Internal Control.

15. Environment & Safety Management:

- i. BVFCL Namrup is committed to work for the protection of environment and it is adhering to all the relevant and applicable laws/rules/ standards etc. viz. The Water (Prevention & Control of Pollution) Act 1974, Air (Prevention & Control of Pollution) Act 1981, Environment Protection Act 1986, Public Liability Insurance Act 1991, Batteries (Management & Handling) Rules 2001 etc. All the returns/reports etc., which are required to be submitted as per various laws/rules/govt. orders are submitted regularly in time. Consent to Operate is renewed by the Pollution Control Board, Assam regularly as per Water Act and Air Act. A policy of Rs.15.00 crores under Public Liability Insurance Act 1991 has been taken to give insurance coverage to the nearby people, in case of disaster.
- ii. All safety norms are strictly followed in BVFCL. Personnel Protective Equipments (PPE) is periodically issued to employees and health check-ups are also carried out. All jobs are executed as per safety norms. BVFCL is also having a well equipped Fire Brigade, which is capable of meeting all regular need. As per Mutual Aid Scheme with the neighboring industries in Dibrugarh and Tinsukia district, external assistance is also available in case any disaster.
- iii. Liquid ammonia is stored in two Horton Spheres of 1500 MT capacity each which are covered by Petroleum Explosives & Safety organization (PESO) licence under Static and Mobile Pressure (Unfired) Rules 2016.
- iv. External Safety Audit for the year 2019-20 has been successfully conducted. Hazop Study was done for the first time along with Risk Assessment Report by engaging the external Consultant, which conducted the Safety Audit. Also the On-site Emergency Plan was updated by the Consultant, as on 01.01.2020.

16. Plastic Waste Management Rules, 2016

The Ministry of Environment Forests and Climate Change (MoEF & CC), Government of India, vide gazette Notification dated 18.03.2016 has specified rules for Plastic Waste Management. The Rules fix the responsibility of local bodies, Gram Panchayat and Waste generators, as well as producers, importers and brand owners for collection and management of plastic waste.

Fertilizer industry falls under the category of brand owners as the fertilizer products are sold in plastic bags that are multi-layered and composed of HDPE/HDPE lined with polypropylene. Hence as per rules, all the Brand Owners who introduce the products in the market have to establish a system or plan for collecting back the plastic waste generated due to their products.

Since fertilizer bags are sold through a large number of sales points in every nook and corner of the North Eastern Region, West Bengal, and Bihar and are being used multiple times by the farmers for storage of their produce etc, collection of these bags is practically impossible. Since these rules apply to the complete fertilizer industry which is finding difficulty in complying with the said notification, Fertilizer Association of India (FAI) took up the matter with MoEF & CC through DoF for exemption of fertilizer industry.

17. Key Opportunities and threats :

i) The Opportunities to the company:

- Scope for exporting of urea to neighbouring states.
- Scope for diversification to produce chemicals and generation of power.
- Diversification into other agricultural products.
- Setting up new brown field project

ii) The Threats to the company:

- Competition from other urea manufacturing companies having lower Energy consumption and lower cost of production.
- Uncertainty of continuation of supply of Natural Gas at a concessional rate.
- Shortage of capital investment due to paucity in fund generation.
- Closure of the company due to high cost of production & un-viability.
- Acute shortage of manpower to run the plants.
- Continuous attrition of qualified and experienced manpower to other CPSUs offering attractive remuneration.
- Delay in establishing a new bigger size project replacing the existing one.

iii) Strength and Weakness:

The strengths of the company:

- i) Entire requirement of feedstock and fuel is being met from APM Natural Gas available at GoI notified price.
- ii) The unit is close to the source of Feed/ Fuel NG.
- iii) Lower absolute cost of production in the units if run without interruption.
- iv) It is the only urea producing company in the entire Assam, North-Eastern States, West Bengal and Bihar where still there is shortfall to the extent of 40 Lakh MT exists.
- v) Transportation advantage for supply of Urea compared to other companies situated outside North-Eastern states of India.

- vi) Lower transportation cost of the natural gas because of location of Namrup plants near to the gas wells.
- vii) Direct and indirect generation of employment in the states of Assam & other North-Eastern states, which are predominantly economically backward.

iv) The Weakness of the company:

- i) Not connected to the National Gas Grid.
- ii) Small capacity of the plants compared to modern standard size plant.
- iii) Old energy inefficient technology inherited from FCIL and HFCL.
- iv) Old age of the plants.
- v) Non-availability of spares due to obsolescence.
- vi) Non-availability of skilled & trained manpower.
- vii) Acute shortage of skilled manpower

17. IT UPGRADATION AND E-GOVERNANCE

I) IT UPGRADATION

During the year under review, your corporation has implemented Web based Video Conferencing Solution, Biometric Attendance System in the Namrup unit. CCTV Surveillance System has been installed in the main locations inside the factory campus and BVFCL Hospital. Installation of CCTV Surveillance System in BVFCL Guest House is in process. Your Corporation has a corporate email service using Rediffmail platform. A Local Area Network covering 150 work stations at different location is in position along with leased line internet facility through managed firewall. Email space has been upgraded from 200 MB to 25GB.

E-payments are being made to all the stakeholders of Your Corporation. POS machines have been installed in Marketing and Finance Departments to cater digital transactions with the customers.

II) E-GOVERNANCE

E learning for officials to upgrade their skill & knowledge level has been implemented.

E-procurement has already been implemented in your corporation for high value transactions. The use of this facility has been extended to include non proprietary items having standard specifications and of value higher than Rs. 5.00 Lakhs. All tenders are uploaded in your Corporation's official website at www.bvfcl.com & Central Public Procurement Portal. Procurement through Government e-Marketing place (GeM) is being utilized. Your Corporation's web site is maintained with updated information. Vacancies/Notices are published in the company's website and the portal of National Career Service. Official Twitter and Facebook account are being maintained with updated information. The web portal ease of doing in Assam (<https://eodb.assam.gov.in/>) is being utilized for obtaining all statutory certificates.

18. INSURANCE

The properties and insurable assets of your corporation such as Plant & Machineries, Building Stocks and others are adequately insured. As required under the provisions of Public Insurance Act, 1991, Your Corporation has taken a policy of Rs. 15 crores to give insurance coverage to the peoples of adjoining areas, in case of any disaster.

19. SECURITY

The security of the Namrup Fertilizer Complex is being monitored by the CISF and in Corporation's township, the security guarding in Public Buildings as well as night patrolling are being monitored by the outsourced private security Agency. Corporation is providing a night patrolling van to local police Authority to keep vigil in and around the Namrup Township for maintenance of peace and tranquility in entire area/township. In order to review the entire security system of BVFCL Factory premises, Security meeting is organised from time to time with CISF Unit Commander and the requirement/infirmity if any highlighted by them are immediately addressed. The management, security staff and the employees of your corporation are sensitized periodically to the security needs of corporation.

At present the sanctioned strength of CISF personnel for deployment in BVFCL factory area is 176. However, joint survey has been carried out in this year with CISF Authority and BVFCL management to reassess the strength of CISF personnel in the corporation. But, final evaluated strength to this effect yet obtain by the corporation from CISF head quarters, New Delhi.

Moreover, with the engagement of 28 nos. of Guards and 3 nos. Supervisors all total 31 nos. Private Security personnel are deployed in entire BVFCL township are on 24*7 hrs. through outsource security agency.

20. INTEGRITY PACT

Your Corporation has implemented Integrity Pact (IP) in all the Procurement of Goods and Services having threshold value of Rs. 1.00 Crores and above after obtaining approval of Board of Directors. Further, the Integrity Pact clause is invariably incorporated in all the Tenders having value more than Rs. One Crore and above.

21. STATUS OF ISO 9001 & 14001 CERTIFICATE

Implementation in Namrup-III Group of Plants and Common Services Departments of BVFCL:

The Certification for ISO 9001:2015 and 14001:2015 are being implemented in Namrup-III group of plants and common services Departments of BVFCL. First Surveillance Audit was successfully conducted in the month of January, 2020. Second Surveillance Audit was successfully conducted in the month of February, 2021. The Audit was done remotely due to COVID 19 pandemic situation through Audio & Video calls using online tools plus required documents were sent through post. Certification Agency: M/s SWISS CERT PRIVATE LIMITED, New Delhi.

Certificates for ISO 9001:2015 and ISO 14001:2015 were obtained w.e.f. 17/01/2019, which is valid till 16/01/2022.

22. INTERNAL CONTROL SYSTEM:

The Company has adequate internal control system in the respective areas of Finance & Accounts supported by Internal Audit and regular management reviews. In the accounting, internal control is exercised right from the preparation of vouchers where each voucher is checked and countersigned by respective senior officers as per delegation of power. The daily

cashbook balance on manual basis is physically counted and checked with the book. Similarly, all bank accounts are also reconciled periodically. Internal control is also exercised for accounting where vouchers including journal vouchers entered into the system are checked and validated before those are accounted for. Every proposal for purchase/works contract or others having monetary involvement are examined as per policy and procedures and reviewed by a committee before taking appropriate decision. Internal Control System includes compliance of all the applicable laws, safety of assets of the company and risk management. The System is reviewed from time to time and action taken for improvement. Internal Audit is conducted by the outside qualified agency supported by the Finance & Accounts Department. Internal Audit examines documents / records / procedures and submits periodical reports for compliance. The Internal Audit Reports and follow up actions thereon are regularly placed before the Audit Committee. Audit Committee regularly reviews the internal audit and adequacy of internal control. As reported by the Internal Audit Firm and the Statutory Auditors of the Company that the check and balance of internal control system in the present accounting software, which is based on the COBOL Programming , needs to be strengthened by replacing the same with the latest accounting software prevailed in the Industry.

23. HUMAN RESOURCE DEVELOPMENT

A. MANPOWER POSITION:

The total manpower status in your corporation as on 31st March 2021 was 499. Reservation of SC/ST/OBC/Ex- Serviceman and Physically handicapped categories in the service are being maintained as per the government directives. The manpower position as on 31.03.2021 was as under: -

Sl. No.	Categories	Nos.	%
1	Scheduled Caste	42	8.42
2	Scheduled Tribe	66	13.23
3	OBC	159	31.86
4	Ex- Servicemen	0	0.00
5	Physically handicapped	1	0.20
6	Women	34	6.81
7	Minority	27	5.41
8	Others	170	34.07
TOTAL		499	100

B. TRAINING :

A report of the Training Records during the FY 2020-21

Due to the spread of COVID pandemic and subsequent lockdown and collateral reasons, in-house programmes could not be conducted as planned. During the year ending on 31st March'2021, only 01 (one) in-house training programmes could be conducted at Training Department. Brief details of the programme is stated as below :

Sl. No	Title of the programme	Level & No. of participants	Date	Faculty
01	Safety Awareness, Fire Fighting & First Aid	Officers = 33 Workmen= 09	26/02/21	Internal: Fire & safety Deptt, Medical Deptt

Webinars: During the year employees attended 03 webinars as detailed below :

Sl. No.	Title	Organised by	Duration	No. of participating officers
01	Women Empowerment for Organisational Excellence'	Integrated Training & Policy Research, New Delhi .	24 th & 25 th July 2020	02
02	Workshop on New Labour Codes 2020	Bloomasia Incorporate, Mumbai	21 & 22 January'2021	01
03	Public Procurement, Procurement, Govt. Marketplace (GeM)	Elntegrated eTraining & Policy Research (ITPR) New Delhi	19 th & 20 th February'2021	02

E-learning : BVFCL management initiated a process for encouraging e-learning amongst the employees on the relevant fields. Accordingly the 03 (three) employees succeeded in e-learning courses as below :

Sl. No.	Title	Organised by	Duration
01	Chemical Process Safety	NPTEL, IIT, Roorkee	Sep-Dec,2020 (12 weeks)

External training programmes :

Sl. No.	Title	Organised by	Venue	Duration	No. of participating officers
01	Advance Training Programme on Continuou s Emission and Effluent Monitoring System	Centre for Science and Environment (CSE), New Delhi	AAETI, Tijara (Rajasthan).	04.03.2021 to 06.03.2021	02
02	Building competencies fo personal excellence	Department of Public Enterprises	Shillong, Meghalaya	22/03/21 to 25/03/21	02

C. INDUSTRIAL RELATIONS REPORT:

The Industrial Relations Scenario during the year was by and large peaceful.

D. ACTIVITIES OF THE COMPANY FOR WELFARE AND ADVANCEMENT OF SCHEDULED CASTES (SCs), SCHEDULED TRIBES (STs), OTHER BACKWARD CLASSES (OBCs) AND PHYSICALLY HANDICAPPED (PH).

Your corporation is following the presidential directive and guidelines/ orders issued by the Government of India from time to time in the matter of reservation in services for SCs, STs and OBCs. Candidates belonging to SC and ST are fully exempted from payment of fee while applying for any post in the Company. However, they are required to pay processing fees.

Your corporation is having one SC/ST/OBC Cell under the Liaison Officer, who initiates necessary action to settle the grievances of the employees belonging to SC/ST community on priority basis and in consultation with SC/ST Associations.

All the welfare facilities of your corporation are also extended to the employees of SC/ST community along with other employees. Our company do not received any allocation of fund under tribal sub-plan from the Govt. of India.

The Annual statement in the prescribed format showing the representation of SCs, STs and OBCs as on 1.01.2021 and Number of appointments made during the preceding calendar year i.e. 2020 is enclosed at **Annexure – 1(C)**.

24. PUBLIC PROCUREMENT POLICY OF MICRO AND SMALL ENTERPRISES (MSES) ORDER, 2012

As per this directive of Government of India, Ministry of Micro, Small and Medium Enterprises, vide order dated 23rd March, 2012 (as amended), your corporation has achieved an overall procurement of products produced and services rendered by Micro, Small and Medium Enterprises to the extent of 39.45% against set amended parameter of minimum of 25% of total annual purchases in the financial year 2020-21. Moreover, percentage of procurement of Goods and Services only from MSEs owned by SC/ST entrepreneurs out of total procurement was 1.35%. During the year, your corporation has achieved overall procurement of products and services rendered by MSE owned by Women Enterprises only of 1.59%. In all Notice Inviting Tenders (NIT) necessary provision has been made stating the Government Guidelines for relaxation applicable to MSEs. All efforts are being made to procure items specified for procurement from MSMEs. Your Company is registered with TReDS platform of Receivable Exchange of India Limited (RXIL), a joint venture by SIDBI and NSE for providing bills discounting facilities to MSME Parties.

25. VIGILANCE

Vigilance Division of the Company is headed by Chief Vigilance Officer (CVO) and the CVO is assisted by a team of Vigilance officers of the Company. Regular and preventive vigilance activities such as surprise checks, vigilance clearance for administrative decisions, enforcement of transfer policy and rotation of officers on sensitive posts was carried out by maintaining close coordination with the Management. The roles and responsibilities of vigilance officers are being monitored and reviewed to bring the focus on systemic improvement.

Due thrust was given to maintain high degree of awareness amongst the employees. In order to impart proper vigilance training vigilance functionaries are being sent at different training institutes for updating their knowledge and skill to bring them in a requisite level and to develop the quality at par the others.

Investigation of complaints received from various sources and follow up of pending departmental action on previous investigated cases was also done with due diligence.

06 (Six) complaints, (03 with DoF and rest 03 with BVFCL) were brought forward from the last year i.e. 2019 — 20; 02 (Two) complaints, one from Insurance Company and similar complaint from CVC portal for necessary action and another complaint was received from other source during the year 2020 — 2021 and these were taken up for investigation. Out of these 08 (Eight) complaints/cases, 04 (Four) cases have been completed & considered for closure/disposed off; based on the Inquiry report submitted to DoF, disciplinary proceedings has been initiated against a senior officer. In another case, after thorough inquiry CVO submitted the investigation report pertaining to one senior executive to Management for disciplinary action which is pending. Rest 02 (Two) cases are pending for decision of Competent Authority i.e. DoF.

Moreover, two issues forwarded to vigilance were thoroughly examined by CVO on special ground and based on the examination report, disciplinary action against one Board level officer was initiated which are in progress.

During the year, interactions were organized between the vigilance functionaries and the line managers on regular basis, with a view to understand the role of vigilance and to educate them on the policies.

'Agreed List of Suspected Officers' and 'List of Officers of Doubtful Integrity' for the year 2019 were reviewed & prepared both the list for the year 2020 and finalized in time in consultation with CMD and CBI, Anti-Corruption Branch, Guwahati, Assam. and a close watch is being kept on the listed officers. A copy of the "Agreed List" and 'List of Officers of Doubtful integrity' for the year 2020 has been furnished to Central Vigilance Commission and Department of Fertilizer for their information & further necessary action.

Property returns on Movable and Immovable property (20% of property returns every year) of the officers is being scrutinized at random to ensure that employees submit timely information to the Management about moveable/immovable transactions and to check whether any of the officers, particularly those posted at senior/sensitive positions, are holding assets which may be termed as disproportionate to their known source of income.

To ensure transparency, emphasis was made on computerization of activities relating to award of contracts, purchases, etc. in line with instructions received from the Department of Fertilizers/Central Vigilance Commission.

Vigilance Awareness Week was observed in the Company w.e.f. 27th October to 2nd November, 2020 in compliance of CVC guidelines in order to create an environment of ethical growth in the Company. As a part of Vigilance Awareness Week slogan and essay competition were held among employees. During the observance, online quiz competition and pencil shade drawing competition were also organized among the school children.

26. WELFARE MEASURES (CORPORATE SOCIAL RESONSIBILITY)

Your Corporation undertakes various welfare schemes for its employees and a host of measures as its Corporate Social Responsibility limited to (the surrounding areas within 8 kms radius). Briefly they comprise of the following:

Besides extending housing and medical facilities to its employees and dependents, your Corporation also provides educational facilities to the children of employees and the wards of the Township and the nearby villages. Your corporation is running one Higher Secondary School, one Kendriya Vidyalaya and one Model Higher Secondary School (English Medium) besides one Primary School and extended its patronage earlier for establishment of Namrup College, one B.Ed College for higher education and establishment of a State Dispensary at Namrup. Your Corporation also extends its helping hand to a Junior College and one Assamese medium school, by providing accommodations within the colony area at concessional rate.

One hospital with modern equipments is available to extend medical facilities to employees & their dependents. Nearby people of the localities and contract workers are also provided treatment at nominal fee.

Your Corporation extends facilities to the public of Namrup and adjoining areas like Drinking Water Facilities, Market, Land for Religious / Cultural and other institutions and accommodation for Telephone Exchange, Post Office, Employment Exchange and Civil Defense Office.

In order to maintain the total socio-cultural harmony of the locality, time to time financial assistance are extended to the nearby educational institutions and other social organizations.

In addition to social security schemes like Provident fund, Gratuity, Pension in the Corporation, the Group Insurance Scheme of LIC in lieu of EDLI, Group Personal Accident Insurance Scheme, Group Savings Linked Insurance Scheme, Medi claim policy and reimbursement Scheme are implemented for the welfare of the employees.

Employees are encouraged to acquire higher qualifications, an area of empowerment which would enable them to go up the ladder in the company as well improve their knowledge and confidence levels.

Moreover, without indulging any gender discrimination, special attention are being paid in taking the appropriate steps for all round development of the female employees in the corporation.

In your Corporation, Corporate Social Responsibility means caring for the society, for the people around us and contributing in every way possible to add value and improving their quality of life.

In this connection, under "Swachh Bharat Abhiyan", some awareness programme have been undertaken from time to time for the employees of BVFCL as well as the residents of its locality and cleanliness drive has been initiated at all offices, public buildings like school, factory canteen, hospital & guest house of BVFCL, daily markets, play grounds and public road sides in BVFCL township.

Further, to fight against COVID pandemic, besides following religiously and proactively the guidelines stipulated by the Concerned Authority from time to time, all necessary steps have been undertaken by BVFCL like awareness Campaign, Oath taking, display of Banners, Posters on COVID-19 related social behavior norms, use of Social Media to spread the awareness so as to reach the messages to maximum citizens of India and supports extended to the District Authority as well.

27. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Corporation has constituted an Internal Complaints Committee under Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 to look into the matters relating prevention of Sexual Harassment of Women employees at the work places. Pursuant to the provisions of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14 of the Rules issued there under, your Company confirms that there has been no complaint of such harassment has been received during the year 2020-21.

**ANNEXURE – 1 (A) TO DIRECTORS'
REPORT FORM – A**

Form for disclosure of particulars with respect to conservation of energy:

A. Power & Fuel Consumption :

	Unit	2020-21	2019-20
(a) Purchased			
Total Unit	Kwh (N-II)	78233	280969
	(N-III)	1344117	938191
Total Cost	Rs. in Lakhs	354.58	319.87
Rate	Rs./ Kwh	24.93	26.24
		0	0
(b) Own Generation			
Total Unit	Kwh (N-II)	86709080	127869870
	(N-III)	2340	4166
Total Cost	Rs. in Lakhs	2.70	3.26
Rate	Rs./ Kwh		
Natural Gas (Billed Quantity)			
(a) For Captive Power Plant			
Total Quantity	SM ³ (N-II)	2461637	19715004
	SM ³ (N-III)	27699737	26000799
Total Cost	Rs. in Lakhs	1488.65	3149.58
Rate	Rs./1000 SM ³	4935.63	6889.48
(b) For Boilers (S.B.,W.H.B.)			
Total Quantity (incl. Canteen)	SM ³ (N-II)	39055	13324052
	(N-III)	55724951	59855856
Total Cost	Rs. in Lakhs	2752.30	5041.72
Rate	Rs./1000 SM ³	4935.63	6889.48
(c) For Feed Stock			
Total Quantity	SM ³ (N-II)	0	31957114
	(N-III)	79993931	72594602
Total Cost	Rs. in Lakhs	3948.20	7203.07
Rate	Rs./1000 SM ³	4935.63	6889.48
(d) For Reformer Fuel*			
Total Quantity	SM ³ (N-II)	0	34618379
	(N-III)	96466028	87187649
Total Cost	Rs. in Lakhs	4761.20	8391.81
Rate	Rs./1000 SM ³	4935.63	6889.48

B. Consumption per MT of production of Urea

	Unit	2019-20	2018-19
Natural Gas			
(i) Feed Stock	SM ³ / MT (N-II)	0	693.41
	(N-III)	616.01	660.52
(ii) Electricity (CPP)	SM ³ /MT (N-II)	1217.43	427.78
	(N-III)	213.31	236.58
(iii) Boilers	SM ³ / MT (N-II)	19.31	289.11
	(N-III)	429.12	544.61
(iv) Reformer Fuel*	SM ³ / MT (N-II)	0.00	751.15
	(N-III)	742.86	793.30
Electricity			
(i) Purchased	Kwh/ MT (N-II)	38.69	6.10
	(N-III)	10.35	8.54
(ii) Generated (CPP)	Kwh/ MT (N-II)	0	0
	(N-III)	657.48	819.72

* Includes NG consumption in Aux. Boiler & Aux. Steam Super Heater also.

**ANNEXURE -1 (B) TO DIRECTORS' REPORT:
FORM B**

**DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION,
FOREIGN EXCHANGE EARNINGS AND OUTGO:**

A.ENERGY CONSERVATION MEASURES:

Both Namrup-II and Namrup-III plants have surpassed their effective economic life and it has been confirmed by process licensors like HTAS and PDIL that no major improvement in performance is possible in these plants due to inherent deficiencies in these plants like small capacity compared to present day standard size plant, unproven technology and obsolete equipments which were long discontinued by the OEMs etc.. It was further reported in 2011 that these plants could be run for another 4 – 5 years and establishment of a new standard size plant based on state-of-the-art technology, after closing the existing units, is the only alternative for long term survival. This has been reflected in the Urea Policy 2015 and subsequent amendments. Due to paucity of fund and not having sufficient payback period, capital investments are restricted to extremely unavoidable cases and on the basis of need to run the plants for next 4 – 5 years.

However, to run the existing plants in economical viable manner till the new plant is commissioned, energy consumption norm fixed by FICC more than 15 years back on ad-hoc basis are required to be reworked because of change in circumstances during the intervening period. M/s PDIL was engaged to review the FICC energy consumption norm of Namrup-II and Namrup-III plants and the report submitted by them has recommended 18.12GCal/MT of urea w.e.f. 01.01.2015 and 13.243 GCal/MT of urea w.e.f. 01.01.2017 for Namrup-II and Namrup-III respectively as the new energy consumption norm to be adopted by FICC. Accordingly, DoF was approached to extend special dispensation to BVFCL plants by approving the enhanced energy consumption norm for Namrup-II and through extending IPP rates as the Concessional Price for the Urea produced from Namrup-III plants.

B.Technology Absorption:

In all the renewal and replacement jobs executed periodically, products with latest available upgraded technology are procured. Some examples are, procurement of multi-whole catalyst in primary reformer, setting-up of Neem Coated Urea facility by in-house expertise, implementation of Online Pollution Monitoring System etc.

Commencement of Liquid Bio Fertilizers:

C.Efforts made by the Company to continue/sustain the production processes despite Covid-19 difficulties:

Due to spread of COVID-19 virus in Assam in general and in Dibrugarh district in particular, utmost care is being taken to stop further spread of virus amongst the employees and other workers as well as to their families and general people.

Employees and workers worked beyond their stipulated duty hours to re-start the Namrup-III plants during lockdown and resume urea production in Namrup-III, as only 10% of the total staff was allowed by the State authorities in view of the strict lockdown. Some of the spares/repairing jobs required external involvement, could be avoided by utilizing own workshops and local vendors as well as maintaining supply chain management.

Sanitary water supply to the township and power supply to the plants and township was maintained during the lockdown period.

There was low stock of Ferric Alum with minimum 15% Alumina and Caustic Soda flex, which are procured from far-off places and transported by road by the manufacturers. However, due to country wide lock down, these items might not be received quickly at the time when Namrup-III plants were expected to be re-started. The consignment of Ferric Alum was yet to be produced by the manufacturer located at Bareilly (UP), which was initially closed due to lock down. On being pursued with the concerned district authorities at UP, production started and the consignment reached at site in time, so that Namrup-III re-start was not delayed. Caustic Soda flex consignment was held-up at interstate entry point, about 1000 km from Namrup and was taken-up with Govt. of Assam for expediting movement of the consignment. In case of non-delivery of these items in time, start-up was likely to be delayed leading to production loss. However, with active support extended by the State authorities, the consignment was immediately allowed to enter the state of Assam.

Some of the precautionary steps taken by the Company to sustain Urea production and marketing despite COVID-19 difficulties are as follows:

- a. BVFCL has followed very religiously and proactively the guidelines stipulated by National Disaster Management Authority, Ministry of Home Affairs and State govt. to combat COVID-19. In this connection, a Committee has been constituted has been constituted by the management to monitor the compliance of guidelines by the stake holders in the Company.
- b. BVFCL is maintaining complete Swachhta in the Factory premises, Township and Market areas and the places are being periodically sanitized to maintain complete hygiene. In the first phase all the places were sanitized using disinfected solution due to immediate non-availability of Sodium Hypo-chloride. In the subsequent phases, the places have been regularly sanitized properly with Sodium Hypo-chloride solution.
- c. Arrangement of quarantine room at BVFCL Hospital with sufficient beds has been done for strict isolation of doubtful patients to prevent the spread of COVID-19. In addition, necessary action has been initiated at BVFCL Hospital for quarantining officials and family members of BVFCL employees who will be coming from the outside state.
- d. During the period, BVFCL had arranged tests from time to time for diagnosis of COVID-19 with the help of District Health Department for the employees and their wards and immediate necessary action was initiated in this regard in all the cases when anybody tested positive for COVID-19. Further, employees were quarantined whenever they have come in direct/ indirect contact with COVID-19 positive persons and other doubtful symptoms.
- e. Duty timing of General Shift has been revised to avoid rush in the factory main gate and to maintain social distance.
- f. Masks were distributed to all the employees including Contractor's workers of BVFCL.
- g. Announcement at the township made regarding precautionary measures to be taken to prevent the spread of COVID-19.

- h. Administration Department was advised to maintain the detail report of persons visiting factory premises/ BVFCL colony from outside & report the same to District Administration.
- i. Liquid hand wash kept at all work places as well as Factory main gate as frequent hand washing kills the virus and prevents the spread of COVID-19.
- j. Thermal scanner installed at Factory Main Gate for regular checking of all who enters into the factory premises.
- k. Material Management Department has been advised to keep aside the materials received from outside for atleast 24 hrs., if not essential and monitoring of proper washing of hand before and after handling of materials.
- l. It has been advised to all to use the 'Aarogyasetu' App for breaking the chain of transmission of COVID-19.
- m. BVFCL took all the challenges in maintaining the production and despatches of urea inspite of the limitations due to COVID-19 pandemic and unprecedented flood situation in the area.

C. R & D Efforts : Nil

D. Benefit derived as a result of R & D : Nil

E. Foreign Exchange

Earning and Outgo

: During the year under review, company has not earned any foreign exchange but expend Rs. 21.73 Lakhs towards purchase of foreign goods for Capital equipment.

ANNEXURE – I (C)

**ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCs, STs and OBCs and PHs AS ON 1ST JANUARY, 2021
AND NUMBER OF APPOINTMENTS MADE DURING THE PRECEDING CALENDER YEAR.**

NAME OF THE PUBLIC ENTERPRISES: BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED, NAMRUP.

Groups	Representation of SCs / STs / OBCs as on 01.01.2021				Number of appointments made during the calendar year 2020											
					By Direct Recruitment Method				By Promotion				By Other Methods			
	Total No. of employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs
1	2	3	4	5	6	7	8	9	10	11	12	13	16	16	16	17
Group A	257	23	23	73	03	-	-	-	-	-	-	-	-	-	-	-
Group B	173	10	35	63	-	-	-	-	30	1	9	9	-	-	-	-
Group C	69	07	06	24	-	-	-	-	1	-	-	1	-	-	-	-
Group D (Excluding Safai Karmachari)	11	01	02	07	-	-	-	-	-	-	-	-	-	-	-	-
Group D (Safai Karmachari)	03	03	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	513	44	66	167	03	-	-	-					-	-	-	-

The representation of physically handicapped manpower as under (included in the above statement):

Group	Total	SCs	STs	OBCs
Group B	-	-	-	-
Group C	1	-	-	1
Group D	-	-	-	-

ANNEXURE - II TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance has been a continuous endeavor in your corporation that cares for an overall well-being and welfare of all the constituent of the system and takes into account the stakeholder's interest at every business decision. Your corporation is committed to pursue growth by adhering to the highest standards of corporate governance. The primary objective is to create and adhere to a corporate culture of consciousness, transparency and openness in creating awareness of corporate vision and spark dynamism and entrepreneurship at all levels. Your corporation believes that governance must balance individual interest with corporate goals and operate within the accepted norms of propriety, equity, fair play and a sense of justice. In your corporation, accountability and transparency are key drivers to improve decision making and rationale behind such decisions to create stakeholders confidence.

I. BOARD OF DIRECTORS:

A. CONSTITUTION OF BOARD

Pursuant to the provisions of Section 2 (45) of the Companies Act, 2013, your corporation is a "Government Company" holding 100% of its paid up share capital by the President of India. Members of the Board of Directors are appointed by the President of India.

B. RESPONSIBILITIES AND EVALUATION PROCESS OF BOARD / COMMITTEE

The responsibilities of Board is to oversee the company's strategic policies, review and monitor corporate performance, ensure regulatory compliance and reviewing the risk minimizing efforts of executive management in the operation of Company. Board is considering appropriate mechanism for evaluating performance of Committees/Board.

C. BOARD / COMMITTEE MEETINGS AND PROCEDURES.

I. Institutionalize decision making process

With a view to institutionalize all corporate affairs and set up systems and procedures for advance planning for matters requiring discussion/ decisions by the Board, your corporation has defined guidelines for the meetings of the Board of Directors and Committee thereof. These guidelines seek to systematize the decision making process at the meetings of Board/ Committees, in an informed and efficient manner. Your corporation's guidelines relating to Board meetings are applicable to Committee Meetings as far as practicable.

II. Scheduling and selection of Agenda items for Board/Committee

Meetings. a. The meetings are convened by giving appropriate advance notice after obtaining approval of the Chairman of the Board/ Committee. To address the specific urgent need, meetings are also being called at a shorter notice. In case of exigencies or urgency, resolutions are passed in circulation.

- b. Detailed agenda containing the management reports and other explanatory statements are circulated in advance amongst the members of the Board/Committee for facilitating meaningful informed and focused decisions at the meetings. Wherever it is not practicable to circulate any document or the agenda is of confidential nature, the same is tabled with the approval of CMD and majority of members present in the meeting. In special and exceptional circumstances, additional or supplementary agenda are being considered subject to the permission of CMD and majority of members present in the meeting of Board/ Committee.
- c. The members of the Board are entitled to access all the information of the corporation and are free to recommend inclusion of any matter in agenda for discussion. In case of need, the senior officials of the corporation are invited to attend the Board/Committee meetings to provide additional inputs relating to the items being discussed and / or giving presentation to the Board/Committee.
- d. The meetings of Board/ Committee are normally held at the registered office of the corporation in Namrup. However, during the year under review, in compliance with the applicable govt. guidelines, company hold one meeting each of Board of Directors and Audit Committee out of the state of Assam.
- e. The agenda papers are prepared by the Sr. executives of concern departments, sponsored by the functional Directors and approved by the CMD. Duly approved agenda papers are circulated amongst the members of the Board/ Committee by the Company Secretary well in advance.
- f. Company Secretary follow up with the concern Department for the action taken reports based on the decisions of earlier Board/ Committee meetings and compiled the reports in consultation with Functional Directors and CMD before including in the agenda of the Board/ Committee meetings.
- g. Minutes of the proceedings of each Board/ Committee meeting are finalized as per the provisions of Secretarial Standard approved by the Central Government within stipulated time. After the finalisation of minutes by the chairman, certified copy of minutes are circulated to all the members of the Board/Committee by the company secretary. These minutes of Board / Committee are noted in the next Board/ Committee meetings, respectively.
- h. The extract of decisions of Board/ Committee are circulated by the Company Secretary to the HODs of concerned Departments for taking necessary actions thereon.
- i. As per the Corporate Governance Guidelines issued by DPE regarding training mechanism of Directors, Board of Directors has approved a Training Policy and undertake to nominate every year at least One Govt. Director, One non official Director and One Functional Director at the convenience of concerned Directors for such training, seminar, conference, conventions sponsored by the prestigious institutions.

III. COMPLIANCE OF LAWS

Executive management is responsible to ensure adherence to all the applicable provisions of laws, rules and guidelines, etc. A quarterly statutory compliance report (collected from all the departments) confirming adherence to all the applicable laws, rules, guidelines, etc. are being reviewed by the Board on quarterly basis.

D. BOARD MEETINGS

During the year under review, 4 (four) meetings of Board of Directors were held, details of which are as under :

Board Meeting No.	Date	No. of Directors attended
101	30.06.2020	4
102	27.11.2020	4
103	24.12.2020	5
104	13.01.2021	6

E. COMPOSITION OF BOARD

As on 31st March, 2021, there were six (06) members in the Board of Directors of the Company, comprises Shri Ashim Kumar Ghosh, Chairman & Managing Director, Shri Digambar Sahai, Director (Production), Shri Subash Chandra Das, Director (Finance), Shri Vinay Kumar Pandey, Govt. Nominee Director (DOF), Shri K. Gurumurthy, Govt. Nominee Director (DOF) and Shri Bipina Bihari Padhy, Non Official Director.

The details of composition and category of Directors, attendance of each Director at the Board Meetings and the last AGM, directorship and membership in committees of other companies for each director of the company are given below.

Name S/Shri	Attendance particulars		Details of Directorship and committee members/ chairman	
	No. of meetings attended during the year	Last AGM Held on 29.12.2020 (Original) and 2.03.2021 (Adjourned)	Details of Directorships in other public limited companies	Details of committee memberships and committee Chairmanship
Functional Directors				
Shri Ashim Kumar Ghosh, Chairman & Managing Director and Director (Production [Additional Charge])(*)	4	Yes (original) Yes (Adjourned)	FAI	Member in Audit Committee -Member in Remuneration Committee
Shri Digambar Sahai, Director (Production) (**)	2	Yes (original) No (Adjourned)	-	Member in Audit Committee -Member in Remuneration Committee
Shri Subash Chandra Das Director (Finance) (***)	2	Yes (original) No (Adjourned)	-	
Part Time Official Directors				
Shri Vinay Kumar Pandey Govt. Nominee Director (****)	4	No (original) No (Adjourned)	-	-Member of Audit Committee -Member in Remuneration

				Committee
Shri K. Gurumurthy Govt. Nominee Director (*****)	1	No	-	-Member of Audit Committee -Member in Remuneration Committee
Non Official Part Time Director				
Bipina Bihari Padhy, Bhubaneswar (*****)	4	Yes (original) No (Adjourned)	-	-Chairman of Audit Committee -Chairman of Remuneration Committee -

(*) Hold Additional Charge of the post of Director (Production) upto 15.11.2020

(**) Assumed the post of Director (Production) w.e.f. 16.11.2020.

(***) Assumed the post of Director (Production) w.e.f. 18.12.2020.

(****) Ceased the Directorship w.e.f. 29.09.2021.

(*****) Assumed the Directorship w.e.f.13.05.2020

(*****) Assumed the Directorship w.e.f.9.05.2020

No Director of the company is a member in more than 10 (ten) committee or is a Chairman of more than five (5) committees across all companies in which he is a Director.

F. CODE OF CONDUCT

Your Corporation has adopted a code of conduct and ethics applicable to the Board of Directors and Senior Management Personnel (DGM and above) of the Company. The code requires Directors and employees to act honestly, fairly, ethically, and with transparency and integrity. The Board of Directors and Senior Management Personnel are required to affirm compliance with the code of conduct on an annual basis. The code has been displayed on the Company's website at www.bvfcl.com. All members of Board of Directors (including Chief Vigilance Officer) and Senior Management Personnel have complied with the code and the compliance has been affirmed by them to that effect. A declaration to this effect, duly signed by the Chairman and Managing Director is placed at **Annexure -II (A)**.

G. INFORMATION PLACED BEFORE THE BOARD OF DIRECTORS

The Executive Management of your Corporation shall present following information before the Board of Directors, either as part of the agenda papers or are tabled/ presented during the course of Board meeting :

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the company and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the Board.
- The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Shows cause, demand, prosecution notices and penalty notices which are materially important.

- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company or substantial non-payment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in human resources/industrial relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

2. AUDIT COMMITTEE:

I. Constitution and Composition

At the end of financial year 2020-21, Audit Committee comprises Four (04) members i.e. Shri Bipina Bihari Padhy, Non Official Director (Chairman); Shri Digambar Sahai, Director (Production); Shri Vinay Kumar Pandey, Govt. Nominee Director (DOF), Shri K. Gurumurthy, Govt. Nominee Director (DOF).

During the year under review, Audit Committee has reviewed the followings business in the meetings:

- i) Quarterly reports of physical verification of Raw Materials, Intermediate, Finished product and Packing materials ;
- ii) Quarterly Internal Audit (Technical) Reports;
- iii) Review Internal Audit Reports
- iv) Review of Annual Accounts of the Company before approval by the Board;
- v) Review of Audit observations of Statutory Auditors and management replies thereon;
- vi) Review comments of C & AG ;
- vii) Review remuneration of Statutory Auditors;
- viii) Review Appointment of Cost Auditors;
- ix) Review of action taken reports on the decisions of earlier Audit Committee meetings.
- x) Management Discussions and Analysis Report;
- xi) Review Certification/declaration of financial statements by the Chairman and Managing Director and Director (Finance) of the Company;
- xii) Review appointment of Internal Auditors of the Company
- xiii) Review appointment of Cost Auditors;
- xiv) Review quarterly/half yearly/Annual cost accounting records;

- xv) Physical verification of weighted packed urea Bags
- xvi) Appointment of registered valuer for valuation of assets of the company
- xvii) Review External Safety Audit Report

Board of Directors of the Corporation has constituted Audit Committee initially in their 12th meeting held on 6.06.2003. The terms of reference of the Audit Committee has been approved by the Board at the time of constitution and modified in 57th meeting of Board of Directors held on 3.06.2011 in line with the guidelines of corporate governance issued by the Department of Public Enterprises (DPE) and Further modified in 76th (Adjourned) meeting held on 10.04.2016 in line with the provisions of Section 177 of the Companies Act, 2013.

II. TERMS OF REFERENCE FOR AUDIT COMMITTEE OF BVFCL

The following are terms of reference of Audit Committee :

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
 4. Reviewing with the management quarterly, half yearly and the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of section 144 (5) of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Qualifications in the draft audit report.
 - h. The going concern assumption.
 - i. Compliance with Accounting Standard.
 - j. Reviewing the company's financial and risk management policies.
 - k. the going concern assumption
 - l. Compliance of Accounting Standard of ICAI
5. Reviewing with the management performance of internal auditors and adequacy of the internal control systems.
6. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
7. Discussion with internal auditors and/or auditors any significant findings and follow up there on.
8. Reviewing the findings of any internal investigations by the internal auditors/auditors/agencies into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
9. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

10. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
11. To review the functioning of the Whistle Blower Mechanism.
12. To review the follow up action on the audit observations of the C&AG audit. 14. To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
14. Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors.
15. Review all related party transactions in the company. For this purpose, the Audit Committee may designate a member who shall be responsible for reviewing related party transactions. A statement in the prescribed format giving details about all related party transactions taken place in a particular year should be included in the Board's report for that year for disclosure to various stakeholders.

Explanation: The term “related party transactions” shall have the same meaning as contained in the Accounting Standard 18, issued by the Institute of Chartered Accountants of India.

16. Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
17. Consider and review the following with the independent auditor and the management:
 - The adequacy of internal controls including computerized information system controls and security, and
 - Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
18. Consider and review the following with the management, internal auditor and the independent auditor:
 - Significant findings during the year, including the status of previous audit recommendations
 - Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.

Explanation: If the company has set up an Audit Committee pursuant to provision of the Companies Act, the said Audit Committee shall have such additional functions/features as contained in these guidelines.

19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
20. Reviewing the company's financial and risk management policies.
21. Valuation of undertakings or assets of the company, wherever it is necessary.
22. Evaluation of internal financial controls
23. Scrutiny of inter-corporate loans and investments.
24. Approval or any subsequent modification of transactions of the company with related parties.

III. POWERS OF AUDIT COMMITTEE

Commensurate with its role, the Audit Committee empowered by the Board of Directors the following:

- (i) To investigate any activity within its terms of reference.
- (ii) To seek information on and from any employee and assess to information contained in the records of the Company.
- (iii) To obtain outside legal or other professional advice, subject to the approval of the Board of Directors.
- (iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.
- v) To have independent back office support and other resources from the company.
- (vi) To protect whistle blowers.

IV. AUDIT COMMITTEE MEETINGS

During the year under review, three (03) Audit Committee Meetings were held.

Audit Committee No.	Date	No. of Directors attended
66	30.06.2021	4
67	27.11.2020	4

Chief Vigilance Officer (CVO) of the Company appointed by the Govt. of India through Department of Fertilizers is the permanent Special Invitee in the Audit Committee meeting of the Corporation. During the year under review, he has attended in all the three meeting of Audit Committee.

V. Company Secretary of the Company acts as the Secretary to the Audit Committee.

3. Tenure of Directors

The age limit of Chairman & Managing Director and other Whole Time Functional Directors is sixty years. The Chairman and Managing Director and the Whole Time Functional Directors of the Company are appointed by the President of India through the Department of Fertilizers for a period of five years from the date of taking charge or till the date of superannuation or till further instructions from the Government of India, whichever event occurs earlier. The Government Directors representing the Department of Fertilizers, Government of India, retires from the Board on ceasing to be officials of the Department of Fertilizers. Independent Directors are appointed by the Government of India for a tenure of three years at a time.

4. Remuneration of Directors

Your company is a wholly owned Central Public Sector Undertaking and being the Government Company under the provisions of Companies Act,2013 and rules made there under, the Functional Directors of the Company are appointed /nominated by President of India through the Ministry of Chemicals and Fertilizers, Department of Fertilizers. The Functional Directors so appointed, draw remuneration under Industrial Dearness Allowance (IDA) pattern of pay scales and as per the terms and conditions issued by Government of India from time to time. The part-time official (Government Nominee) Directors on the Board of the Company do not draw any remuneration from the Company. They only draw regular remuneration from the Department of Fertilizers as Government officials. The Part Time Non Official Directors (Independent) on the Board of the Company entitled for the payment of sitting fee of Rs. 10,000/- for each meeting of the Board and/or Committee and reimbursement of actual travelling,

boarding, lodging and other expenses incurred in connection with the business of the Corporation.

In compliance with the conditions of guidelines issued by the Ministry of Corporate Affairs (MCA) and Department of Public enterprises (DPE), Corporation has constituted/re-constituted remuneration committee of Directors from time to time. As on 31st March, 2021, the Remuneration Committee of the Board of your corporation comprises four members i.e. Non Official Director (Chairman), Director (Production) and two Govt. Nominee Directors on the Board (DOF) viz. Shri Vinay Kumar Pandey and Shri K. Gurumurthy, to decide the Annual Bonus, Variable pay pool and policy for its distribution across the executive and non- unionized supervisors. No meeting of remuneration committee meeting was held during financial year 2020-21. However, 1st meeting held on 24.08.2018 and recommended for framing lease accommodation guidelines for senior executives in the corporation, follow cafeteria approach in perks/allowances, review existing superannuation benefits in compliance of DPE guidelines, which was accepted and approved by the Board of Directors in their 94th meeting held on 27th September, 2018.

In 102nd meeting of Board of Directors held on 27.11.2020, Remuneration Committee was re-constituted comprising members Shri Bipina Bihari Padhy, Non Official Director (Chairman), Shri Digambar Sahai, Director (Production), Shri Vinay Kumar Pandey, Govt. Nominee Director(DOF), Shri K. Gurumurthy, Govt. Nominee Director (DOF)and Shri Y.K.Goel, GM(Marketing & HR) will be convener of the above meeting. The above Committee shall meet at least twice in a financial year and the quorum shall be one-third of its total strength or two members, whichever is higher.

5. Secretarial Audit report

Secretarial Audit Report have been obtained from M/s Pravin Chhajer & Associates, practicing Company Secretary, Guwahati regarding compliance of the conditions V of Voluntary Corporate Governance guidelines issued by the Ministry of Corporate Affairs (MCA) and the management replies on the observations stated in the report are enclosed at **Annexure- II (B) (D)** to the Directors' Report.

6. Compliance Certificate on Corporate Governance guidelines

Compliance Certificate have been obtained from M/s Pravin Chhajer & Associates, Practicing Company Secretary, Guwahati regarding compliance of the conditions of Corporate Governance in accordance with the guidelines issued by Department of Public Enterprises (DPE) is enclosed at **Annexure- II (C)** to the Directors' Report and the management replies to the observations stated in the Compliance Certificate is enclosed at **Annexure- II (D)** to the Directors' Report.

7. CEO /CFO Certification

In compliance of clause no. 4.5 (vi) of the guidelines on corporate governance for CPSEs, 2010 issued by the Department of Public Enterprises (DPE), Chairman & Managing Director and Director (Finance) of the Company give annual certificate on financial reporting and internal controls to the Board of Directors of the Company. The certificate given by the Chairman & Managing Director and Director (Finance) is enclosed at **Annexure-II (E)** to the Directors' Report.

8 WHISTLE BLOWER POLICY

Your company being a Government Company under the administrative control by the Ministry of Chemicals and Fertilizers, Department of Fertilizers is covered under Central Vigilance Commission (CVC). Therefore, as per CVC guidelines, a mechanism has been established in the Company for all its stakeholders to report about any unethical/corruptible behavior, actual or suspected fraud to the CVO or the Chairman and Managing Director directly. No employee has been denied access to the Chairman of the Audit Committee of the BVFCL Board.

9. DISCLOSURES :

- The Company has not entered into any related party transactions with the Directors or their relatives (Disclosure made by directors individually pursuant to Section 184 of Companies Act) having potential interest with the Company at large, which were noted by the Board in its meeting. Transactions with related parties are disclosed in Note No. 2.26 forming part of the Annual Accounts, in line with the Accounting Standard -18 on Related Party Transactions.
- The Company has taken adequate steps to comply with the guidelines on Corporate Governance issued by Department of Public Enterprises (DPE),2010.
- The Company has complied with the Presidential directive received during the financial year 2017-18.
- No items of expenditure debited in the books of accounts, which are not for the purpose of the business.
- No expenditure incurred which are personal in nature and incurred for the Board of Directors and top Management.
- Details of Administrative and Office expenses as a percentage of total expenses vis – a vis financial expenses and reasons for increase are as under :

	2019-20		2018-19		Remarks
	% of Total Exp.	% of Total Finance Exp.(Int.)	% of Total Exp.	% of Total Finance Exp.(Int.)	
Administrative	2.42	Nil	1.27	Nil	
Office Exp.	0.02	Nil	0.03	Nil	

ANNEXURE –II (A) TO DIRECTORS' REPORT

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

In compliance with the clause 3.4.2 of guidelines of Corporate Governance for CPSUs issued by the Department of Public Enterprises, Board has approved the Code of Conduct Rules for all members of Board of Directors and Senior Management of the company, which has been posted on company's website www.bvfcl.com.

All the members of Board of Directors and the Senior Management Executives do hereby affirms the compliance with the above Code of Conduct Rules.

**For and on behalf of
Board of Directors of
Brahmaputra Valley Fertilizer Corpn. Ltd.**

Sd/-

**Siba Prasad Mohanty
Chairman and Managing Director**

**Date :29th November, 2021
Place : Namrup**

ANNEXURE- II (E) TO DIRECTORS' REPORT

Certification of Chief Executive Officer and Chief Finance Officer in compliance of Guidelines on Corporate Governance for CPSEs, 2010

**To,
The Board of Directors
Brahmaputra Valley Fertilizer Corporation
Limited Namrup**

I, Shri Ashim Kumar Ghosh, Chairman and Managing Director and Shri Subash Chandra Das, Director (Finance) of the Brahmaputra Valley Fertilizer Corporation Limited do hereby give certification as per Clause 4.5 (vi) of the Guidelines on Corporate Governance for CPSEs, 2010, that:

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2021 and that to the best of my knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together 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, no transactions entered into by the Company during the financial year ended 31st March, 2021 which are fraudulent, illegal or violates the Company's code of conduct.
- (c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation or such internal control, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee that :
 - (i) There was no significant change in internal control over financial reporting during the financial year ended 31st March, 2021;
 - (ii) There was no significant change in accounting policies during the financial year ended 31st March, 2021; and
 - (iii) We have not come across any instance during the financial year ended 31st March, 2021 of any significant fraud and the involvement of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Sd/-
(Subash Chandra Das)
Director (Finance)
DIN : 08988297**

**Sd/-
(Ashim Kumar Ghosh)
Chairman and Managing Director
DIN : 08222413**

Date : 30.09.2021

Place: Namrup

DIRECTORS' PROFILES

1. Shri Siba Prasad Mohanty, Chairman & Managing Director (From 1.10.2021) [DIN- 05336787]

Shri S. P. Mohanty, Chairman and Managing Director of BVFCL have done his Masters in Business Management from Berhampur University, Odisha. He completed his Executive Development Programme from IIM Lucknow and Advanced Management Programme from IIM, Kolkata.

Sh. Mohanty carries more than 32 years rich and diverse experience primarily in Marketing of Agri Inputs. He has also worked in M/s Rashtriya Chemical & Fertilizers Ltd (RCF), Mumbai, in different capacities from 1989 to 2015. Dr. Mohanty is recipient of "MARKETING MAN OF THE YEAR" Award during 1995 and "BEST EMPLOYEE" Award during 2012 in RCF.

Sh. Mohanty is also in additional charge of CMD, HIL (India) Ltd. Under the Chairmanship of Sh. Mohanty, HIL (India) Limited has been awarded with several Prestigious Awards by renowned Institutions like Bureaucracy Today (CSR Excellence Award), SKOCH Merit Award, FICCI INDIA CHEM, Greentech CSR Award, ET-Now World CSR Award, National Award for Excellence in Rural Marketing by CMO Asia, Rajbhasha Award under Kirti Puraskar Scheme of Rajbhasha Vibhag etc.

Sh. S. P. Mohanty has been conferred honorary Doctorate Degree (D. Litt) by Dr. Radhakrishnan, Teacher's Welfare and R&D Centre affiliated to University of South America. Recently, he has been awarded with the most Influential 50 Rural Marketing Professional of India Award.

He has been awarded "UDYOG RATTAN AWARD" and "EXCELLENCE AWARD" by the Institute of Economic Studies. Sh. Mohanty was also awarded "HINDI GAURAV AWARD" on the occasion of Hindi Divas 2016 by Sh. Kiran Rijuju, Minister of State for Home Affairs, Government of India in the presence of other high dignitaries. Sh. Mohanty has been awarded with BHARAT JYOTI AWARD for meritorious services, outstanding performances and remarkable role by the Governor of Tamil Nadu and Assam. He is also a "FELLOW MEMBER" of Institute of Directors (FIoD), Co-Chairman of FICCI Crop Protection Committee, Executive Member Governing Body of SCOPE. He is also a certified trainer for conducting International Trainings and Lead Speaker on Marketing & Rural Marketing aspects. He has also contributed number of articles and delivered Radio/Television talks on Agriculture Inputs Marketing. Sh. Mohanty has extensively travelled to number of countries namely Australia, Finland, Norway, Denmark, Netherlands, Germany, France and South African Countries in his official capacity. He is a regular faculty member for different Seminars organized by Fertilizer Association of India (Eastern Zone).

2. Shri Ashim Kumar Ghosh, Chairman & Managing Director (Upto 30.09.2021) [DIN- 08222413]

Shri Ashim Kumar Ghosh is a graduate in Mechanical Engineering from NIT Durgapur 1985 batch. He started his career as Junior Executive Trainee (Mechanical) at HFCL Barauni & became Junior Engineer (Mechanical) at HFCL Durgapur. He joined Namrup Fertilizer Unit in March 2003. He worked in HFCL and BVFCL at various capacities in Mechanical discipline before becoming GM (Unit) at BVFCL, Namrup.

His total work experience of around 30 years has been dedicated entirely to the industrial aspects of maintenance, Production planning and operations in Ammonia & Urea plants aiming to overall improvement of plants in terms of capacity utilization, energy consumption & profitability. He played an active role in Namrup Revamp Project and took a lead role in erection & commissioning of Namrup-II group of plants.

He has initiated a number of actions including replacement of Synthesis converter basket, many critical heat exchangers, cooling tower renovation, retrofitting of EMG turbine of Syn. Gas Compressor of N-III, other cost effective measures in the plant leading to the long term sustenance of BVFCL, Namrup Fertilizer plants. From 11th September, 2018, he assumed the post of the Director (Production), BVFCL. W.e.f. 14/10/2019, Shri Ghosh took over the charge of Chairman and Managing Director of BVFCL. He is also Director on the Board of FAI and member of Governing Council of ICCFTR.

3. Shri Digambar Sahai, Director (Production) DIN (0008961963)

Shri Digambar Sahai is a Post Graduate, M.Tech (Mechanical) from IIT, Madras of 1986 batch. He has more than 33 years experience in different industries including 26 years in Ammonia-Urea Fertilizer Plants. He started his industrial carrier as Management Trainee (Mechanical) in Hindustan Fertilizer Corporation Limited, Barauni and worked there for six years. He also worked in Indo Gulf Fertilizer Corporation from 1992 for more than 15 years in various positions from Engineer to Senior Manager in different fields like Maintenance, Total Productive Maintenance and Total Quality Management. He also worked in Jubilant Organosys Limited as Head of Change Management for 3 years. Thereafter he worked for more than 4 years in an Engineering Industry namely Lakshmi Precision Screws Limited as Head of Quality and Total Quality Management. He joined Brahmaputra Valley Fertilizer Corporation Limited, Namrup in December, 2015 as Dy. General Manager (Operation & Instrumentation). He Assumed the charge of Director (Production), BVFCL w.e.f. 16th November, 2020. Shri Sahai is also member of Executive Committee of ICCFTR.

4. Shri Subash Chandra Das, Director (Finance) (DIN-08988297)

Shri Subash Chandra Das has assumed charge of Director (Finance), BVFCL w.e.f. 18th December 2020. He has a rich industry experience of more than 24 years in steel and aluminium sector in premier CPSEs like SAIL & NALCO and private paper industry.

Prior to his present assignment as Director (Finance), BVFCL, Shri Das was working as DGM (Finance), NALCO w.e.f. 22.12.2017. He was in-charge of finance function for wind power projects, Business Development and R&D division of NALCO and also supervising affairs of CSR Trust and superannuation funds of NALCO. Prior to joining NALCO, he

worked in various capacities at Steel Authority of India Limited, Rourkela Steel Plant. During a career span of more than two decades, he garnered experience in the field of Financial Planning and Control, Accounts & Audit, MIS & Budget, fund management & Investment, Commercial and Tax matters etc.

Born on 05.07.1971, Shri Das is a Fellow Member of the Institute of Cost Accountants of India (ICAI) and also an alumnus of Indian Institute of Management Ranchi from where he completed Executive PG Diploma in Management.

Apart from excelling in professional responsibilities, he has been equally active in social activities and community development.

5. Shri K. Gurumurthy, Govt. Director (DIN -08741900)

Shri K Gurumurthy, Director(Budget and Finance),in the Department of Fertilizers, did 4 1/2 Years graduation in Dairy Technology from Andhra Pradesh Agricultural University, Tirupati and LLB from Osmania University. Passed UPSC Civil services 1993 exam and allotted to Central Secretariat Services(CSS). Shri K Gurumurthy is having rich Administrative, Financial and Legal experience and served in the Department of telecommunication, in EPFO and as Director in the Ministry of Corporate affairs and as a registrar in debt Recovery Tribunal, Chennai. From January 2015 to July 2017, worked as OSD to Hon'ble speaker, Andhra Pradesh legislative assembly and as Additional secretary, GAD, Govt of AP till November 2019 and is having full knowledge on Government business rules and was associated in the implementation of E – office in field Offices. As part of Swachh sattenapalli and clean India Message, conceived and implemented an idea in obtaining Guinness world record in the name of Hon'ble speaker and also involved in Guinness world record an organ donation pledge in one hour by 11987 people. Played key role in national women's parliament conclave in 2/2017 which was attended from nook and corner of India by more than 20,000 women participants.

6. Shri Shyam Sundar Agrawal, Govt. Director, DOF (DIN –9351744)

SHYAM SUNDAR AGRAWAL has extensive experience in finance and accounts, with specialities in Project Management, Financial analysis, and Project Finance

Prior to FICC, he has served as Deputy Director in Ministry of Food Processing Industries for 5 years, where he was instrumental in implementation of Mega Food Parks Scheme, a flagship scheme of the ministry, aiming to create a modern food processing infrastructure for the processing units based on a cluster approach and formulation and implementation of Operation Greens Scheme – A Scheme for integrated development of Tomato, Onion and Potato (TOP) value chain. He has also worked with National Pharmaceutical Pricing Authority (NPPA), Department of Pharmaceutical, Ministry of Chemical & Fertiliser for 5 years, where he was doing Cost based pricing of APIs, Market based pricing of formulations, Monitoring & Enforcement of price control, Recovery of overcharging amount from delinquent companies. Prior to joining Government of India, He worked in Mahanagar Telephone Nigam Limited (MTNL) for about 8 years.

He is a 2002 Batch Chartered Accountant and has also cleared 2 levels of Chartered Financial Analyst (CFA, USA).

7. Shri Vinay Kumar Pandey, Govt. Director, DOF (DIN- 008529023)

Shri Vinay Kumar Pandey (ISS, 2004 Batch), working as Director in the Department of Fertilizers, is the Govt. Nominee Director on the BVFCL Board. He did his M.Sc in Statistics from Banaras Hindu University, Varanasi in 1999 and qualified CSIR (NET) also for Lecturership. He was in Government service from December, 1999 as Investigator in National Sample Survey Organisation and served at Khandwa, M.P. and Allahabad, U.P. He got selected for Indian Statistical Service (ISS) in 2004. He has served in the field offices (Gwalior, M.P. & Raipur, Chhattisgarh) of Ministry of Statistics & Programme Implementation. He is posted in Delhi since September, 2010 and has served in Department of Expenditure, M/o Finance, Ministry of Labour & Employment and Ministry of Water Resources, River Development and Ganga Rejuvenation before joining as Director in the Department of Fertilizers in December, 2018.

8. Shri Bipina Bihari Padhy, Non Official Director (DIN -01859238)

Shri Bipina Bihari Padhy (DIN – 01859238) aged about 65 years is a fellow member of the Institute of Chartered Accountant of India and presently practicing as Chartered Accountant since, 2013. He is a senior partner in very old firm M/s. Anil Mihir & Associates, Chartered Accountants Bhubaneswar, having offices in different locations of the country and have a vast experience in Internal, Statutory and Concurrent Audit of Nationalized Banks and PSUs. Earlier to 2013, he served as Financial Head in various industrial sectors of Odisha Government like Construction, Metal, Chemicals, Electronics, Real Estate Regulator, etc. During his 38 years service career, gained extensive experience in the field of Finance, Audit, Legal, Secretarial matters, Banking, Urban Development, Electronics, etc.

He possess additional qualifications such as Bachelor of Law from Behrampur University, Company Secretary (Inter). He is also associated with various social activities.

He has been appointed by the Govt. of India as a Non Official Director (Independent) on the Board of BVFCL on 1.05.2020 and assumed charge w.e.f. 9.05.2020

9. Shri Rabi Ranjan Sen, Non Official Director (DIN : 09400040)

Shri Rabi Ranjan Sen is an Associate Professor and Head of the Department of History at Katwa College, West Bengal. He has done M.A. and M.Phil in History from JNU, New Delhi, and has been teaching since 2002. He has researched and written on various topics like 18th Century Maharashtra, renaissance figures of 19th Century Bengal, spread of Yogic culture in the West, etc. He contributes regularly to periodicals on Indian history, culture, heritage and thought, especially Vedantic and socio-religious movements.

He has been active in social and educational activities since his student days and is currently deeply involved with nurturing of educational institutions and facilities in rural areas and among marginalised communities in West Bengal. He has been a Member of Rashtriya Uchha Shiksha Ayog (State Higher Education

Council), Govt. of Madhya Pradesh, from 2014-2018 and also Member (Visitor's Nominee), Executive Council, North-Eastern Hill University, Shillong from 2017 2020.

He has been appointed by the Govt. of India as a Non-Official Director on the Board of BVFCL on 02.11.2021.

CORPORATE GOVERNANCE CERTIFICATE

To,
The Members,
BRAHMAPUTRA VALLEY FERTILIZER COPORATION LIMITED
CIN: U24123AS2002GOI006786
P.O. Parbatpur, Namrup, Dibrugarh (Assam)-786623

We have examined the Compliance of Conditions of Corporate Governance by **BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED ("The Company")** for the year ended on **31st March 2021** as stipulated in the guidelines on Corporate Governance for Central Public Sector Enterprises, 2011 as amended issued by Ministry of Heavy Industries and Public Enterprises, Government of India.

The Compliance of Conditions 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 Conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the Conditions of Corporate Governance as stipulated in the above mentioned Corporate Governance for Central Public Sector Enterprises, 2010 as amended issued by Ministry of Heavy Industries and Public Enterprises, Government of India, as applicable except few observations made during the course of our Audit.

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

All mandatory conditions of the said guidelines were complied subject to following observations:-

- 1) During the course of our Audit, it was observed that the number of Independent Directors on the Board of Directors, Audit committee, Remuneration committee of the Company were not as per the guidelines issued on Corporate Governance for Central Public Sector Enterprises, 2010, issued by Ministry of Heavy Industries and Public Enterprises, Government of India. It was also observed that during the current Financial year 2021-22, the adequate number of Independent Directors on the Board of the Company were appointed by the Government of India as per Corporate Governance guidelines.***
- 2) During the course of our Audit, it was observed that Annual Compliance Report (2020-21) in respect of CPSE's on implementation of Policies and guidelines issued by Department of Public Enterprise (DPE) were reported to the administrative Ministry specified. Few DPE guidelines pertaining to HR and administration matters are under the consideration of management for compliance. Further, similar observations were also reported in the Earlier Secretarial Audit report issued to the Company. The Board of directors are advised to take necessary action in this regard.***
- 3) During the course of our audit, it was observed that the Company has not held any meeting of Remuneration Committee. The meeting of the Board of Directors held on 27/11/2020, also decided to hold at least two meetings of the Remuneration Committee provided that at least one meeting to be conducted in each half of the calendar year.***

4) During the Course of our audit, it was observed that the CSR Committee of the Company was dissolved as the Company is a loss making unit and the criteria enumerated in the provisions of Section 135 of the Companies Act, 2013 regarding the Corporate Social Responsibility has ceased to attract the Company.

Date: 27.11.2021
Place: GUWAHATI

FOR PRAVIN CHHAJER & ASSOCIATES
COMPANY SECRETARIES

UDIN: A025787C001573553

SD/-
(PRAVIN KUMAR CHHAJER)
Proprietor
M. No.: A25787
COP: 9231

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021
Pursuant to section 204(1) of the Companies Act, 2013 and
Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

To,
The Members,
BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED
CIN: U24123AS2002GOI006786
P.O. Parbatpur, Namrup, Dibrugarh (Assam)-786623

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that:-

- a.Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
- b.We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c.We have not verified the correctness and appropriateness of the financial statement of the Company.
- d.The compliance of the provisions of the Corporate and other applicable Laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verifications of procedures on test basis.
- e.The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31ST day of March, 2021 ("audit period")**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED**. ("**The Company**") for the financial year ended on **31st March, 2021** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Other Laws specifically applicable to the Company.

We have also examined compliance with the applicable clauses of the following:-

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) Corporate Governance Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, Government of India.
- c) Corporate Governance for Central Public Sector Enterprises, 2010 issued by Ministry of Heavy Industries and Public Enterprises, Government of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above **except our observation in Note-1** subject to observation as under:

We further report that:-

The status of the Company during the financial year has been that of an Unlisted Public sector Company and all the shares are held in the name of President of India and officials of Department of Fertilizers, Govt. of India.

The Board of Directors of the Company is duly constituted **except inadequate number of Independent Directors** on the board which is not as per guidelines of Corporate Governance for Central Public Sector Enterprises, 2010 issued by Ministry of Heavy Industries and Public Enterprises, Government of India.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, (except at few board meeting when consent was received from the directors to hold meeting at shorter notice on urgent matters) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes. The Company has also recorded few comments received from the Board of Directors in the minutes of the Company.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company had no specific events / actions which have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

We further report that during the audit period there were no instances of:

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities

- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

Date: 23.11.2021
Place: GUWAHATI
UDIN: A025787C001573509

FOR PRAVIN CHHAJER & ASSOCIATES
COMPANY SECRETARIES

SD/-
(PRAVIN KUMAR CHHAJER)
Proprietor
M. No.: A25787
COP: 9231

Note:1

- 3. During the course of our Audit, it was observed that the number of Independent Directors on the Board of Directors, Audit committee, Remuneration committee of the Company were not as per the guidelines issued on Corporate Governance for Central Public Sector Enterprises, 2010, issued by Ministry of Heavy Industries and Public Enterprises, Government of India. It was also observed that during the current Financial year 2021-22, the adequate number of Independent Directors on the Board of the Company and respected committee were appointed and complied with the guidelines issued on Corporate Governance for Central Public Sector Enterprises, 2010, issued by Ministry of Heavy Industries and Public Enterprises, Government of India.*
- 2 During the course of our Audit, it was observed that Annual Compliance Report (2020-21) in respect of CPSE's on implementation of Policies and guidelines issued by Department of Public Enterprise (DPE) were reported to the administrative Ministry specified. Few DPE guidelines pertaining to HR and administration matters are under the consideration of management for compliance. Further, similar observations were also reported in the Earlier Secretarial Audit report issued to the Company. The Board of directors are advised to take necessary action in this regard.*
- 3 During the course of our audit, it was observed that the Company has not held any meeting of Remuneration Committee. The meeting of the Board of Directors held on 27/11/2020, also decided to hold at least two meetings of the Remuneration Committee provided that at least one meeting to be conducted in each half of the calendar year.*
- 4 During the Course of our audit, it was observed that the CSR Committee of the Company was dissolved as the Company is a loss making unit and the criteria enumerated in the provisions of Section 135 of the Companies Act, 2013 regarding the Corporate Social Responsibility has ceased to attract the Company.*

ANNEXURE- II (D) TO DIRECTORS' REPORT

MANAGEMENT REPLIES ON THE OBSERVATIONS OF CORPORATE GOVERNANCE CERTIFICATE AND SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR 31ST MARCH, 2021

S. No.	Observations	Management replies
1	During the course of our Audit, it was observed that the number of Independent Directors on the Board of Directors, Audit committee, Remuneration committee of the Company were not as per the guidelines issued on Corporate Governance for Central Public Sector Enterprises, 2010, issued by Ministry of Heavy Industries and Public Enterprises, Government of India. It was also observed that during the current Financial year 2021-22, the adequate number of Independent Directors on the Board of the Company were appointed by the Government of India as per Corporate Governance guidelines	Statement of Fact.
2	During the course of our Audit, it was observed that Annual Compliance Report (2020-21) in respect of CPSE's on implementation of Policies and guidelines issued by Department of Public Enterprise (DPE) were reported to the administrative Ministry specified. Few DPE guidelines pertaining to HR and administration matters are under the consideration of management for compliance. Further, similar observations were also reported in the Earlier Secretarial Audit report issued to the Company. The Board of directors are advised to take necessary action in this regard.	The necessary corrective actions are being taken to implement the relevant DPE guidelines related to HR and Administration matters as advised in the current financial year.
3	During the course of our audit, it was observed that the Company has not held any meeting of Remuneration Committee. The meeting of the Board of Directors held on 27/11/2020, also decided to hold atleast two meetings of the Remuneration Committee provided that at least one meeting to be conducted in each half of the calendar year.	There are changes in the composition of Remuneration Committee from time to time. Now, after the changes in the composition of Board of Directors, the remuneration and other committee will be re-constituted by the Board in due course. The necessary compliance will be made in this regard.
4.	During the Course of our audit, it was observed that the CSR Committee of the Company was dissolved as the Company is a loss making unit and the criteria enumerated in the provisions of Section 135 of the Companies Act, 2013 regarding the Corporate Social Responsibility has ceased to attract the Company.	Statement of Fact.

Brahmaputra Valley Fertilizer Corporation Limited, Namrup

Revised Management Replies on the observations stated in independent Audit Report for the financial year ended 31st March, 2021.

STATUTORY AUDITORS' OBSERVATIONS	MANAGEMENT REPLY
<p>3. Material Uncertainty Related to Going Concern The net worth of the Company has been totally eroded, as the net worth of the Company is in negative of Rs. 25128.04 Lakhs.</p> <p>The company is continuously running in loss and this year also the company has incurred loss of Rs. 13775.24 Lakhs, which has geared up the accumulated loss to Rs. 61711.28 Lakhs against its Share Capital of Rs. 36583.24 Lakhs. .</p> <p>Thus apparently it seems that the Company existence of Going Concern is under doubt unless and until the company would get some major Financial Reshuffle or Support from Govt.</p>	<p>Financial Statements of the company has been prepared on a going concern basis. Management is responsible for assessing the Company's ability to continue as a going concern and BVFCL being a CPSU in core sector & lead fertilizer supplier cater to the requirement of entire north eastern states. GoI/ BVFCL management has no intention to cease the operation of the company because of erosion in net worth.</p>
KEY AUDIT MATTERS :	
<p>4.1 The current reporting period loss of Rs. 13775.24 Lakhs is after accounting of prior period net income of Rs. 358.41 Lakhs. Thus without considering Prior Period income the Company real current year loss is of Rs. 14133.65 Lakhs.</p>	<p>Statement of Fact.</p>
<p>4.2 The Company has not paid or provided for liability of Renewal Purchase Obligation for the Financial Year 2014-15 to 2020-21 Rs. approx 666.92 Lakhs (calculated as per last traded rate of REC certificates was updated on June – 2020 as per Indian Energy Exchange Website) .</p>	<p>The Company has not paid or provided for liability of Renewable Purchase Obligation for the Financial Year 2015-16 to 2020-21 approximating Rs.666.92 Lakhs (calculated as per last traded rate of REC certificates during June, 2020 as per Indian Energy Exchange Website) Excluding GST and IEX charges. In this regard an appeal for exemption of RPO was filed before Regulatory Authority. Assam Electricity Regulatory Commission advised BVFCL management to raise the issue of non compliance of RPO with</p>

	<p>MNRE through MoC&F. Board in its 105th meeting has authorized Executing Management to approach Ministry of New & Renewable Energy, GoI through DoF to get the exemption for BVFCL from the compliance of Orders of AERC Regulatory Authorities.</p>
<p>4.3 As per FICC Regulation, the Company is entitled to claim the subsidy only after clearance of stock from ultimate Point of Sale, i.e ultimate sell to the agricultural consumers. But the Company has accounted Subsidy Income in the Financial Year 2020-21 amounting to Rs.1276.28 Lakhs without clearance of Stock from ultimate Point of Sale (i.e. on the POS stock 20176.121 MT lying with whole sellers and retailers as on 31.03.2021)..</p> <p>The BVFCL management has explained that the company has accounted subsidy income of Rs. 1276.28 lakhs on the POS stock, as per past precedence and the BVFCL managements are putting their best efforts to liquidate the BVFCL neem coated urea stock from whole sellers to retailers and from retailers to end users.</p>	<p>Revenue is recognized when performance obligation is satisfied by the company by transferring control of goods or services to the customer (i.e. dealer/ whole seller) and it is probable that consideration will be received regardless of when the payment is actually received.</p> <p>As regards the urea stock of 20176.21 MT lying with whole seller/ dealers, retailers etc. as on dated 31.03.2021, the entire quantity has been fully liquidated before 15.06.2021 through POS sale & Accordingly subsidy bills have been submitted to DoF & settled thereafter.</p>
<p>4.4 There is reported POS Stock of 20176.121 MT against the total Sale of 1,37,569.455 MT of Urea during the year. Thus around 2 months of the urea sales is reported to lying as POS Stock, in spite of very high demand of urea and scarcity of supply of Urea. Internal Auditor has reported substantial shortage of Physical Stock of Urea in cases of verification of go down stock of two dealers out of 4 verified dealers on 11.02.2020 at Tinsukia. Thus the chances of misappropriation / diversion of urea stock in black market cannot be denied by the designated wholesalers. This shows complete lacking of Internal Control System of Dealers Stock by the BVFCL Management.</p>	<p>BVFCL urea stock of 20176.121 MT as on 31.03.2021 has been liquidated before 15/06/2021. The total PoS sale up to 15th June'21 is 22447.755 MT and corresponding subsidy has already been reimbursed through weekly DBT bill.</p> <p>Audit observation is noted regarding discrepancy in physical & book stocks of the concerned dealers. Suitable instructions will be issued to all field Marketing officials to periodically visit all the dealers and verify the physical stocks and give report to Management if any deviation is observed.</p>

<p>4.5 As per physical verification report produced by the management, the Company has found shortage of Finished Goods of only 20.865 MT of Urea Stock out of total Opening & Production stock of 1,44,490.345 MT Stock of Urea. Thus as per physical verification report there is only nominal shortage of Urea Stock of around 0.01%. As per newspapers report dated 28th August 2021 the local police has arrested two marketing officials of BVFCL on 29/08/2021 on the alleged excess bag unloading of Urea Stock found at Tinsukia Railway Yard. The incident of arrest of two marketing officers on alleged involvement in dispatch of excess bag itself reveals the lacking of internal control system on dispatch of Urea Stock from Production Department to Marketing Department and also from Marketing Department to Railway Loading Yard / Truck Consignments. This issue also raises suspicion on proper accounting of production of Urea Stock, in view of very normal shortage of Urea Stock on physical verification but the incident of unaccounted dispatch of Urea Stock.</p>	<p>The quantity of shortage of Finished Goods of 20.865 MT was the figure that had been found in the Physical Stock Verification in the fourth quarter ending 31st March, 2021 which was well within the approved norm. This has been already put up to Audit Committee in its 69th Meeting dated: 13/05/2021. The nominal shortage of Urea stock of around 0.01% pertains to the 1st quarter of FY 2021-22 which is yet to be taken note by the Audit Committee and for the 2nd quarter of 2021-22 will be done after 30th September 2021. Regarding dispatch of excess bags of Urea through Railway, the matter is under investigation by Namrup Police Station as well as by Vigilance Deptt. The reports are awaited. After occurrence of this event, internal control system has been further strengthened by way of deployment of sufficient numbers of officials to supervise/counting of bags during wagon loading activities.</p>
<p>4.6 The Company has allowed credit sales of Rs. 1056.29 Lakhs as at 31st March 2021 to 131 Dealers (all Non Govt. and/ or Non PSU dealers) against their Security Deposits amounting to Rs. 346.48 Lakhs, thus there is excess credit limit allowed to the Pvt. Dealers amounting to Rs.709.81 Lakhs</p> <p>The BVFCL management has explained that credit sale without adequate security cover were allowed on trading goods only and not on the own manufactured products of Urea & Bio Fertilizer. But we were not in a position to verify this contention of the management, as the Company do not maintain separate account ledgers of the dealers for sale of own</p>	<p>Entire sale of BVFCL owns products i.e. Urea, Vermi-compost & Bio fertilizer are done only after receipt of payment from the dealers. Only trading products are allowed for sale on credit basis. For business growth of the company & improvement in Topline, credit period are normally allowed to the dealers for traded product. In case of trading product there is no involvement of BVFCL working capital. After realization of amount against credit sale from dealer's the amount is paid to suppliers. As sale of trading product is made on credit basis due to this reasons Rs. 1056.90 lakh stands as</p>

<p>Manufactured Goods and Sale of Trading Goods, in spite of specific direction of Audit Committee Meeting dated 27th November 2020 that “existing practice of consolidated accounting of Urea & Trading business in the books of accounts of the company is not proper and desired that it should be kept under separate accounting heads with immediate effects.”</p>	<p>debtors and Rs. 1651.87 lakh stands as creditors as payable to supplier as on 31.03.2021. From beginning BVFCL product & trading products were booked jointly in accounts. As we are using unify and COBOL based old FAS accounting software and system could not generate separate ledger for own and trading product. After proposed implementation of “ERP-SAP system”, separate accounting to be maintained in r/o each product.</p>
<p>4.7 Trade Receivables of Rs. 852.42 Lakhs (Notes 2.12) includes claim for subsidy receivables from Ministry Rs. 2.25 Lakhs (of the Year 2010) which seem to be not realizable.. The BVFCL Management has explained that the company is still hopeful to get back the subsidy receivable from Ministry of Rs. 2.25 lakhs.</p>	<p>Rs. 2.25 lakh as receivable from Ministry stands in accounts from 2010 is noted and required provision will be made in next financial year 2021-22.</p>
<p>4.8 Short Term Loans and Advances Rs. 3538.12 Lakhs (Note 2.14) includes Input Credit on account of GST Rs. 3033.33 lakhs, whereas as per GST portal electronic credit ledger balance as on 31st March 2021 is Rs. 3223.63 lakhs.</p>	<p>Statement of Fact</p>
<p>4.9 Short Term Loans and Advances Rs. 3538.12 Lakhs (Note 2.14) includes prepaid expenses of Rs. 70.39 Lakhs paid to the various Transporters during the Financial Year 2016-17 to 2020-21 against their produced bill in respective Financial Years. But the Company has not booked the corresponding expenditure against this prepaid expenses in the year of availing the services. The management has explained that the company shall reconcile all these payments of Rs. 70.39 lakhs with the respective party ledgers and if require shall pass the due adjustment entries in FY 2021 – 22</p>	<p>Statement of fact. Rs. 11.90 lakh is being reconciled for the FY 2019-20.</p>

<p>4.10 Other Current Assets Rs. 268.06 Lakhs (Note 2.15) includes Sundry Debtors Estate of Rs. 216.31 Lakhs (Original dues of Rs. 413.88 lakhs Less Provisions for Doubtful Debts Rs. 197.57 Lakhs), against one year accounted income of Rs. 243.55 Lakhs (Note 2.17). Thus almost 10 months accounted income is still blocked as arrear receivables from Tenant. BVFCL has granted tenancy right to others on the guarantee of BVFCL Employee(s), however BVFCL has never exercised to revoke such guarantee of its employee to recover the dues from defaulting tenants. Further out of total 2726 Quarters 124 Quarters are reported to be vacant, 2 Quaters under unauthorized Occupation and 209 Quarters declared as unfit, but the exact status report of the these 335 Quarters could not be furnished by the management , even on the requisitions made by the Internal Auditors.</p>	<p>Regarding recovery & liquidation of outstanding dues from defaulters, the following actions have been taken:</p> <ol style="list-style-type: none"> 1. Minimum two Notices issued to defaulters. 2. In case no positive response comes from defaulters after receipt of minimum two notices, cases are reported to the Estate Court for recovery and eviction from quarters. 3. As on date, 25 cases are under disposal of the Estate Court. <p>Regarding exact status report of the 335 quarters, the report was already been submitted to the Internal Audit on 31/05/2021.</p>
<p>4.11 Financial Concurrence System in BVFCL is currently monitored and guided by a three pages Inter Office Memorandum dated 12/12/2015 by the then Deputy Finance Manager to the then CMD of BVFCL, proposing to exercise the Financial Concurrence Right by the different ranks of BVFCL officials based on volume of expenditures. The then CMD by his note dated 12/12/2015 has recommended on the said IOM to form a committee to re-design the existing DOP. But the Company has not formed any such committee till date and thereby the company is continuously adopting the said IOM dated 12/12/2015 for exercising of Financial Delegation and Concurrence. The Financial delegation power proposed in the IOM dated 12/12/2015 is only a half hearted draft without complying the guideline of General Financial Rule applicable on PSU and also not vetted by the Board of the Company.</p> <p>As per Audit Committee minutes dated 24th December 2020, the Audit</p>	<p>As per the recommendation of 68th Audit Committee and 103rd Board meeting held on 24.12.2020, the powers of CMD are required to be sub-delegated to the Functional Directors & below board level executives in appropriate manner. For that matter a committee has been constituted on 18.02.2021 to prepare & finalize the draft DoP for adoption by BoD. Draft DoP is in the process of finalization.</p>

Committee was informed that the draft delegation of power (DOP) of CMD, BVFCL, has been prepared after thoroughly examining each point by the constituted Committee in the light of DOP of NFL, RCF & BCPL. After detailed deliberation, Audit Committee recommends the proposed DOP of CMD, BVFCL and powers are required to be sub - delegated by CMD to the Functional Director of the Company in appropriate manner, as early as possible for approval of the Board. While Sub Delegating powers by CMD, there must be a three tiers system adopted and followed in the entire organization always. Further Audit Committee stressed that , while finalisation of delegation of powers, the provision contained in GFR and observations of Statutory Auditors and the three system suggested by the BOD to be followed at all stages, so that there will be value addition in decision making and also to ensure internal check and Balance. The BOD Committee on the same day also approved the recommendation of Audit Committee.

However, the Company has not yet finalised the DOP, as suggested by the Audit Committee & BOD.

The Company has even seen to superseded the prescribed financial delegation power proposed in the stated IOM dated 12/12/2015, as the financial concurrence for expenditure beyond of Rs. Fifty Lakhs were seen to be granted merely on the recommendation of Two Tier Delegation System.

Few Examples of such cases are:

Name of Work	Name of Contractors	Designation of Officers involved in granting and recommending Financial Concurrence.	Date of award of Contract	Total work Value (Rs. in Lakhs)
Urea Reactor	M/s.	DGM (F) &	05.10.2020	94.28

bottom hemisphere liner petals replacement job of Urea-III Plant on nomination to single party.	Associated works Infra Pvt. Ltd.	CMD			
Handling of Urea for dispatch from BVFCL Plants	M/s. Chetia Infracom	DFM (I/C) & CMD	30.09.2020	81.24	
Handling of Urea for dispatch from BVFCL Plants	M/s. Chetia Infracom	DFM (I/C) & Director Finance	31.07.2020	670.11	

As per Board Resolution dated 30th June 2020, the Company Management was directed to place the details of contracts awarded on nomination/ single tender basis before the Board every quarter in compliance of CVC guidelines. However the Company Management seems to be totally non compliant on this direction of Board.

The BVFCL is a PSU and hence it is bound to follow the proper internal control and internal checks mechanism on all of its Financial Transactions and must exercise more vigil checks and controls particularly on granting the concurrence for high volume of Financial Transactions. But the instances of allowing to bypass the internal control mechanism (even of highest slab of Financial Transactions) from the hand of a sitting middle officer cannot be treated as vigil checks and controls of Financial Transactions.

Further the Company is adopting the very old pattern of L1 Price Criteria instead of adopting to 'Weighted average method of Quoted Price & Technical Experience of bidders' for granting Financial Concurrence even for the appointment of specialize services providers like appointment of Technical Consultants, Internal Auditors etc. and thereby indirectly debarring entry to the more deserving and specialized professionals/ technical experts and ultimately the company is being deprived of from getting best specialize services within time bound due to failure vendors in delivering the accepted assignments (like non implementation of ERP System by the appointed consultants M/s Alfa Links Technologies, Bangalore even after wasting of must time and energy of the BVFCL Officials.

Finance Department acts as a facilitator to the executing department in various ways such as pointing out deficiencies for necessary corrections, giving the appropriate suggestions in case of faulty procedures being followed, helping the negotiation team by providing commercial data, etc. In view if the latest changes made in the Companies Act 2013, enhancing the role of statutory auditors and in view of CSG's reports on mega corruptions, particularly in 2G spectrum scam, commonwealth games scam and other scams, it would be prudent to have and independent finance concurrence department with due scope of proper internal control in all PSUs who ensures that the policies, systems, procedures and delegation of powers laid-down by the management are compiled in all respects.

Department of Expenditure (under Ministry of Finance, Govt. of India has prescribed General Financial Rules 2017. General Financial Rules (GFRs) are a compilation of rules and orders of Government of India to be followed by all while dealing with matters involving public finances. These rules and orders are treated as executive instructions to be observed by all Departments and Organizations under the Government and specified Bodies. The BVFCL is a Central Govt. Undertaking and hence its Financial Delegation and Concurrence must be in accordance with the Guidelines of General Financial

<p>Rules 2017 and the said Financial Delegation and Concurrence Power must also be duly vetted by the Board of Directors of the Company.</p>	
<p>4.12 The MSMED Act, 2006 specifies 45 day credit period for the recipient of any goods or services to pay to the MSME supplier. In case the buyer fails to make payment as required under Section 15 of the Micro Small and Medium Enterprises Development Act, the buyer is liable to pay compound interest with monthly rests to the supplier for delayed period beyond 45 days, on the amount, payable at three times the bank rate notified by Reserve Bank of India as provided under Section 16 of the MSMED Act, 2006. But the Company has not paid/ provided for prescribed interest to the buyers in case of delayed payment beyond 45 days.</p> <p>The Company has explained that as per Purchase Order/ Work Order, there is no provision for interest on delay payment made to MSME. But this explanation is not the suitable compliance of the MSMED Act, 2006</p>	<p>The company is releasing timely payment to all MSME vendors within the stipulated period of 45 days as per the MSMED Act 2006 except cases where the required invoices or any other related documents for payments are not in order or delayed in presentation of bills by the vendors.</p> <p>Therefore interest amount due to MSMED parties during the year is not due/accrued or payable.</p>
<p>4.13 The company could not produce for our verification the Independent HR Audit Report, as directed by the Board in its Meeting dated 30th June 2020, inspite of facing some legal disputes with some of its Ex employee and current employees, relating to experience certificate/ false declaration etc. In absence of HR Audit, we are unable to comment on the possibilities of crystalising of some more legal disputes with employee.</p>	<p>Although HR Audit is not a statutory /mandatory requirement, still BVFCL has conducted the HR Audit M/s Sandeep Mukherjee Consulting Services, Kolkata for a comprehensive assessment of HR activities and bring more effectiveness into observance of HR policies, procedures & systems. The consultant has submitted their draft report which is under process of finalization</p>
<p>4.14 Due to lack of time and Statutory Constraints for involving our self in deep investigation audit, we could not examine the complaints levied in mail dated 12th August 2021 (also addressed to CAG) , received from Shri Sanjai Maheshwari {Ex Director Finance Cum CMD (Additional Charge)}</p> <p>describing in more than 1000 Pages the details of complaint against Corruption, Malpractices & Unprofessional Business activities into affairs of</p>	<p>Observation of Audit is noted as they are unable to comment on the Financial Implication and lack of Internal Control measures, as alleged in the e-mail dated 20.09.2021 of Ex-Director (Finance).</p> <p>Disciplinary proceeding was initiated against Shri</p>

<p>Brahmaputra Valley Fertilizer Corporation Limited (BVFCL) by past & present CMD, BVFCL in deep collusion with CVO, BVFCL(Mr. Prabhas Kumar) and senior officials of BVFCL & Department of Fertilizers. Hence we are unable to comment the Financial Implication and lacking of Internal Control measures, as alleged in the said letter. The Hon'ble CAG may investigate the allegations, as per their own discretions.</p> <p>However, prima facie, we have observed that HR Department of BVFCL has intentionally violated the provisions of Section 10 of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 by way of illegal obstruction in granting NOC from its side and paved the way for illegal withholding of genuine EPF Claim of Shri Sanjai Maheshwari, even in spite of clear direction of Finance Department vide Ref. No. A/VI/PF/20-21/1505 dated 14.09.2020 that there is protection against attachment of EPF money and it cannot be withheld.</p>	<p>Sanjai Maheshwari, Ex-Director (Finance) before superannuation. In such cases, final settlement of retirement dues are made after conclusion of disciplinary proceedings by Vigilance. Due to the pendency of vigilance clearance, PF amount could not be paid immediately. Subsequently legal opinion was obtained from our empanelled Advocate pertaining to release/ withhold of retirement dues of Shri S. Maheshwari, Ex-Director (Finance). After receipt of legal opinion, the matter was appraised to Ministry of Chemical & Fertilizers and the Ministry also agreed to release of PF amount. Accordingly, his accumulated PF dues alongwith interest has been paid to Shri Sanjai Maheshwari on 10.08.2021.</p>
<p>4.15 The Company is processing only some portion of accounting transactions through IT System and that too present established IT system is outdated and is not full proof.</p> <p>Major Accounting System within BVFCL Factory Premises is being operated through COBOL 85 on UNIX Operating System, however remote located centers at Noida accounting is being done in Tally Accounting System. However, Guwahati is sending manual monthly Trial Balance. COBOL 85 on UNIX Operating is too old system of accounting. This operating system is outdated. The present installed Operating System COBOL 85 on UNIX Operating System at Factory Premises is integrated for MM Department, Store Accounting Department & Central Account Department only. Quarterly summarized Trail Balance of Sales Department, HR Department and remote located centres (NOIDA & Guwahati) are being manually merged into Central Accounts by passing consolidated manual Journal vouchers for each centers. This is the main reason of delay in updation of Central Account Trail Balance. Further BVFCL Central Accounts is unable</p>	<p>For a long term solution & considering the recent notification of MCA for adoption of Accounting Software with audit trail, Executive Management has approved for implementation of SAP ERP through Consultant. In this regard company is in the process of floating RFQ for appointment of consultant for SAP Implementation. ERP-SAP is expected to be roll out during FY 2022-23.</p>

to access data details related to Trail Balance of remote centers. Thus the present installed system of Accounting software is unable to generate real time accounting MIS. The present operating system follows batch processing which is not a real time processing system. This system is a command based system and the reports are not generated in MS-Excel or MS-Word, thereby rendering possibility of only manual analysis of the reports generated. This consumes a lot of time and energy of all concerned, including the employee and the auditors, in analysis of the reports.

Since all of the financial data are not incorporated in the COBOL 85 UNIX Operating System. Therefore, there is compelled dependency on Subsidiary Ledgers to get extracted the realistic financial records of a single ledgers. Internal Auditor of the company has pointed out differences between main ledger and subsidiary ledgers in a few instances thereby raising a doubt on the accuracy and the reliability of the system. Further many subsidiary ledgers of the Company is being maintained in Excel Based Sheets, which is not at all full proof, as the possibility of un authorised tempering of such data and possibility of getting alteration of balances of any particulars individual ledgers at any time cannot be denied.

In order to overcome the shortcomings of the present system, a new system of IT Accounting needs to be put in place at the earliest, so that the complete financial records of BVFCL can be incorporated in a single IT System with full proof recording and safety of all recorded financial transactions with no chances of tampering of the recorded Financial Transactions..

Management Replies on the observations stated in Revised independent Audit Report (Annexure-A) dated 22.11.2021 on the financial year ended 31st March, 2021.

STATUTORY AUDITORS' OBSERVATIONS	MANAGEMENT REPLY
<p>i) b) The Company is actually having intangible assets in the form of computer software amounting to Rs. 1.70 lakh and the company has maintained proper records for this.</p> <p>However, the Company has also disclosed another expenditure of Rs. 715.68 Lakhs under intangible Assets (project), which is really the pre-operative expenditure related to proposed brown field Ammonia /Urea Project-complex (Namrup-IV) , But these expenditure are not in the nature of Intangible assets and should be classified and depicted as Tangible Assets –Capital work-in-progress instead of depicting the same under Intangible Assets (Projects).</p>	<p>We noted the observation of the Statutory auditor. Intangible assets like goodwill, licenses, trademarks, patents are not available with BVFCL, But intangible assets like software for an amount of Rs. 1.70 Lakh is shown as net value under note no. 2.9 in the Balance Sheet.</p> <p>Noted for compliance in next financial year.</p>



75
आजादी का
अमृत महोत्सव

कार्यालय महा निदेशक लेखा परीक्षा
(कृषि, खाद्य एवं जल संसाधन), नई दिल्ली
Office of the Director General of Audit
(Agriculture, Food & Water Resources), New Delhi



गोपनीय

रिपोर्ट/2-66/डी.जी.ए./ए.एफ.&डब्ल्यू.आर./Company/A/cs/BVFCL/2020-21/

दिनांक :- /11/2021

सेवा में,

अध्यक्ष और प्रबंध निदेशक,
ब्रह्मपुत्र वैली फर्टिलाइजर कॉर्पोरेशन लिमिटेड,
नामरूप, पी.ओ.
परबतपुर -786623,
जिला - डिब्रूगढ़ (असम)

विषय: भारत के नियन्त्रक एवं महालेखापरीक्षक द्वारा कम्पनी अधिनियम 2013 के अनुच्छेद 143(6)(b) के अंतर्गत ब्रह्मपुत्र वैली फर्टिलाइजर कॉर्पोरेशन लिमिटेड के 31 मार्च 2021 को समाप्त वर्ष के वित्तीय खातों पर शून्य टिप्पणियाँ ।


महोदया,

इस पत्र के साथ कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत ब्रह्मपुत्र वैली फर्टिलाइजर कॉर्पोरेशन लिमिटेड के 31 मार्च 2021 को समाप्त वर्ष के वित्तीय खातों पर शून्य टिप्पणियाँ भेजी जा रही हैं।

कृपया इस पत्र की पावती भेजने की कृपा करें ।

भवदीया,

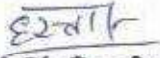
संलग्न: यथोपरी


(कीर्ति तिवारी)

महानिदेशक लेखापरीक्षा (कृषि, खाद्य एवं जल संसाधन)

रिपोर्ट/2-66/डी.जी.ए./ए.एफ.&डब्ल्यू.आर)/Company/A/cs/BVFCL/2020-21/ दिनांक: /11/2021

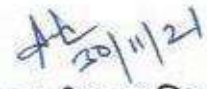
ब्रह्मपुत्र वैली फर्टिलाइजर कॉरपोरेशन लिमिटेड को शून्य टिप्पणी प्रमाणपत्र की प्रति के साथ प्रेषित प्रति, भारत के नियन्त्रक एवं महालेखापरीक्षक, (RC-स्कंध) नई दिल्ली को सूचना एवं आवश्यक कार्यवाही हेतु अग्रेषित है।


(कीर्ति तिवारी)

महानिदेशक लेखापरीक्षा (कृषि, खाद्य एवं जल संसाधन)

रिपोर्ट/2-66/डी.जी.ए./ए.एफ.&डब्ल्यू.आर)/Company/A/cs/BVFCL/2020-21/ दिनांक: /11/2021
4857 12

प्रति उप-निदेशक, कार्यालय महानिदेशक लेखा परीक्षा (कृषि, खाद्य एवं जल संसाधन), शाखा कार्यालय कोलकाता को सूचना एवं आवश्यक कार्यवाही हेतु अग्रेषित है।


वरिष्ठ लेखा परीक्षा अधिकारी (प्रतिवेदन)

COMMENTS OF THE COMPTROLLER AND AUDIT GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED FOR THE YEAR ENDED 31st MARCH 2021

The preparation of financial statements of Brahmaputra Valley Fertilizer Corporation Limited for the year ended 31st March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 22nd November, 2021 which supersedes their earlier Audit Report dated 27th September, 2021.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Brahmaputra Valley Fertilizer Corporation Limited for the year ended 31st March 2021 under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revision made in the statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditor's report under section 143(6)(b) of the Act.

For and on the behalf of the
Comptroller and Auditor General of India

Sd/
(Keerti Tewari)
Director General of Audit
(Agriculture, Food & Water Resources)

Place: New Delhi

Dated: 30th November, 2021

CA

**Independent Auditor's Report
For the Financial Year 2020-21
To the Members of
Brahmaputra Valley Fertilizer Corporation Limited**



Independent Auditor's Report
For the Financial Year 2020-21
To the Members of Brahmaputra Valley Fertilizer Corporation Limited
(in short BVFCL)

1. Opinion: We have audited the accompanying financial statements of Brahmaputra Valley Fertilizer Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss, and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements (including a summary of significant accounting policies and other explanatory information).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss and cash flows for the year ended on that date.

2. Basis for opinion:

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

3. Material Uncertainty Related to Going Concern

The net worth of the Company has been totally eroded, as the net worth of the Company is in negative of Rs. 25128.04 Lakhs.

The company is continuously running in loss and this year also the company has incurred loss of Rs. 13775.24 Lakhs, which has geared up the accumulated loss to Rs. 61711.28 Lakhs against its Share Capital of Rs. 36583.24 Lakhs.

Thus apparently it seems that the Company existence of Going Concern is under doubt unless and until the company would get some major Financial Reshuffle or Support from Govt.



Independent Auditor's Report
For the Financial Year 2020-21
To the Members of Brahmaputra Valley Fertilizer Corporation Limited
(in short BVFCL)

4. Key audit matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of Key Audit Matters as per SA 701, are not applicable to this Company, as it is an unlisted company.

However, we draw attention to read this Audited Statements with due emphasis on under mentioned Key Matters:

- 4.1 The current reporting period loss of Rs. 13775.24 Lakhs is after accounting of prior period net income of Rs. 358.41 Lakhs. Thus without considering Prior Period income the Company real current year loss is of Rs. 14133.65 Lakhs.
- 4.2 The Company has not paid or provided for liability of Renewal Purchase Obligation for the Financial Year 2014-15 to 2020-21 Rs. approx 666.92 Lakhs (calculated as per last traded rate of REC certificates was updated on June - 2020 as per Indian Energy Exchange Website).
- 4.3 As per FICC Regulation, the Company is entitled to claim the subsidy only after clearance of stock from ultimate Point of Sale, i.e. ultimate sell to the agricultural consumers. But the Company has accounted Subsidy Income in the Financial Year 2020-21 amounting to Rs.1276.28 Lakhs without clearance of Stock from ultimate Point of Sale (i.e. on the POS stock 20176.121 MT lying with whole sellers and retailers as on 31.03.2021).

The BVFCL management has explained that the company has accounted subsidy income of Rs. 1276.28 lakhs on the POS stock, as per past precedence and the BVFCL managements are putting their best efforts to liquidate the BVFCL neem coated urea stock from whole sellers to retailers and from retailers to end users.



Independent Auditor's Report
For the Financial Year 2020-21
To the Members of Brahmaputra Valley Fertilizer Corporation Limited
(in short BVFCL)

- 4.4 There is reported POS Stock of 20176.121 MT against the total Sale of 1,37,569.455 MT of Urea during the year. Thus around two months of the urea sales is reported to lying as POS Stock, inspite of very high demand of urea and scarcity of supply of Urea. Internal Auditor has reported substantial shortage of Physical Stock of Urea in cases of verification of godown stock of two dealers out of 4 verified dealers on 11.02.2020 at Tinsukia. Thus the chances of misappropriation / diversion of urea stock in black market can not be denied by the designated wholesalers. This shows complete lacking of Internal Control System of Dealers Stock by the BVFCL Management.
- 4.5 As per physical verification report produced by the management, the Company has found shortage of Finished Goods of only 20.865 MT of Urea Stock out of total Opening & Production stock of 1,44,490.345 MT Stock of Urea. Thus as per physical verification report there is only nominal shortage of Urea Stock of around 0.01%. As per newspapers report dated 28th August 2021 the local police has arrested two marketing officials of BVFCL on 29/08/2021 on the alleged excess bag unloading of Urea Stock found at Tinsukia Railway Yard. The incident of arrest of two marketing officers on alleged involvement in dispatch of excess bag itself reveals the lacking of internal control system on dispatch of Urea Stock from Production Department to Marketing Department and also from Marketing Department to Railway Loading Yard / Truck Consignments. This issue also raises suspicion on proper accounting of production of Urea Stock, in view of very normal shortage of Urea Stock on physical verification but the incident of unaccounted dispatch of Urea Stock.
- 4.6 The Company has allowed credit sales of Rs. 1056.29 Lakhs as at 31st March 2021 to 131 Dealers (all Non Govt. and/ or Non PSU dealers) against their Security Deposits amounting to Rs. 346.48 Lakhs, thus there is excess credit limit allowed to the Pvt. Dealers amounting to Rs. 709.81 Lakhs

The BVFCL management has explained that credit sale without adequate security cover were allowed on trading goods only and not on the own manufactured products of Urea & Bio Fertilizer. But we were not in a position to verify this contention of the management, as the Company do not maintain separate account ledgers of the dealers for sale of own Manufactured Goods and Sale of Trading Goods, in spite of specific direction of Audit Committee Meeting dated 27th November 2020 that " existing practice of consolidated accounting of Urea & Trading business in the books of accounts of the company is not



Independent Auditor's Report
For the Financial Year 2020-21
To the Members of Brahmaputra Valley Fertilizer Corporation Limited
(in short BVFCL)

proper and desired that it should be kept under separate accounting heads with immediate effects.”

- 4.7 Trade Receivables of Rs. 852.42 Lakhs (Notes 2.12) includes claim for subsidy receivables from Ministry Rs. 2.25 Lakhs (of the Year 2010) which seem to be not realizable.
The BVFCL Management has explained that the company is still hopeful to get back the subsidy receivable from Ministry of Rs. 2.25 lakhs.
- 4.8 Short Term Loans and Advances Rs. 3538.12 Lakhs (Note 2.14) includes Input Credit on account of GST Rs. 3033.33 lakhs, whereas as per GST portal electronic credit ledger balance as on 31st March 2021 is Rs. 3223.63 lakhs.
- 4.9 Short Term Loans and Advances Rs. 3538.12 Lakhs (Note 2.14) includes prepaid expenses of Rs. 70.39 Lakhs paid to the various Transporters during the Financial Year 2016-17 to 2020-21 against their produced bill in respective Financial Years. But the Company has not booked the corresponding expenditure against this prepaid expenses in the year of availing the services.
The management has explained that the company shall reconcile all these payments of Rs. 70.39 lakhs with the respective party ledgers and if require shall pass the due adjustment entries in FY 2021 - 22.
- 4.10 Other Current Assets Rs. 268.06 Lakhs (Note 2.15) includes Sundry Debtors Estate of Rs. 216.31 Lakhs (Original dues of Rs. 413.88 lakhs Less Provisions for Doubtful Debts Rs. 197.57 Lakhs), against one year accounted income of Rs. 243.55 Lakhs (Note 2.17). Thus almost 10 months accounted income is still blocked as arrear receivables from Tenant. BVFCL has granted tenancy right to others on the guarantee of BVFCL Employee(s), however BVFCL has never exercised to revoke such guarantee of its employee to recover the dues from defaulting tenants. Further out of total 2726 Quarters 124 Quarters are reported to be vacant, 2 Quarters under unauthorised Occupation and 209 Quarters declared as unfit, but the exact status report of the these 335 Quarters could not be furnished by the management, even on the requisitions made by the Internal Auditors.



Independent Auditor's Report
For the Financial Year 2020-21
To the Members of Brahmaputra Valley Fertilizer Corporation Limited
(in short BVFCL)

- 4.11 Financial Concurrence System in BVFCL is currently monitored and guided by a three pages Inter Office Memorandum dated 12/12/2015 by the then Deputy Finance Manager to the then CMD of BVFCL, proposing to exercise the Financial Concurrence Right by the different ranks of BVFCL officials based on volume of expenditures. The then CMD by his note dated 12/12/2015 has recommended on the said IOM to form a committee to re-design the existing DP. But the Company has not formed any such committee till date and thereby the company is continuously adopting the said IOM dated 12/12/2015 for exercising of Financial Delegation and Concurrence. The Financial delegation power proposed in the IOM dated 12/12/2015 is only a half hearted draft without complying the guideline of General Financial Rule applicable on PSU and also not vetted by the Board of the Company.

As per Audit Committee minutes dated 24th December 2020, the Audit Committee was informed that the draft delegation of power (DOP) of CMD, BVFCL, has been prepared after thoroughly examining each points by the constituted Committee in the light of DOP of NFL, RCF & BCPL. After detailed deliberation, Audit Committee recommends the proposed DOP of CMD, BVFCL and powers are required to be sub - delegated by CMD to the Functional Director of the Company in appropriate manner, as early as possible for approval of the Board. While Sub Delegating powers by CMD, there must be a three tiers system adopted and followed in the entire organization always. Further Audit Committee stressed that, while finalisation of delegation of powers, the provision contained in GFR and observations of Statutory Auditors and the three system suggested by the NOD to be followed at all stages, so that there will be value addition in decision making and also to ensure internal check and Balance. The BOD Committee on the same day also approved the recommendation of Audit Committee.

However, the Company has not yet finalised the DOP, as suggested by the Audit Committee & BOD.



Independent Auditor's Report
For the Financial Year 2020-21
 To the Members of Brahmaputra Valley Fertilizer Corporation Limited
 (in short BVFCL)

The Company has even seen to superseded the prescribed financial delegation power proposed in the stated IOM dated 12/12/2015, as the financial concurrence for expenditure beyond of Rs. Fifty Lakhs were seen to be granted merely on the recommendation of Two Tier Delegation System.

Few Examples of such cases are:

Name of Work	Name of Contractors	Designation of Officers involved in granting and recommending Financial Concurrence.	Date of award of Contract	Total work Value (Rs. in Lakhs)
Urea Reactor bottom hemisphere liner petals replacement job of Urea- III Plant on nomination to single party.	M/s. Associated works Infra Pvt. Ltd.	DGM (F) & CMD	05.10.2020	94.28
Handling of Urea for dispatch from BVFCL Plants	M/s. Chetia Infracom	DFM (I/C) & CMD	30.09.2020	81.24
Handling of Urea for dispatch from BVFCL Plants	M/s. Chetia Infracom	DFM (I/C) & Director Finance	31.07.2020	670.11



Independent Auditor's Report
For the Financial Year 2020-21
To the Members of Brahmaputra Valley Fertilizer Corporation Limited
(in short BVFCL)

As per Board Resolution dated 30th June 2020, the Company Management was directed to place the details of contracts awarded on nomination/ single tender basis before the Board every quarter in compliance of CVC guidelines. However the Company Management seems to be totally non compliant on this direction of Board.

The BVFCL is a PSU and hence it is bound to follow the proper internal control and internal checks mechanism on all of its Financial Transactions and must exercise more vigil checks and controls particularly on granting the concurrence for high volume of Financial Transactions. But the instances of allowing to bypass the internal control mechanism (even of highest slab of Financial Transactions) from the hand of a sitting middle officer can not be treated as vigil checks and controls of Financial Transactions.

Further the Company is adopting the very old pattern of L1 Price Criteria instead of adopting to 'Weighted average method of Quoted Price & Technical Experience of bidders' for granting Financial Concurrence even for the appointment of specialize services providers like appointment of Technical Consultants, Internal Auditors etc. and thereby indirectly debarring entry to the more deserving and specialized professionals/ technical experts and ultimately the company is being deprived of from getting best specialize services within time bound due to failure vendors in delivering the accepted assignments (like non implementation of ERP System by the appointed consultants M/s Alfa Links Technologies, Bangalore even after wasting of must time and energy of the BVFCL Officials.

Finance Department acts as a facilitator to the executing department in various ways such as pointing out deficiencies for necessary corrections, giving the appropriate suggestions in case of faulty procedures being followed, helping the negotiation team by providing commercial data, etc. In view if the latest changes made in the Companies Act 2013, enhancing the role of statutory auditors and in view of CSG's reports on mega corruptions, particularly in 2G spectrum scam, commonwealth games scam and other scams, it would be prudent to have an independent finance concurrence department with due scope of proper internal control in all PSUs who ensures that the policies, systems, procedures and delegation of powers laid-down by the management are compiled in all respects.



Independent Auditor's Report
For the Financial Year 2020-21
To the Members of Brahmaputra Valley Fertilizer Corporation Limited
(in short BVFCL)

Department of Expenditure (under Ministry of Finance, Govt. of India has prescribed General Financial Rules 2017. General Financial Rules (GFRs) are a compilation of rules and orders of Government of India to be followed by all while dealing with matters involving public finances. These rules and orders are treated as executive instructions to be observed by all Departments and Organizations under the Government and specified Bodies. The BVFCL is a Central Govt. Undertaking and hence its Financial Delegation and Concurrence must be in accordance with the Guidelines of General Financial Rules 2017 and the said Financial Delegation and Concurrence Power must also be duly vetted by the Board of Directors of the Company.

- 4.12 The MSMED Act, 2006 specifies 45 day credit period for the recipient of any goods or services to pay to the MSME supplier. In case the buyer fails to make payment as required under Section 15 of the Micro Small and Medium Enterprises Development Act, the buyer is liable to pay compound interest with monthly rests to the supplier for delayed period beyond 45 days, on the amount, payable at three times the bank rate notified by Reserve Bank of India as provided under Section 16 of the MSMED Act, 2006. But the Company has not paid/ provided for prescribed interest to the buyers in case of delayed payment beyond 45 days.

The Company has explained that as per Purchase Order/ Work Order, there is no provision for interest on delay payment made to MSME. But this explanation is not the suitable compliance of the MSMED Act, 2006.

- 4.13 The company could not produce for our verification the Independent HR Audit Report, as directed by the Board in its Meeting dated 30th June 2020, inspite of facing some legal disputes with some of its Ex employee and current employees, relating to experience certificate/ false declaration etc. In absence of HR Audit, we are unable to comment on the possibilities of crystalising of some more legal disputes with employee.



Independent Auditor's Report
For the Financial Year 2020-21
To the Members of Brahmaputra Valley Fertilizer Corporation Limited
(in short BVFCL)

- 4.14 Due to lack of time and Statutory Constraints for involving our self in deep investigation audit, we could not examine the complaints levied in mail dated 12th August 2021 (also addressed to CAG) , received from Shri Sanjai Maheswari {Ex Director Finance Cum CMD (Additional Charge)} describing in more than 1000 Pages the details of complaint against Corruption, Malpractices & Unprofessional Business activities into affairs of Brahmaputra Valley Fertilizer Corporation Limited (BVFCL) by past & present CMD, BVFCL in deep collusion with CVO, BVFCL(Mr. Prabhas Kumar) and senior officials of BVFCL & Department of Fertilizers. Hence we are unable to comment the Financial Implication and lacking of Internal Control measures, as alleged in the said letter. The Hon'ble CAG may investigate the allegations, as per their own discretions.

However, prima facie, we have observed that BVFCL Management has violated the provisions of Section 10 of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 by way of illegal withholding of genuine EPF Claim of Shri Sanjai Maheswari.

- 4.15 The Company are processing only some portion of accounting transactions through IT System and that too present established IT system is outdated and is not full proof.

Major Accounting System within BVFCL Factory Premises is being operated through COBOL 85 on UNIX Operating System, however remote located centers at Noida accounting is being done in Tally Accounting System. However, Guwahati is sending manual monthly Trial Balance. COBOL 85 on UNIX Operating is too old system of accounting. This operating system is outdated. The present installed Operating System COBOL 85 on UNIX Operating System at Factory Premises is integrated for MM Department, Store Accounting Department & Central Account Department only. Quarterly summarized Trail Balance of Sales Department, HR Department and remote located centres (NOIDA & Guwahati) are being manually merged into Central Accounts by passing consolidated manual Journal vouchers for each centers. This is the main reason of delay in updation of Central Account Trail Balance. Further BVFCL Central Accounts is unable to access data details related to Trail Balance of remote centers. Thus the present installed system of Accounting software is unable to generate real time accounting MIS. The present operating system follows batch processing which is not a real time processing system. This system is a command based system and the reports are



Independent Auditor's Report
For the Financial Year 2020-21
To the Members of Brahmaputra Valley Fertilizer Corporation Limited
(in short BVFCL)

not generated in MS-Excel or MS-Word, thereby rendering possibility of only manual analysis of the reports generated. This consumes a lot of time and energy of all concerned, including the employee and the auditors, in analysis of the reports.

Since all of the financial data are not incorporated in the COBOL 85 UNIX Operating System. Therefore, there is compelled dependency on Subsidiary Ledges to get extracted the realistic financial records of a single ledgers. Internal Auditor of the company has pointed out differences between main ledger and subsidiary ledgers in a few instances thereby raising a doubt on the accuracy and the reliability of the system. Further many subsidiary ledgers of the Company is being maintained in Excel Based Sheets, which is not at all full proof, as the possibility of an authorised tempering of such data and possibility of getting alteration of balances of any particulars individual ledgers at any time can not be denied.

In order to overcome the shortcomings of the present system, a new system of IT Accounting needs to be put in place at the earliest, so that the complete financial records of BVFCL can be incorporated in a single IT System with full proof recording and safety of all recorded financial transactions with no chances of tampering of the recorded Financial Transactions..

5. Information other than the financial statements and auditors' report thereon:

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report & Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Independent Auditor's Report
For the Financial Year 2020-21
To the Members of Brahmaputra Valley Fertilizer Corporation Limited
(in short BVFCL)

6. Management's responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

7. Auditor's responsibilities for the audit of the financial statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for



Independent Auditor's Report
For the Financial Year 2020-21
To the Members of Brahmaputra Valley Fertilizer Corporation Limited
(in short BVFCL)

one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and we have duly placed our doubt on the company existence of going concern under the reporting Head Material Uncertainty Related to Going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Independent Auditor's Report
For the Financial Year 2020-21
To the Members of Brahmaputra Valley Fertilizer Corporation Limited
(in short BVFCL)

8. Report on other legal and regulatory requirements:

8.1 As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraph 3 and 4 of "the Order", to the extent applicable.

8.2 As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- e) In pursuance to the notification No GSE 829(E) dated 21.10.2003, issued by the Department of Company Affairs; section 164(2) of the Companies Act, 2013 pertaining to disqualification of Directors is not applicable to a Government Company.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the amount of pending litigation on its financial statement under Note 2.28 as contingent liability, however the company has not disclosed the impact of its pending litigation on its financial position.
 - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



Independent Auditor's Report
For the Financial Year 2020-21
To the Members of Brahmaputra Valley Fertilizer Corporation Limited
(in short BVFCL)

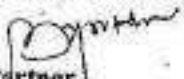
8.3 With respect to the other matters to be included in the Auditors' Report in terms of the directions of the Comptroller and Auditor General of India (C&AG) under Section 143(5) of the Act and on the basis of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we give in the "Annexure C" statements on the matters specified in the Directions and Sub-directions of Comptroller & Auditor General of India.

For PARIK & CO

Chartered Accountants:

FRN: 302147E

CAG Empanelment No: ER0855


Partner

CA Bipin Kumar

ICAI Membership No. 059805

UDIN:21059805AAAAP6605

Place : 27.09.2021

Date : Guwahati.



Brahmaputra Valley Fertilizer Corporation Limited
Annexure A to the Independent Auditor's Report for the Financial Year 2020-21
Referred to in paragraph 8.1 of Independent Auditor's Report to the members of the
Company on the Financial Statements.

We report that:

- i) a) (A) *The company has maintained computerized records showing particulars and value of Property, Plant & Equipments. Since all of the Property, Plant & Equipments of the company is confined to one place i.e. Namrup (Assam) only therefore the company has not maintained the specific situations of its Fixed Assets in its Fixed Assets Register.*
 (B) *The Company has not reported any intangible assets in its Financial Statement, therefore maintenance of records wrt intangible assets is not applicable on company.*
- b) *As per information and explanations given to us, fixed assets of the company were physically verified by a committee specially constituted for this purpose and the said committee has certified that all assets of the company are under the control of the respective department and inspected plants and machinery are in working condition. However the in-house committee report of physical verification of fixed assets do not provide quantitative reconciliation of verified Fixed Assets with its Fixed Assets Register. Further the constituted in house committee of the Company did not mentioned about the physical verification position of its landed property and building.*
- c) *According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Hindustan Fertilizer Corporation Limited (a Company from which the BVFCL demerged) as at the balance sheet date.*
In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
- d) *According to the information and explanations given to us, the company has not revalued its Property, Plants & Equipments during the reporting Financial Year.*
- e) *According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.*
- ii) a) *As per informations and explanations given to us, the inventories has been physically verified by the management at reasonable intervals and the discrepancies noticed in physical verification of inventory was normal and within the norms and was much lesser than 10%, and the said normal loss of inventory has been properly dealt with in the books of accounts.*
- b) *The Company is not availing any working capital limits from any banks or financial institution and hence (ii) (b) of CARO 2020, is not applicable on Company.*



Brahmaputra Valley Fertilizer Corporation Limited
Annexure A to the Independent Auditor's Report for the Financial Year 2020-21
Referred to in paragraph 8.1 of Independent Auditor's Report to the members of the
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- iii) The Company has not has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties. and Clause (iii) of the CARO 2020 is not applicable on Company.
- iv) The Company has complied with the provisions of section 185 and 186 of the Companies Act 2013 in respect of loans, investments, guarantees and security provided by it.
- v) The company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and Provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regards to deposits accepted from the public are not applicable.
- vi) We have broadly reviewed the Cost Records maintained by the Company pursuant to the rules made by the Central Government for maintenance of Cost Records under Section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, GST, Sales-tax, Service-tax, Goods and Service Tax, Duty of Customs, Duty of Central Excise, Value added tax and any other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As stated by the management the Company's is not covered under the purview of statutory compliance prescribed under ESI Act. According to the informations and explanations given to us no such undisputed arrears of statutory dues were outstanding as at 31st March,2021, for a period of more than six months from the date they became payable.
b) According to the information and explanations given to us, no disputed dues against the Company are outstanding as at 31st March,2021, in respect of Provident fund, Employee State Insurance, Income-tax, Sales-tax, Service-tax, Goods and Service Tax, Duty of customs, Duty of excise, Value added tax and any other material statutory dues.
- viii) According to the information and explanations given to us, the Company has not surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix) Based on our audit procedures, and as per the information & explanation given by the management, the company has not defaulted in the repayment of dues of principal or interest on loan to the bank, financial institution or debenture holder and hence the remaining sub clause a to e are not applicable on this company.
- x) (a) During the reporting Financial Year, the Company has not raised money by way of initial public offer or further public offer (including debt instruments)..



Brahmaputra Valley Fertilizer Corporation Limited
Annexure A to the Independent Auditor's Report for the Financial Year 2020-21
Referred to in paragraph 8.1 of Independent Auditor's Report to the members of the
Company on the Financial Statements.

Accordingly, the provision of clause 3 (x) of the Order is not applicable on the Company.

- (b) During the reporting Financial Year, the Company has not any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and therefore the requirements of compliance of Section 42 and Section 62 of the Companies Act, 2013 is not applicable on company.
- xi) (a) To the best of our knowledge and according to the information and explanations given to us, there was no material fraud committed by company or on the company by its officers/employees.
- (b) To the best of our knowledge and according to the information and explanations given to us, no report under sub-Section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government.
- c) Due to lack of time and Statutory Constraints for involving our self in deep investigation audit, we could not examine the complaints levied in mail dated 12th August 2021 (also addressed to CAG) , received from Shri Sanjai Maheswari {Ex Director Finance Cum CMD (Additional Charge)} describing in more than 1000 Pages the details of complaint against Corruption, Malpractices & Unprofessional Business activities into affairs of Brahmaputra Valley Fertilizer Corporation Limited (BVFCL) by past & present CMD, BVFCL in deep collusion with CVO, BVFCL(Mr. Prabhas Kumar) and senior officials of BVFCL & Department of Fertilizers. Hence we are unable to comment the Financial Implication and lacking of Internal Control measures, as alleged in the said letter. The Hon'ble CAG may investigate the allegations, as per their own discretions.
- xii) This Company is not a Nidhi Company and hence this clause of CARO 2020 is not applicable.
- xiii) The Company has not entered into any transactions with the related parties and hence compliance with sections 177 and 188 of Companies Act are not applicable on the Company.
- xiv) a) Internal Audit of the Company is being conducted on periodical basis by a Chartered Accountancy Firm and hence the Company has an internal audit system commensurate with the size and nature of its business.
- b) We have duly considered, the reports of the Internal Auditors for the period under audit.
- xii) The company has not entered into any non-cash transactions with directors or persons connected with him, except for payments of salary and other perquisites as mandated in service rules for directors.



Brahmaputra Valley Fertilizer Corporation Limited
Annexure A to the Independent Auditor's Report for the Financial Year 2020-21
Referred to in paragraph 8.1 of Independent Auditor's Report to the members of the
Company on the Financial Statements.

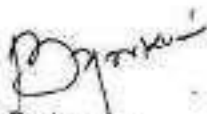
- The Company is Central Govt. Undertakings and its managerial resolution to the Chairman Cum Whole Time Managing Director is as per the pay fixation prescribed by the appointing Govt. Departments i.e. Ministry of Chemical and Fertiliser. Thus the company has paid/ provided managerial remuneration only as per mandate of the Central Govt., which is itself a sufficient compliance of provisions of section 192 of Companies Act 2013.
- xvi) a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
b) The Company has not conducted any Non-Banking Financial or Housing Finance activities, and hence this clause of CARO 2020 is not applicable on Company.
c) The Company is not a Core Investment Company (CIC) as defined under the Regulations by the Reserve Bank of India, and hence this clause of CARO 2020 is not applicable on Company.
d) The Company is not being managed by any Group Concerns, and hence this clause of CARO 2020 is not applicable on Company.
- xvii) The current reporting period loss of the Company is Rs. 13775.24 Lakhs is after charging depreciation Rs. 3639.57 Lakh and accounting of prior period net income of Rs. 358.41 Lakhs. Thus the Company has incurred Cash Loss during the reporting period amounting to Rs. 10494.08 Lakhs during the current year business operation.
- xviii) The Company is a Govt. Company and its Statutory Auditors is being appointed by CA& G of India. None of the appointed Statutory Auditors of the Company has placed its resignation so far.
- xix) As per our examination of books of accounts and on the basis of analysis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, we state that the company is continuously incurring substantial cash losses and its net worth has been completely eroded and therefore there is much possibility of material uncertainty in company capability of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date, unless and until the company get some major financial support from Govt of India.
- xx) The Company not transferred any unspent fund, in respect of other than ongoing projects, hence this clause of CARO 2020 is not applicable on Company.



Brahmaputra Valley Fertilizer Corporation Limited
Annexure A to the Independent Auditor's Report for the Financial Year 2020-21
Referred to in paragraph 8.1 of Independent Auditor's Report to the members of the
Company on the Financial Statements.

- xxi) The Company is a single entity and has no group concerns and hence this clause of CARO 2020 is not applicable on Company.

For PARIK & CO
Chartered Accountants
FRN: 302147E
CAG Empanelment No: ER0855


Partner
CA Bipin Kumar
ICAI Membership No 059805
UDIN: 21059805AAAAFP6605
Place : Guwahati
Date : 27/09/2021





Brahmaputra Valley Fertilizer Corporation Limited

Annexure -B to the Auditors' Report

Referred to in paragraph 8.2 f of Independent Auditor's Report to the members of the Company on the Financial Statements for the Financial Year 2020-21

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act'):

We have audited the internal financial controls over financial reporting of Brahmaputra Valley Corporation Limited (the Company) as of 31st March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The Company management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). The responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit to Internal Financial Controls over Financial Reporting ('the Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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



Brahmaputra Valley Fertilizer Corporation Limited
Annexure -B to the Auditors' Report
Referred to in paragraph 8.2 f of Independent Auditor's Report to the members of the
Company on the Financial Statements for the Financial Year 2020-21

Meaning of Internal Financial Controls over Financial Reporting:

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting:

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

Opinion:

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021 which is based on internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For PARIK & CO

Chartered Accountants

FRN: 302147E

CAG Empanelment No: ER0855

Partner

CA Bipin Kumar

ICAI Membership No 059805

UDIN: 21059805AAAAFP6605

Place : Guwahati

Date : 27/09/2021





Brahmaputra Valley Fertilizer Corporation Limited

**Annexure C to the Independent Auditor's Report for the Financial Year 2020-21
Referred to in paragraph 8.3 of Independent Auditor's Report to the members of the Company
on the Financial Statements.**

COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of Brahmaputra Valley Fertilizer Corporation Limited for the year ended 31st March 2021 in accordance with the General Directions issued by C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/ sub directions issued to us.

For PARIK & CO
Chartered Accountants
FRN: 302147E
CAG Empanelment No: ER0855


Partner
CA Bipin Kumar
ICAI Membership No 059805
UDIN: 21059805AAAAFP6605
Place : Guwahati
Date : 27/09/2021

Enclosed: Reply on General Directions issued to us by C&AG of India under Section 143(5) of the Companies Act, 2013.



Brahmaputra Valley Fertilizer Corporation Limited
Enclosures to Annexure C of the Independent Auditor's Report for the
Financial Year 2020-21

Referred to in paragraph 8.3 of Independent Auditor's Report to the members of the Company on the
Financial Statements.

Reply on General Directions issued to us by C&AG of India under Section 143(5) of the Companies Act, 2013.

Directions under section 143(5) of the Companies Act, 2013 for the Financial Year 2020-21:

1. Whether the company has system in place to process all the accounting transactions through IT System? If yes, the implication of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

Our Reply:

The Company has in place to process only some portion of accounting transactions through IT System and that too the said IT system is outdated and is not full proof.

Major Accounting System within BVFCL Factory Premises is being operated through COBOL 85 on UNIX Operating System, however remote located centers at Noida accounting is being done in Tally Accounting System. However, Guwahati is sending manual monthly Trial Balance. COBOL 85 on UNIX Operating is too old system of accounting. This operating system is outdated. The present installed Operating System COBOL 85 on UNIX Operating System at Factory Premises is integrated for MM Department, Store Accounting Department & Central Account Department only. Quarterly summarized Trail Balance of Sales Department, HR Department and remote located centres (NOIDA & Guwahati) are being manually merged into Central Accounts by passing consolidated manual Journal vouchers for each centers. This is the main reason of delay in updation of Central Account Trail Balance. Further BVFCL Central Accounts is unable to access data details related to Trail Balance of remote centers. Thus the present installed system of Accounting software is unable to generate real time accounting MIS. The present operating system follows batch processing which is not a real time processing system. This system is a command based system and the reports are not generated in MS-Excel or MS-Word, thereby rendering possibility of only manual analysis of the reports generated. This consumes a lot of time and energy of all concerned, including the employee and the auditors, in analysis of the reports.

Since all of the financial data are not incorporated in the COBOL 85 UNIX Operating System. Therefore, there is compelled dependency on Subsidiary Ledges to get extracted the realistic financial records of a single ledgers. Internal Auditor of the company has pointed out differences between main ledger and subsidiary ledgers in a few instances thereby raising a doubt on the accuracy and the reliability of the system. Further many subsidiary ledgers of the Company is being maintained in Excel Based Sheets, which is not at all full proof, as the possibility of an authorised tempering of such data and possibility of getting alteration of balances of any particulars individual ledgers at any time can not be denied.

In order to overcome the shortcomings of the present system, a new system of IT Accounting needs to be put in place at the earliest, so that the complete financial records of BVFCL can be incorporated in a single IT System with full proof recording and safety of all recorded financial transactions with no chances of tampering of the recorded Financial Transactions.

2. Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/ loans/ Interest etc made by lender to the company due to company's inability to repay the loans? if yes, the financial impact may be stated.

Our Reply:



Brahmaputra Valley Fertilizer Corporation Limited
Enclosures to Annexure C of the Independent Auditor's Report for the
Financial Year 2020-21

Referred to in paragraph 8.3 of Independent Auditor's Report to the members of the Company on the
Financial Statements.

During the current reporting periods no such restructuring of an existing loan has been made, however the company has not provided for any interest on Loan Granted by Govt. of India on principal loan amount of Rs. 57275 lakhs, in view of non availability of sufficient profitability.

3. Whether funds (grants/ subsidy etc.) received / receivables for specific scheme from Central / State agencies were properly accounted for/ utilised as per its term and conditions? List the cases of deviation.


Our reply:

- a) During the current reporting period the company has accounted Subsidy Income on account of price variance and freight subsidy amounting to Rs. 10146.45 Lakhs and all of the accounted subsidy income has been disbursed by the Ministry of Chemical & Fertilizer (DOF).
- b) As per FICC Regulation, the Company is entitled to claim the subsidy only after clearance of stock from ultimate Point of Sale, i.e. ultimate sell to the agricultural consumers. But the Company has accounted Subsidy Income in the Financial Year 2020-21 amounting to Rs.1276.28 Lakhs without clearance of Stock from ultimate Point of Sale (i.e. on the POS stock 20176.121 MT lying with whole sellers and retailers as on 31.03.2021).

The BVFCL management has explained that the company has accounted subsidy income of Rs. 1276.28 lakhs on the POS stock, as per past precedence and the BVFCL managements are putting their best efforts to liquidate the BVFCL neem coated urea stock from whole sellers to retailers and from retailers to end users.

For PARIK & CO
Chartered Accountants
FRN: 302147E
CAG Empanelment No. ER0855


Partner
CA Bipin Kumar
ICAI Membership No. 059805
UDIN: 21059805AAAAFP6605
Place : Guwahati
Date : 27/09/2021



To,
The Dy. Director (East Zone)
Office of the Principal Director of Audit(Agriculture, Food & Water Resources)
New Delhi, Kolkata Branch Office.

Reference: Letter No: 2- Accounts Audit/ BVFCL/ 2020-21/05 Date 15.11.2021.

Respected sir,

With reference to above , please kindly note that:

- 1) We have revised clause 1 a) (B) of Annexure A to the Independent Audit Report based on the audit observation through audit Note No. 7 (e) of the Office of the Principal Director of Audit(Agriculture, Food & Water Resources), New Delhi, Kolkata Branch Office.
- 2) And accordingly, we have revised Annexure A to the Independent Audit Report, through fresh UDIN Dated 22/11/2021. We have also mentioned in the heading of Annexure A that {This revision in point No. i) a) (B) of Annexure A has been made based on audit observation in Audit Note No. 7 (e) of Office of the Principal Director of Audit (Agriculture , Food & Water resources)} and specially highlighted in bold and italic to the clause 1 a) (B) of Annexure A.
- 3) The duly signed copy in pdf form of Revised Annexure A is hereby emailed for your kind perusal and necessary action.
- 4) We are hereby sending through Speed Post the two complete set of Audit Report (including the Revised Annexure A).

With Best Regards!

For PARIK & CO
Chartered Accountants
FRN: 302147E
CAG Empanelment No: ER0855



Partner
CA Bipin Kumar
ICAI Membership No 059805
Date: 22/11/2021



Brahmaputra Valley Fertilizer Corporation Limited

Revised Annexure A to the Independent Auditor's Report for the Financial Year 2020-21
{This revision in point No. i) a) (B) of Annexure A has been made based on audit observation in
Audit Note No. 7 (e) of Office of the Principal Director of Audit (Agriculture , Food & Water
resources)}

Referred to in paragraph 8.1 of Independent Auditor's Report to the members of the
Company on the Financial Statements.

We report that:

- i) a) (A) The company has maintained computerized records showing particulars and value of Property, Plant & Equipments. Since all of the Property, Plant & Equipments of the company is confined to one place i.e. Namrup (Assam) only therefore the company has not maintained the specific situations of its Fixed Assets in its Fixed Assets Register.

(B) The Company is actually having intangible assets in the form of computer software amounting to Rs 1.70 lakh and the company has maintained proper records for this.

However, the Company has also disclosed another expenditure of Rs. 715.68 Lakhs under Intangible Assets (Project), which is really the pre-operative expenditure related to proposed brown field Ammonia / Urea project- complex (Namrup – IV). But these expenditures are not in the nature of Intangible assets and should be classified and depicted as Tangible Assets-Capital work-in-progress instead of depicting the same under Intangible Assets (Projects).

- b) As per information and explanations given to us, fixed assets of the company were physically verified by a committee specially constituted for this purpose and the said committee has certified that all assets of the company are under the control of the respective department and inspected plants and machinery are in working condition. However the in-house committee report of physical verification of fixed assets do not provide quantitative reconciliation of verified Fixed Assets with its Fixed Assets Register. Further the constituted in house committee of the Company did not mentioned about the physical verification position of its landed property and building.
- c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Hindustan Fertilizer Corporation Limited (a Company from which the BVFCL demerged) as at the balance sheet date.
In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
- d) According to the information and explanations given to us, the company has not revalued its Property, Plants & Equipments during the reporting Financial Year.

Brahmaputra Valley Fertilizer Corporation Limited

Revised Annexure A to the Independent Auditor's Report for the Financial Year 2020-21
{This revision in point No. I) a) (B) of Annexure A has been made based on audit observation in Audit Note No. 7 (c) of Office of the Principal Director of Audit (Agriculture , Food & Water resources)}

Referred to in paragraph 8.1 of Independent Auditor's Report to the members of the Company on the Financial Statements.

- c) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.
- ii) a) As per informations and explanations given to us, the inventories has been physically verified by the management at reasonable intervals and the discrepancies noticed in physical verification of inventory was normal and within the norms and was much lesser than 10%, and the said normal loss of inventory has been properly dealt with in the books of accounts.
- b) The Company is not availing any working capital limits from any banks or financial institution and hence (ii) (b) of CARO 2020, is not applicable on Company.
- iii) The Company has not has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties. and Clause (iii)' of the CARO 2020 is not applicable on Company.
- iv) The Company has complied with the provisions of section 185 and 186 of the Companies Act 2013 in respect of loans, investments, guarantees and security provided by it.
- v) The company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and Provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regards to deposits accepted from the public are not applicable.
- vi) We have broadly reviewed the Cost Records maintained by the Company pursuant to the rules made by the Central Government for maintenance of Cost Records under Section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, GST, Sales-tax, Service-tax, Goods and Service Tax, Duty of



Brahmaputra Valley Fertilizer Corporation Limited

Revised Annexure A to the Independent Auditor's Report for the Financial Year 2020-21
{This revision in point No. i) a) (B) of Annexure A has been made based on audit observation in
Audit Note No. 7 (e) of Office of the Principal Director of Audit (Agriculture , Food & Water
resources)}

**Referred to in paragraph 8.1 of Independent Auditor's Report to the members of the
Company on the Financial Statements.**

Customs, Duty of Central Excise, Value added tax and any other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As stated by the management the Company's is not covered under the purview of statutory compliance prescribed under ESI Act. According to the informations and explanations given to us no such undisputed arrears of statutory dues were outstanding as at 31st March,2021, for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, no disputed dues against the Company are outstanding as at 31st March,2021, in respect of Provident fund, Employee State Insurance, Income-tax, Sales-tax, Service-tax, Goods and Service Tax, Duty of customs, Duty of excise, Value added tax and any other material statutory dues.
- viii) According to the information and explanations given to us, the Company has not surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix) Based on our audit procedures, and as per the information & explanation given by the management, the company has not defaulted in the repayment of dues of principal or interest on loan to the bank, financial institution or debenture holder and hence the remaining sub clause a to e are not applicable on this company.
- x) (a) During the reporting Financial Year, the Company has not raised money by way of initial public offer or further public offer (including debt instruments).. Accordingly, the provision of clause 3 (x) of the Order is not applicable on the Company.
- (b) During the reporting Financial Year, the Company has not any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and therefore the requirements of compliance of Section 42 and Section 62 of the Companies Act, 2013 is not applicable on company.
- xi) (a) To the best of our knowledge and according to the information and explanations given to us, there was no material fraud committed by company or on the company by its officers/employees.
- (b) To the best of our knowledge and according to the information and explanations given to us, no report under sub-Section (12) of Section 143 of the Companies



Brahmaputra Valley Fertilizer Corporation Limited
Revised Annexure A to the Independent Auditor's Report for the Financial Year 2020-21
{This revision in point No. i) a) (B) of Annexure A has been made based on audit observation in
Audit Note No. 7 (e) of Office of the Principal Director of Audit (Agriculture , Food & Water
resources)}

**Referred to in paragraph 8.1 of Independent Auditor's Report to the members of the
Company on the Financial Statements.**

Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government.

- c) Due to lack of time and Statutory Constraints for involving our self in deep investigation audit, we could not examine the complaints levied in mail dated 12th August 2021 ('also addressed to CAG) , received from Shri Sanjai Maheswari {Ex Director Finance Cum CMD (Additional Charge)} describing in more than 1000 Pages the details of complaint against Corruption, Malpractices & Unprofessional Business activities into affairs of Brahmaputra Valley Fertilizer Corporation Limited (BVFCL) by past & present CMD, BVFCL in deep collusion with CVO, BVFCL(Mr. Prabhas Kumar) and senior officials of BVFCL & Department of Fertilizers. Hence we are unable to comment the Financial Implication and lacking of Internal Control measures, as alleged in the said letter. The Hon'ble CAG may investigate the allegations, as per their own discretions.
- xii) This Company is not a Nidhi Company and hence this clause of CARO 2020 is not applicable.
- xiii) The Company has not entered into any transactions with the related parties and hence compliance with sections 177 and 188 of Companies Act are not applicable on the Company.
- xiv) a) Internal Audit of the Company is being conducted on periodical basis by a Chartered Accountancy Firm and hence the Company has an internal audit system commensurate with the size and nature of its business.
b) We have duly considered, the reports of the Internal Auditors for the period under audit.
- xv) The company has not entered into any non-cash transactions with directors or persons connected with him, except for payments of salary and other perquisites as mandated in service rules for directors.
The Company is Central Govt. Undertakings and its managerial resolution to the Chairman Cum Whole Time Managing Director is as per the pay fixation prescribed by the appointing Govt. Departments i.e. Ministry of Chemical and Fertiliser. Thus the company has paid/ provided managerial remuneration only as per mandate of the Central Govt., which is itself a sufficient compliance of provisions of section 192 of Companies Act 2013.



Brahmaputra Valley Fertilizer Corporation Limited

Revised Annexure A to the Independent Auditor's Report for the Financial Year 2020-21
{This revision in point No. i) a) (B) of Annexure A has been made based on audit observation in
Audit Note No. 7 (e) of Office of the Principal Director of Audit (Agriculture , Food & Water
resources)}

Referred to in paragraph 8.1 of Independent Auditor's Report to the members of the
Company on the Financial Statements.

- xvi) a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b) The Company has not conducted any Non-Banking Financial or Housing Finance activities, and hence this clause of CARO 2020 is not applicable on Company.
- c) The Company is not a Core Investment Company (CIC) as defined under the Regulations by the Reserve Bank of India, and hence this clause of CARO 2020 is not applicable on Company.
- d) The Company is not being managed by any Group Concerns, and hence this clause of CARO 2020 is not applicable on Company.
- xvii) The current reporting period loss of the Company is Rs. 13775.24 Lakhs is after charging depreciation Rs. 3639.57 Lakh and accounting of prior period net income of Rs. 358.41 Lakhs. Thus the Company has incurred Cash Loss during the reporting period amounting to Rs. 10494.08 Lakhs during the current year business operation.
- xviii) The Company is a Govt. Company and its Statutory Auditors is being appointed by CA& G of India. None of the appointed Statutory Auditors of the Company has placed its resignation so far.
- xix) As per our examination of books of accounts and on the basis of analysis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, we state that the company is continuously incurring substantial cash losses and its net worth has been completely eroded and therefore there is much possibility of material uncertainty in company capability of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date, unless and until the company get some major financial support from Govt of India.



Brahmaputra Valley Fertilizer Corporation Limited

**Revised Annexure A to the Independent Auditor's Report for the Financial Year 2020-21
{This revision in point No. i) a) (B) of Annexure A has been made based on audit observation in
Audit Note No. 7 (e) of Office of the Principal Director of Audit (Agriculture , Food & Water
resources)}**

**Referred to in paragraph 8.1 of Independent Auditor's Report to the members of the
Company on the Financial Statements.**

- xx) The Company not transferred any unspent fund, in respect of other than ongoing projects, hence this clause of CARO 2020 is not applicable on Company.
- xxi) The Company is a single entity and has no group concerns and hence this clause of CARO 2020 is not applicable on Company.

For PARIK & CO
Chartered Accountants
FRN: 302147E
CAG Empanelment No: ER0855



Partner
CA Bipin Kumar
ICAI Membership No 059805
UDIN: **21059805AAAAGL3164**
UDIN Date: 22/11/2021



BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

(CIN U24123AS2002GOI006786)

Balance Sheet as at 31st March, 2021

(Rs. in lakhs)

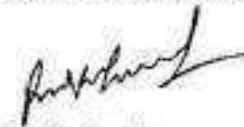
PARTICULARS	Note No.	As at 31st March, 2021	As at 31st March, 2020
I EQUITY AND LIABILITIES			
A Shareholders' Funds			
(a) Share Capital	2.1	36,583.24	36,583.24
(b) Reserves and Surplus	2.2	(61,711.28)	(47,936.04)
		(25,128.04)	(11,352.80)
B Non-Current Liabilities			
(a) Long-Term Borrowings	2.3	57,275.00	57,275.00
(b) Deferred Tax Liabilities	2.4	-	-
(c) Other Long-Term Liabilities	2.5	1,949.17	1,876.82
(d) Long-Term Provisions	2.6	4,354.94	4,781.24
		63,579.11	63,933.06
C Current Liabilities			
(a) Trade Payables	2.7	3,490.04	3,847.34
i) Total Outstanding dues on MSE		56.15	96.75
ii) Total Outstanding dues of Creditors other than MSE		3,433.89	3,750.59
(b) Other Current Liabilities	2.8	7,528.83	9,935.92
		11,018.87	13,783.26
TOTAL (A+B+C)		49,469.94	66,363.52
II ASSETS			
D Non-Current Assets			
(a) <u>Property, Plant & Equipment</u>			
(i) Tangible Assets	2.9	22,057.22	24,609.71
(ii) Intangible Assets	2.9	1.70	1.70
(iii) Capital Work-in-Progress (Capital Stores)	2.9	628.46	961.25
(iv) Intangible Assets(Project)	2.9	715.68	715.68
(b) Long-Term Loans and Advances	2.10	14.64	-
		23,417.70	26,288.34
E Current Assets			
(a) Inventories	2.11	2,871.15	3,792.58
(b) Trade Receivables	2.12	852.42	28,727.87
(c) Cash and Cash Equivalents	2.13	18,522.49	2,624.53
(d) Short-Term Loans and Advances	2.14	3,538.12	4,730.65
(e) Other Current Assets	2.15	268.06	199.55
		26,052.24	40,075.18
TOTAL (D+E)		49,469.94	66,363.52

Significant Accounting Policies
Notes on Financial Statements

1

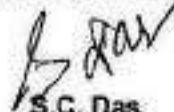
2.1 to 2.31

FOR AND ON BEHALF OF THE BOARD



R. K. Gupta

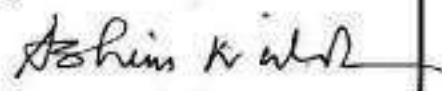
Company Secretary



S.C. Das

Director (Finance)

DIN - 08988297



A.K. Ghosh

Chairman & Managing Director

DIN - 08222413

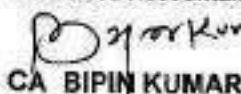
Dated: 27/09/2021

Place:- Namrup

As per our report of even date annexed

For Parik & Co.

Chartered Accountants,



CA BIPIN KUMAR

Partner

ICAI Membership No. 059805

Firm Regn. No : 302147E

C&AG Empanelment No. ER 0855

UDIN : 21059305AAAAFP6605

Dated: 27/09/2021

Place: Guwahati

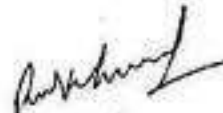
BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED
(CIN U24123AS2002GOI006786)

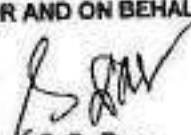
Statement of Profit and Loss for the year ended 31st March, 2021

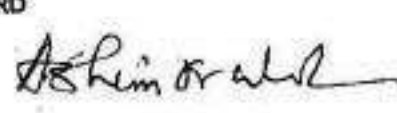
(Rs. in lakhs)

PARTICULARS	Note No.	Period ended 31st March, 2021	Period ended 31st March, 2020
A REVENUE			
Revenue from Operations	2.16	22,318.06	32,727.45
Other Income	2.17	1,014.43	1,039.85
TOTAL (A)		23,332.49	33,767.30
B EXPENSES			
Cost of Materials Consumed	2.18	5,194.21	8,525.01
Purchases of Stock-in-Trade	2.19	4,738.13	4,709.52
Changes in Inventories of Finished Goods, & Intermediaries Products (Ammonia)	2.20	1,194.54	(168.03)
Employee Benefits Expenses	2.21	5,979.89	7,337.59
Finance Costs	2.22	-	0.27
Repairs & Maintenance	2.23	1,454.77	1,198.98
Power & Fuel	2.24	9,306.79	16,834.94
Freight & Handling Expense	2.25	1,846.97	2,982.32
Depreciation and Amortisation Expense	2.9	3,639.57	3,669.61
Other Expenses	2.26	3,752.86	1,647.19
TOTAL (B)		37,107.73	46,737.40
C Profit / Loss before extra-ordinary item (A-B)		(13,775.24)	(12,970.10)
D Extra ordinary item			
E Profit / Loss after Extra-ordinary Item		(13,775.24)	(12,970.10)
F Tax Expense:			
G Profit / Loss for the year		(13,775.24)	(12,970.10)
Earnings per share (of ₹ 1,000/- each):	2.28		
Basic Earnings per Share (Rupees)		(376.55)	(354.54)
Diluted Earnings per Share (Rupees)		(376.55)	(354.54)
Significant Accounting Policies	1		
Notes on Financial Statements	2.1 to 2.31		

FOR AND ON BEHALF OF THE BOARD


R. K. Gupta
Company Secretary


S.C. Das
Director (Finance)
DIN - 08988297


A.K. Ghosh
Chairman & Managing Director
DIN - 08222413

Dated: 27/09/2021
Place:- Namrup

As per our report of even date annexed
For Parik & Co.
Chartered Accountants,


CA BIPIN KUMAR

Partner
ICAI Membership No. 059805
Firm Regn. No: 302147E
C&AG Empanelment No. ER 0855
UDIN: 21059605AAAAFP6605
Dated: 27/09/2021

Place: Guwahati

BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED
(CIN U24123AS2002GOI006786)

Cash Flow Statement for the Year ended as on 31st March, 2021

(Rs. in lakhs)

Particulars	2020 - 21	2019 - 20
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax :	(13,775.24)	(12,970.10)
Add: Adjustments for Non Cash Items & other than Operating Activities		
- Depreciation	3,639.57	3,669.61
- Provision for Obsolescence of stores & Spares	(399.06)	92.92
- Provision for Leave Encashment	254.01	758.35
- Provision for Gratuity	-	468.79
- Fixed Assets written off against replaced assets	191.33	264.33
Provision for Unmoved Capital Stores	265.38	-
Provision no longer required written back	(30.14)	(14.95)
Provision for doubtful Debts / advances	1.55	6.32
	3,922.64	5,245.37
Cash flow from Operation Before Working Capital Changes, Taxes & Extra-ordinary Items	(9,852.60)	(7,724.73)
Adjustments for Working Capital changes :		
- (Increase)/Decrease in Trade and Other Receivable	27,873.90	(1,846.55)
- (Increase)/ Decrease in Inventory	1,320.49	1,072.50
- Increase/(Decrease) in Trade Payable and other payables	(1,937.48)	3,771.38
- Increase in Advance & other Current Assets	1,124.02	(1,588.60)
- Increase in Capital stores	67.41	-
- Gratuity and Leave encashment paid	(1,404.73)	(744.80)
	27,043.61	663.93
Extra ordinary items	17,191.01	(7,060.80)
Cash Inflow from Operating Activities (A)	17,191.01	(7,060.80)
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(1,278.41)	(812.79)
(Increase)/Decrease in Advances for CWIP	(14.64)	(576.19)
Adjustment of fixed assets write - off	-	0.24
Cash Outflow from Investing Activities (B)	(1,293.05)	(1,388.74)

Continue.....

BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED
(CIN U24123AS2002GOI006786)

Cash Flow Statement for the Year ended 31st March, 2021 contd....

(Rs. In lakhs)

Particulars	2020 - 21	2019 - 20
<u>CASH FLOW FROM FINANCING ACTIVITIES :</u>	-	-
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS: (A+B+C)</u>	15,897.96	(8,449.54)
<u>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR :</u>	2,624.53	11,074.07
<u>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR :</u>	18,522.49	2,624.53

Notes:

- Cash and Cash Equivalents include :
Cash & Bank Balances, Short term and other deposits, which are highly liquid and encashable as and when needed.
- Purchase of fixed assets has been shown net of adjustments.
- Cash Flow Statement has been prepared under the "Indirect method" as set-out in Accounting Standard (AS) - 3 on Cash Flow Statement issued by ICAI
- Previous Year's figures have been regrouped / rearranged, wherever found necessary to confirm to current year's presentation.

FOR AND ON BEHALF OF THE BOARD


R. K. Gupta
Company Secretary

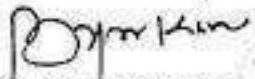

S.C. Das
Director (Finance)
DIN - 08988297


A.K. Ghosh
Chairman & Managing Director
DIN - 08222413

Dated: 27/09/2021
Place:- Namrup

As per our report of even date annexed
For PARIK & CO.

Chartered Accountants,


CA BIPIN KUMAR
Partner

ICAI Membership No. 059805
Firm Regn. No : 302147E
C &AG Empanelment No. ER 0855
UDIN : 21059805AAAAFP6605

Dated:27/09/2021 Place: Guwahati

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

(A) FIXED ASSETS

- (i) Fixed Assets are stated at cost less accumulated depreciation.
- (ii) Cost includes cost of purchase and all expenditure such as installation cost, inward freight, non-refundable taxes, and any other expenses incurred for bringing the asset in its current location till it is ready to use.
- (iii) Apart from cost of Fixed Assets, Revenue Expenditure incurred during construction and commissioning period is capitalized till commencement of commercial production. Incidental Income prior to commencement of commercial production is set-off against the cost of the Project.
- (iv) Additions to Plant & Machinery include major repairs as well as renewals and replacements which will increase life and efficiency of the Plant. In such cases, if the written down value of the assets replaced is not ascertainable, technical valuation is made for adjustment in the accounts.
- (v) Machinery spares which can be used only in connection with an item of fixed assets and whose use is expected to be irregular are capitalized.
- (vi) The Physical Verification of fixed assets is carried out by the internal committee constituted by competent authority each year. And once in every five years the Physical Verification of fixed assets conducted by an outside professional agency.

(B) DEPRECIATION AND AMORTISATION

- (i) Machinery, Equipments and Office Appliances costing up to ₹ 5,000/- are fully depreciated in the year of addition.
- (ii) Depreciation is charged on "Straight Line Method", as per useful life and rate of depreciation specified in the Schedule - II of the Companies Act, 2013.
- (iii) The cost of Machinery spares referred to in Para A (v) above are amortized over the useful life of the Original Plant.
- (iv) Depreciation is provided on the assets after they are certified to be installed and put to use.

(C) BORROWING COST

Borrowing costs incurred in relation to the acquisition/construction of qualifying assets are capitalized as part of the cost of such assets up to the date when such assets are ready for intended use. Other borrowing costs are charged as an expense in the year in which these are incurred.



BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED
(CIN U24123AS2002GO1006786)

Notes forming part of the financial statements (contd.)

(D) INVENTORIES

- (i) Inventory includes Raw Materials, Packaging Material, Stores & Spares, Intermediate product/goods and finished stock.
- (ii) Raw Materials are valued at cost (monthly weighted average).
- (iii) Packaging Materials and Stores & Spares are valued at Cost (inclusive of expenses incidental to bring the materials to the present condition and location less duties and taxes recoverable by company from taxing authorities) on the basis of monthly weighted average or technical estimates, whichever is lower.
- (iv) Loose tools are written-off over a period of three years.
- (v) Stocks of:

(a) Finished Goods :-

Urea is valued at lower of cost or net realizable value comprising concessional price subsidy and freight subsidy.

(b) Intermediate products/ goods like Ammonia is valued at lower of cost or net realizable value.

(c) Bought out finished products - are valued at lower of cost or net realizable value.

(d) The company has formulated a comprehensive policy for age wise provisioning of inventory for capital stores and other stores & spares on the book value for determining the lower of cost or net realizable value.

The provision is made on the following basis:-

Sl. No.	Age wise item category	Provision %
1	Items not moved upto 3 years	Nil
2	Items not moved for more than 3 years & upto 5 years	5
3	Items not moved for more than 5 years & upto 10 years	10
4	Items not moved for more than 10 years & upto 15 years	25
5	Items not moved for more than 15 years & upto 20 years	50
6	Items not moved for more than 20 years.	95

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BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED
(CIN U24123AS2002GO1006786)
Notes forming part of the financial statements (contd.)

(E) SUBSIDIES

The subsidy is billed and accounted for on the basis of receipt of fertilizer at the destination and credit for subsidy in the accounts is taken only for the quantities sold and stated in the Profit and Loss Statement as revenue from operations. However, pending receipt of notification from FICC for final settlement, the subsidy claim for variations in input prices is provided for in the accounts on the estimate basis taking into account the prevailing method, guidelines, policies, instructions and clarifications given by the Government.

(F) REVENUE RECOGNITION

- (i) Export sale accounted for based on the rate as per Memorandum of Understanding (Agreement) with MMTC subject to the adjustment as per policy and guidelines issued by the Govt. of India.
- (ii) Indigenous Sales is recognized on issue of Delivery Order and proper invoice.
- (iii) Income/Expenditure is generally accounted for on accrual basis unless otherwise specifically stated.
- (iv) Interest on Advances to Employees is accounted for after the principal is fully recovered.
- (v) Scrap/Salvage/Waste Materials are accounted for as and when sold.

(G) PRE-PAID EXPENSES

Expenditure up to ₹ 10,000/- in each case incurred in advances relating to the following year(s), is accounted for in the year in which it is incurred.

(H) PRIOR PERIOD ADJUSTMENT

Income/Expenditure relating to prior period(s) is accounted for only in cases of errors or omissions.

(I) DEFERRED REVENUE AND DEVELOPMENT EXPENDITURE

Expenditure incurred on sales promotion, staff training, Research and Development etc. during construction period is written off over a period of five years.

(J) EXPENDITURE ON CATALYST

Expenditure incurred towards consumption of catalyst is capitalized and depreciation charged as per its useful life given in technical specification provided by supplier.

Procurement


BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

(CIN U24123AS2002GO1006786)

Notes forming part of the financial statements (contd.)

(K) RETIREMENT BENEFITS

Provision for gratuity and leave encashment liability is made on the basis of actuarial valuation.

(L) PAYMENT UNDER COMPANY'S FAMILY PENSION SCHEME

Payment under Company's Family Pension Scheme is accounted for as and when paid.

(M) GRANT IN AID-VRS

Utilization of Grant in Aid against Voluntary Retirement Scheme is accounted for on cash basis.

(N) DEFERRED TAXATION

Deferred tax is recognized, subject to consideration of prudence, on timing differences, being difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred Tax Assets are not recognized unless there is "Virtual Certainty" that sufficient future taxable income will be available against which such deferred tax assets will be realized.

(O) FOREIGN CURRENCY TRANSACTIONS

Foreign currency assets and liabilities not covered by forward contracts are stated at rates ruling at the year end. Exchange differences relating to fixed assets are adjusted in the cost of the assets. Any other exchange differences are dealt with in the Profit and Loss Account.

(P) IMPAIRMENT OF ASSETS

An asset is treated impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified and declared as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(Q) INVESTMENTS

All investments are stated at cost. However, a provision for diminution in value is made to recognize a decline other than temporary in the value of investment.



BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED
(CIN U24123AS2002GO1006786)
Notes forming part of the financial statements (contd.)

(R) CONTINGENT LIABILITIES

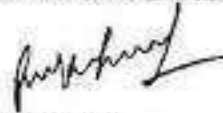
A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding employee benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are neither recognized nor disclosed in the financial statements.

The Company's pending litigations comprise of claims by or against the Company primarily by the employees/ customers/suppliers, etc. and proceedings pending with tax and other government authorities. The Company has reviewed its pending litigations and proceedings and has adequately provided for where Provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements and appropriate disclosure for contingent liabilities is given refer note no.2.29.

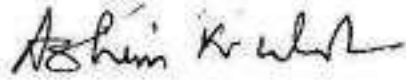
As on 31st March 2021 contingent liability are as under:

		(₹ in lacs)	
		<u>2020 - 21</u>	<u>2019 - 20</u>
a)	Claims against the Company not acknowledged as debts:		
	(i) Litigation and Other Commitments :	99.97	99.97
	(ii) Tax Liabilities against 'CST', Entry Tax & VAT	622.06	626.29
	(iii) AERC Regulation 2010	666.92	835.00
	TOTAL	1388.95	1561.26
b)	Estimated amount of contracts remaining to be executed on capital Account	0	0

FOR AND ON BEHALF OF THE BOARD


R.K. Gupta
Company Secretary


S.C. Das
Director (Finance)
DIN - 08988297


A. K. Ghosh
Chairman & Managing Director
DIN - 08222413

Date: - 27/09/2021
Place: - Namrup

As per our report of even date annexed
For Parik & Co.
Chartered Accountants


CA Bipin Kumar
Partner
Membership No. 059805
Firm Regn. No. : 302147E
C & AG Empanelment No. ER0855
UDIN : 21059805AAAAFP6605
Date: 27/09/2021 Place : Guwahati

BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

(CIN U24123AS2002GOI006786)

Notes forming part of the financial statements

(Rs. in lakhs)

NOTE No. 2. NOTES ON FINANCIAL STATEMENTS				
PARTICULARS			As at 31st March ,2021	As at 31st March ,2020
NOTE 2.1 : SHARE CAPITAL				
Authorised Capital :				
5,100,000 Equity Shares of Rs. 1,000/- each			51,000.00	51,000.00
Issued, Subscribed & Paid up Capital :				
Promoters' Contribution				
100 Equity Shares of Rs. 1,000/- each			1.00	1.00
Equity received in cash from Govt against Revamp				
588000 Equity Shares of Rs. 1,000/- each			5,880.00	5880.00
Others				
3,070,224 Equity Shares of Rs. 1,000 /- each issued against transfer of Net Assets as at 05.04.2002 w.e.f. 01.04.02 from Hindustan Fertilizer Corporation Limited.			30,702.24	30,702.24
			36,583.24	36,583.24
The details of shareholders holding more than 5% shares :				
Sl. No.	No. of shares	Name of Share holders	% held	% held
1.	3,656,224	Govt. of India	100%	100%
NOTE 2.2 : RESERVES AND SURPLUS				
Statement of Profit and Loss				
Opening Balance			(47,936.04)	(34,965.94)
Add: During the year Profit/(Loss)			(13,775.24)	(12,970.10)
Total			(61,711.28)	(47,936.04)
NOTE 2.3 : LONG-TERM BORROWINGS				
1. Unsecured Loan				
Loan from Govt. of India (Interest free loan from Govt)			57,275.00	57,275.00
Total			57,275.00	57,275.00

BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

(CIN U24123AS2002GOI006786)

Notes forming part of the financial statements (contd.)

(Rs. in lakhs)

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
<u>NOTE 2.4 : DEFERRED-TAX LIABILITIES</u>		
Deferred Tax Liabilities		
Total	-	-
<u>NOTE 2.5 : OTHER LONG-TERM LIABILITIES</u>		
1. Security Deposit received from		
a) Suppliers	155.86	144.57
b) Contractors	721.96	662.04
c) Employees	7.57	7.43
d) Customers	528.89	527.89
2. Payable to Hindustan Fertilizer Corporation Ltd	534.89	534.89
Total	1,949.17	1,876.82

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BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED
(CIN U24123AS2002GOI006786)
Notes forming part of the financial statements (contd.)

(Rs. in lakhs)

PARTICULARS	As at 31st March, 2021	As at 31st March ,2020
NOTE 2.6 : LONG-TERM PROVISIONS		
<u>Provisions for Employee Benefits</u>		
Provision for Gratuity	3,057.75	3,387.45
Provision for Leave Encashment	1,297.19	1,393.79
Total	4,354.94	4,781.24

Disclosure pursuant to AS 15 (Revised) 2005- Employee Benefits:

The Company has adopted AS 15 (Revised 2005) for Employee Benefits issued by ICAI. Consequent to the adoption, the following disclosures related to accounting etc. are made as far as practicable under AS 15 (revised 2005) requirement.

2.1) Defined Contribution Plans

The Company's contribution to Provident Fund for employees and executives is Rs. 474.67 lakhs (Previous year Rs. 501.99 lakhs)

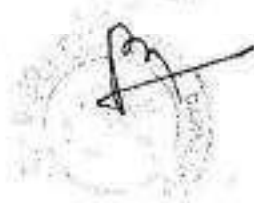
2.2) Defined Benefit Plans

The Benefit Plans which are in operation are Gratuity Fund and Privilege Leave. The present value of the obligation is determined based on Actuarial Valuation using the Project Unit Credit (PUC) method, which recognizes each period of service as giving rise to additional unit of employee benefits entitlement and measures each unit separately to build up the final obligation. The obligation for Privilege Leave is recognized in the same manner as gratuity.

2.3) Various data as certified by Actuary :-

A. Reconciliation of opening and closing balance of Defined benefits Obligation

	Gratuity	Privilege Leave
Present value of Obligation at the beginning of the year	4,428.19	1,800.38
Acquisition Adjustment	-	-
Interest Cost	300.67	122.25
Past Service Cost	-	-
Current Service Cost	234.26	126.83
Curtailment Cost	-	-
Settlement Cost	-	-
Benefits Paid	(850.32)	(554.41)
Actuarial (gain)/loss of obligations	(539.38)	4.93
Present value of obligation at the end of the year	3,573.42	1,499.98
 i) Long term liability	 3057.75	 1,297.19
ii) Current liability	515.67	202.79
	3573.42	1499.98



BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

(CIN U24123AS2002GOI006786)

Notes forming part of the financial statements (contd.)

(₹ in lakhs)

PARTICULARS	As at 31st March ,2021	As at 31st March ,2020
NOTE 2.6 : LONG-TERM PROVISIONS (Contd)		
B. Statement showing change in fair value of plan assets		
Not Applicable as Scheme is unfunded.		
C. Reconciliation of present value of defined benefit obligation and fair value of plan assets.		
Not Applicable as Scheme is unfunded.		
D. Expenses Recognized in Statement of Profit/ Loss		
	Gratuity	Privilege Leave
Current Service Cost	234.26	126.83
Past Service Cost	-	-
Interest Cost	300.67	122.25
Expected return on Plan Assets	-	-
Curtailment Cost	-	-
Settlement Cost	-	-
Actuarial gain/(loss) of obligations	(539.38)	4.93
Expenses Recognized in Statement of Profit/Loss	(4.45)	254.01
E. Actuarial Assumptions		
	Gratuity	Privilege Leave
Mortality Table (IAM)	2006 - 08	2006 - 08
Superannuation Age	60	60
Early Retirement & Disablement (10 Per Thousand P.A)		
- age above 45	6	6
- age between 29 and 45	3	3
- age below 29	1	1
Discount Rate	6.79%	6.79%
Inflation Rate	5.00%	5.00%
Return on Asset	N/A	N/A

BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

CIN U24123AS2002GOI006786

Notes forming part of the financial statements (contd.)

NOTE 2.6 : LONG-TERM PROVISIONS (Contd)

F. Notes on above

The Company's Provident Fund Trust was granted relaxation under para 79 of Employees Provident Fund scheme 1952 vide Notification No. AS/520/Exempt/Contd 1468 dtd. 08.08.2007. However, due to past profitability of the company, EPFO has issued a notice vide No. AS/TSK/EXEMPT/APCL/2008/267 dtd. 20.04.2009 for withdrawal of relaxation order. Thereafter, Namrup Fertilizer Shramik Union filed a writ Petition No. 5310 of 2009 before the Hon'ble Guwahati High Court for set aside / quash the withdrawal of relaxation order by RPFC, Tinsukia. Subsequently, the Hon'ble Justice Mr. L. A. Ansari vide judgement dated 7th April 2010 has ordered and directed that until further order, the respondents shall not transfer the Provident Fund Account of BVFCL to EPFO without obtaining leave of the Court. During final hearing of the Hon'ble High Court on 13.03.2018, it was viewed that since power delegated to RPFC for grant / cancel of relaxation under para 79 of EPF & MP Act 1952 have been withdrawn by Ministry of Labour & Employment, Govt vide letter No. C - II / MISC/ 02 / 06/ EX / Vol - I / 11854 Date 24.07.12. The Court has no basis to cause interference with the impugned decision of the Govt and the instant Writ petition No. 5310 of 2009 stands closed as having become redundant. However, a representation has been made to Adtl. CPF Commissioner (Exemption), EPFO, New Delhi vide our letter No. A/V/PP/EXEMPT/18-19/10042 Date 07.05.2018 for grant of relaxation under para 17(1) (a) of EPF & MP Act 1952 which is under consideration but final order is yet to come.

Subsequently, the RPFC, TSK, vide letter No. NE/TSK/Exe/BVFCL/1334 dated 13th September 2018 has ordered for transfer of past accumulation of BVFCL EPF Trust to CBT Account based on the final judgement of Hon'ble High Court on 13.03.2018. In the meantime, series of communication have been made with CPFC & RPFC for grant of relaxation vide our letter dated 2nd May 2018, 16th July 2018, 8th August 2018, 28th September 2018 and 22nd October 2018. But no representation have been responded by either CPFC & RPFC.

Later on, The Board of Trustees in its 36th meeting held on 27th September 2018, have decided to file a Writ Petition again with Hon'ble High Court and Authorized the Executive Officer / Secretary of the Trust and any member trustee representing workman / employee on behalf of the Trust to execute the petition. Accordingly, a Writ Petition have been filed with Guwahati High Court on 01.11.2018 vide Case No. WP(C) 7528/2018. The Hon'ble Court has fixed the case for instruction on 19.11.2018 and ordered to staying the operation of letter dated 13th September 2018 issued by RPFC, Tinsukia. On 19.11.2018, upon hearing the parties has fixed the case for instruction on 18.12.2018. No counsel on behalf of Union of India & Ors has attended the Court on 18.12.2018, hence the Hon'ble Court further pleased to direct that the stay Order dated 31st October 2018 will in the meantime shall continue. No further date has fixed for instruction till date.

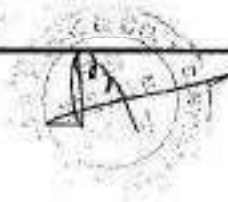
Employees Provident fund Trust (BVFCL EPF TRUST), Rep. by its Secretary filed writ petition on 25.10.18 before Gauhati High Court praying interalia for setting aside and quash the order No. NE/TSK/Exe/BVFCL/1334 dated 13.09.2018 issued by respondent No. - 4 (i.e. RCPF -1, Tinsukia) and letter No. - C - EX/C- II/14(16)/ 2005/ Ex/ EZ dated 24.09.2018 issued by the respondent No. 2 (i.e. EPFO, New Delhi) and vide Order dated 31.10.18 honourable High Court stayed the operation of impuged order dated 13.09.2018 & 24.09.2018. Last date was fixed on 06.03.2019 and honourable Court further ordered that the interim order passed earlier (i.e. on 31.10.2018) shall remain in force. Next date has not been fixed till date. Last date was fixed on 06.03.2019 and honourable Guwahati High Court ordered then the interim order passed earlier shall continued.

BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED
(CIN U24123AS2002GO1006786)

Notes forming part of the financial statements (contd.)

(Rs. in lakhs)

PARTICULARS		As at 31st March, 2021	As at 31st March, 2020
NOTE 2.7 : TRADE PAYABLES			
1	a) Total Outstanding dues of MSE)	56.15	96.75
	b) Total Outstanding dues of creditors other than MSE	3,433.89	3,750.59
	Total	3,490.04	3,847.34
2	<p>Above amount of MSME has been identified from available information. Above dues have been paid within 30 days. The details of amounts outstanding to Micro, Small and Medium Enterprise under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under.</p>		
	Particulars	As at 31.03.21	As at 31.03.20
	a. Principal amount due and remaining unpaid	-	96.75
	b. Interest due on (a) above and unpaid interest	-	-
	c. Interest paid on all delayed payments under the MSMED Act	-	-
	d. Payment made beyond the appointed day during the year	-	-
	e. Interest due and payable for the period of delay other than (c) above	-	-
	f. Interest accrued and remaining unpaid	-	-
	g. Amount of further interest remaining due and Payable in succeeding years	-	-
NOTE 2.8 : OTHER CURRENT LIABILITIES			
	Statutory remittances (Contributions to PF, VAT Withholding taxes, Excise Duty, VAT, Service Tax, GST etc)	211.65	1,733.59
	Advances from Customers	1,328.56	399.07
	Current dues of Gratuity & Leave encashment	718.47	1,447.33
	Others		
	i) Sundry Creditors other than Trade Payables	4,128.26	5,311.38
	ii) Liability for Expenses	623.98	522.79
	iii) Other Liabilities	517.91	521.76
		7,528.63	9,935.92



BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

(CIN U24123AS2002GO1006786)

Notes forming part of the financial statements (contd.)

NOTE 2.9 : Property, Plant & Equipment

(Rs. in lakhs)

PARTICULARS	Gross Block			Depreciation / Amortisation			Net Block		
	As at 01.04.2020	Additions for Write off	Deduction for adjustment	As at 01.04.2020	For the Year	Deductions for Write off	Addition/ Deduction for adjustment	As at 31.03.2021	As at 31.03.20
A. TANGIBLE ASSETS									
Land									
Freshhold	176.95	-	-	10.83	-	-	-	166.12	166.12
Buildings	3,971.10	-	-	3,662.62	12.43	-	-	296.05	308.48
Electrical Installations	252.34	-	-	234.65	1.76	-	-	15.93	17.09
Plant and Machinery	1,04,343.59	836.08	(271.04)	81,296.96	3,462.30	(79.71)	(131.11)	20,360.19	23,046.53
Catalyst	-	442.09	-	-	4.89	-	4.89	437.20	-
Factory & Office Equipment	520.66	0.24	-	448.55	10.14	-	-	62.21	72.11
Furniture and Fixtures	228.22	-	-	210.39	2.48	-	-	15.35	17.83
Computer	176.11	-	-	167.87	6.20	-	-	2.04	8.24
Vehicles	274.29	-	-	241.82	4.00	-	-	28.47	32.47
Roads Bridges & Culverts	225.01	-	-	209.09	2.46	-	-	13.46	15.92
Railway Sidings	2,264.77	-	-	1,468.68	117.62	-	131.11	547.36	796.09
Water System	583.35	-	-	455.22	15.29	-	-	112.84	128.13
Total (A)	1,13,016.39	1,278.41	(271.04)	88,406.68	3,639.57	(79.71)	-	22,057.22	24,609.71
B. INTANGIBLE ASSETS									
Computer software	34.07	-	-	32.37	-	-	-	1.70	1.70
Total of (B)	34.07	-	-	32.37	-	-	-	1.70	1.70
Total of (A+B)	1,13,050.46	1,278.41	(271.04)	88,439.05	3,639.57	(79.71)	-	22,058.92	24,611.41
Previous year	1,12,583.27	812.79	(342.74)	84,850.47	3,669.61	(78.41)	(2.62)	24,611.41	
Project under Development	715.68	-	-	-	-	-	-	715.68	715.68
Capital Work in Progress	Op. balance	Addition	Issue	Prov. For obs.	Cl. Balance				
Capital Stores	961.25	-	(67.41)	(265.38)	628.46			628.46	961.25
Total of CWIP	961.25	-	(67.41)	(265.38)	628.46	-	-	628.46	961.25

BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED
(CIN U24123AS2002GO1006786)

Notes forming part of the financial statements (contd.)

(Rs. in lakhs)

NOTE 2.9 : Property, Plant & Equipment

1. Includes original cost and corresponding accumulated depreciation on Fixed Assets taken over from Hindustan Fertilizer Corporation Limited as on 5th April, 2002.

2. Depreciation has been provided or otherwise charged/written-back as detailed below :-

Year	2020 - 21	2019 - 20
Statement of Profit & Loss	3,639.57	3,669.61
Total	<u>3,639.57</u>	<u>3,669.61</u>

3. The company has written off Rs. 191.33 lakhs (net of depreciation) during the year (Previous year Rs. 264.33 lakhs) towards written down value of replaced fixed assets on the basis of report dated 11.06.2021 of an inhouse technical committee as on 31st March, 2021 since book value was not ascertainable, major part of such replaced assets related to earlier years.



BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

(CIN U24123AS2002GOI006786)

Notes forming part of the financial statements (contd.)

(Rs. in lakhs)

PARTICULARS		As at 31st March, 2021	As at 31st March, 2020
NOTE 2.10 : LONG-TERM LOAN AND ADVANCES			
Capital Advances			
	Secured, considered good	-	-
	Unsecured, considered good	14.64	-
	Doubtful	30.77	30.77
	Less: Provision for doubtful advances	(30.77)	(30.77)
	Total	14.64	-
NOTE 2.11 : INVENTORIES			
1.	Intermediaries product (Ammonia) (valued at lower of cost or net realisable value)	62.99	287.56
2.	Finished Products (other than those acquired for Trading) {Valued at lower of cost or net realisable value including element of Concession Price Subsidy}	761.42	1,735.34
3	Stock of traded Products (SSP)	3.95	-
4	Others (valued at lower of cost or net realisable value)		
	Stock of LPG Cylinder	0.41	0.30
	Stores & Spares under inspection	53.84	0.42
	Stores in Transit	-	-
		<u>54.25</u>	<u>0.72</u>
5	Stores and spares (At cost)	3,163.01	3,323.85
	Stock of packing materials (at cost)	123.20	141.84
	Less :		
	a) Provision for obsolescence & Impairment	(1,267.00)	(1,666.06)
	b) Provision for shortage	(30.67)	(30.67)
		<u>1,988.54</u>	<u>1,768.96</u>
	Total	2,871.15	3,792.58
6	Physical verification of Finished Goods, Intermediaries, and Packing Materials (HDPE Bags) have been carried out during the financial year 2020 - 21 and discrepancies/ damages found have been properly dealt with in the accounts.		
7	The company has formulated a comprehensive policy for age wise provisioning for inventories of Stores and spares as stated in Note 1 (D)(v)(d).		

BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

(CIN U24123AS2002GOI006786)

Notes forming part of the financial statements (contd.)

(Rs. in lakhs)

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
NOTE 2.12 : TRADE RECEIVABLES		
<u>Trade receivables outstanding for a period more than six months from the date they were due for payment</u>		
Subsidy (Government of India)	1,749.74	20,232.86
Others	93.55	16.85
	<u>1,843.29</u>	<u>20,249.71</u>
<u>Trade Receivable less than six months</u>		
Subsidy (Government of India)	(1,959.26)	7,136.68
Others	1,015.29	1,386.83
	<u>(943.97)</u>	<u>8,523.51</u>
Provision for doubtful receivables	(46.90)	(45.35)
	<u>(990.87)</u>	<u>8,478.16</u>
Total	<u><u>852.42</u></u>	<u><u>28,727.87</u></u>
<u>Aggregate of Trade receivables :</u>		
Unsecured, Considered good	852.42	28727.87
Unsecured Considered doubtful	46.90	45.35
Provision for doubtful receivables	<u>(46.90)</u>	<u>(45.35)</u>
	<u>852.42</u>	<u>28727.87</u>

NB : During the financial year 2016 - 17 the concession Price of Namrup-II & Namup - III plant was de-escalated due to reduction of Natural Gas Price in the international market. As a result of the reduction we have refunded an amount of Rs. 13100.00 lakh to FICC against excess amount received towards subsidy during the year 2016-17. In addition to this another deduction was made by FICC towards interest on excess amount paid in earlier Rs. 3269.30 lakh during 2018 - 19. which is totally unexpected for us and which make so many problems in our working capital management.

We have submitted a representation to the Department of Fertilizers vide our letter dated 29th April, 2019 and 4th June, 2019 and requested for waiver of interest recovered from our subsidy bills towards de-escalation claim. It was learnt from the recent visit of Director (CE), FICC on 13th July, 2019 that our representation and request for waiver of interest on de-escalation is under consideration in the Ministry of Chemicals & Fertilizers and order for the same.

Subsequently, GoI (FICC) has released Rs. 2624.87 lakh vide order No. 2-2/2020-21/FICC/ E&A dated 30th March 2021. In the 3rd qtr. QRM held on 31st March - 2021 under the chairmanship of Secy (F) DoF it was ordered to release 32.69 cr. to BVFCL deducted towards interest on deescalation bill. Hence, request letter is being sent to Secy. (F) to release balance 644.43 lakh vide our letter No. AJ/XV/FICC/2020 - 21 / 872 dtd. 24.06.2021.

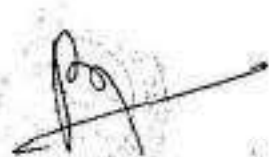
BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

(CIN U24123AS2002GOI006786)

Notes forming part of the financial statements (contd.)

(Rs. in lakhs)

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
NOTE 2.13 : CASH AND CASH EQUIVALENTS		
A <u>Cash and Cash Equivalent</u>		
Cash in hand	2.90	8.53
Total (A)	<u>2.90</u>	<u>8.53</u>
B <u>Other Bank Balances</u>		
(a) In Current Accounts	4,521.96	2,048.14
(b) In Term deposit accounts (Having maturity of twelve months or less)	13,047.28	340.17
(c) Balances held as margin money or security against borrowings, and other commitments.	950.35	227.69
Total (B)	<u>18,519.59</u>	<u>2,616.00</u>
Total (A + B)	<u><u>18,522.49</u></u>	<u><u>2,624.53</u></u>



BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

(CIN U24123AS2002GOI006786)

Notes forming part of the financial statements (contd.)

(Rs. in lakhs)

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
NOTE 2.14 : SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Loans and advances to employees	37.58	40.77
Advance to contractors	-	50.10
Deposit with Excise & Govt. Authorities	228.16	326.45
Advance to suppliers	82.91	451.55
Other Advances	3,118.92	3,791.05
Doubtful advances to suppliers	34.78	34.78
Less: Provision for doubtful advances	(34.78)	(34.78)
Prepaid expenses	70.55	70.73
Total	3,538.12	4,730.65

NOTE 2.15 : OTHER CURRENT ASSETS

Unsecured, considered good		
Other Receivables	226.07	166.09
Unsecured, considered doubtful		
Other Receivables	197.57	197.57
Less: Provision for doubtful receivables	(197.57)	(197.57)
Interest accrued on deposits	41.99	33.46
Total	268.06	199.55

Other receivables include sundry debtors (Estate) amount Rs.413.88 lakhs (Previous year Rs. 353.57 Lakhs) due against licence fee etc. The management is taking necessary initiatives to recover the licence fee receivables etc., by calling on the parties like BSNL, Police Department Authorities, State Govt. Health Department and other individuals. Dues from some of the parties have been received in the process. Moreover, warning letters have also been issued to the defaulters.

Further, in order to protect rights under Tenancy Act and rules, rental bills have been raised against the defaulting tenants. However on the basis of Accounting Standard 9 " Revenue Recognition ", Provision has been kept against arrear licence fee etc. from other than employees Rs. 107.57 lakhs (Previous Year Rs. 197.57 lakhs).



BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

(CIN U24123AS2002GOI006786)

Notes forming part of the financial statements (contd.)

(Rs. in lakhs)

PARTICULARS	Period ended 31st March, 2021	Period ended 31st March, 2020
NOTE 2.16 : REVENUE FROM OPERATIONS		
A. <u>Sale of Manufactured Products</u>		
Urea	7,285.07	8,482.01
Bio Fertilizer	11.32	14.80
Vermicompost	11.26	9.09
Total of 'A'	7,307.65	8,505.90
B. <u>Sale of Trading Goods</u>		
Sale of MOP	1,360.67	1,418.06
Sale of DAP	123.97	265.88
Sale of SSP	1,738.50	772.74
Sale of Rockphosphate	485.84	162.10
Sale of Micronutrient	73.56	-
City Compost	93.37	31.42
Sale of NFL Urea	988.05	2,284.06
Total of 'B'	4,863.96	4,934.26
Total of (A+B)	12,171.61	13,440.16
<u>Subsidy Received/Recoverable</u>		
A. Price Subsidy	8,665.99	16,759.27
B. Freight Subsidy	1,480.46	2,528.02
	10,146.45	19,287.29
Revenue from Operations	22,318.06	32,727.45
<p>C. Subsidy received / receivable of Rs.10146.45 lakhs (previous year Rs.19287.29 lakhs) is credited to statement of profit and loss. This is followed as per AS- 12 Accounting for Govt. Grants.</p>		
<p>D. Pending notification from Fertilizer Industry Coordination Committee (FICC), the adjustment relating to escalation / deescalation price subsidy payable / receivable amounting to Rs. (-)3859.84 lakhs (previous year ₹Rs.2008.87 lakhs) has been accounted for on accrual basis taking into account the guidelines, policies, instructions and clarifications issued by the Govt. of India.</p>		



BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED
(CIN U24123AS2002GOI006786)
Notes forming part of the financial statements (contd.)

(Rs. in lakhs)

PARTICULARS	Period ended 31st March, 2021	Period ended 31st March, 2020
NOTE 2.17 : OTHER INCOME		
A. Interest income		
i) Interest on short term deposit (TDS deducted Rs.20.48 lacs Previous year Rs. 45.49 lacs)	177.79	357.06
ii) Interest received on TDS	-	-
iii) Interest on others	8.92	0.01
iv) Interest recovered from employees against outstanding dues.	0.49	0.17
	187.20	357.24
B. Sale of Scrap & Salvaged materials	31.17	273.33
C. Recovery of Licence fee, Electricity & Water charges etc. from employees & others.	243.85	255.06
D. Miscellaneous income	552.21	153.22
E. Profit on Sale of Assets	-	0.98
Total	1,014.43	1,039.85

Note:

Recovery of licence fee, electricity & water charges Includes Rs. 216.43 lakhs from others on account of licence fee, water & electricity charges (Previous year Rs. 216.81 lakh).

BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED
(CIN U24123AS2002GOI006786)

Notes forming part of the financial statements (contd.)

(Rs. in lakhs)

PARTICULARS	Period ended 31st March, 2021	Period ended 31st March, 2020
<u>NOTE 2.18 : COST OF MATERIALS CONSUMED</u>		
<u>NATURAL GAS</u>		
Opening stock	-	-
Add: Purchase	3,948.20	7,203.07
Total of Opening Stock and Purchase	3,948.20	7,203.07
Closing Stock	-	-
<u>CONSUMPTION</u>		
Plant - II	-	2,201.68
Plant - III	3,948.20	5,001.39
Total Consumption	3,948.20	7,203.07
 Consumption of Stores and Spare Parts	 776.98	 755.41
	776.98	755.41
 Consumption of Packing Materials	 469.03	 566.53
	469.03	566.53
 Total of Cost of Materials Consumed	 5,194.21	 8,525.01
<u>NOTE 2.19 : PURCHASES OF STOCK - IN - TRADE</u>		
Purchase of City Compost	80.31	26.91
Purchase of DAP	120.58	258.60
Purchase of MOP	1,333.53	1,389.49
Purchase of SSP	1,709.98	752.88
Purchase of Rock Phosphate	463.04	154.49
Purchase of Urea from NFL	960.53	2,127.15
Purchase of Zinc	60.14	-
Purchase of Boron	10.02	-
Total	4,738.13	4,709.52

BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED
(CIN U24123AS2002GOJ006786)
Notes forming part of the financial statements (contd.)

(Rs. in lakhs)

PARTICULARS	Period ended 31st March, 2021	Period ended 31st March, 2020
NOTE 2.20 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND TRADING GOODS		
<u>Inventories at the end of the year</u>		
A Stock of Manufactured goods		
Urea *	746.51	1,735.32
Intermediaries product (Ammonia) /goods	62.99	287.56
Stock of Biofertilizers	12.12	0.01
Stock of Vermicompost	2.79	-
Stock of Traded Products (SSP)	3.95	-
Total	828.36	2,022.89
 <u>Inventories at the beginning of the year:</u>		
B Stock of Manufactured goods		
Urea	1,735.33	1,788.38
Intermediaries product (Ammonia) /goods	287.56	65.33
Stock of Biofertilizers	0.01	1.15
Stock of Vermicompost	-	-
Total	2,022.90	1,854.86
Net (Increase) / Decrease in stock	1,194.54	(168.03)
*The Closing stock of Urea as on 31.03.2021 6917.72 MT (Previous year 12628.05 MT)		
 NOTE 2.21 : EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	4,313.70	4,581.71
Contributions to Provident and other funds	485.01	512.33
Staff welfare expenses	927.17	1,016.41
Provision for Gratuity Liability	-	468.79
Provision for Leave Liability	254.01	758.35
Total	5,979.89	7,337.59



BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED
(CIN U24123AS2002GOI006786)
Notes forming part of the financial statements (contd.)

(Rs. in lakhs)

PARTICULARS	Period ended 31st March, 2021	Period ended 31st March, 2020
<u>NOTE 2.22 : FINANCE COST</u>		
<u>Interest expenses:</u>		
a) Interest on Unsecured loan from Govt of India		
i) Normal Interest	-	-
ii) Penal Interest	-	-
b) Interest on Unsecured loan from State Bank of India		
i) For Special Banking Arrangements	-	0.27
ii) Interest charged by FICC for Deescalation	-	-
Total	-	0.27
<u>NOTE 2.23 : REPAIRS & MAINTENANCE</u>		
Repairs and Maintenance - Buildings	138.36	101.88
Repairs and Maintenance - Machinery	1,237.49	1,026.27
Repairs and Maintenance - Others	78.92	70.83
Total	1,454.77	1,198.98
<u>NOTE 2.24 : POWER & FUEL</u>		
Power and Fuel	9,306.79	16,834.94
Total	9,306.79	16,834.94
<u>NOTE 2.25 : FREIGHT & HANDLING EXPENSE</u>		
Freight	1,480.46	2,528.02
Handling charges	366.51	454.30
Total	1,846.97	2,982.32



BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

(CIN U24123AS2002GOI006786)

Notes forming part of the financial statements (contd.)

(Rs. in lakhs)

PARTICULARS	Period ended 31st March, 2021	Period ended 31st March, 2020
Note : 2.26 Other Expenses		
Rent including Lease Rentals	10.33	11.50
Insurance	485.94	128.02
Water & Air pollution Control Tax & Cess	10.03	10.03
Land Revenue	21.07	21.07
Rates & Taxes	0.43	-
Communication Expenses	11.49	16.06
Travelling and Conveyance	5.17	21.77
Printing and Stationeries	11.68	12.54
Business promotion	-	0.11
Donations and Contributions	0.40	13.26
Legal and professional fee	13.45	12.85
Payments to Statutory auditors	2.20	2.20
Cleaning work inside Factory	404.24	379.58
Miscellaneous Expenses for factory	138.61	155.07
Security expenses	1,421.12	1,348.07
Director expenses	5.24	11.01
Provision for doubtful Debts / Advances	1.55	6.32
Provision for obsolescence of stores &	-	92.92
Provision for unmoved capital items	265.38	-
Miscellaneous Casual labour township	176.40	164.80
Miscellaneous Administration expenses	359.39	398.20
Payment against loss of EPF Trust	300.14	-
Payment to Retainers	275.68	265.15
Fixed Assets written off for replaced assets	191.33	264.33
Prior period adjustment	(358.41)	(1,687.67)
Total	3,752.86	1,647.19

Continue.....

BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

(CIN U24123AS2002GOI006786)

Notes forming part of the financial statements (contd.)

(Rs. in lakhs)

PARTICULARS	Period ended 31st March, 2021	Period ended 31st March, 2020
NOTE 2.26 : OTHER EXPENSES Contd....		
Related Party Disclosures : Company is under the administrative control of Ministry of Chemicals and Fertilizers, Government of India and is within the meaning of state controlled enterprise as per para 10.13 of Accounting Standard - 18.		
Key Management Personnel:		
(1) Shri A. K. Ghosh Chairman & Managing Director (*)		
(2) Shri D. Sahai, Director (Production)**		
(3) Shri S.C. Das, Director (Finance) (***)		
(4) Shri Sanjai Maheshwari, Director (Finance) (****)		
(5) Shri R.K. Gupta (Company Secretary)		
Transactions with related Parties :		
	2020 - 21	2019 - 20
(1) A. K. Ghosh Chairman & Managing Director (*)		
a) Remuneration		
Salaries & Wages	28.37	23.92
Provident Fund Contribution	2.86	2.51
b) Travelling Allowance	2.42	5.71
c) Medical Expenses	0.19	0.43
Total	33.84	32.57
(2) D. Sahai Director (Production) (**)		
a) Remuneration		
Salaries & Wages	9.69	0.00
Provident Fund Contribution	1.27	0.00
b) Travelling Allowance	0.48	0.00
c) Medical Expenses	0.00	0.00
Total	11.44	0.00
(3) S.C. Das Director (Finance)(***)		
a) Remuneration		
Salaries & Wages	6.63	0.00
Provident Fund Contribution	0.70	0.00
b) Travelling Allowance	1.08	0.00
c) Medical Expenses	0.32	0.00
Total	8.71	0.00
(4) Shri Sanjai Maheshwari Director (Finance) (****)		
a) Remuneration		
Salaries & Wages	6.26	24.04
Provident Fund Contribution	0.53	2.41
b) Travelling Allowance	0.37	4.79
c) Medical Expenses	0.08	0.00
Total	7.24	31.24

contd...

BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

(CIN U24123AS2002GOI006786)

Notes forming part of the financial statements (contd.)

(Rs. in lakhs)

PARTICULARS	Period ended 31st March, 2021	Period ended 31st March, 2020
NOTE 2.26 : OTHER EXPENSES Contd....		
(3) R.K.Gupa (Company Secretary)		
a) Remuneration		
Salaries & Wages	18.81	17.53
Provident Fund Contribution	1.84	1.70
b) Travelling Allowance	0.00	2.01
c) Medical Expenses	0.03	0.10
Total	20.68	21.34
Liability for remuneration payable in respect of		
1. Shri A. K. Ghosh CMD (*)	2.53	1.81
2. Shri D. Sahai Director (Production) (**)	2.12	0
3. Shri S.C. Das Director (Finance) (***)	2.44	0
4. Shri Sanjai Maheshwari, Director (Finance) (****)	0	1.68
5. Shri R. K. Gupta (Company Secretary)	1.75	1.10
Total	8.84	4.59
* Holding regular post of CMD with additional charge of Director (Production) till date 15th November 2020, and additional charge of Director (Finance) w.e.f. 01.07.2020 to 30.09.2020.		
** Hold the regular post of Director Production w.e.f. 16.11.2020.		
*** Hold the regular post of Director (Finance) w.e.f. 18.12.2020.		
**** Hold the post of Director (Finance) on deputation till the date of 30.06.2020.		
Audit Expenses :		
a. Statutory Auditors		
i) Audit Fee	1.80	1.80
ii) Reimbursement of travelling and out of pocket expenses	0.40	0.40
b. Tax Audit		
i) Audit fee & Reimbursement of Other expenses	0.42	0.42
c) Internal Auditors		
i) Audit Fee	1.79	2.15
ii) Reimbursement of TA & Other expenses	0.21	0.55
d) Cost Auditors		
i) Audit fee & Reimbursement of Other expenses	0.74	0.32
e) FICC / TOP Auditors		
i) Audit fee & Reimbursement of Other expenses	1.34	2.26
f) PF Auditors		
i) Audit fee & Reimbursement of Other expenses	0.20	0.35
g) Audit fee Inventory / Physical verification Audit	3.40	-
h) Audit fee & Other expenses for other services	0.30	0.35
Total	10.60	8.60

Contd.....

BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED
(CIN U24123AS2002GO1006786)

Notes forming part of the financial statements (contd.)

(Rs. in lakhs)

PARTICULARS	Period ended 31st March, 2021	Period ended 31st March, 2020
NOTE 2.26 : OTHER EXPENSES Contd....		
Prior Period adjustments.		
DEBIT DURING THE YEAR (-)		
Material Consumed	0.05	0.20
Freight Subsidy	230.00	1.02
Misc Expenses	2.30	14.64
CISF Expenses	13.46	9.74
Licence fee, water & Electricity Charges	-	35.67
Total	245.81	61.27
CREDIT DURING THE YEAR (+)		
Provision no longer required written back	-	36.62
Interest on SBA	-	1.50
Subsidy	604.22	1,710.82
Total	604.22	1,748.94
Net Debit / Credit : (+) / (-)	(358.41)	(1,687.67)

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BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED
(CIN - U24123AS2002GOI006786)
Notes forming part of the financial statements (contd.)

PARTICULARS	Period ended 31st March, 2021	Period ended 31st March, 2020
NOTE 2.27 : EARNINGS PER SHARE		
a) Number of Equity Shares at the beginning of the year	36,58,324	36,58,324
Number of Equity Shares at the end of the year	36,58,324	36,58,324
Weighted average number of Equity Shares outstanding during the year	36,58,324	36,58,324
Face Value of each Equity Share	1,000	1,000
b) Net Profit for the year attributable to Equity Share Holders (after Prior Period Adjustments but before Exceptional items) (₹ in lacs)	(13,775.24)	(12,970.10)
Net Profit for the year attributable to Equity Share Holders (after Prior Period Adjustments and Exceptional items) (₹ in lacs)	(13,775.24)	(12,970.10)
c) Basic earning per share on profit after tax before Exceptional items (₹/share)	(376.55)	(354.54)
d) Diluted earning per share on profit after tax and Exceptional items (₹/share)	(376.55)	(354.54)

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BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

(CIN U24123AS2002GO1006786)

Notes forming part of the financial statements (contd.)

NOTE 2.28 : CONTINGENT LIABILITY

		(Rs. in lakhs)	
		2020 - 21	2019 - 20
a)	Claims against the Company not acknowledged as debts:		
(i)	Litigation and Other Commitments	99.97	99.97
(ii)	Tax Liabilities against 'CSI', & Entry Tax	622.06	626.29
(iii)	AERC Regulation 2010 (as per traded rate of REC Certificates was updated on June - 2020 as per Indian Energy Exchange Website)	666.92	835.00
	TOTAL	1388.95	1561.26
b)	Estimated amount of contracts remaining to be executed on capital Account	0	0

NOTE 2.29 : SEGMENT REPORTING

The Company manufactures and deals primarily in urea and as such there is a single business segment. Further, the company is engaged in providing and selling its products in single economic environment in India i.e. there is a single geographical segment. Hence, no further disclosures are made.

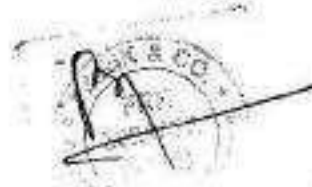
A handwritten signature is written over a circular official stamp of Brahma Putra Valley Fertilizer Corporation Limited. The stamp contains the company name and other details, though they are partially obscured by the signature.

BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED
(CIN U24123AS2002GO1006786)
Notes forming part of the financial statements (contd.)

NOTE 2.30 : ADDITIONAL INFORMATION FOR THE YEAR 2020 - 21

Additional information in regard to value of Imports, Expenditure in Foreign Currency, Stores & Spares consumption, and other related details are furnished as under:

Sl No.	Particulars	(Rs. in lakhs)	
		As on 31.03.2021	As on 31.03.2020
(1)	<u>Value of Imports calculated on CIF basis :</u>		
	(a) Raw Materials	-	-
	(b) Capital Goods	21.73	47.71
	(c) Components & Spare Parts	-	-
(2)	<u>Expenditure in Foreign Currency :</u>		
	(a) Purchase of Products	-	-
	(b) Know-how	-	-
	(c) Professional Consultancy Fees	-	-
	(d) Other Materials (Travelling)	-	-
(3)	<u>Value of Raw Materials, Stores & Spare Parts and Components including Chemicals & Catalysts consumed :</u>		
		(Rs. in lakhs)	
		As on	%
		31.03.2021	31.03.2020
	(a) Imported	292.42	5.19%
	(b) Indigenous	5345.51	94.81%
	Total	5637.93	100.00%
(4)	<u>Earning in Foreign Currency</u> (₹ In Lakhs)	-	-
(5)	<u>Research & Development</u> (₹ In Lakhs)		
	(a) Revenue Expenditure		
	(b) Capital Expenditure		



BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED
(CIN U24123AS2002GO1006786)
Notes forming part of the financial statements (contd.)

NOTE 2.31 : PREVIOUS YEARS COMPARISON

- a) Figures have been rounded off to the nearest lakhs of rupees except where otherwise stated.
- b) Previous year's figures have been shown in brackets unless otherwise stated. Previous year's figures have been regrouped, rearranged and reclassified, wherever necessary.

FOR AND ON BEHALF OF THE BOARD


R. K. Gupta
Company Secretary


S.C. Das
Director (Finance)
DIN : 08968297


A. K. Ghosh
Chairman & Managing Director
DIN - 08222413

Date:- 27/09/2021
Place:- Namrup

In terms of our report of even date
For Parik & Co.
Chartered Accountants,


CA Bipin Kumar
Partner
Membership No. 059805
Firm Regn. No : 302147E
C&AG Empanelment No. ER 0855
UDIN : 21059805AAAAFP6605
Place : Guwahati
Date : 27/09/2021