



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, e-mail: rktiware@bvfc.com

Notice of 21st AGM

Notice is hereby given that the 21st Annual General Meeting of the Members of Brahmaputra Valley Fertilizer Corporation Limited will be held through Video Conferencing (VC)/Other Audio Video means (OAVM) on Friday, 29th day of September, 2023 at 3.30 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, 2023, together with the 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 the Audited Annual Financial Statements of the Company for the Financial Year ended 31st March, 2023 along with the Director's Report, Independent Audit Report and the comments of C&AG thereon be and are hereby approved and adopted."

2. To re-appoint Shri Harvinder Singh (DIN - 08123352), Director of the Company, who retires by rotation under Article No. 93(2) of Articles of Association of the Company in this meeting and being eligible, offers himself for re-appointment and to pass the following resolution with or without any modification(s) as Ordinary Resolution:

"RESOLVED THAT in pursuance of the provisions of Article No. 93(2) of Articles of Association of the Company, Shri Harvinder Singh (DIN - 08123352), retiring Director of the Company, being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

3. To re-appoint Shri Niranjana Lal (DIN - 07965269), Director of the Company, who retires by rotation under Article No. 93(2) of Articles of Association of the Company in this meeting and being eligible, offers himself for re-appointment and to pass the following resolution with or without any modification(s) as Ordinary Resolution:

"RESOLVED THAT in pursuance of the provisions of Article No. 93(2) of Articles of Association of the Company, Shri Niranjana Lal (DIN - 07965269), retiring Director of the Company, being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

4. To re-appoint Shri Satish Kumar Sharma (DIN - 01820665), Director of the Company, who retires by rotation under Article No. 93(2) of Articles of Association of the Company in this meeting and being eligible, offers himself for re-appointment and to pass the following resolution with or without any modification(s) as Ordinary Resolution:

"RESOLVED THAT in pursuance of the provisions of Article No. 93(2) of Articles of Association of the Company, Shri Satish Kumar Sharma (DIN - 01820665), retiring Director of the Company, being eligible, offers himself for re-appointment, and is hereby re-appointed as a Director of the Company."

5. To re-appoint Shri Rabi Ranjan Sen (DIN - 09400040), Director of the Company, who retires by rotation under Article No. 93(2) of Articles of Association of the Company in this meeting and being eligible, offers himself for re-appointment and to pass the following resolution with or without any modification(s) as Ordinary Resolution:

"RESOLVED THAT in pursuance of the provisions of Article No. 93(2) of Articles of Association of the Company, Shri Rabi Ranjan Sen (DIN - 09400040), retiring Director of the Company, being eligible, offers himself for re-appointment, and is hereby re-appointed as a Director of the Company."

6. To fix remuneration of Statutory Auditors of the Company for the Financial Year 2023-24 and, if though fit, to pass the following resolution with or without modification(s), as an Ordinary Resolution:

"RESOLVED THAT the Audit Committee/ Board of Directors of the Company be and are hereby authorised to review and approve such remuneration as it may decide for the Statutory Auditors appointed by the Comptroller and Auditor General of India for the Financial Year 2023-24 and the Statutory Auditors shall hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company."

SPECIAL BUSINESS :

7. To consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. Subhadra Dutta & Associates, Cost Accountants, Kolkata, as Cost Auditor of the Company appointed by the Board of Directors of the Company to conduct the audit of the Cost Accounting Records of the Company for the Financial Year ending 31st March, 2024, be paid the remuneration as under :

- i) A total professional fee payable Rs. 42,500/- (Rupees Forty Two Thousands Five Hundred only) towards annual cost audit and quarterly cost review for three (03) quarters i.e. June, September and December for the year 2023-24;

- ii) Conversion of Annual Cost Audit Report to XBRL format and uploading fee to MCA portal for Rs. 7,500/- (Rupees Seven Thousand and Five Hundred Only) ;
- iii) Reimbursement of travelling expenses by Airfare (Economy class) (to & fro) to Proprietor or 1(one) Partner and/or 1 (one) qualified staff, the reimbursement will be in 2AC rail fare (to & fro) and to audit assistant 1(one), the reimbursement will be in 3AC rail fare (to & fro) or as per actuals, whichever is less, on submission of documentary evidence;
- iv) Fooding and lodging to the audit team in BVFCL Guest House shall be provided free of charge;
- v) Local transport at the Namrup Railway Station/Bus Stand and Company's Guest House to place of work (to and fro), shall be provided by the company free of charge. However, in respect of local transport charges at the originating destination, the reimbursement (to and fro) shall be limited to auto charges @Rs. 200/- to Audit staff and Rs. 300/- for Proprietor or Partner by Taxi, or actual, whichever is less on production of documentary evidence;
- vi) Three set of hard copy of the audit report (Quarterly/ Annual) should be printed and bind before submission for which no additional payment will be reimbursed by BVFCL;
- vii) All the charges/fees are excluding the applicable taxes, if any.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and to take all such steps, as may be necessary or expedient to give effect to this resolution."

By Order of the Board of Directors

**Sd/-
R. K. Tiwari
Company Secretary**

**Place : Namrup, Assam
Date : 29th September, 2023**

Notes :

1. Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 in respect of the items No. 7 (Special Business) is annexed hereto.
2. The Ministry of Corporate Affairs, Government of India vide General Circular no. 10/2022 dated December 28, 2022 read with General Circular no. 2/2022 dated May 05, 2022, General Circular no. 02/2021 dated January 13, 2021, General Circular no. 20/2020 dated May 05, 2020, General Circular no. 17/2020 dated April 13, 2020 and General Circular no. 14/2020 dated April 08, 2020 (hereinafter collectively referred to as "MCA Circulars") has allowed the companies whose annual general meeting is due in the year 2023 to conduct annual general meeting through video conferencing ("VC") or other audio visual means ("OAVM") till September 30, 2023. In pursuance of the applicable provisions of the Act read with MCA Circulars, the Twenty First Annual General Meeting of the Company ("AGM") is being convened and conducted through VC / OAVM, which does not require physical presence of members at a common venue. The venue of AGM shall be deemed to be the Registered Office of the Company at Namrup, Distt. Dibrugarh, Assam, PIN -786623.
3. 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.
4. 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.
5. 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 114 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.
6. 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.
7. 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

ANNEXURE TO THE NOTICE**(Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013)****Item No. 7: Ratification of the Remuneration of the Cost Auditors of the Company for the Financial Year 2023-24.**

The Board of Directors of the Company has approved the appointment and remuneration of M/s. Subhadra Dutta & Associates, Cost Accountants, Kolkata, as Cost Auditors of the Company in its 118th meeting held on 25th July, 2023 on the recommendation of the Audit Committee of the BVFCL Board to conduct the audit of the Cost Accounting Records of the Company for the Financial Year 2023-24. In accordance with the provisions of Section 148 and other applicable provisions of Companies Act, 2013 read with the Rule 14 of the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the Financial Year 2023-24 by way of the an Ordinary Resolution is being sought from the members, as set out at item No. 7 of the Notice.

The Board accordingly recommends the passing of the proposed Ordinary Resolution for approval of the members.

None of the Directors or Key managerial personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in passing of the said Ordinary Resolution.

By Order of the Board of Directors

Sd/-
R. K. Tiwari
Company Secretary

Place : Namrup, Assam
Date : 29th September, 2023

DIRECTORS' REPORT

To,
The Members,
Brahmaputra Valley Fertilizer Corporation Limited

Dear Members,

Your Board of Directors have pleasure in presenting the 21st (Twenty First) Annual Report on the business and operations of the Company along with the Audited Annual Financial Statements for the Financial Year ended 31st March, 2023 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:

(Rs. in Crore)

Particulars	For the Financial Year	
	2022-23	2021-22
Profit (+) / Loss (-) before Depreciation, Interest & Tax	59.21	(-) 60.72
Depreciation	34.73	36.92
Interest	0.10	0
Profit (+)/Loss (-) before Tax (PBT)	24.38	(-) 97.64
Tax Expenses	0	0
Net Profit (+) / Loss (-) after Tax	24.38	(-) 97.64

During the Financial Year 2022-23, the Company earned profit before Depreciation, Interest & Tax (PBDIT) of Rs. 59.21 Crores against the loss before Depreciation, Interest & Tax of Rs. 60.72 Crores in the previous Financial Year. The increase in profit is mainly due to the increase in production and sales (including trading business) during the Financial Year 2022-23 in comparison to the previous Financial Year. During the Financial Year 2022-23, the production of Urea was 223342 Metric Tonnes (MT) (previous Financial Year 170280 MT). During the Financial Year 2022-23, the quantity of Urea sold was 227873 MT (Previous Financial Year 169922 MT). Further, during the Financial Year 2022-23, value of sale of traded products was Rs. 410.88 crores (previous Financial Year Rs. 68.96 crores).

During the year under review, no dividend was proposed to be declared on account of the accumulated losses and negative networth of the Company.

2. MANAGEMENT DISCUSSION AND 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 Practicing 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:

- The Govt. of India, Ministry of Chemicals and Fertilizers, Department of Fertilizers vide Order dated 19th July, 2022 appointed Shri Harvinder Singh, Director (Movement), DOF, as a part time Govt. Nominee Director on the Board of BVFCL vice Shri Shyam Sunder Agrawal, Joint Director FICC, DOF.
- The Govt. of India, Ministry of Chemicals and Fertilizers, Department of Fertilizers vide Order dated 1.08.2022 ceased the tenure of Shri K Gurumurthy, Joint Secretary, DOF as Govt. Nominee Director from the Board of the Company w.e.f. 20.07.2022 ;
- Shri Digambar Sahai, Director (Production), retired from the services of the Company on attaining his age of superannuation on 31st August, 2022.
- The Govt. of India, Ministry of Chemicals and Fertilizers, Department of Fertilizers vide Order dated 3rd October, 2022 appointed Shri Niranjan Lal, Director (UPP), DOF, as a part time Govt. Nominee Director on the Board of BVFCL.
- The Govt. of India, Ministry of Chemicals and Fertilizers, Department of Fertilizers vide Order dated March 21, 2023 appointed Shri P. K. Banik, DGM, BVFCL, as Directors Production (DP) w.e.f. his date of assumption of charge of the post of DP. Subsequently, Shri P. K. Banik has assumed the charge of DP w.e.f. March 22, 2023.
- The tenure of Shri Bipina Bihari Padhy, Non Official Director (Independent) who was appointed by Ministry of Chemical and Fertilizers dated May 01, 2020 for a period of three year (03) years commencing from May 09, 2020 has ended on May 08, 2023.

The Board of Directors wishes to place on record its sincere appreciation for the services rendered by Shyam Sundar Agrawal, Shri K. Gurumurthy, Shri Digambar Sahai and Shri Bipina Bihari Padhy, the retiring Director 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, 2023, 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, 2023 and of the Profit and loss of the Company for the year ended on March 31, 2023;

- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 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 conservation of energy can be achieved by using the energy more efficiently or by reducing the usage of energy. The Company continuously makes efforts to conserve energy in its manufacturing facilities and allied operations and look for avenues to use alternate sources of energy, to reduce its carbon footprint. 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. B. L. Purohit & 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 2022-23. The above Auditors have submitted their Independent Audit Report dated 26.07.2023 on the Annual Financial Statements of the Company for the Financial Year ending March 31, 2023. The Statutory Auditors has drawn the attention with due emphasis on certain key audit matters. The management replies on the above key audit matters 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 2023-24.

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, 2023 under the provisions of Section 143 (6) of the Companies Act, 2013. C&AG Auditors issued 7 (seven) nos. of observation on 10.08.2023 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 16.08.2023. The Comments of C & AG dated 26.09.2023 on the audited annual financial statements of the Company for the year ended 31st March, 2023 is enclosed as **Annexure IV**, forming part of Directors' Report and do not require for any reply, as no comments has been reported by C & AG.

9. **COST AUDITORS:**

Your Company 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. K. G. Goyal & Associates, Cost Accountants, Jaipur (Firm Registration Number: 000024) were appointed to conduct the audit of cost accounting records of the Company for the Financial Year 2022-23. The above firm has submitted their Cost Audit Report to the management on 27.09.2023. The filing of Cost Audit Report for the Financial Year 2022-23 is under process. The Cost Audit Report for the Financial Year 2021-22 was filed/uploaded on the website www.mca.gov.in vide SRN F26678888 dated 28.09.2022, after duly approved by the Board of Directors of the Company on 02.09.2022.

10. **INTERNAL AUDITOR:**

M/s. AMAA & Associates, Chartered Accountants, Kolkata, (Firm Registration Number: 013066C) was appointed as Internal Auditor of the Company for the Financial Year 2022-23. The above firm has submitted their audit report for the year 2022-23.

The Audit Committee after reviewing the Internal Audit Report and compliances, issued necessary directions / advisories to the Executive Management of the Company for taking corrective actions, wherever sought necessary.

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

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 taken place to increase the awareness and motivate the employees for the use of Hindi Raj Bhasha in the Company:

- i) Hindi fortnight was celebrated from 13th September to 27th September, 2022. During the fortnight, competitions like essay writing, speech, questionnaire, translation etc. were organized, in which employees and officials participated enthusiastically;
- ii) Four (04) Hindi workshops/seminars were organized during the year;
- iii) BVFCL participated in Hindi Advisory Committee, Delhi on 23.06.2022 and BVFCL was awarded first prize for implementation of Hindi in "C" zone.
- iv) During the Financial Year 2022-23, BVFCL was awarded the first prize for Hindi implementation by Narakas Duliajan.
- v) Annual and quarterly reports regarding the implementation of the Official Language Section are being sent regularly to the Department of Official Language, Ministry of Home Affairs, Government of India, New Delhi, Regional Implementation Office, Department of Official Language, Ministry of Home Affairs, Guwahati and Oil India Limited, Duliajan (Narakas Office).
- vi) During the Vigilance Awareness Week organized in the month of October 2022, all competitions and street plays were organized mainly in Hindi language (Notwithstanding the condition of being in the C region).

- vii) Bilingual song/poetry competition was organized for the students and officers during Children's Day celebration.
- viii) For the awareness of Hindi language, one word Hindi/English is being displayed every day in the office premises, which will help in use of Hindi language in the Company.
- ix) During the year under review, your Company has participated in All India Hindi Conference, Bhubaneswar.
- x) BVFCL Website is in bilingual and regular updates thereon are made from time to time.
- xi) Bi-lingual official seals of higher officials of the Company were made for official use;

12. PARTICULARS OF EMPLOYEES UNDER SECTION 197:

As per the provisions of Section 197 of the Companies Act, 2013 and rules made there under, Government Companies are exempted from inclusion of the statement of particulars of employees and therefore the said particulars are not included in the Board's Report.

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 the said Act, 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 Public Information Officer 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 the Company's 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, total 79 applications were received under RTI. Out of this, 79 nos. of applications were disposed off. 11 nos. of applications were received at first appeal stage, all of 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 31.03.2023 are given in the respective notes to the financial statements.

15. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92 (3) read with Section 134(3) (a) of the Companies Act, 2013, the Annual Return of the Company for the Financial Year 2021-22, has been displayed on the website of the company at www.bvfcl.com, which is available at weblink: https://bvfc.com/wp-content/uploads/2022/11/Form_MGT_7_04112022-sign-1.pdf

16. SECRETARIAL STANDARDS

During the Financial Year 2022-23, 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 Financial Year 2022-23, Company has submitted self assessment report and expected 'Éxcellent Rating' to your Company. However, DPE notification in this matter is awaited.

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. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The Company has not entered into any contract with the related party as prescribed under section 188 of the Companies Act, 2013 during the year under review.

21. FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12), OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:

There were no frauds reported during the Financial Year 2022-23 by the Statutory Auditors of the Company.

22. DETAILS OF APPLICATION / ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:

During the year under review, neither any application was made nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) for the Financial Year 2022-23.

23. DETAILS OF THE CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN DURING THE YEAR

During the Financial Year 2022-23, the Company satisfies two threshold criteria as under the provisions of Section 135 (1) of the Companies Act, 2013 i.e. Turnover >/ 1000 Crore and Net Profit >/5 Crore out of the three criteria. In compliance of the provisions of Section 135 of the Companies Act, 2013, the CSR Committee of the Company was constituted by the Board on 25.07.2023 and the CSR Policy is in process of formulation. Moreover, since there is no average profit during immediate three preceding Financial Years, obligation to spend 2% of average profit as per the provisions of Section 135 (5) doesn't arise during the Financial Year 2022-23.

However, your Company 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), the details of which are mentioned in detailed in *Annexure I i.e. Management Discussion and Analysis Report*.

24. 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, HIL, IFFCO, valued dealers, customers and the Press and Electronic Media.

The Board of Directors wishes to place on record its sincere appreciation to State Governments of all the North Eastern States, Uttar Pradesh, Bihar, West Bengal, Orissa, Jharkhand, Chhattisgarh, Madhya Pradesh, UCO Bank, State Bank of India, Syndicate Bank, Canara 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 operational Namrup - III plants, despite of several constraints.

For and on behalf of the Board

Sd/-

**Siba Prasad Mohanty
Chairman & Managing Director
DIN : 05336787**

Place : Namrup, Assam

Date : 27th September, 2023

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, Ammonium Phosphate Sulphate, Ammonium Sulphate, Rock Phosphate), Plant Growth Regulator, City compost and Micronutrients etc. The Corporation is marketing its products under the brand name "Mukta".

2. INDUSTRY STRUCTURE & DEVELOPMENTS:

The consumption of Urea is highest among all the fertilizers in India and the demand of Urea is met through indigenous production and imports. The Urea industry comprises of manufacturers from public, co-operative and private sector. The import of Urea is carried out by the entities nominated by the Government of India. The price of Urea is regulated by the Government of India which pays subsidy on Urea sold for agriculture use.

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.

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. Our 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 also Rupees One Lac annual membership fee in Financial Year 2022-23. Chairman and Managing Director of your Company is a member in the Governing Council of ICFFTR and Director (Production) of the Company are Executive Members of ICFFTR.

4. **REVIEW OF PRODUCTION PERFORMANCE:**

During the year under review, Urea Production in Namrup-III was 223342 MT compared to 170280 MT achieved in Financial Year 2021-22. The targeted Urea production in 2022-23 could not be achieved due to various unforeseen breakdowns of old, unreliable equipments. Energy consumption per MT of Urea produced in Namrup-III was 12.20 GCal/MT compared to 14.56 GCal/MT in the Financial Year 2021-22.

Productions of Urea, Bio Fertilizer and Vermi Compost during the last five years are given below:

F. Yr.	Urea (MT)		Bio-Fertilizers (MT)		Vermi Compost (MT)		NPK (MT) *	
	Prod.	Sale	Prod.	Sale	Prod.	Sale	Prod.	Sale
2018-19	286315	286430	44.24	44.87	94.74	99.60	-	-
2019-20	155992	160186	35.54	29.60	83.86	64.73	-	-
2020-21	131880	137569	14.75	16.484	81.02	80.19	-	-
2021-22	170280	169922	53.81	48.415	107.17	110.409	-	-
2022-23	223342	227870	152.938	147.84	101.39	60.66	67.525	59.94

****NPK Plant has been commissioned in January 2023.***

Namrup-II plants suffered two major failures during Financial Year 2019-20, the first one was on 17.05.2019 and the second was on 06.01.2020. The plant could be re-started after the first incident after about four months time and the second incident occurred shortly after resumption of operation of Namrup-II after the first incident. The plants are under continuous shutdown after the second incident on 06.01.2020. PDIL was engaged for inspection of the plant and NDT was carried out in the Synthesis Section. Department of Fertilizer had constituted a Committee to review the status of safe and economic operability of the Namrup-II plants and a Technical Team comprising NFL and RCF experts visited the plants and submitted their report regarding the resumption of operation of Namrup-II plants. The Committee observed that in the Synthesis Section itself, a considerable numbers of faulty welding joints were found in radiography and some pipeline joints were found to be defective in NDT, which may create unsafe condition in case of operation. The committee further observed that the actual energy consumption in Namrup-II being much higher than the FICC norm, operation of the plant will not be financially viable, till the FICC SEC norm is revised. Committee has opined that health study of the entire Ammonia Plant of Namrup-II and revision of FICC SEC norm is required, to ensure the viability of re-starting the Namrup-II

plants. So, the committee has not recommended in favour of resumption of operation of Namrup-II plants. In view of Technical Committee Report and also huge financial losses to the Company, a detailed proposal for "Permanent de-commissioning of Namrup-II group of plants and its disposal" was deliberated in the 117th Meeting of Board of Directors of the Company held on 8th May, 2023. The consent of the Board of Directors of the Company was accorded on the proposal of the Executive Management of BVFCL to permanently de-commission of Namrup-II Group of Plants and its disposal on "as is where is" basis, except the Water Treatment Plant associated with it, after following due process in this regard. After obtaining approval from Board, proposal for 'permanent de-commissioning of Namrup-II group of plants and its disposal' was sent to Department of Fertilizers on 27th June, 2023 for approval. Subsequently, DoF directed the Company vide its letter dated 17th July 2023 to forward a proposal for closure of Namrup-II Unit to DoF in the form of Note for Alternative Mechanism containing the introduction, background with physical and financial performance, manpower and land details of Namrup-II unit, justification and financial implication of the proposal under terms and conditions as stipulated in DPE "Guiding Principles for Closure of Units by the Parent Public Sector Enterprises" issued vide OM dated October 31, 2022.

During the Financial Year 2022-23, 315 on-stream days could be achieved in Namrup-III Plant compared to 273 days in Financial Year 2021-22. Some of the major jobs done during the year (April 2022) are as follows:

- i. Auxiliary Boiler: Replacement of FD Fan damaged rotor shaft with the spare shaft.
- ii. Turbine washing of NGBC, PAC and SGC.

Some other major jobs done during the year (in December 2022) are as follows:

- i. Skimming of LTS Converter top bed catalyst dust.
- ii. Dry ice cleaning of Primary Reformer Waste Heat Recovery Section.
- iii. Bearing check up of Syn Gas Compressor.
- iv. Turbine washing of NGBC, PAC and SGC.
- v. Arresting Flange leakage of HCV-1.9 (SGC Discharge).

Production Organic fertilizers: During the Financial Year 2022-23, all time highest production of Bio Fertilizer was recorded. Bio Fertilizer production achieved was 152.938 MT, compared to previous highest of 53.805 MT in Financial Year 2021-22. Vermi Compost production achieved was 101.39 MT, compared to previous year's production of 107.17 MT. The production of Vermi Compost has been discontinued w.e.f. 09.02.2023 due to high cost of production.

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 September 2017.

Implementation of One Nation One Fertilizer: Government of India has made it mandatory to implement One Nation One Fertilizer by introducing single brand for fertilizers and logo under Fertilizer subsidy scheme namely "Pradhanmantri Bhartiya Janurvarak Pariyojna (PMBJP)". The Company is using new bags w.e.f. December 27, 2022 under this scheme as directed by Dept. of Fertilizer vide F. No. 20-1/2022-FI, dated: 24th August 2022.

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 2022-23, Company sold – 2,27,870.160 MT Urea (Previous year 169,747.40 MT; excluding export quantity).
- ii.) Bio-Fertilizers: 147.84 KL liquid Bio-Fertilizers valued Rs. 221.78 Lakhs were sold (Previous year 48.415 KL liquid Bio-Fertilizers valued Rs.73.69 lakhs).
- iii.) Vermi Compost: 60.66 MT Vermi Compost valued Rs. 8.49 Lakhs were sold (Previous year 110.409 MT valued Rs.15.49 Lakhs).
- iv.) NPK (19:19:19): 59.94 MT of Mukta NPK (19:19:19) valued Rs 89.91 Lakhs were sold (Previous Year Nil).
- v.) Imported Urea: 2 18897.38 MT of Imported Urea valued Rs 11, 725.82 Lakhs were sold. (Previous year Nil).

b) Traded Products:

Your Corporation has done trading business of various Agri Inputs and performed following trading activities during 2022-23:

- i.) **Urea (NFL)** : 65705.22 MT valued Rs. 3,516.77 lakhs (Previous year 35,090.10 MT valued Rs. 1857.20 lakhs);
- ii.) **SP Fertilizers**: 71927.60 MT valued Rs. 7,950.85 lakhs were sold (Previous year 23,781.70 MT valued Rs. 1546.97 lakhs);
- iii.) **MOP Fertilizers** : 6988.60 MT valued Rs. 2,200.25 lakhs were sold (Previous year 6,186.90 MT valued Rs. 1583.76 lakhs);
- iv.) **DAP Fertilizers** : 17566.85 MT valued Rs. 4,404.76 lakhs were sold (Previous year Nil);
- v.) **Rock Phosphate** : 10115.00 MT , valued Rs. 756.99 lakhs were sold (Previous year 6,890.00 MT , valued Rs. 478.16 lakhs);
- vi.) **Mukta Power**: 3450.22 MT valued Rs 4,416.28 lakhs were sold (Previous year Nil);

- vii.) **Agro Power** : 257.500 MT valued Rs 324.45 lakhs were sold (Previous year 685.76 MT valued Rs 863.99 lakhs);
- viii.) **Ammonium Sulphate**: 16867.51MT valued Rs 2,999.35 lakhs were sold (Previous year 796.20 MT valued Rs 63.67 lakhs);
- ix.) **Factamfos**: 426.00 MT valued Rs 110.52 lakhs were sold (Previous year 262.00 MT valued Rs 128.34 lakhs);
- x.) **APS** : 3583.60 MT valued Rs 945.23 lakhs were sold (Previous year Nil);
- xi.) **NPK (10:26:26)**: 2742.60 MT valued Rs 746.54 lakhs were sold (Previous year Nil);
- xii.) **PDM** : 4052.95 MT valued Rs 565.77 lakhs were sold (Previous year Nil);
- xiii.) **Zinc Sulphate**: 261.98 MT valued Rs. 152.08 lakhs were sold (previous Year 229.70 MT valued Rs. 101.59 lakhs);
- xiv.) **Magnesium Sulphate**: Nil (Previous year 178.20 MT valued Rs 37.54 lakhs);
- xv.) **Boron**: 9.00 MT valued Rs. 9.02 lakhs were sold (Previous year 6.20 MT valued Rs. 4.52 lakhs);
- xvi.) **Pesticides**: 7.67 MT/KL valued Rs 33.35 lakhs were sold (Previous year 8.51 MT/KL valued Rs 49.85 lakhs);
- xvii.) **NPK**: (Water Soluble Fertilizer): 53.52 MT valued Rs 80.19 lakhs were sold (Previous year 39.06 MT valued Rs 39.79 lakhs);
- xviii.) **HIL NET**: 7000.00 nos valued Rs 18.76 lakhs were sold (Previous year 15,100 nos valued Rs 39.72 lakhs)
- xix.) **City Compost**: 397.00 MT valued Rs. 28.96 lakhs were sold (Previous year 1,369.85 MT valued Rs. 92.24 lakhs);
- xx.) **Seed**: 110.00 MT valued Rs. 12.23 lakhs were sold (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.) **Dealers Training Programme**: 06 (Six) nos. of Dealers Training Programme were conducted at during Financial Year 2022-23 in different marketing territories. Since the dealers are vital link in disseminating the information to the farmers and 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 your Corporation. Dealers were requested to facilitate supply of fertilizers to the farmers conforming to their soil requirement.
- ii.) **Farmers Training Programme**: 16 (Sixteen) nos. of Farmers Training Programme were conducted at during Financial Year 2022-23 in different marketing territories. Valued farmers are the key for sale fertilizer in any area. Though these training programmes, farmers were educated and encouraged for using the products from BVFCL product basket and balance use of fertilizer to maintain soil health.
- iii.) **Demonstration Programme**: 92 (Ninety Two) nos. of Farmers Training Programme were conducted at during Financial Year 2022-23 in different marketing territories to establish the benefits of product of BVFCL to the farmers.

- iv.) **Pradhan Mantri Kisan Samruddhi Kendra (PMKSK)** : PMKSK will cater to a wide variety of needs of the farmers and provide agri-inputs (fertilizers, seeds, implements); testing facilities for soil, seeds, fertilizers; generate awareness among farmers; provide information regarding various government schemes and ensure regular capacity building of retailers at block/ district level outlets. More than 3.3 lakh retail fertilizer shops are planned to be converted into PMKSK. BVFCL has opened 114 nos. of PMKSK in district level in North Eastern states during Financial Year 2022-23 and for Financial Year 2023-24, DoF has entrusted us to serve the farmers of the nation by opening 1249 nos. of PMKSK in North Eastern states.

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:

- ✓Secondary freight revised are District wise having discrepancies in PTPK rates.

Movement Problem:

- ✓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 January 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.

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.

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 huge number of PMKSKs across all NE states & serving farming community at large through these PMKSKs.

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

- ✓ Rationalization of movement - Rail-Road movement ratio brought down 97:03 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 zero 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 and 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:

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.

7. **FUTURE OUTLOOK AND INITIATIVES FOR THE CURRENT YEAR:**

Some major steps have been taken to bring the Company back to the path of growth and dynamism with all round development which are as follows:

- ✓To establish a Single Super Phosphate (SSP) manufacturing facility of 400 MTPD capacity within the existing premises.
- ✓To establish a Solar Power System of 2.4 MW capacity in BVFCL premises in the vacant land to promote renewable energy sources.
- ✓To trade surplus captive power in state grid to have financial benefit for the Company.
- ✓To establish a Nano Urea Plant within the existing premises.
- ✓Turnover from trading of agri-inputs is expected to reach more than Rs.2000 Crores in the current Financial Year 2023-24.
- ✓BVFCL has been allotted PICT Port, Paradip for handling and marketing of imported Urea in Govt. of India account for three years commencing from 2022-23 onwards. Marketing areas have been extended to Chhattisgarh, Jharkhand, Odisha & Madhya Pradesh and dealers network has been increase in lesser represented areas of Bihar and West Bengal States. During Financial Year 2022-23, BVFCL has successfully completed Handling & Marketing of 05 (five) numbers of vessels. BVFCL is also planning for further expansion of marketing areas to Uttar Pradesh, Telangana and Andhra Pradesh with the aim of achieving a pan India presence.
- ✓NIT for supply of Imported DAP, MOP, NPKs will be floated again for supply of imported products during rabi season 2023-24.
- ✓In addition to the existing MoUs, BVFCL has executed MoUs with new business partners viz. HURL, IFFCO, Agrophos India Ltd., Jay Agro Industries, Madhav Agrochem Pvt. Ltd., to enhance the range of its product basket during 2023-24.
- ✓For better supply of BVFCL's own and traded products, 2 Nos. new Rake points added recently i.e. Jiribam(Manipur) , Bhairabi (Mizoram) based on the logistics availability and the Company is further exploring the possibilities to add more rake points.

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

The Company is immensely contributing to Atmanirbhar Bharat by producing indigenous Urea by running one very old designed plants 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) 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.

- c) 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.
- d) 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 past. This will boost the vision of honourable Prime Minister for 'Make for World', along with 'Make in India'.
- e) Procurement of Goods and Services through GEM Portal and MSE during the Financial Year 2022-23 is given below:

Sl. No.	Particulars	Unit	2022-23
1	Total Procurement of Goods & Services (Irrespective of availability in G eM Portal)	Rs. Cr.	73.46
2	Procurement of Goods & Services through MSEs	Rs. Cr.	38.1
3	Procurement of Goods & Services through SC/ST MSEs	Rs. Cr.	0
4	Procurement of Goods & Services through Women MSEs	Rs. Cr.	1.20
5	Procurement of Goods & Services from GeM portal	Rs. Cr.	21.72

9. **ISSUES PENDING WITH DEPARTMENT OF FERTILIZERS:**

- (i) **Allowing changes in the Indicative List of Items for grant in aid of Rs.100 Crore.:** Immediate approval of the proposal for changes in the Indicative List of Items in the GIA of Rs.100 Crore is required to be approved to ensure safe and sustained operation of Namrup-III plants due to precarious financial condition of the Company.
- (ii) **Special Dispensation:** Calculation of Concessional price of urea on 100% pricing basis for Natural Gas i.e. non-mopped rate, so that additional fund to the tune of 40% rebated amount is available to BVFCL, which can be effectively used for renewal and replacement of the equipments and machineries to achieve safety and stability in operation.
- (iii) **Financial support for new initiatives:** DoF has been requested to extend financial support in diversification of business of the Company for arranging the project cost for the following initiatives:

- a) Steps have been initiated for establishment of a new Single Super Phosphate (SSP) plant, having capacity of 1.20 LMTPA, under the brand name of 'Mukta'. DoF has given in-principal approval for the proposed project. Financial assistance from DoF will be sought after finalisation of the LSTK contractor for implementation of the project.
- b) To establish a Nano Urea Fertilizer manufacturing unit of estimated project of Rs.250 Crore, a Letter dated 08.12.2021 was sent to DoF requesting for financial support of an estimated project cost Rs. 250 Crore for establishing Nano Urea Fertilizer Plant at BVFCL, Namrup. A reminder letter dated 07.06.2023 was also sent to Secretary (Fertilizers), DoF for the same.

10. **MOU RATING :**

The Company had started signing MoU with Department of Fertilizer w.e.f. 2004-05 and Ratings obtained during the year 2021-22 was "Poor".

MoU for the Financial Year 2022-23 was signed between the Secretary (Fertilizers), DOF and the CMD, BVFCL. MoU parameters are being reviewed at DoF.

11. **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 is fully complying all the requirements.

Department of Public Enterprises has recently launched e-Samiksha 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(s) may obtain various exceptional and compliance status reports on the fly.

This system also facilitates the Monitoring Agencies to further give directions/ remarks and send email/ SMS to the stakeholder(s) on a particular action-points/ proposals/ issues/ targets etc. Monitoring Agencies 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.

12. **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 L MTPA NG based plant through nomination route by forming a JV of CPSEs and Govt. of Assam.

However, all these have not yielded any result and presently another effort is being made to establish the project on PPP mode by allotting 52% equity to a private entity through bidding.

13. 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, Information Technology, Legal and Internal Control.

14. ENVIRONMENT & SAFETY MANAGEMENT:

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, The Air (Prevention & Control of Pollution) Act, 1981, The 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.

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 neighbouring industries in Dibrugarh and Tinsukia district, external assistance is also available in case any disaster.

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.

Hazop Study was done for the first time along with External Safety Audit and Risk Assessment, by engaging the external Consultant in 2020. External Safety Audit has been done for 2021-22. Also the On-site Emergency Plan is updated periodically.

15. 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, Bihar and are being used multiple times by the farmers for storage of their produce etc., collection of these bags is difficult. 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.

16. KEY OPPORTUNITIES AND THREATS :

i) The Opportunities to the Company

- Scope for exporting of urea to neighboring states.
- Scope for diversification to produce solar power and captive power trading.
- To produce Single Super Phosphate (SSP) and Nano Urea to expand product basket.
- Diversification into other agricultural products.
- To arrange for all fertilizers and agro products as per single window concept.
- 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.
- Establishment of large modern ammonia urea complexes in the eastern region is converting the urea market to a surplus market from deficit market; thereby increasing stiff competition.
- 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 using only domestic gas and is located 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 Company has taken various initiatives such as:

- E-mail service from NIC has been implemented in the domain @bvfc.com. All officers have been provided official e-mail ids.
- Visitor Management System has been implemented.
- Online outgoing AVI for employees has been implemented.
- OPD Registration System has been implemented in BVFCL Hospital.
- e-Office, a digital workspace solution developed by NIC has been implemented.
- House allotment application form has been made online.
- Company's website has been renovated with up to date information.
- New portal for admission of students has been developed for the Company's higher Secondary school.
- Bill tracking system has been implemented.

II) E-GOVERNANCE

- Government e Procurement Platform (GePNIC), developed by National Informatics Centre (NIC) has been implemented to publish online tenders and to conduct online auctions.
- Procurement through Government e-Market place (GeM) is being utilized.
- The Company'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, Facebook Koo app, YouTube channel and instagram accounts are being maintained with updated information.

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.

The sanctioned strength of CISF personnel for deployment in BVFCL factory area is 144 during the period under review. Moreover, total 31 nos. private security personnel are also deployed in entire BVFCL township 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 in the year 2019. Further, the Integrity Pact clause is invariably incorporated in all the Tenders having value more than Rs. One Crore and above. Prescribed periodic review of Integrity Pact implementation is being done through Independent External Monitor(s).

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 have been obtained w.e.f. 17/01/2022 and valid till 16/01/2025. Certificates have been obtained after successful completion of recertification process.

Re-certifications for ISO 9001:2015 and 14001:2015 are being implemented in Namrup-III group of plants and common services departments of BVFCL.

Recertification Audit was conducted in the month of March 2022. After recertification, first surveillance audit is due in the current year which will be conducted shortly.

Certification Agency: M/s SWISS CERT PRIVATE LIMITED, New Delhi.

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 necessary actions taken for its 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, 2023 was 403. 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 31.03.2023 was as under: -

Sl. No.	Categories	Nos.	%
1	Scheduled Caste	35	8.68
2	Scheduled Tribe	51	12.65
3	OBC	125	31.02
4	Ex- Servicemen	0	0
5	Physically handicapped	1	0.25
6	Women	27 (SC-04, ST-03, OBC-07, GEN-13)	6.7
7	Minority	22	5.46
8	Others	191	47.39

B. TRAINING

A report of the Training Records during the Financial Year 2022-23

Continuous effort for improved performance of employees has been made through in-house training both in the plant and through classroom lectures as per Training Calendar prepared for Financial Year 2022-23. The Training Department of the Company works out on training need assessment based on the yearly feedback on performance from the departments. Extensive training need survey is carried out periodically based on the analysis of the educational qualification, training imparted during the induction period, subsequent on the job exposure, summarized feedback on performance and interviews.

The Company is engaging apprentices under Apprenticeship Act. Apart from engaging apprentices, CMA trainees as well as vocational trainees for exposure to actual industrial environment are also engaged.

During the year ending 31st March, 2023, 29 (Twenty Nine) nos. of in-house training programmes, 6 (Six) nos. of external training programmes and 3 (Three) webinars were conducted by the Training Department of the Company. Brief details of the programme(s) are stated as below:

In-house programmes

Sl. No	Title of the programme	Level & No. of participants	Date	Faculty
01	Standing order for Workmen	Workmen = 09	17/08/2022	HR Department
02	1-Day joint Education Programme, NBFWD	Officers = 19 Workmen = 04	18/08/2022	From NBFWD
03	Fire Fighting and First Aid	Officers = 07 Workmen = 13	30/08/2022	Fire & Safety Department and Medical Department
04	E-Office	Officers = 36 Workmen = 02	03/09/2022	IT Department
05	Orientation Programme for Newly joined employees on Ammonia, CPP, WTP & DM	Workmen = 25	21/09/2022	Production Department
06	Orientation Programme for Newly joined employees on Urea & Bagging	Workmen = 27	21/09/2022	Production Department

07	Orientation Pogramme for Newly joined employees on HR	Workmen = 28	22/09/2022	HR Department
08	Orientation Pogramme for Newly joined employees on Safety	Workmen = 27	22/09/2022	Safety Department
09	Training Programme on "Bill Tracking System"	Officers = 16	03/11/2022	IT Department
10	Training Programme on "Bill Tracking System – 2 nd Session"	Officers = 12 Workmen = 01	19/11/2022	IT Department
11	Training Programme on "Continuous on-line Emission and Effluent System"	Officers = 09	19/11/2022	Instrumentation Department
12	Training Programme on "Vibration Monitoring System"	Officers = 07 Workmen = 03	26/12/2022	Instrumentation Department
13	Orientation Pogramme for Newly joined employees on HR	Officers = 15 Workmen = 10	20/01/2023	HR Department
14	Orientation Pogramme for Newly joined employees on Administration Deptt.	Officers = 15 Workmen = 11	20/01/2023	HR Department
15	Orientation Pogramme for Newly joined employees on Production Deptt.	Officers = 15 Workmen = 10	21/01/2023	Chemical Department
16	Orientation Pogramme for Newly joined employees on Mechanical Deptt.	Officers = 15 Workmen = 10	21/01/2023	Mechanical Department
17	Orientation Pogramme for Newly joined employees on Electrical Deptt.	Officers = 15 Workmen = 10	21/01/2023	Electrical Department
18	Orientation Pogramme for Newly joined employees on Instrumentation Deptt.	Officers = 15 Workmen = 10	21/01/2023	Instrumentation Department
19	Orientation Pogramme for Newly joined employees on Finance Deptt.	Officers = 15 Workmen = 10	23/01/2023	Finance Department

20	Orientation Pogramme for Newly joined employees on MM Deptt.	Officers = 15 Workmen = 10	23/01/2023	Material Management Department
21	Orientation Pogramme for Newly joined employees on TS Deptt.	Officers = 15 Workmen = 10	23/01/2023	Technical Services Department
22	Orientation Pogramme for Newly joined employees on Fire & Safety Deptt.	Officers = 15 Workmen = 10	23/01/2023	Fire & Safety Department
23	Orientation Pogramme for Newly joined employees on Legal	Officers = 15 Workmen = 10	24/01/2023	Legal & HR Department
24	Orientation Pogramme for Newly joined employees on Legal	Officers = 15 Workmen = 10	24/01/2023	Legal & HR Department
25	Orientation Pogramme for Newly joined employees on IT Deptt.	Officers = 15 Workmen = 10	24/01/2023	IT Department
26	Orientation Pogramme for Newly joined employees on Company Secretariat	Officers = 15 Workmen = 10	24/01/2023	Company Secretariat
27	Orientation Pogramme for Newly joined employees on CISF	Officers = 15 Workmen = 10	24/01/2023	CISF
28	Motivational Speech 'The Chosen One'	Officers = 19	30/01/2023	Mr Indrajyoti Sengupta , Kolkata
29	Motivational Speech 'Hum Honge Kamyab'	Workmen = 25	30/01/2023	Mr Indrajyoti Sengupta , Kolkata

External Training Programmes

Sl. No	Name(s)	Organised by	Venue	Title	Duration
01	i.Sri BB Padhy ii.Sri SK Sharma iii.Sri RR Sen Non- Official (Independent) Directors of the Company	DPE	VC	Two d orientation programme for Independent Directors	14-15 July, 2022
02	Shri D S Baruah , Dy. Manager (Legal) ,	SCOPE	Leh ladakh	National M eet o n RTI Act	14-16 September,

					2022
03	Sri S. K. Sharma Non- Official (Independent) Director of the Company	DPE	New Delhi	Two d ays orientation programme fo r Independent Directors	21-22 September, 2022
04	Sri R. K. Gupta, DGM - Company Secretary	DPE	Noida	Two d ays t raining programme fo r Company Secretaries	22-23 September, 2022
05	i.Mr Tausif Ahmed, Dy Manager (Chem) ii.Mr Pulakesh Saikia, Dy. Manager (Mech)	The Fertiliser Association of India	Kota, Rajasth an	Group Discussion on "Operation and Maintenance Problems of Urea Plants"	1 st to 4 th February, 2023
06	i.Mr Jitu Das, Asst. Manager (Chem) ii.Mr Bitopan Sarma, Asst. Manager (Mech)	National Productivity Council	Guwah ati	Efficient Operation & Maintenance of Boilers	15 th February, 2023

Webinars

Sl. No	Title of the programme	Level & No. of participants	Date	Faculty
01	Masterclass for Directors' Programme	Officers = 02	9 to 10 th April & 16 to 17 th April, 2022	Institute o f Directors, Bengaluru
02	Key Facts of Fertilizer Sector	Officers = 09	25 & 26 May, 2022	The Fertiliser Association of India, New Delhi
03	5 th Edition of one day workshop on Women Leadership	Officer=02	24 th February, 2023	All I ndia Management Association (AIMA)

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.

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 1.01.2023 and number of appointments made during the preceding calendar year i.e. 2022 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 51.26% against set amended parameter of minimum of 25% of total annual purchases in the Financial Year 2022-23. Moreover, percentage of procurement of Goods and Services only from MSEs owned by SC/ST entrepreneurs out of total procurement was .01%. During the Financial Year, your Corporation has achieved overall procurement of products and services rendered by MSE owned by women enterprises only was 3.15%. 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 is considered to be an integral part of the management function. The focal point of vigilance is to protect the honest & punish the guilty together with the development of "People" in Business and Industry and to enable the management for culture of transparency, efficiency and fairness under the guidance of the Chief Vigilance Officer.

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.

The challenge before the Vigilance Department is to create an environment in which the honest can work fearlessly and the corrupt are punished promptly.

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 vigilance knowledge and skill to bring them in a requisite level and to develop the quality at par with the other PSUs.

- Total 08 nos. of complaints have been received during Financial Year 2022-23, 02 (Two) complaints were brought forward from Financial Year 2021-22. Out of those, total 07 (Seven) complaints were disposed off during Financial Year 2022-23.
- Agreed list of suspected officer" and List of Doubtful Integrity were prepared in consultation of Chairman and Managing Director of the Company and CBI, Guwahati Assam and a close watch is being kept on the listed officers. System of rotation of officers posted in sensitive posts for more than three years is being followed.
- Surprise and regular inspections were carried out during the year. Discrepancies/irregularities noticed, if any, during the scrutiny are being brought to the notice of the Management for corrective action/preventive measures.
- Files pertaining to High value transactions have been examined by Vigilance Department on regular basis as per CTE laid down pattern and on the basis of finding of inspections, recommendation has been given for systemic improvement.
- Prompt and timely submission of Monthly Reports/ Quarterly Performance Report(QPR)/ CTE Report/ Half yearly report to the Board of Directors for their review/ Annual Reports/Returns to Central Vigilance Commission (CVC) and Department of Fertilizers (DoF) is maintained.
- Another good practice that has been adopted in the Organization is the requirement of public officials to annually declare their assets. These declarations called "Annual Property Returns" are scrutinized by the Chief Vigilance Officer to identify individuals who seem to possess assets disproportionate to their legal source of income so that a proper watch can be kept on such officials. Therefore, keeping in view the above, regular scrutiny of property returns of employees are carried out 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.
- On the directives of Central Vigilance Commission, Vigilance Awareness Week (VAW) was observed by the Company w.e.f. the 31st October, 2022 to 6th November, 2022 in line with the theme "अष्टाचार मुक्त भारत – विकसित भारत" "Corruption free India for a developed Nation. In a move towards inculcating the true spirit of participative vigilance, the Commission instructed a three months campaign period from 16th August, 2022 till 15th November, 2022 in which six different preventive vigilance measures were taken as focus areas. In house training was also conducted by the Vigilance Officials among the employees and CISF Personnel to create awareness. Various competitions were conducted among the employees and school children during the VAW2022.
- Guidelines/instructions issued by the CVC/Administrative Ministry/DoPT/DPE from time to time are being forwarded for wide circulation to all the HODs/Department at Corporate Office, Namrup for strict compliance.

26. WELFARE MEASURES (CORPORATE SOCIAL RESPONSIBILITY):

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, EDLI, group personal accident insurance scheme, group savings linked insurance scheme, mediclaim 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 in 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.

Despite of adverse financial status, the Company has taken several actions to meet the ambitious goal of Hon'ble Prime Minister under the Swachh Bharat Mission and Special Campaign 2.0 by arranging various awareness programmes for the employees of BVFCL as well as the residents of its locality and cleanliness drive were initiated at all offices, public buildings, hospital & guest house of the Corporation, daily markets, play grounds and public road sides in BVFCL township. Webinar on "Curb the use of single-use plastic" where more than 100+ BVFCL dealers from various locations of Assam, West Bengal, Bihar Odisha, Jharkhand, Chhattisgarh and BVFCL officials had participated, workshop on WASH practices were also been arranged for the dissemination of information on Swachhta. Further, beautification of office buildings, gardens and parks were also done by the Corporation.

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. During the year 2022-23, no complaint have been reported on sexual harassment of women employees in work places of BVFCL.

ANNEXURE – 1 (A) TO DIRECTORS' REPORT**FORM-A****A) Power & Fuel Consumption**

	Unit	2022-23	2021-22
(a) Grid Power			
1.Namrup-II	Kwh	0.00	0
2.Namrup-III	Kwh	555150	409950
Total Cost	Rs. in Lakhs	210.83	128.46
Rate	Rs./ Kwh	37.98	31.34
(b) Own Generation (CPP)	Kwh	102993900	98968940
Total Unit	Rs. in Lakhs	5857	2845
Total Cost	Rs./ Kwh	5.69	2.87
Rate			
Natural Gas (Billed Quantity)			
(a) For Captive Power consumed	SCuM	655682	2025128
1.Namrup-II	SCuM	29391302	29245609
2.Namrup-III	Rs. in Lakhs	4663.26	1657.03
Total Cost	Rs./1000 SM ³	15519.89	5298.99
Rate			
(b) For Boilers (S.B.,W.H.B.) (incl. Canteen)	SCuM	39593	39300
1.Namrup-II	SCuM	64510676	63810169
2.Namrup-III	Rs. in Lakhs	10018.13	3383.38
Total Cost	Rs./1000 SM ³	15519.89	5298.99
Rate			
(c) For Feed Stock	SCuM	0.00	0.00
1.Namrup-II	SCuM	111212425	94478155
2.Namrup-III	Rs. in Lakhs	17260.05	5006.39
Total Cost	Rs./1000 SM ³	15519.89	5298.99
Rate			
(d) For Reformer Fuel*	SCuM	0.00	0.00
1.Namrup-II	SCuM	124466755	113417625
2.Namrup-III	Rs. in Lakhs	19317.11	6009.99
Total Cost Rate	Rs./1000 SM ³	15519.89	5298.99

B. Consumption per MT of production of Urea:

	Unit (per MT of Urea)	2022-23	2021-22
Natural Gas			
(i) Feed Stock	SM ³ /MT (Nam-II)	0.00	0.00
	(Nam-	497.95	554.84
(ii) Electricity (CPP)	III)	0.00	0.00
	SM ³ /MT (Nam-II)	131.59	171.75
(iii) Boilers etc.	(Nam-	0.00	0.00
	III)	288.84	374.74
(iv) Reformer Fuel*	SM ³ /MT (Nam-II)	0.00	0.00
	(Nam-	557.29	666.07
	III)		
	SM ³ /MT (Nam-II)		
	(Nam-		
	III)		
Electricity			
(i) Grid Power	Kwh/ MT (Nam-II)	0	0
	(Nam-	2.48	2.41
(ii) Generated Power	III)	461.15	581.21
	Kwh/MT Urea		

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

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 certified 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, 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 20 years back on adhoc basis are required to be reworked because of change in circumstances during the intervening period. As per outcome of QRM meeting at DoF, 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 18.12 GCal/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. The Company is experiencing huge financial crunch due to small capacity of the plant, obsolete technology and equipment leading to frequent breakdowns and dependence of only one product i.e. Urea, which is completely Govt. controlled for its feedstock and market price.

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 hole catalyst in primary reformer, setting-up of neem coated urea facility by in-house expertise, implementation of Online Pollution Monitoring System etc.

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, decision was taken to start producing Liquid Bio Fertilizers at the earliest. Accordingly, through in-house expertise, the existing Bio Fertilizer production facility was converted to Liquid Bio Fertilizer production facility with considerable capacity enhancement. This has ensured smooth and 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. All time highest Bio Fertilizer production could be achieved in Financial Year 2022-23.

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. 362.83 lakhs (previous year Rs.
33.34 lakhs) towards purchase of foreign
goods for capital equipment.**

*** * * * ***

ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCs, STs and OBCs and PHs AS ON 1ST JANUARY, 2023 AND NUMBER OF APPOINTMENTS MADE DURING THE PRECEDING CALENDER YEAR.

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

ANNEXURE - 1 (C)	Groups	Representation of SCs / STs / OBCs as on 01.01.2023				Number of appointments made during the calendar year 2022											
						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	268	23	28	83	26	4	0	14	27	2	5	7	-	-	-	-
	Group B	45	5	11	16	-	-	-	-	1	-	1	-	-	-	-	-
	Group C	48	3	6	10	15	0	5	6	14	1	2	6	-	-	-	-
	Group D (Excluding Safai Karmachari)	31	4	5	12	16	2	3	4	-	-	-	-	-	-	-	-
	Group D (Safai Karmachari)	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	393	36	50	121	57	6	8	24	42	3	8	13	-	-	-	-

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	-	-	-	-

[Signature]
19/07/23

[Signature]
19/7/2023

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 or at any other place(s) as may be decided by the Executive Management of the Company from time to time.
- 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

The Executive Management of the Company 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, 6 (s ix) meetings of Board of Directors were held, details of which are as under :

Board Meeting No.	Date	No. of Directors attended
111	24.05.2022	6
112	29.07.2022	5
113	02.09.2022	4
114	29.09.2022	6
115	16.12.2022	7
116	13.03.2023	6

E. COMPOSITION OF BOARD

As on 31st March, 2023, there were eight (08) members in the Board of Directors of the Company, comprises Sh ri Si ba P rasad M ohanty, Ch airman & M anaging D irector, Shri Su bash Ch andra Das, D irector (F inance), Shri P radip K umar B anik, D irector (Production), Shri Harvinder Singh, Govt. Nominee Director (DOF), Shri Niranjana Lal, Govt. Nominee Director (DOF), Shri Bipina Bihari Padhy, Non Official Director, Shri Satish Kumar Sharma, Non Official Director and Sh ri R abi Ranjan Sen, 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 Shri	Attendance particulars		Details of Directorship and committee members/ chairman	
	No. o f B oard meetings attended during the year	Last AGM Held on 29.09.2022	Details o f Directorships i n other public limited companies	Details of committee memberships and c ommittee Chairmanship

<u>Functional Directors</u>				
Shri Siba Prasad Mohanty, Chairman & Managing Director and Director	6	Yes	FAI Hindustan Urvarak & Rasayan Limited (Add. Charge of MD)	-
Shri Digambar Sahai, Director (Production) (*)	2	NA	-	-
Shri Subash Chandra Das Director (Finance)	6	Yes	-	Member in Dispute Resolution Committee
<u>Part Time Official Directors</u>				
Shri Shyam Sundar Agarwal, Govt. Nominee Director (DOF), (**)	1	NA	-	-Member of Audit Committee
Shri K. Gurumurthy, Govt. Nominee Director (***)	0	NA	-	-Member of Audit Committee -Member in Remuneration Committee Member in Dispute Resolution Committee
Shri Harvinder Singh Govt. Nominee Director (****)	2	Yes	-	-Member in Remuneration Committee
Shri Niranjana Lal Nominee Director (*****)	2	No	-	-Member of Audit Committee -Member in Remuneration Committee -Member in Dispute Resolution Committee
Non Official Part Time Director				

Bipina Bihari Padhy, Bhubaneswar	6	Yes	-	-Chairman of Audit Committee -Chairman of Remuneration Committee -Member in Dispute Resolution Committee
Shri Satish Kumar Sharma, Non Official Director	3	Yes	-	-Member of Audit Committee -Member in Remuneration Committee -Member in Dispute Resolution Committee
Shri Rabi Ranjan Sen, Non Official Director	6	Yes		-Member of Audit Committee -Member in Remuneration Committee -Member in Dispute Resolution Committee

(*) Ceased the Directorship w.e.f. 31.08.2022.

(**) ceased from the Directorship w.e.f.19.07.2022

(****)Ceased from the Directorship w.e.f. 20.07.2022

(****) Assumed the Directorship w.e.f. 19.07.2022

(*****) Assumed the Directorship w.e.f. 03.10.2022

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 the 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 2022-23, Audit Committee comprises Four (04) members i.e. Shri Bipina Bihari Padhy, Non Official Director (Chairman); Shri Satish Kumar Sharma, Non Official Director, Shri Rabi Ranjan Sen, Non Official Director and Shri Niranjana Lal, 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
 - xviii) Review Risk Management status reports
 - xix) Appointment of Tax Auditor
 - xx) Cost Control and Cost Reduction

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, five (05) Audit Committee Meetings were held.

Audit Committee No.	Date	No. of Directors attended
74	24.05.2022	3
75	29.07.2022	2
76	29.09.2022	3
77	16.12.2022	4
78	13.03.2023	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. Chairman & Managing Director, Director (Finance), Internal Auditors and Statutory Auditors were attended the meetings as Special Invitee(s).

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 or withdrawal of nomination by the Department of Fertilizers (Govt. of India). Independent Directors are appointed by the Government of India for a tenure of three years at a time.

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 and the last reconstitution of the Remuneration Committee was done by Resolution by Circulation No. 116.01 dated 02.03.2023 (noted in 116th Board Meeting dated 13.03.2023). As on 31st March, 2023, the Remuneration Committee of the Board of your Corporation comprises four members i.e. Sh. Bipina Bihari Padhy, Non Official Director (Chairman), Sh. Satish Kumar Sharma, Non Official Director, Shri Rabi Ranjan Sen, Non Official Director and Shri Harvinder Singh, Govt. Nominee Director. The existing terms of reference of the Remuneration Committee shall remain unchanged. The above Committee shall meet at least twice in a financial year and not more than six months shall elapse between two meetings. The quorum shall be one-third of its total strength or two members, whichever is higher and at least two Non-Official (Independent) Director must be present.

During the year under review one meeting of Remuneration Committee was held on 16.12.2022.

Dispute Resolution Committee

Initially, as per the directions of Audit Committee in their 66th meeting held on 30.06.2020, executive management constituted a Committee namely "Dispute Resolution Committee vide notification dated 22.08.2020 under the Chairmanship of Non Official Director (Shri Bipina Bihari Padhy) and other members of Sr. Management officials of the company for the purpose to review all the legal disputes/cases pending in different courts, Statutory Authorities, Forums, etc. and explore the possibility of amicable resolution of the above disputes/cases through alternate mechanism and submit its report to the Board.

The Dispute Resolution Committee was constituted/ from time to time and the last reconstitution of the Dispute Resolution Committee during the year under review was done by Resolution by Circulation No. 116.01 dated 02.03.2023 (noted in 116th Board Meeting dated 13.03.2023). As on 31st March, 2023, the Dispute Resolution Committee of the Board of your Corporation comprises five members i.e. Shri Rabi Ranjan Sen (Chairman), Shri Bipina Bihari Padhy, Non Official Director, Shri Satish Kumar Sharma, Non Official Director, Shri Niranjana Lal, Govt. Nominee Director and Shri S. C. Das, Director (Finance). The existing terms of reference of the Dispute Resolution Committee shall remain unchanged. The above Committee shall meet at least twice in a financial year and not more than six months shall elapse between two meetings. The quorum shall be one-third of its total

strength or two members, whichever is higher and at least two Non-Official (Independent) Director must be present.

During the year under review, two meetings of the Dispute resolution committee were held.

Corporate Social Committee :

During the Financial Year 2022-23, the Company satisfies two threshold criteria as under the provisions of Section 135 (1) of the Companies Act, 2013 i.e. Turnover >/ 1000 Crore and Net Profit >/5 Crore out of the three criteria. In compliance of the provisions of Section 135 of the Companies Act, 2013, the CSR Committee of the Company was constituted by the Board on July 25, 2023 and the CSR Policy is in process of formulation.

The Corporate Social Responsibility Committee of the Board of the Company comprises four directors i.e. Shri Rabi Ranjan Sen (Chairman), Non Official Director, Shri Satish Kumar Sharma, Non Official Director, Shri Niranjana Lal, Govt. Nominee Director and Shri Subhash Chandra Das, Director (Finance) of the Company.

5 Secretarial Audit report

Secretarial Audit Report have been obtained from M/s. Pravin Chhajjar & 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 Chhajjar & 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.30.02 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 :

	2022-23		2021-22		
	% of Total Exp.	% of Total Finance Exp.(Int.)	% of Total Exp.	% of Total Finance Exp.(Int.)	Remarks
Administrative	1.32	Nil	1.69	Nil	
Office Exp.	0.01	Nil	0.02	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 affirm the compliance with the above Code of Conduct Rules.

**For and on behalf of Board of Directors of
Brahmaputra Valley Fertilizer Corporation Limited**

**Sd/-
Siba Prasad Mohanty
Chairman and Managing Director**

DIN : 05336787

Date : 27th September, 2023

Place : Namrup, Assam

FORM MR-3
SECRETARIAL AUDIT REPORT
 FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023
Pursuant to section 204(1) of the Companies Act, 2013 read with
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-786623, Assam

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, 2023 ("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, 2023** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Other corporate 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 2022-23 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 which is 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.

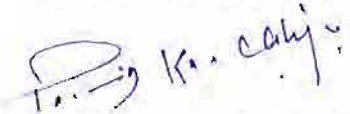
Date: 22.09.2023

Place: Guwahati

UDIN: A025787E001057147

Peer Review Regn. No.: 4436/2023

FOR PRAVIN CHHAJER & ASSOCIATES
COMPANY SECRETARIES



(PRAVIN KUMAR CHHAJER)

Proprietor

M. No.: A25787

COP: 9231

Note:1

- 1) *During the course of our audit, it was observed that the Company has held only one meeting of Remuneration Committee. The meeting of the Board of Directors held on 28/02/2022 decided to hold at least two meetings of the Remuneration Committee in a financial year and not more than 6 months shall elapse between two meetings. However, the Company in its Board Meeting dated 02/09/2022 has reconstituted Remuneration Committee of the Board.*
- 2) *During the course of our audit, it was observed that the meeting of the Board of Directors held on 28.02.2022, decided to hold at least two meetings of the Dispute Resolution Committee in a financial year and not more than six (6) months shall elapse between two meetings. However, the Company in its Board Meeting dated 02/09/2022 has reconstituted Dispute Resolution Committee of the Board. Moreover, the Company has held two meetings of Dispute Resolution Committee in the financial year dated 16/12/2022 and 13/03/2023 respectively but it was observed that the time gap between two meetings was not maintained. That being so, the Company has failed to conduct meeting in the first half of the financial year.*



CORPORATE GOVERNANCE CERTIFICATE

To,

The Members,

BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED**CIN: U24123AS2002GOI006786**

P.O. Parbatpur, Namrup, Dibrugarh -786623, Assam

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, 2023** as stipulated in the guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 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:-

Note:1

- 1) *During the course of our audit, it was observed that the Company has held only one meeting of Remuneration Committee. The meeting of the Board of Directors held on 28/02/2022 decided to hold at least two meetings of the Remuneration Committee in a financial year and not more than 6 months shall elapse between two meetings. However, the Company in its Board Meeting dated 02/09/2022 has reconstituted Remuneration Committee of the Board.*



- 2) During the course of our audit, it was observed that the meeting of the Board of Directors held on 28.02.2022, decided to hold at least two meetings of the Dispute Resolution Committee in a financial year and not more than six (6) months shall elapse between two meetings. However, the Company in its Board Meeting dated 02/09/2022 has reconstituted Dispute Resolution Committee of the Board. Moreover, the Company has held two meetings of Dispute Resolution Committee in the financial year dated 16/12/2022 and 13/03/2023 respectively but it was observed that the time gap between two meetings was not maintained. That being so, the Company has failed to conduct meeting in the first half of the financial year.

Date: 22.09.2023

Place: Guwahati

UDIN: A025787E001057334

Peer review Regn. No.: 4436/2023

FOR PRAVIN CHHAJER & ASSOCIATES
COMPANY SECRETARIES



P. K. Chhajer
(PRAVIN KUMAR CHHAJER)
Proprietor
M. No.: A25787
COP: 9231

ANNEXURE –II (D) TO DIRECTOR’S REPORT

MANAGEMENT REPLIES ON THE OBSERVATIONS ON CORPORATE GOVERNANCE CERTIFICATE AND SECRETARIAL AUDIT REPORT OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

S. No.	Observations	Management Replies
1.	During the course of our audit, it was observed that the Company has held only one meeting of Remuneration Committee. The meeting of the Board of Directors held on 28/02/2022 decided to hold at least two meetings of the Remuneration Committee in a financial year and not more than 6 months shall elapse between two meetings. However, the Company in its Board Meeting dated 02/09/2022 has reconstituted Remuneration Committee of the Board.	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 Committee has recently been reconstituted by the Board on 02.09.2022 and 02.03.2023. The Necessary compliance will be made in this regard.
2.	During the course of our audit, it was observed that the meeting of the Board of Directors held on 28.02.2022, decided to hold at least two meetings of the Dispute Resolution Committee in a financial year and not more than six (6) months shall elapse between two meetings. However, the Company in its Board Meeting dated 02/09/2022 has reconstituted Dispute Resolution Committee of the Board. Moreover, the Company has held two meetings of Dispute Resolution Committee in the financial year dated 16/12/2022 and 13/03/2023 respectively but it was observed that the time gap between two meetings was not maintained. That being so, the Company has failed to conduct meeting in the first half of the financial year.	There are changes in the composition of Dispute Resolution Committee from time to time. Now, after the changes in the composition of Board of Directors, the Remuneration Committee has recently been reconstituted by the Board on 02.09.2022 and 02.03.2023. The Necessary compliance will be made in this regard.

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, Siba Prasad Mohanty, 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, 2023 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, 2023 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, 2023;
 - (ii) There was no significant change in accounting policies during the financial year ended 31st March, 2023; and
 - (iii) We have not come across any instance during the financial year ended 31st March, 2022 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/-
(Siba Prasad Mohanty)
Chairman and Managing Director
DIN : 05336787**

**Date : 26.09.2023
Place: Namrup, Assam**

**MANAGEMENT REPLIES ON THE OBSERVATIONS STATED IN INDEPENDENT AUDIT REPORT FOR THE FINANCIAL YEAR
ENDED 31ST MARCH,2023**

Sl. No.	Key Audit Point	Response to Key Audit point
3	<p>The net worth of the Company has been totally eroded, as the net worth of the Company is negative at ₹32454.28 Lakhs.</p> <p>The company is having accumulated losses to ₹ 69037.52 Lakhs against its Share Capital of ₹36583.24 Lakhs.</p> <p>Though the management says it has no intention to cease the operation of the company because of erosion of net worth.</p>	<p>The 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 management has not identified any material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. BVFCL being a CPSU where 100% equity is held by GoI is engaged in manufacture of Neem coated urea which is an essential commodity under ECA, 1955 & the company is the lead fertilizer supplier catering to the requirement of entire North Eastern States.</p> <p>Further during the financial year 2022 – 23 the company earn net profit of Rs. 2437.63 lakh and which reduced the cumulative loss to Rs,69037.52 lakh (Previous year Rs. 71475.15 lakh)</p>



4.1

NOTE 8 : OTHER CURRENT LIABILITIES ₹21923.41 lakhs

a. Statutory remittance: ₹301.56 lakhs This includes items listed below which are unpaid for long and non-payment may result in penal consequences

Particulars	A/C CODE	AT 31.03.23 (₹ in lakhs)	AT 31.03.22 (₹ in lakhs)
Recovery of VAT (Purchase)	145/142	0.21	0.21
Recovery of PF from Contractors Workers	145/182	2.15	1.52
CGST Transport accounts	145/169	2.32	2.32
SGST Transport accounts	145/170	2.32	2.32
Recovery of PF from Contractors Workers Wel.	145/208	0.22	0.22
Recovery of PLI	145/209	0.26	0.26
Total		7.50	6.86

The amount mentioned are non statutory in nature and kept on hold for non compliance by the contractors / suppliers. On submission of the proper supporting / return / challan same will be paid / adjusted. However, the matter is noted and necessary action will be taken in financial year 2023 – 24.

b. Advance from customers ₹2682.20 lakhs:

(1) This includes an amount of ₹33.66 lakhs against Liability for Deposit for Scrap Materials sales. We observed that this amount is received from persons who have purchased scrap materials from the company but the amount is booked as liability instead of income by sale of scrap and as result the liability is shown excess by ₹33.66 lakhs and profit is shown less by the same amount.

As per the policy of the company Scrap / Salvage / Waste Materials are accounted for as and when sold. In the referred case the party has deposited the value of material after issue of delivery order by the company. For lifting of the materials the company allows free time after depositing the amount for jobs such as cutting,

		dismantling, arranging transportation, loading etc. At the time of dispatch of materials final invoice is issued and revenue is recognized in the books.
	(2) List of parties from whom advance received includes ₹27.24 lakhs shown against suspense account and ₹ 175.92 against ** NO DEALER CODE ** (AS-KAM-0) which shows the deficiency in the system to record the receipts properly against the actual payer.	The matter is noted. Necessary action will be taken in financial year 2023 – 24
4.2	<p>NOTE 10. PROPERTY PLANT AND EQUIPMENTS: ₹ 16289.02 lakhs</p> <p>a. As per AS 10 on "Property, Plant & Equipment", items such as spare parts, stand-by equipment and servicing equipment are recognized as PPE when it is probable that future economic benefits associated with the item will flow to the enterprise and the cost of the item can be measured reliably. Further, any such spares which have been classified as Inventory as per AS 2 should be capitalized as PPE and should be depreciated over their remaining useful lives of such assets. The company has shown ₹ 980.69 lakhs as capital items under PPE. However, no depreciation is charged on such items. Further, as per the stock details maintained by the company, it has been observed that many items of stores are capital in nature and should have been capitalized and depreciated in due course of time. However, no such bifurcation has been done and all the items have been shown as items of inventory, stores and spares. Thus, the overall inventory has been materially overstated consequently understating the overall PPE as being reflected in the financial statements. Moreover, non-charging of depreciation on such assets has also resulted in overstatement of the overall Profits of the company for the FY 2022-23.</p>	<p>The item of capital stores Rs. 980.69 Lakhs has been purchased over years. At the time of purchase the Machinery Spares which can be used only in connection with an item of fixed assets and whose use is expected to be irregular and may qualify as PPE are categorized as capital stores and shown as Capital work in Progress (stores) along with PPE in Note 10. Upon issue of the same by the stores to the concerned department same is capitalized under the respective asset head and depreciation is charged. As per significant accounting policy Note No. 29 (5)- iv mention that Depreciation is provided on the assets after they are certified to be installed and put to use.</p> <p>Further, it may be referred that the Depreciation of an asset begins when it</p>



		<p>is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.</p> <p>Based on the requisition received from the concerned department and stores issue note for issue of Capital stores to the concerned department, the capital stores are capitalized with the respective asset head and depreciation of the capitalized item begins.</p> <p>Further the Inventories of stores and spares and capital stores segregated and shown it separately. Capital stores Rs. 980.69 shown in PPE (Note No, 10) and Other stores and spares Rs.3975.95 shown in Inventory (Note No. 12) in the books of accounts as at March 31, 2023.</p>
	<p>b. The company has not identified impaired assets though it has huge number of assets lying in its books which have outlived their useful lives and are not in active use any more. This has resulted in over statement of property plant and equipment.</p>	<p>The Impairment of asset is done based on the identification of cash generating unit. The company has two CGU i.e. Namrup – II and Namrup – III.</p> <p>Namrup – III - The plant is running at more than 80% capacity and generating cash. As at the Balance Sheet date there is no indication that the asset may be impaired.</p> <p>Namrup – II – The plant was commissioned</p>



		in the year 1976 and is more than 46 years old. Major items of the plant and machinery have surpassed their economic life and carried at their residual value. Formal decision on restoration of Namrup – II plant is awaited from Government of India and at the moment there is no indication that the impairment has occurred.
	<p>c. Decommissioning of non-functional Namrup II Group of Plant: The plant has been shut down since 06.01.2020. The technical committee constituted by the Department of Fertilizers in its report dated 7.01.2022 recommended against the repairs of the plant as it is no longer economically viable.</p> <p>The Board of Directors in the board meeting no 177 held on 8th May 2023 approved in principle the permanent decommissioning and disposal of the Namrup II Plant Except water treatment plant.</p> <p>However, the company has not decommissioned the Namrup II plant assets and has charged depreciation on the assets and debited to the profit and loss account which is not correct and is against the principles laid down in AS 10. AS 10 on Property plant and equipment states that Items of property, plant and equipment retired from active use and held for disposal should be stated at the lower of their carrying amount and net realizable value. Any write-down in this regard should be recognized immediately in the statement of profit and loss.</p>	<p>The consent of the Board of Directors of the Company was accorded on the basis of the technical sub – committee constituted by the DoF for further restoration of the plant.</p> <p>However, formal decision on restoration / de commissioning of Namrup – II plant or any alternative mechanism for revival of the plant is still awaited from Government of India.</p> <p>In the matter it is clarified that as per AS – 10, depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is retired from active use and is held for disposal and the date that the asset is derecognized. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use (but not held for disposal) unless the asset</p>



		is fully depreciated. Further, the depreciation is charged as per the straight line method in the books of accounts.
4.3	<p>NOTE 12 INVENTORIES: ₹ 3449.03 Lakhs</p> <p>As per AS 2 on "Inventory", estimates of net realizable value of inventory are based on the most reliable evidence available at the time the estimates are made as to the amount the inventories are expected to realize. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the balance sheet date to the extent that such events confirm the conditions existing at the balance sheet date.</p> <p>Moreover, as per AS 5 on "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies", an estimate may have to be revised if changes occur regarding the circumstances on which the estimate was based, or as a result of new information, more experience or subsequent developments.</p> <p>It has been observed that provision for stores and spares has been made by the company for inventory which is outstanding for a period of more than 3 years amounting to ₹. 1343.32 lakhs including provision made during the FY 2022-23 amounting to ₹ 41.19 lakhs. However, such provisioning has been done based on estimates set by the company internally and no actual valuation of the inventory has been conducted for evaluation of the Fair Market value and obsolescence of the non-moving inventory. Thus, in our professional opinion, the basis for the estimation of provisioning against inventory is not justified and the same should be revised. Such provisioning should be done by the company based on actual valuation and physical verification of inventory conducted by the company on a periodical basis.</p> <p>Furthermore, the percentages being used by the company as a basis for provisioning against non-moving inventory has not been updated or revised and is being used consistently over the years. For instance, inventory with no movement from 15-20 years is being provisioned against at 50% whereas inventory with no movement for more than 20 years is being provisioned directly at 95%. However, in our opinion the percentages being used for provisioning against inventory shall be periodically revised and should be</p>	<p>There is no change in circumstances on which the estimate was based, or any new information, more experience or subsequent development have arisen after the balance sheet date.</p> <p>The company has been following the policy of age wise provision on inventory consistently over the years and based on the physical inventory verification shortage and excess is accounted for on actual basis.</p>

	based on the actual valuation of such inventory being conducted at regular intervals.	
4.4	<p>NOTE 13 TRADE RECEIVABLE: ₹ 28558.39</p> <p>a) Trade Receivables others includes Sundry debtors sales (Marketing) ₹ 5008.12 lakhs against which the company has ₹ 1065.08 lakhs as cash security deposits and the balance ₹3943.04 lakhs is unsecured. Further, ₹ 4186.10 lakhs is outstanding for more than six months from the date they were due for payment, however, the company has not created a provision for doubtful debts. In accrual accounting, businesses use the provision to recognize an item of expenditure for potential bad debts. They do this as soon as bills are given to customers instead of waiting to determine which bills are unrecoverable.</p>	<p>The company has adopted the following policy :-</p> <p>Trade receivables, other receivables, loans and advances are fully provided for as doubtful upon review on case to case basis to the extent of such loss considered as incurred.</p> <p>Out of the total trade receivables of Rs. 5008.12 lakhs there is a cash security of Rs. 1065.08 lakhs. Further Rs. 2648.53 lakhs is lying as advance from customers and pending netting off with the debtors. The company is in the process of reconciliation and matching the same with debtors. Therefore balance of Rs. 1294.51 lakhs is the net exposure which is secured by post dated cheques.</p>
	<p>b) Sundry debtors sales (Marketing) ₹ 5008.12 lakhs includes Kisan Suwidha Kendra(KSK)- There are ten KSK managed by the company in Marketing department since 2016 and there is receivable of Rs. 122.95 lakhs against these. The realization made from these KSKS was not regularly deposited or properly accounted for and thus this account is showing as outstanding. Normally there should not have been any balance outstanding. No provision for doubtful debts has been made through the balance are more than 3 years old</p>	<p>Trade receivables includes Rs. 122.95 lakhs on account of receivable from KSK managed by Marketing Department since 2016. Marketing Department has not sold any materials from KSK on credit and the payments were deposited in BVFCL accounts department. The reconciliation of the same is under process and expected to be completed very soon.</p>
	<p>c) Further, age wise break-up of trade receivables for the F.Y. 2022-23 shows ₹ 805.47 lakhs as outstanding for more than 3 years though only ₹96.73 lakhs</p>	<p>Outstanding more than three years Rs. 805.47 lakh includes Rs. 741.90 lakhs receivable from FICC (DoF) for subsidy.</p>

	Advance against TCS	420/114	5.61	5.61	
	This amount is appearing since last year and its TCS therefore should have been booked under advances and as the company has already filed its return of income tax for the FY 2021-22 and claimed the tax credit this amount should have been nullified. Therefore, this account balance does not seem correct.				
	c) Other Advances includes the below mentioned balances which are appearing since last few years and are not adjusted and seems to be incorrect.				The matter is noted and proper reconciliation will be done in the financial year 2023 – 24.
	Particulars	Account code	AS AT 31.03.23 (₹ in lakhs)	AS AT 31.03.22 (₹ in lakhs)	
	Advance to Others (Misc) Revenue	422/107	0.35	0.35	
	Advance to contractors (Transport)	422/103	2.17	2.17	
	Adv. to Others Marketing	422/215	1.04	1.04	
	Deposit with Calcutta Port Trust	425/101	0.94	0.94	
	d) The company has made certain deposits with third parties for which confirmation has not been obtained. Prudently confirmation should be obtained once in three years to confirm the amount advanced as deposits by the company to safeguard its legal rights to claim the same. We observed that deposit with Assam state electricity Board (Account code 425-112) ₹ 65.63 lakhs is booked under Misc Deposit (Estate) however as per APDCL monthly electricity bill the Security deposit is ₹ 55.73 lakhs. Thus the company books have excess amount of ₹ 9.90 lakhs which need to be reconciled and confirmed.				The matter is noted and necessary action will be taken in the financial year 2023 – 24 for confirmation of balance.
4.7	OBSERVATION ON STATEMENT OF PROFIT AND LOSS				

	<p>lakhs to the Security deposit A/C Head: 425112 - MISC.DEPOSITS (ESTATE) under the current assets. Whereas the Assam Power Distribution Company Limited has reduced the amount of ₹ 3.71 lakhs from the monthly electricity bill of the Company in the month of January 2023. Thus the Company has overstated the short term loans and advances under current assets by the amount of ₹ 3.71 lakhs and overstated the profit by the same amount.</p>	<p>audit observation is noted and necessary reconciliation / adjustment entry will be passed in the financial year 2023 – 24.</p>
	<p>5. OTHER OBSERVATIONS:</p> <p>a. Transaction Audit by C&AG and also the internal auditors have pointed out the deficiencies in the billing and collection of rent and other charges from the occupants of the surplus quarters of the company for the last many years. In our opinion also proper mechanism should be put into place to regularly claim and collect this source of income which will help in meeting its overheads incurred for maintaining the township.</p>	<p>BVFCL has already initiated certain action points in this regard to stream line the rental collections like periodical reconciliation of rental collections with quarters / shops occupants, one time settlement of disputed rentals and counter signing the lease and license agreement from concerned Government department with a clause to deduct HRA at source and pay directly to the company.</p>
	<p>b.The main raw material for the company is natural gas and M/s Assam Gas Company Limited (AGCL), Duliajan is doing the transportation, and however, the gas transportation agreement with AGCL expired on 25.03.2020 and has not been renewed since due to differences on certain clauses of the agreement. The matter is of high risk as any problems in gas transportation may result in the stoppage of the operation of the plant. An early resolution of differences and signing of agreement is must in the best interest of the Company.</p>	<p>BVFCL taking various correspondence with the AGCL and concerned ministry for solution of the matter and joint meeting also held in several times. The matter may be solved within short time.</p>

DIRECTORS' PROFILES

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

Shri S. P. Mohanty, Chairman and Managing Director of BVFCL has 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.

Shri Mohanty carries more than 34 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.

Shri Mohanty is also in additional charge of Hindustan Urvarak & Rasayan Limited (HURL) as MD.

Shri 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. Shri 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. Shri 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. Shri 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 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 26 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.

3. **Shri Pradip Kumar Banik, Director (Production) (DIN :10095724)**

Shri Pradip Kumar Banik has assumed charge of Director (Production), BVFCL w.e.f. 22nd March 2023. Prior to his present assignment as Director (Production), BVFCL, Shri Banik was working as DGM (Mechanical), BVFCL

4. **Shri. Harvinder Singh**

Shri Harvinder Singh, Director Movement in the Department of Fertilizers did his graduation and post Graduation in Economics from Punjab University Chandigarh, Passed UPSC Civil services exam in 2005 and allotted Indian Railways Traffic Service (IRTS).

Allotted South Eastern Railways , Kolkata where he has served for 10years in the core freight loading areas of Jharkhand and Odisha.

Later on he moved to Railway Board New Delhi in 2017 and worked in Railway Board in different capacities including planning division till march 2022.

Awarded Minister of Railways (MR) award highest in Railways at the beginning of his career in 2010 for his contribution to enhancing freight loading and improving operations in South Eastern Railways Kolkata.

He is having vast experience in administration, logistics and project planning /implementation.

At present working as Director Fertiliser Movement and Deputy Commissioner Shipping, looking after the Fertiliser movement in the entire country from indigenous and imported sources and ensuring comfortable availability of Fertiliser in the country so doing service to the farmers of the country.

4. **Shri Niranjana Lal**

Shri Niranjana Lal is an officer of Indian Ordnance Factory Service (IOFS), 1998 batch. His educational qualifications are M.Sc (Agriculture) & PGDIM (Post Graduate Diploma in Management). He has wide experience of working in Indian Ordnance Factories and Ordnance Factory Board (OFB) under Ministry of Defence in the field of Administration and Personnel Management. He had served as Director on the Board of FCIL, HFCL, RFCL, HURL, TFL and Government Nominee Director on the Board of FAGMIL.

He is presently working as Director (UPP & FP) in the Department of Fertilizers, Ministry of Chemical & Fertilizers, Government of India. He is now appointed as Government Nominee Director on the Board of M/s Brahmaputra Valley Fertilizer Corporation Limited (BVFCL).

5. 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.

6. Shri Satish Kumar Sharma, Non Official Director (DIN -01820665)

Shri Satish Kumar Sharma (DIN – 01820665) aged about 63 years is a graduate in B.A. and associated with Agriculture, Industries, Education and various social activities. He is the Chairman of S.K.S. Group. He is on the Board of various Companies i.e. IPSO Foods Ltd., SKS Breweries & Distilleries Pvt. Ltd. and MGS Industries Pvt. Ltd. He is also associated with other Industry bodies such as, i) Vice Chairman of Western Uttar Pradesh Joint Industry Trade Board; ii) Vice President of National Hindu Personal Law Board and iii) Chairman of Shri Mathura Vrindavan Hasanand Gochar Land Trust (Regd.), which was established in 1935 by Pandit Madan Mohan Malviya, from 2012 to June, 2022.

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

7. 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.

* * * * *



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आज़ादी का
अमृत महोत्सव

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



गोपनीय

रिपोर्ट/2-166/डी.जी.ए./ए.एफ. & डब्ल्यू.आर./Acts/BVFCL/2023-24/3561

दिनांक :- 26/09/2023

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 2023 को समाप्त वर्ष के वित्तीय खातों पर टिप्पणियाँ।

महोदय,

इस पत्र के साथ कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत ब्रह्मपुत्र वैली फर्टिलाइजर कॉर्पोरेशन लिमिटेड के 31 मार्च 2023 को समाप्त वर्ष के वित्तीय खातों पर शून्य टिप्पणियाँ भेजी जा रही हैं।

कृपया इस पत्र की पावती भेजने की कृपा करें।

भवदीया,

संलग्न: यथापरी

रस. ल. पंडा

(एस. आह्लादिनी पंडा)

प्रधान निदेशक लेखापरीक्षा (कृषि, खाद्य एवं जल संसाधन)

**COMMENTS OF THE COMPTROLLER AND AUDITOR 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 31 MARCH 2023**


The preparation of financial statements of **Brahmaputra Valley Fertilizer Corporation Limited** for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(3) 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 the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 26th July 2023.

I, on 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 31 March 2023 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.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

Place: New Delhi
Date: 26.09.2023


(S. Ahladini Panda)
Principal Director of Audit
(Agriculture, Food & Water Resources)

Independent Auditor's Report

To the Members of **Brahmaputra Valley Fertilizer Corporation Limited** (in short BVFCL)

Report on the Audit of the Financial Statements

1. Opinion:

We have audited the accompanying standalone financial statements of Brahmaputra Valley Fertilizer Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2023, and the Statement of Profit and Loss for the year 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, 2023, and its profit 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 negative at ₹32454.28 Lakhs.

The company is having accumulated losses to ₹ 69037.52 Lakhs against its Share Capital of ₹36583.24 Lakhs.

Though the management says it has no intention to cease the operation of the company because of erosion of net worth.

4. Key audit matters:

Key Audit Matters are those matters that, in our professional Judgment were of most significance in our Audit of the standalone financial statements of the current year. 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 the Audited Statements with due emphasis on under mentioned Key Matters:

4.1 NOTE 8 : OTHER CURRENT LIABILITIES ₹21923.41 lakhs

- a. Statutory remittance: ₹301.56 lakhs This includes items listed below which are unpaid for long and non-payment may result in penal consequences

Particulars	A/C CODE	AT 31.03.23 (₹ in lakhs)	AT 31.03.22 (₹ in lakhs)
Recovery of VAT (Purchase)	145/142	0.21	0.21
Recovery of PF from Contractors Workers	145/182	2.15	1.52
CGST Transport accounts	145/169	2.32	2.32
SGST Transport accounts	145/170	2.32	2.32
Recovery of PF from Contractors Workers Wel.	145/208	0.22	0.22
Recovery of PLI	145/209	0.26	0.26
Total		7.50	6.86

- b. Advance from customers ₹2682.20 lakhs:

- (1) This includes an amount of ₹33.66 lakhs against Liability for Deposit for Scrap Materials sales. We observed that this amount is received from persons who have purchased scrap materials from the company but the amount is booked as liability instead of income by sale of scrap and as result the liability is shown excess by ₹33.66 lakhs and profit is shown less by the same amount.
- (2) List of parties from whom advance received includes ₹27.24 lakhs shown against suspense account and ₹ 175.92 against ** NO DEALER CODE ** (AS-KAM-0) which shows the deficiency in the system to record the receipts properly against the actual payer.

4.2 NOTE 10. PROPERTY PLANT AND EQUIPMENTS: ₹ 16289.02 lakhs

- a. As per AS 10 on "Property, Plant & Equipment", items such as spare parts, stand-by equipment and servicing equipment are recognized as PPE when it is probable that future economic benefits associated with the item will flow to the enterprise and the cost of the item can be measured reliably. Further, any such spares which have been classified as Inventory as per AS 2 should be capitalized as PPE and should be depreciated over their remaining useful lives of such assets. The company has shown ₹ 980.69 lakhs as capital items under PPE. However, no depreciation is charged on such items. Further, as per the stock details maintained by the company, it has been observed that many items of stores are capital in nature and should have been capitalized and depreciated in due course of time. However, no such bifurcation has been done and all the items have been shown as items of inventory, stores and spares. Thus, the overall inventory has been materially overstated consequently understating the overall PPE as being reflected in the financial statements. Moreover, non-charging of depreciation on such assets has also resulted in overstatement of the overall Profits of the company for the FY 2022-23.



- b. The company has not identified impaired assets though it has huge number of assets lying in its books which have outlived their useful lives and are not in active use any more. This has resulted in over statement of property plant and equipment.
- c. Decommissioning of non-functional Namrup II Group of Plant: The plant has been shut down since 06.01.2020. The technical committee constituted by the Department of Fertilizers in its report dated 7.01.2022 recommended against the repairs of the plant as it is no longer economically viable.
The Board of Directors in the board meeting no 177 held on 8th May 2023 approved in principle the permanent decommissioning and disposal of the Namrup II Plant Except water treatment plant.
However, the company has not decommissioned the Namrup II plant assets and has charged depreciation on the assets and debited to the profit and loss account which is not correct and is against the principles laid down in AS 10. AS 10 on Property plant and equipment states that Items of property, plant and equipment retired from active use and held for disposal should be stated at the lower of their carrying amount and net realizable value. Any write-down in this regard should be recognized immediately in the statement of profit and loss.

4.3 NOTE 12 INVENTORIES: ₹ 3449.03 Lakhs

As per AS 2 on "Inventory", estimates of net realizable value of inventory are based on the most reliable evidence available at the time the estimates are made as to the amount the inventories are expected to realize. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the balance sheet date to the extent that such events confirm the conditions existing at the balance sheet date.

Moreover, as per AS 5 on "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies", an estimate may have to be revised if changes occur regarding the circumstances on which the estimate was based, or as a result of new information, more experience or subsequent developments.

It has been observed that provision for stores and spares has been made by the company for inventory which is outstanding for a period of more than 3 years amounting to ₹. 1343.32 lakhs including provision made during the FY 2022-23 amounting to ₹ 41.19 lakhs. However, such provisioning has been done based on estimates set by the company internally and no actual valuation of the inventory has been conducted for evaluation of the Fair Market value and obsolescence of the non-moving inventory. Thus, in our professional opinion, the basis for the estimation of provisioning against inventory is not justified and the same should be revised. Such provisioning should be done by the company based on actual valuation and physical verification of inventory conducted by the company on a periodical basis.

Furthermore, the percentages being used by the company as a basis for provisioning against non-moving inventory has not been updated or revised and is being used consistently over the years. For instance, inventory with no movement from 15-20 years is being provisioned against at 50% whereas inventory with no movement for more than 20 years is being provisioned directly at 95%. However, in our opinion the percentages being used for provisioning against inventory shall be periodically



revised and should be based on the actual valuation of such inventory being conducted at regular intervals.

4.4 NOTE 13 TRADE RECEIVABLE: ₹ 28558.39

- a) Trade Receivables others includes Sundry debtors sales (Marketing) ₹ 5008.12 lakhs against which the company has ₹ 1065.08 lakhs as cash security deposits and the balance ₹3943.04 lakhs is unsecured. Further, ₹ 4186.10 lakhs is outstanding for more than six months from the date they were due for payment, however, the company has not created a provision for doubtful debts. In accrual accounting, businesses use the provision to recognize an item of expenditure for potential bad debts. They do this as soon as bills are given to customers instead of waiting to determine which bills are unrecoverable.
- b) Sundry debtors sales (Marketing) ₹ 5008.12 lakhs includes Kisan Suwidha Kendra(KSK)- There are ten KSK managed by the company in Marketing department since 2016 and there is receivable of Rs. 122.95 lakhs against these. The realization made from these KSKS was not regularly deposited or properly accounted for and thus this account is showing as outstanding. Normally there should not have been any balance outstanding. No provision for doubtful debts has been made through the balance are more than 3 years old
- c) Further, age wise break-up of trade receivables for the F.Y. 2022-23 shows ₹ 805.47 lakhs as outstanding for more than 3 years though only ₹96.73 lakhs provision for doubtful receivables has been made. Thus, adequate provisioning for doubtful receivables is not made in the books by the company.

4.5 NOTE 14 CASH AND BANK BALANCES ₹12506.68 lakhs: There are 5 bank accounts which are inoperative since long with balance of ₹3.57 lakhs. If the accounts are no more required then must be closed so that the ideal fund lying there can be used productively.

4.6 NOTE 15 SHORT TERM LOANS AND ADVANCES:

- a) GST input balance as per GSTIN is ₹ 5756.30 lakhs whereas as per the books of accounts it is ₹ 5578.77 lakhs, there is a difference of ₹ 177.52 lakhs. Further, the cash ledger as per GSTIN shows ₹ 4.26 lakhs whereas in books it is ₹ 2.53 lakhs. The impact of these unreconciled difference on the Profit & Loss or assets/liabilities of the company is not ascertainable.
- b) Advance to Suppliers includes:

Particulars	Account code	AS AT 31.03.23 (₹ in lakhs)	AS AT 31.03.22 (₹ in lakhs)
Advance against TCS	420/114	5.61	5.61

This amount is appearing since last year and its TCS therefore should have been booked under advances and as the company has already filed its return of income tax for the FY 2021-22 and claimed the tax credit this amount should have been nullified. Therefore, this account balance does not seem correct.



- c) Other Advances includes the below mentioned balances which are appearing since last few years and are not adjusted and seems to be incorrect.

Particulars	Account code	AS AT 31.03.23 (₹ in lakhs)	AS AT 31.03.22 (₹ in lakhs)
Advance to Others (Misc) Revenue	422/107	0.35	0.35
Advance to contractors (Transport)	422/103	2.17	2.17
Adv. to Others Marketing	422/215	1.04	1.04
Deposit with Calcutta Port Trust	425/101	0.94	0.94

- d) The company has made certain deposits with third parties for which confirmation has not been obtained. Prudently confirmation should be obtained once in three years to confirm the amount advanced as deposits by the company to safeguard its legal rights to claim the same. We observed that deposit with Assam state electricity Board (Account code 425-112) ₹ 65.63 lakhs is booked under Misc Deposit (Estate) however as per APDCL monthly electricity bill the Security deposit is ₹ 55.73 lakhs. Thus the company books have excess amount of ₹ 9.90 lakhs which need to be reconciled and confirmed.

4.7 OBSERVATION ON STATEMENT OF PROFIT AND LOSS

NOTE 17 : Revenue from Operations

- As per FICC Regulation, the Company is entitled to claim the subsidy only after clearance of stock from ultimate Point of Sale. We observed that the pending stock quantity of Namrup II plant- Neem Coated Urea (45 kg) was 19.184 MT and Neem Coated Urea (50kg) was 0.75 MT. As the Namrup II plant stopped production after the blast in 2020 the above stock is pending with which wholesaler or retailer is not known to the Marketing department of the Company. Subsidy involved is ₹1.76 lakhs. Similarly, pending stock of BVFCL Namrup III urea (50kg) was 92.250 MT Subsidy involved is ₹ 21.17 lakhs. Out of the 92.250 MT, 83.25MT has also not been reconciled for the reasons mentioned above. The 50kg packaging was discontinued from April 2018 but still there is un-sold stock in the POS. Non reconciliation of the inventory is resulting in delay in recovery of the claims and subsidy from DoF.
- The CAG audit team in its transaction audit report for FY 2021-22 had observed that the company has incurred losses of ₹162.11 lakhs towards excess secondary freight paid to H&T contractor in Tripura during the FY 2019-20, 2020-21 and 2021-22. Further, the company incurred losses of ₹ 37.35 lakhs towards excess secondary freight paid to H&T contractor in Tripura during the FY 2022-23 also. The Company needs to take steps to recover this ₹199.46 lakhs from the Tripura Government department.



NOTE 18 : Other Income

Interest income includes ₹ 4.12 lakh accrued on the security deposit with the Assam Power Distribution Company Limited. The company has debited the amount of ₹ 3.71 lakhs after reducing Income tax deducted at source of ₹0.42 lakhs to the Security deposit A/C Head: 425112 - MISC.DEPOSITS (ESTATE) under the current assets. Whereas the Assam Power Distribution Company Limited has reduced the amount of ₹ 3.71 lakhs from the monthly electricity bill of the Company in the month of January 2023. Thus the Company has overstated the short term loans and advances under current assets by the amount of ₹ 3.71 lakhs and overstated the profit by the same amount.

5. OTHER OBSERVATIONS:

- a. Transaction Audit by C&AG and also the internal auditors have pointed out the deficiencies in the billing and collection of rent and other charges from the occupants of the surplus quarters of the company for the last many years. In our opinion also proper mechanism should be put into place to regularly claim and collect this source of income which will help in meeting its overheads incurred for maintaining the township.
- b. The main raw material for the company is natural gas and M/s Assam Gas Company Limited (AGCL), Duliajan is doing the transportation, and however, the gas transportation agreement with AGCL expired on 25.03.2020 and has not been renewed since due to differences on certain clauses of the agreement. The matter is of high risk as any problems in gas transportation may result in the stoppage of the operation of the plant. An early resolution of differences and signing of agreement is must in the best interest of the Company.

6. 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.



7. 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 is also responsible for overseeing the Company's financial reporting process.

8. 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 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.

9. Report on other legal and regulatory requirements:

9.1 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.

9.2 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, except our observation in para 4;
- e. In pursuance to the Notification No. G.S.R 463 (E) dated 05-06-2015 issued by the Ministry of Corporate Affairs, Section 164 (2) of the Companies Act, 2013 pertaining to disqualification of Directors for appointment as Director of Company, is not applicable being 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 impact of pending litigation in its financial statement under Note 30.1 as contingent liability;
 - ii. the Company has not made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a. the management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The management has represented, that to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, *no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest on other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provided any*



guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on audit procedure which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub – clause (a) and (b) contain any material mis-statement.

v) The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

h. With respect to the matter to be included in the Auditors' Report under section 197 (16) of the Act, in our opinion and according to the information and explanations given to us, the limit prescribed by section 197 for maximum permissible managerial remuneration is dealt with at Head Office and hence is not applicable at the Circle.

i. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility was applicable to the Company with effect from April 1, 2022 which was subsequently extended to April 1 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

9.3 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 & ON BEHALF OF
B.L. PUROHIT & CO.
CHARTERED ACCOUNTANTS
FRN 311056E


SUBHASH PUROHIT, FCA
PARTNER
MEMBERSHIP NO. 059631
UDIN-23059631BGUVBO5407
Place : Guwahati
Dated: 26-07-2023



Brahmaputra Valley Fertilizer Corporation Limited
Annexure A to the Independent Auditor's Report for the Financial Year 2022-23
Referred to in paragraph 9.1 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 quantity and value of Property, Plant & Equipment however, the company has not maintained the specific situations of its Fixed Assets in the Fixed Assets Register.
 (B) The Company has maintained computerized records showing particulars of intangible assets.
- b) As per information and explanations given to us, Property, Plant & Equipment of the company were physically verified by a committee specially constituted for this purpose and the said committee has certified that all Property, Plant & Equipment 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 Property, Plant & Equipment did not provide quantitative reconciliation of verified Property, Plant & Equipment with its Property, Plant & Equipment register. Further the constituted in-house committee of the Company did not cover the physical verification of land, building, furniture fixture, data processing and office equipment.
- c) According to the information and explanations given to us and the land holding records produced for our examination, we report that the company holds 2611 bigha, 2 katha and 13.5 laccha of freehold land in Namrup, Assam where its plant is located.
 According to the information and explanations given to us the Company does not have immovable properties of land and building taken on lease.
- d) According to the information and explanations given to us, the company has not revalued its Property, Plants & Equipment's 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 information and explanation given to us, the inventories have been physically verified by the management at reasonable intervals however, we observed that the 100% coverage of inventory in physical verification of inventory is not done. Further, discrepancies of 10% or more in the aggregate for each class of inventory were not noticed in respect of the materials covered during the physical verification.
- b) As per information and explanation given to us, during any point of time of the year the Company has not availed working capital limits from any banks or financial institution against the security of its current assets 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 2022-23
Referred to in paragraph 9.1 of Independent Auditor's Report to the members of the
Company on the Financial Statements.

- 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 therefore reporting under Clause (iii) of the CARO 2020 is not applicable on Company.
- iv) As per information and explanation given to us, there are no transactions which attract the provisions of section 185 and 186 of the Companies Act 2013 in respect of loans, investments, guarantees and security provided by it, therefore reporting under Clause (iv) of the CARO 2020 is not applicable on Company.
- 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 Goods and Service Tax, Provident Fund, Income-tax, Sales-tax, Service-tax, Duty of Customs, Duty of Excise, Value added tax, cess and any other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us no such undisputed arrears of statutory dues were outstanding as at 31st March,2023, for a period of more than six months from the date they became payable except
Recovery of PF from Contractors workers ₹.2.16 lakhs
Recovery of sales tax state ₹. 0.19 lakhs
Recovery of PF from Contractors Workers welfare ₹ 0.22 lakhs
GST ₹.4.64 lakhs
- b) According to the information and explanations given to us, some disputed dues against the Company are outstanding as at 31st March,2023, in respect of Assam Value added tax and central state tax(CST). The details for the aforesaid mentioned dues has been disclosed below-

Name of the statute	Name of	Amount	Period to	Forum where
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Brahmaputra Valley Fertilizer Corporation Limited
Annexure A to the Independent Auditor's Report for the Financial Year 2022-23
Referred to in paragraph 9.1 of Independent Auditor's Report to the members of the
Company on the Financial Statements.

	dues	In ₹ lakhs	which the amount relates	the dispute is pending
The Assam value added Tax Rules, 2005	CST and Entry Tax	594.07	2013-14	Commissioner of Taxes, Assam
	CST and Entry Tax	21.10	2014-15	Commissioner of Taxes, Assam
	VAT	48.52	2012-13	Superintendent of taxes
	CST	2.25	2012-13	Superintendent of taxes
	VAT	3.46	2016-2017	Superintendent of taxes
	CST	5.95	2016-2017	Superintendent of taxes
	E-Tax	9.02	2013-2014	Commissioner of Taxes, Assam

- viii) According to the information and explanations given to us, the Company has not surrendered or disclosed as income any transactions not recorded in books of account 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 to us 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 clause ix (a) to ix(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.



Brahmaputra Valley Fertilizer Corporation Limited
Annexure A to the Independent Auditor's Report for the Financial Year 2022-23
Referred to in paragraph 9.1 of Independent Auditor's Report to the members of the
Company on the Financial Statements.

- xi) (a) To the best of our knowledge and according to the information and explanations given to us, no material fraud has been observed being committed by the company or any fraud on the company has been noticed or reported.
- (b) To the best of our knowledge, no report under-sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) As auditor, we did not receive any whistle-blower complaint during the year.
- 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 is not applicable on the Company.
- xiv) a) Internal Audit of the Company is being conducted on quarterly basis by a Chartered Accountant firm and the scope of audit coverage seems to be 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 them, except for payments of salary and other perquisites as mandated in service rules for directors of a Government company. The Company is a Central Govt. Undertakings and its managerial remuneration 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 Fertilizer. 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) During the current reporting period the Company has not incurred cash loss however, it incurred ₹ 5722.74 cash loss during the immediately preceding financial year.
- xviii) The Company is a Govt. Company and its Statutory Auditor is being appointed by

Brahmaputra Valley Fertilizer Corporation Limited
Annexure A to the Independent Auditor's Report for the Financial Year 2022-23
Referred to in paragraph 9.1 of Independent Auditor's Report to the members of the
Company on the Financial Statements.

CA& G of India. None of the appointed Statutory Auditor of the Company has placed its resignation so far.

- xix) According to the information and explanations given to us the management of the Company has expressed its 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 though the net worth of the company is negative.
- xx) The Company was incurring losses till immediately preceding financial year and its net worth is also negative therefore the provisions of the Section 135 of the Companies Act, 2013 are not applicable on the company during the year, hence this clause 3(xx) 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 B. L. PUROHIT & CO

Chartered Accountants

FRN: 311056E

CA SUBHASH PUROHIT

Partner

ICAI Membership No : 059631

UDIN: **23059631BGUVB05407**

Place : Guwahati

Date : 26/07/2023



Brahmaputra Valley Fertilizer Corporation Limited
Annexure –B to the Auditors' Report
Referred to in paragraph 9.2 f of Independent Auditor's Report to the members of the
Company on the Financial Statements for the Financial Year 2022-23

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, 2023 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.



Brahmaputra Valley Fertilizer Corporation Limited
Annexure –B to the Auditors' Report
Referred to in paragraph 9.2 f of Independent Auditor's Report to the members of the
Company on the Financial Statements for the Financial Year 2022-23

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

Meaning of Internal Financial Controls over Financial Reporting:

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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, 2023 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 & ON BEHALF OF



Brahmaputra Valley Fertilizer Corporation Limited
Annexure –B to the Auditors' Report
Referred to in paragraph 9.2 f of Independent Auditor's Report to the members of the
Company on the Financial Statements for the Financial Year 2022-23

B.L. PUROHIT & CO.
CHARTERED ACCOUNTANTS
FRN 311056E


SUBHASH PUROHIT, FCA
PARTNER
MEMBERSHIP NO. 059631
UDIN-23059631BGUVBO5407
DATED: 26/07/2023
GUWAHATI



Brahmaputra Valley Fertilizer Corporation Limited

**Annexure C of the Independent Auditor's Report for the Financial Year 2022-23
Referred to in paragraph 9.3 of Independent Auditor's Report to the members of
the Company on the Financial Statement**

Directions under section 143(5) of the Companies Act, 2013 for the Financial Year 2022-23

Serial no.	Directions	Auditor Comments
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.	<p>Based on the details provided by the Management and our audit we observed that the Company has a Computerized Accounting System operated through COBOL 85 in Unix Operating System. The system is old, but majority of the accounting transactions are being done by this Accounting System. This system is integrated with different sections of Finance (Central Accounts, Store, purchase etc.), HR (for Employee Payroll), MM Department (for Inventory Control) and for Marketing Department (for Sales & Dispatch) a different Software is used.</p> <p><i>However, quarterly summarized Trial Balance of Sales Department and remote located centers is being manually merged into Central Accounts by passing journal vouchers for each center. This may be one of the reason for delay in updating of Central Account Trial Balance, further BVFCL Central Accounts is unable to access data/ details related to Trial Balance of remote centers on real time basis. Thus the present installed system of accounting software is unable to generate real time accounting MIS. Moreover, the reports cannot be generated in MS-Excel or MS-Word due to which analysis of data becomes more difficult.</i></p> <p>To overcome the limitation in the current Computerized System of accounting, the Company has initiated the implementation of Tally software. The accounts for FY 2022-23 of marketing accounts department were prepared in Tally accounting package. As informed to us by the Company management the accounting of the Company for the FY 2023-24 is being done in Tally accounting software except accounting of manufacturing process, material management, fixed assets register and payroll processing which would continue in COBOL system for the time being.</p>
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.	Based on the details provided by the Management and our audit we observed that during the period under audit there is no restructuring of an existing loan or waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan.
3.	Whether funds (grants/subsidy	Based on the details provided by the Management

	etc.) received/receivables for specific scheme from Central/State agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	and our audit we observed that during the financial year 2022-23 no new grants was received by the Company from Central/State agencies.
4.	<i>State the impact of revision of subsidies for fertilizer products in valuation of its Closing Stock and revenue from operations</i>	<p><u>Closing Stock of Urea in factory site and in-transit :</u></p> <p>The Closing Stock of Urea in Factory site and in transit is generally valued at cost or at Net Realizable Value whichever is less. Since, the cost of production of Namrup-II & III plant is higher than the net realizable value (Concession Price), the valuation at the end of the year is done on the concession price fixed for the year. While valuation of the closing stock, the annual escalated or de-escalated price based on the actual input cost (Natural Gas) during the year is taken into consideration for valuation purpose. Such escalation/de-escalation is calculated based on the guidance and procedure adopted by FICC, Government of India. The stock so valued is considered to be maximum realizable value as on Balance Sheet date.</p> <p>In the subsequent year, the value of such stock may be higher or lower based on the input price of the raw material in the respective year. In case of higher concession price there will be margin of profit from the opening stock and vice-verse. Since, this is a continuous process and the same value of closing stock booked in the accounts in the previous year is considered as value of opening stock as at the beginning of the current year, there reflects no impact on valuation of Closing Stock as well as in the financial statements.</p> <p><u>Closing Stock with dealers (stock not sold through PoS) :</u></p> <p>As per present subsidy payment procedure, the subsidy is eligible for those quantities which are sold through PoS at any point of time during the year. At the end of the year, the quantities lying with dealers and not sold through PoS is not eligible for Subsidy during the current financial year but the same is eligible for subsidy as and when the quantity sold through PoS in the subsequent year. While recognizing income on the not sold quantity at the Balance Sheet date, the quantity is valued at the maximum realizable value considering escalation/de-escalation of the current financial year i.e. existing concession price plus/minus any escalation/de-escalation based on the average price of input material (Natural Gas) for the particular year.</p> <p>In the subsequent year, as and when the carry forward quantity is sold through PoS, the subsidy is claimed at the effective concession price of that period. The effective concession price of such</p>



		<p>quantity may vary from the rate so recognized during the previous year due to change of input cost (Natural Gas). In case of increase in the concession price as on claim date, the subsidy realization will be more than the subsidy recognized during the previous financial year and vice-verse. Since the subsidy has to be claimed at the existing concession price, such increase/decrease of concession price has effected in the revenue from operation during the current financial year. In such cases, if the value realized during the year is excess/short than the value recognized during the previous year, the excess/short differential receipts have been treated as other operating revenue in the statement of Profit and loss. The impact of such excess/short valuation of not sold quantity at the previous Balance Sheet date has effected in the current financial statements and accounting effect has been considered during the current year accordingly in order to nullify the excess/short receipts.</p>
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FOR & ON BEHALF OF

**B.L. PUROHIT & CO.
CHARTERED ACCOUNTANTS
FRN 311056E**




**SUBHASH PUROHIT, FCA
PARTNER
MEMBERSHIP NO. 059631
UDIN- 23059631BGUVBO5407
PLACE: GUWAHATI
DATED: 26/07/2023**

Compliance Certificate

We have conducted the Audit of Accounts of **Brahmaputra Valley Fertilizer Corporation Limited**, having its Registered office at Namrup, Assam, for the Financial Year ended 31st March, 2023 in accordance with the Directions issued by the Comptroller & Auditor General 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 & ON BEHALF OF
B.L. PUROHIT & CO.,
CHARTERED ACCOUNTANTS
FRN 311056E


SUBHASH PUROHIT, FCA
PARTNER
M. NO. 059631
DATED: 26/07/2023
PLACE: GUWAHATI



BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

(CIN U24123AS2002GOI006786)

Balance Sheet as at 31st March, 2023

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(Rs. in lakhs)

PARTICULARS	Note No.	As at 31st March, 2023	As at 31st March, 2022
I EQUITY AND LIABILITIES			
A Shareholders' Funds			
(a) Share Capital	1	36,583.24	36,583.24
(b) Reserves and Surplus	2	(69,037.52)	(71,475.15)
B Non-Current Liabilities			
(a) Long term Borrowing	3	57,275.00	57,275.00
(b) Other long-term liabilities	4	1,756.16	1,337.32
(c) Long-Term Provisions	5	2,616.91	3,628.93
C Current Liabilities			
(a) Short term Borrowing	6	2,495.80	-
(b) Trade Payables	7	21,428.62	8,534.62
Total Outstanding dues of micro enterprises and small enterprises		67.98	142.42
Total Outstanding dues of creditors other than micro enterprises and small enterprises		21,360.63	8,392.19
(c) Other current liabilities	8	15,777.63	15,751.30
(d) Short-term provisions	9	663.19	446.69
TOTAL (A+B+C)		69,559.05	52,081.97
II ASSETS			
D Non-Current Assets			
(a) Property, Plant & Equipment and Intangible Assets			
(i) Tangible Assets (Net Block)	10	15,101.83	18,552.67
(iii) Intangible Assets	10	10.32	7.10
(ii) Capital work-in-progress			
a) Tangible	10	468.20	715.68
b) Intangible	10	25.25	-
(iv) Capital work-in-progress (Capital stores)	10	682.68	585.60
(b) Long-term loans and Advances	11	1,034.49	500.75
E Current Assets			
(a) Inventories	12	3,449.04	2,900.91
(b) Trade Receivables	13	29,407.11	2,673.90
(c) Cash and Bank Balances	14		
- Cash & Cash Equivalents		6,710.64	11,619.63
- Other Bank Balances		5,796.03	8,421.95
(d) Short-Term Loans and Advances	15	6,512.61	5,740.90
(e) Other Current Assets	16	360.85	362.87
TOTAL (D+E)		69,559.05	52,081.97

Significant Accounting Policies

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Additional Notes to Accounts

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The accompanying note forms an integral part of these Financial Statements

FOR AND ON BEHALF OF THE BOARD


R. K. Gupta
Company Secretary


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


S.P. Mohanty
Chairman & Managing Director
DIN -05336787

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

CA Sunilash Purohit

Partner

ICAI Membership No. : 059631



BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

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(CIN U24123AS2002GOI006786)

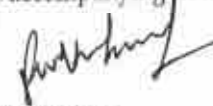
Statement of Profit and Loss for the year ended 31st March, 2023

(Rs. in lakhs)

PARTICULARS	Note No.	As at 31st March, 2023	As at 31st March , 2022
I Revenue from Operations	17	1,14,649.60	30,981.79
II Other Income	18	1,199.57	2,553.41
III Total Income		1,15,849.17	33,535.20
IV Expenses			
Cost of Materials Consumed	19	20,765.14	6,574.61
Purchases of Stock-in-Trade	20	34,297.25	6,647.43
Changes in Inventories of Finished Goods	21	628.02	(109.06)
Work in Progress and Stock in Trade	21	(419.20)	3.29
Employee Benefits Expenses	22	5,545.99	6,129.05
Finance Cost	23	9.63	-
Depreciation and Amortisation Expense	10	3,472.76	3,692.27
Other Expenses	24, 25, 26, 27	48,677.45	18,521.14
Total Expenses		1,12,977.05	41,458.72
V Profit before exceptional and extraordinary items and Tax (III-IV)		2,872.12	(7,923.53)
VI Exceptional Items (Shortage of Urea)			
a) Prior period adjustment		434.49	1,587.17
b) Shortage of Urea		-	(253.17)
VII Profit before extraordinary items and Tax (V-VI)		2,437.63	(9,763.87)
VIII Extraordinary Items		-	-
IX Profit before Tax (VII-VIII)		2,437.63	(9,763.87)
X Tax Expenses			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
XI Profit / (Loss) for the period from continuing operations (VII-VIII)		2,437.63	(9,763.87)
XII Profit / (Loss) from discontinuing operations		-	-
XIII Tax expenses for discontinuing operations		-	-
XIV Profit / (Loss) from discontinuing operations (after Tax) (XII- XIII)			
XV Profit / Loss (XI +XIV)		2,437.63	(9,763.87)
Earnings per share (of Rs. 1,000/- each):	28		
Basic Earnings per Share (Rupees)		66.63	(266.89)
Diluted Earnings per Share (Rupees)		66.63	(266.89)
Significant Accounting Policies	29		
Additional Notes to Accounts	30		

The accompanying note forms an integral part of these Financial Statements

FOR AND ON BEHALF OF THE BOARD


R. K. Gupta
Company Secretary


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


S.P. Mohanty
Chairman & Managing Director
DIN - 05336787

As per our report of even date annexed
For B. L. Porohit & Co
Chartered Accountants,


CA Subhash Porohit
Partner
ICAI Membership No. : 059631
Firm Regn. No : 311056E
UDIN : 23054631B6UUVB05407



Cash Flow Statement for the Year ended as on 31st March, 2023

(Rs. in lakhs)

Particulars	2022 - 23	2021 - 22
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax :	2,437.63	(9,763.87)
Add Adjustments for Non Cash items & other than		
Operating Activities		
- Depreciation	3,472.76	3,692.27
- Provision for Obsolescence of stores & Spares	41.20	35.13
- Provision for Leave Encashment	373.43	426.55
- Provision for Gratuity	274.46	532.85
- Fixed Assets written off against replaced assets	42.10	9.80
Provision for Unmoved Capital Stores	8.09	24.53
Provision no longer required written back	-	(1.79)
Liability Written back	(34.99)	(669.64)
Depreciation written back	(152.23)	(10.83)
Provision for doubtful Debts / advances	47.58	2.25
Assets Write off	442.49	
	4,514.90	4,041.13
Cash flow from Operation Before Working Capital		
Changes, Taxes & Extraordinary Items	6,952.53	(5,722.74)
Adjustments for Working Capital changes :	-	
- (Increase)/ Decrease in Trade and Other Receivable	(26,780.79)	(1,826.16)
- (Increase)/ Decrease in Inventory	(589.33)	(64.89)
- Increase/(Decrease) in Trade Payable and other payables	15,870.00	14,045.08
- Increase in Advance & other Current Assets	(769.68)	(2,295.15)
- Increase in Capital stores	(105.17)	18.33
- Gratuity and Leave encashment paid	(1,443.42)	(1,957.18)
	(6,865.87)	7,920.03
Extra ordinary items	-	-
Cash Inflow from Operating Activities (A)	(6,865.87)	2,197.28
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(357.54)	(192.09)
(Increase)/Decrease in Advances for CWIP	(311.51)	(486.11)
Cash Outflow from Investing Activities (B)	(669.05)	(678.20)



BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED
(CIN U24123AS2002GOI006786)

Cash Flow Statement for the Year ended as on 31st March, 2023 (contd..)

(Rs. in lakhs)

Particulars	2022 - 23	2021 - 22
<u>CASH FLOW FROM FINANCING ACTIVITIES :</u>	-	-
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS: (A+B+C)</u>	(7,534.92)	1,519.09
<u>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR :</u>	20,041.59	18,522.50
<u>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR :</u>	12,506.67	20,041.59

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


S.P. Mohanty
Chairman & Managing Director
DIN- 05336787

As per our report of even date annexed
For B. L. Porohit & Co
Chartered Accountants,


CA Subhash Purohit
Partner

ICAI Membership No. : 059631
Firm Regn. No : 311056E
UDIN : 230596318600VB05407

Dated: 26/07/2023 Place: Namrup Guwahati



BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED
(CIN U24123AS2002GOI006786)
NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2022-23

(Rs. in lakhs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022			
NOTE 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 GoI 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 Ltd.	30,702.24	30,702.24			
	36,583.24	36,583.24			
(i) Reconciliation of the number of shares and amount outstanding at the					
Particulars	As at 31st March 2023		As at 31st March ,2022		(Rs. In lakh)
	Number of Shares	Amount in Rs.	Number of Shares	Amount in Rs.	Amount in Rs.
Equity Shares at the begining of the year	3658324	36,583.24	3658324	36,583.24	36,583.24
Add : Issued during the year	-	-	-	-	-
Balance at the end of the year	3658324	36583.24	3658324		36583.24
ii) Details of Equity shares held by each share holder holding more than 5% shares :					
Name of share holders	As at 31st March 2023		As at 31st March ,2022		
	Number of Shares held	Percentage of holding	Number of Shares held	Percentage of holding	Percentage of holding
President of India	3658324	100%	3658324		100%
iii) Shares held by promoters at the end of the year					
Promoters Name	No. of shares as on 31.03.2023	% of total shares			
President of India	3658324	100%			
The Company has only one class of equity shares having par value of Rs 1000 per share. Each share holder is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution to creditors and all preferential amounts, in proportion to their shareholding."					



(CIN U24123AS2002GOI006786)

NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2022-23

(Rs. in lakhs)

PARTICULARS	As at 31st March ,2023	As at 31st March ,2022
<u>NOTE 2 : RESERVES AND SURPLUS</u>		
Statement of Profit and Loss		
Opening Balance	(71,475.15)	(61,711.28)
Add: During the year Profit/(Loss)	2,437.63	(9,763.87)
Total	(69,037.52)	(71,475.15)
<u>NOTE 3 : LONG-TERM BORROWINGS</u>		
Interest free unsecured loan from Govt	57,275.00	57,275.00
Total	57,275.00	57,275.00
<u>NOTE 4 : OTHER LONG-TERM LIABILITIES</u>		
Security Deposit	1,756.16	1,337.32
Total	1,756.16	1,337.32
<u>NOTE 5 : LONG-TERM PROVISIONS</u>		
Provisions for Employee Benefits		
Provision for Gratuity	1,756.27	2,506.95
Provision for Leave Encashment	860.64	1,121.98
Total	2,616.91	3,628.93
<u>NOTE 6 : SHORT-TERM BORROWING</u>		
Bank Overdraft	2,495.80	-
	2,495.80	-
Bank overdraft facility from Canara Bank, Noida has been availed against fixed deposits.		



BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

(CIN U/28123AS2002GG1006786)

NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2022-23

(Rs. in Lakhs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
NOTE 7: TRADE PAYABLES		
a) Total Outstanding dues of micro enterprises and small enterprises	67.98	142.42
b) Total Outstanding dues of creditors other than micro enterprises and small enterprises	21,360.63	8,392.19
Total	21,428.62	8,534.62
NOTE 8: OTHER CURRENT LIABILITIES		
Deferred Government Grant - General	9,123.71	9,113.40
Grant Received During the year	9,113.40	
Add:- Interest Accrued on Unutilized Grant	412.72	
Less:- Govt Grant recognised in statement of Profit & Loss Account	(345.21)	
Less:- Govt Grant Utilized for Payment of GST on Services/Goods	(57.20)	
Capital Reserve		
Statutory remittances (Contributions to PF, VAT Withholding taxes, Excise Duty, VAT, Service Tax, GST etc)	201.56	221.61
Advances from Customers	2,682.20	2,431.12
Others		
i) Sundry Creditors other than Trade Payables#	2,238.93	2,540.44
ii) Liability for Expenses@	864.82	927.54
iii) Other Liabilities\$	566.41	517.19
Total	15,777.63	15,751.30
An amount of Rs 10,000 lakh have been received during the financial year 2021 - 22 from Govt for repair & Maintenance of plants. Interest accrued/received during the financial year 2021-22 & 2022-23 is Rs. 80.66 lakh & Rs. 412.72 lakhs respectively. An amount of Rs. 402.41 lakhs (Rs. 345.21 charged to Profit & Loss A/c + Rs. 57.20 lakhs reversal of GST Credit) during the financial year (Previous year Rs 967.26 lakh including reversal of GST credit of an amount of Rs. 149.04 lakhs). However Utilization certificate of an amount of Rs. 2245.03 lakh has been submitted to the DoF for payment made on cash basis. (Refer Note No.- 30.10 of notes to accounts)		
# Sundry Creditors for expenses other than Trade Payables include an amount of Rs. 234.60 lakhs (Previous year Rs.234.60 Lakhs) on account of Miscellaneous expenses of marketing and remain unchanged for last over 6 years. The company is in process of tracing the origin of the transaction, nature of expenditure and reconciling the same.		
@ Liability for Expenses include an amount of Rs. 265.00 lakhs (Previous year Rs. 265.00 Lakhs) on account of Provision for Godown rent, transportation charges and purchase of marketing department remain unchanged for last over 6 years. The company is in process of tracing the origin of the transaction, nature of expenditure and reconciling the same.		
\$ C Liabilities include an amount of Rs. 491.64 lakhs (Previous year Rs. 491.64 Lakhs) on account of Recovery of railway freight of marketing department and remain unchanged for last over 6 years. The company is in process of tracing the origin of the transaction, nature of expenditure and reconciling the same.		
NOTE 9: SHORT TERM PROVISIONS		
Current dues of Gratuity	483.62	319.24
Current dues of Leave encashment	179.57	127.46
Total	663.19	446.69

Age wise break-up of Trade Payables for the F.Y. 2022-23

(Rs in Lakhs)

Particulars	Less than 6 months	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	67.98	-	-	-	-	67.98
(ii) Other	17,071.57	13.46	2.95	35.45	2.67	17,126.10
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - others	1,276.95	1,272.21	1,685.38	-	-	4,234.54
Total	18,416.50	1,285.67	1,688.33	35.45	2.67	21,428.62

Age wise break-up of Trade Payables for the F.Y. 2021-22

(Rs in Lakhs)

Particulars	Less than 6 months	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	142.42	-	-	-	-	142.42
(ii) Other	8,216.46	16.78	42.96	3.13	17.85	8,392.19
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - others	-	-	-	-	-	-



BRAHMA JTRA VALLEY FERTILIZER CORPORATION LIMITED
(CIN U24123AS2002GOI006786)
NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2022-23

(Rs. in lakhs)

Property, Plant & Equipment and Intangible Assets						DEPRECIATION					NET BLOCK	
Particulars	C O S T					As on 01.04.2022	Provided During the	Adjustment of last year depreciation	Dep. W/off Replacement	Total upto 31.03.2023	As on 31.12.2023	As on 31.03.2022
	As on 01.04.2022	Additions	Deduction Replacement	Deduction for Adjustment	As at 31.03.2023						12	13
1	2	3	4	5	6	7	8	9	10	11		
ASSETS												
					176.95	-				3,698.27	176.95	176.95
	176.95	-	-		3,996.66	3,686.43	11.84			239.67	298.38	331.73
	4,018.17			(21.51)	260.71	238.15	1.52	0.00		91,256.21	21.04	14.18
Installation	252.34			8.37	1,05,157.06	87,950.31	3,314.70		(8.80)	-	13,900.84	17,038.54
Machinery	1,04,988.82	218.37	(50.14)		0.05	152.24	-	(152.24)		0.02	0.05	289.86
	442.09			(442.04)	21.47	-	0.02			478.85	21.45	53.94
	-	21.47			561.23	469.20	9.65			221.16	82.38	47.99
Ice Equipmt.	523.00	38.23			277.97	215.36	5.80			164.73	56.81	47.99
Fixtures	263.66	14.31			198.97	169.74	9.57		(14.59)	255.35	34.24	10.65
	180.22	34.55	(15.36)	(0.44)	299.34	249.84	5.52			216.45	43.98	24.47
	274.29	25.05			238.15	212.74	3.70	0.01		1,903.01	21.70	12.25
s & Culverts	225.01	-		13.14	2,264.78	1,810.21	92.80			501.11	361.77	454.56
ng	2,264.78	-			583.34	485.82	15.29			98,934.84	82.22	97.55
	583.34	-			1,14,036.66	95,640.03	3,470.42	(152.23)	(23.39)	15,101.83	18,552.67	
	1,14,192.67	351.98	(65.49)	(442.49)	45.26	32.60	2.34	-	-	34.94	10.32	7.10
INTANGIBLE ASSETS					45.26	32.60	2.34	-	-	34.94	10.32	7.10
	39.70	5.56	-	-	45.26	32.60	2.34	-	-	98,969.78	15,112.15	18,559.77
	39.70	5.56	-	-	1,14,081.92	95,672.63	3,472.76	(152.23)	(23.39)	19,275.45		
(B)	1,14,232.37	357.54	(65.49)	(442.49)	1,14,948.08	91,998.91	3,692.27	(10.83)	(7.72)			
WIP	1,14,773.51	192.09	(17.52)	-								
WIP IN PROGRESS												
					3.91						3.91	-
	-	3.91	-	-	457.17						457.17	715.68
	715.68	-	-	(258.51)	7.12						7.12	-
		7.12	-	-	468.20						468.20	715.68
Project	715.68	11.03	-	(258.51)								
					24.50						24.50	-
ble	-	24.50	-	-	0.75						0.75	-
	-	0.75	-	-	25.25						25.25	-
ement	-	25.25	-	-	493.45						493.45	715.68
	715.68	36.28	-	(258.51)								
WIP IN PROGRESS (CAPITAL STORES)												
	Opening Balance 01.04.2021	Purchase	Issue	Provisions	Closing balance						Closing balance 31.03.2023	Closing balance 31.03.2022
	875.53	224.09	(118.93)	(298.00)	682.68						682.68	585.60
ork in progress	875.53	224.09	(118.93)	(298.00)	682.68						682.68	585.60



NOTE 10 : Property, Plant & Equipment and Intangible Assets

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

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

Year	<u>2022 - 23</u>	<u>2021 - 22</u>
Statement of Profit & Loss	3,472.76	3,692.27
Total	<u>3,472.76</u>	<u>3,692.27</u>

The company has written off Rs. 42.10 lakhs (net of depreciation) during the year (Previous year Rs. 9.80 lakhs) towards written down value of replaced fixed assets on the basis of report dated 23 of an inhouse technical committee as on 31st March, 2023 since book value was not ascertainable, major part of such replaced assets related to earlier years.



BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

(CIN U24123AS2002GOI006786)

NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2022 - 23

(Rs. in lakhs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
NOTE 11 : LONG-TERM LOAN AND ADVANCES		
A.Capital Advances		
Secured, considered good	-	-
Unsecured, considered good	0.01	0.75
B. Others		
Deposit held as margin money against guarantee issuer	1,000.00	500.00
Prepaid expenses	34.48	-
Doubtful	28.98	28.98
Less: Provision for doubtful advances	(28.98)	(28.98)
Total	1,034.49	500.75
NOTE 12 : INVENTORIES		
Intermediaries product (Anmonia) (valued at lower of cost or net realisable value)	482.85	63.65
Finished Products (other than those acquired for Trading)	138.60	870.48
Stock of traded Products	103.86	-
Others (valued at lower of cost or net realisable value)		
Stock of LPG Cylinder	2.47	2.89
Stores & Spares under inspection	0.98	67.61
Stores in Transit	168.20	-
Subtotal (A)	896.95	1,004.63
Stores and spares (At cost)	3,975.95	3,328.42
Stock of packing materials (at cost)	203.30	153.83
Less :		
a) Provision for obsolescence & Impairment	(1,343.32)	(1,302.12)
b) Provision for shortage of Bags	(30.67)	(30.67)
c) Prov. For shortage of Finished products	(253.17)	(253.17)
Subtotal (B)	2,552.09	1,896.28
Total (A+B)	3,449.04	2,900.91
Physical verification of Finished Goods, Intermediaries, and Packing Materials (HDPE Bags) have been carried out during the financial year 2022 - 23 and discrepancies/ damages found have been properly dealt with in the accounts. The company has formulated a comprehensive policy for age wise provisioning for inventories of Stores and spares as stated in Note- 29.7.		



(Rs. in lakhs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
NOTE 13: TRADE RECEIVABLES		
Trade receivables outstanding for a period more than six months from the date they were due for payment		
Subsidy (Government of India)	741.90	1386.33
Others	4186.10	113.90
	4928.00	1500.23
Trade Receivable less than six months		
Subsidy (Government of India)	23701.63	436.38
Others	874.21	786.44
	24575.84	1222.82
Provision for doubtful receivables	-96.73	-49.15
	24479.11	1173.67
Total	29407.11	2673.90
Aggregate of Trade receivables :		
Unsecured, Considered good	29407.11	2673.90
Unsecured Considered doubtful	96.74	49.15
Provision for doubtful receivables	-96.74	-49.15
	29407.11	2673.90

Note 1:- Trade receivables include Rs. 122.95 Lakhs (Previous year Rs. 122.95 Lakhs) on account of receivable from KSK managed by Marketing Department since 2016. Marketing Department has not sold any materials from KSK on credit and the payments were deposited in BVFCL account. However the reconciliation of the same is under process and expected to be completed very soon.

Note 2:- Trade receivables include Rs. 1.78 Lakhs (Previous year Rs. 1.78 Lakhs) from retail sale of Vermicompost under dealer code 1001. Marketing Department has not sold any materials from on credit. The account represents the transactions 6 years earlier and since then there is no change in the account balance. The company is in the process of reconciliation of the same necessary entries will be passed after reconciliation.

Age wise break-up of Trade Receivables for the F.Y. 2022-23

(Rs. in Lakh)

Particulars	Less than 6 month	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables	24575.84	3899.69	177.10	2.73	805.47	29460.83
ii) Disputed receivables		43.02	0.00	0.00	0.00	43.02
Total	24575.84	3942.71	177.10	2.73	805.47	29503.85

Age wise break-up of Trade Receivables for the F.Y. 2021-22

(Rs. in Lakh)

Particulars	Less than 6 month	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables	1222.82	21.35	20.57	15.08	1443.23	2723.05
Total	1222.82	21.35	20.57	15.08	1443.23	2723.05



BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED
(CIN U24123AS2002GOI006786)
NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2022-23

(Rs. in lakhs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
NOTE 14 : CASH AND BANK BALANCES		
A) Cash and Bank Balances	6,710.64	11,619.63
B) Balances with Bank		
In Term deposit accounts	5,789.86	8,419.17
Balances held as margin money or security against borrowings, and other commitments.	6.17	2.78
Total	12,506.67	20,041.59
NOTE 15 : SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Loans and advances to employees	115.55	41.05
Advance for Insurance Premium	66.11	99.97
Deposit with Excise & Govt. Authorities	85.79	107.39
Advance to suppliers	520.35	1,451.29
Other Advances	5,689.98	3,972.85
Doubtful advances to suppliers	34.78	34.78
Less: Provision for doubtful advances	(34.78)	(34.78)
Prepaid expenses	34.82	68.34
Total	6,512.61	5,740.90
NOTE 16 : OTHER CURRENT ASSETS		
Unsecured, considered good		
Other Receivables	272.83	280.70
Unsecured, considered doubtful		
Other Receivables	197.57	197.57
Less: Provision for doubtful receivables	(197.57)	(197.57)
Interest accrued on deposits	88.02	82.17
Total	360.85	362.87
<p>Other receivables include sundry debtors (Estate) amount Rs. 444.41 lakhs (Previous year Rs. 439.48 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, 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.</p> <p>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. 197.57 lakhs (Previous Year Rs. 197.57 lakhs).</p>		



BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

(CIN U24123AS2002GOI006786)

NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2022-23

(Rs. in lakhs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
NOTE 17: REVENUE FROM OPERATIONS		
A. Sale of Manufactured Products		
Urea	12,049.64	9,130.66
Bio Fertilizer	221.78	73.69
Vermicompost	8.49	15.49
Total of 'A'	12,279.91	9,219.83
B. Sale of Trading Goods		
Sale of MOP	2,200.25	1,583.76
Sale of Pesticides	33.35	49.85
Sale of DAP	4,404.76	-
Sale of SSP	7,950.85	1,546.97
Sale of seeds	12.23	-
Sale of Rockphosphate	756.99	478.16
Sale of Micronutrient	161.10	143.65
City Compost	28.96	100.45
Sale of NFL Urea	3,516.77	1,857.20
Sale of Agro Power	324.45	863.99
Sale of Water soluble Fertilizer	-	39.79
Sale of FACTUMPHOS	110.52	63.67
Sale of Amm. Sulphate	2,999.35	128.34
Sale of HIL Net	18.76	39.72
Sale of Imported Urea	11,725.82	-
Sale of Mukta Power	4,416.28	-
Sale of NFL APS	945.23	-
Sale of NPK	916.64	-
Sale of PDM	565.77	-
Total of 'B'	41,088.08	6,895.54
Total of (A+B)	53,367.99	16,115.37
C. Other Operating Revenue		
i) Manufactured Product (Urea)		
a) Price Subsidy for manufactured products	52,245.03	11,961.40
b) Freight Subsidy for manufactured products	3,340.79	2,144.00
ii. Reimbursement of expenses for imported Urea		
a) Purchase cost Reimbursement	991.17	-
b) Freight	462.77	-
c) Income from laytime	64.88	-
iii) Past period subsidy	4,176.97	761.02
Total of 'C'	61,281.61	14,866.42
Total of (A+B +C)	1,14,649.60	30,981.79

Subsidy received / receivable of Rs. 55585.82 lakhs (previous year Rs.14105.40 lakhs) is credited to statement of profit and loss. This is followed as per AS- 12 Accounting for Govt. Grants.

Pending notification from Fertilizer Industry Coordination Committee (FICC), the adjustment relating to escalation / deescalation price subsidy payable / receivable amounting to Rs.1084.12 lakhs (previous year Rs. 1293.03 lakhs) has been accounted for on accrual basis taking into account the guidelines, policies, instructions and clarifications issued by the Govt. of India.



NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2022-23

(Rs. in lakhs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
NOTE 18 : OTHER INCOME		
A. Interest income		
i) Interest on short term deposit (TDS deducted Rs. 83.98 lacs Previous year Rs. 80.24 lacs)	283.69	509.77
ii) Interest received on Income tax refund	6.00	30.21
iii) Interest on others	0.44	0.39
iv) Interest on savings Accounts	0.01	0.02
Total	290.14	540.38
B. Sale of Scrap & Salvaged materials	37.21	61.87
C. Recovery of Licence fee, Electricity & Water charges etc. from employees & others.	292.62	277.42
D. Miscellaneous income	199.41	185.87
E. Recognition of Govt. Grant related to repair & Maintenance	345.21	818.22
F. Sundry Liabiliy writte back	34.99	669.64
Total	909.43	2,013.03
Grand Total	1199.57	2,553.41

Recovery of licence fee, electricity & water charges includes Rs. 259.66 lakhs from others on account of licence fee, water & electricity charges (Previous year Rs. 253.13 lakh).

An amount of Rs 10,000 lakh have been received during the financial year 2021-22 from GoI for repair & Maintenance of plants. An amount of Rs. 402.41 lakhs (Rs. 345.21 charged to Profit & Loss A/c + Rs. 57.20 lakhs reversal of GST Credit) during the financial year (Previous year Rs 967.26 lakh including reversal of GST credit of an amount of Rs. 149.04 lakhs) have been utilized for repair and maintenance of plant (Refer Note No.- 8).

Misc Income includes assets for BVFCL's Hospital and Park of an amount of Rs. 8.01 lakhs and Rs. 6.27 lakhs respectively received from parties (Previous Year - NIL). These assets has been received in kind and recorded at Market value.

NOTE 19 : COST OF MATERIALS CONSUMED

Natural Gas		
Opening stock	-	-
Add: Purchase	17,260.05	5,006.39
Total of Opening Stock and Purchase	17,260.05	5,006.39
Closing Stock	-	-
Consumption		
Plant - II	-	-
Plant - III	17,260.05	5,006.39
Total Consumption	17,260.05	5,006.39
Consumption of Stores and Spare Parts	1,579.29	813.99
Consumption of Packing Materials	1,925.80	754.23
Total of Cost of Materials Consumed	20,765.14	6,574.61



NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2022-23

(Rs. in lakhs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
NOTE 20 : PURCHASES OF STOCK - IN - TRADE		
Purchase of City Compost	28.08	90.88
Purchase of DAP	4,371.69	-
Purchase of MOP	2,194.36	1,563.53
Purchase of Pesticides	31.18	47.90
Purchase of SSP	7,053.00	1,454.51
Purchase of Seeds	11.75	-
Purchase of Rock Phosphate	726.81	461.05
Purchase of Urea from NFL	3,470.92	1,833.68
Purchase of Zinc	138.72	94.66
Purchase of Boron	8.47	4.24
Purchase of HIL Net	17.63	37.38
Purchase of Amm. Sulphate	2,932.40	126.75
Purchase of FACTAMPOS	108.39	63.15
Purchase of Agro Power	300.62	796.68
Purchase of Magnesium Sulphate	-	35.76
Purchase of NPK	921.29	37.26
Purchase of Imported Urea	6,489.59	-
Purchase of NFL APS	935.77	-
Purchase of Mukta Urea	4,044.36	-
Purchase of PDM	512.24	-
Total	34,297.25	6,647.43
NOTE 21 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND TRADING GOODS		
Inventories at the end of the year		
A. Stock of Manufactured goods		
Urea (Manufactured)	130.79	863.68
Intermediaries product (Ammonia) / goods	482.85	63.65
Stock of Biofertilizers	7.81	6.79
Stock of Vermicompost	-	-
Stock of Traded Products (SSP)	-	-
Total	621.45	934.13
B. Stock of Traded Products		
Traded Products	103.86	-
	103.86	0.00
Inventories at the beginning of the year:		
C. Stock of Manufactured goods		
Urea	863.68	746.50
Intermediaries product (Ammonia) / goods	63.65	62.99
Stock of Biofertilizers	6.79	12.12
Stock of Vermicompost	-	2.79
Stock of Traded products (SSP)	-	3.95
Total	934.13	828.36
D. Stock of Traded Products		
Traded Products	-	-
	-	-
	-	-
Net (Increase) / Decrease in stock	208.82	(105.77)
*The Closing stock of Urea as on 31.03.2023 is 479.76 MT (Previous year 5207.90 MT)		
NOTE 22 : EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	3,685.27	3,860.46
Contributions to Provident and other funds	415.11	434.51
Staff welfare expenses	797.72	874.68
Provision for Gratuity Liability	274.46	532.85
Provision for Leave Liability	373.43	426.55
Total	5,545.99	6,129.05



BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

(CIN U24123AS2002GOI006786)

NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2022-23

(Rs. in lakhs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
<u>NOTE 23 : FINANCE COST</u>		
Interest expenses:		
A. Interest on Unsecured loan from Govt of India		
i) Normal Interest	-	-
ii) Penal Interest	-	-
B. Interest on Secured loan from Bank		
Interest on bank over draft	9.63	-
Total	9.63	-
<u>NOTE 24 : REPAIRS & MAINTENANCE</u>		
Repairs and Maintenance - Buildings	192.87	210.95
Repairs and Maintenance - Plant & Machinery	657.57	578.39
Repairs and Maintenance - Others	58.73	94.98
Total	909.18	884.33
<u>NOTE 25 : POWER & FUEL</u>		
Power and Fuel	34,545.64	11,550.94
Total	34,545.64	11,550.94
<u>NOTE 26 : FREIGHT & HANDLING EXPENSE</u>		
Freight	6,139.06	2,144.00
Handling charges	2,570.74	426.47
Total	8,709.80	2,570.48



NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2022-23

(Rs. in lakhs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
<u>Note : 27 Other Expenses</u>		
Rent including Lease Rentals	23.72	17.90
Insurance	117.44	123.12
Water & Air pollution Control Tax & Cess	10.41	10.03
Land Revenue	21.07	21.07
Rates & Taxes	0.04	0.11
Communication Expenses	23.17	13.14
Travelling and Conveyance	86.54	17.89
Printing and Stationeries	10.45	9.84
Business promotion	19.49	3.39
Donations and Contributions	2.88	11.88
Legal and professional fee	29.79	14.05
Payments to Statutory auditors	3.00	2.20
Cleaning work inside Factory	435.80	436.29
Miscellaneous Expenses for factory	261.28	175.26
Security expenses	1,678.41	1,613.60
Director expenses	21.33	8.80
Provision for doubtful Debts / Advances	-	2.25
Provision for doubtful Debts FICC	47.58	
Provision for obsolescence of stores & Spares	41.20	35.13
Provision for unmoved capital items	8.09	24.53
Miscellaneous Casual labour township	180.72	171.57
Miscellaneous Administration expenses	703.82	484.48
Selling & Distribution Expenses	552.68	
Payment to Retainers	191.83	309.08
Fixed Assets written off for replaced assets	42.10	9.80
Total	4,512.83	3,515.39



NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2022-23

(Rs. in lakhs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
SUB NOTE 27 :: PRIOR PERIOD ADJUSTMENT		
EXPENSES		
Material Consumed	0.07	0.00
Depreiation	0.00	
Misc. Expenses	0.59	-
Audit expenses	2.22	0.06
CISF Expenses	25.65	-
Stock Account	1.34	
Licence fee etc	0.02	
Dumerage Exp.	6.48	
Write off of old assets	289.81	
De-recognition of Special compensation towards Fixed Cost	-	1,562.67
Freight charges	0.00	70.39
CWIP for Namrup - IV	258.51	
Other Expenses (Mktg.)	22.09	
Total of Debit	606.77	1,633.13
INCOME		
Material consumed	0.03	2.94
Reversal of Dep. on freehold land	-	10.83
Misc. Income	-	0.25
Unadjusted Subsidy	-	-
CISF Expenses	172.15	
Insurance Premium	-	
Bank Charges	0.10	
Productes from PPL	-	31.94
Total of Credit	172.28	45.96
Net Debit/(Credit)	434.49	1,587.16



BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED
(CIN U24123AS2002GOI006786)
NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2022-23

(Rs. in lakhs)

PARTICULARS	As at 31st March ,2023	As at 31st March ,2022
NOTE 28 : 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) (Rs in lacs)	2,437.63	(9,763.87)
Net Profit for the year attributable to Equity Share Holders (after Prior Period Adjustments and Exceptional items) (Rs. in lacs)	2,437.63	(9,763.87)
C) Basic earning per share on profit after tax before Exceptional items (Rs/share)	66.63	(266.89)
D) Diluted earning per share on profit after tax and Exceptional items (Rs/share)	66.63	(266.89)



29. SIGNIFICANT ACCOUNTING POLICY

1. Corporate information :

Brahmaputra Valley Fertilizer Corporation Limited (BVFCL) referred to the Company is a wholly owned Public Sector Undertaking of Govt. of India was incorporated on 5th April 2002 after segregation of Namrup units in Assam from parent company Hindustan Fertilizer Corporation Ltd (HFCL). The registered office of the Company is located at Namrup, Dibrugarh which is involved in the production of Urea, Bio-Fertilizer and Vermicompost and Trading of Fertilizer etc.

2. Basis of preparation and presentation:

The financial statements are prepared on accrual basis under the historical cost convention in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 2013. The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of Notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

All the assets and liabilities have been classified as 'current' or 'non-current' as per the Company's normal operating cycle of 12 months and other criteria set out in Schedule III to the Companies Act, 2013. The amounts in the financial statements are rounded off to rupees in lakhs up to two decimal.

3. Use of Estimates:

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Any difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

4. 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.



- 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

8. 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.

9. 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.



10. Pre-Paid Expenses:

Expenditure up to Rs. 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.

11. Prior period Adjustments:

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

12. 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.

13. Retirement Benefits:

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

14. Payment under Company's Family Pension Scheme:

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

15. Grant In Aid -VRS:

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

16. Grant In Aid -For Repair & Maintenance of Plant

- i. Grants related to revenue are presented as a credit in the Profit & Loss statement under 'Other income'.
- ii. All repair & maintenance expense out of grant are charged to P&L account. GST Input Tax credit are not being availed on such expenses.
- iii. Receipt of grants is recognized as deferred grant from the Government of India. The grant amount, to the extent of expenditure incurred, is being recognized as income in the Statement of Profit and Loss.
- iv. Unutilized/Unspent amount of Grants are shown as deferred Grant.

17. 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.



18. Foreign Currency Transaction:

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.

19. 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.

20. 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.

21. Earnest Money Deposits & Security Deposits:

Earnest Money Deposits and Security Deposits which has not moved and there is no claims pending against them for more than 5 years are written back and transferred to other income

22. Segment Reporting

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments as per Accounting Standard-17.

Company has Identified two primary reporting segments viz own manufactured fertilizers (Urea, Bio-fertilizers and vermi compost) and fertilizer trading (Indigenous and Imported).

23. Grant In Aid - For Catalyst

In case Catalyst procured out of grant it should be adjusted against grant (after deducting @ Rs. 1,000/- each catalyst, which is nominal value) as per deductive approach."

24. Provision for Debtors:-

Trade receivables, other receivables, loans and advances are fully provided for as doubtful upon review on case to case basis, to the extent of such loss considered as incurred.



NOTE 30:-General Notes to Accounts**30.1 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 statement and appropriate disclosure for contingent liabilities is given below-

As on 31st March 2023 contingent liability are as under:-

		(₹' in lakhs)	
Particulars		2022 - 23	2021 - 22
	Claims against the Company not acknowledged as debts:-		
(i)	Litigation and Other Commitments :	101.73	100.44
(ii)	Tax Liabilities against 'CST', Entry Tax & VAT	684.39	666.86
(iii)	Renewal Purchase Obligation (AERC Regulation 2010)	747.57	982.78
	TOTAL	1533.69	1750.08

30.2 Related Party Disclosures:

Company is under the administrative control of Ministry of Chemicals and Fertilizers, Government of India.

Key Management Personnel:

- (1) Shri S.P.Mohanty, Chairman & Managing Director
- (2) Shri S.C. Das, Director (Finance)
- (3) Shri P.K. Banik Director (Production) w.e.f 22nd March - 2023
- (4) Shri D. Sahai, Director (Production) Up to 31st August 2022.
- (5) Shri R.K. Gupta, Company Secretary



Transaction with related Parties

(1) Shri S.P. Mohanty, Chairman & Managing Director

(₹ in lakhs)

Particular	2022-23	2021-22
Remuneration		
- Salary & Allowances	33.27	16.04
- Other Benefit	0.00	0.00
Total	33.27	16.04

(2) Shri S.C. Das, Director (Finance)

(₹ in lakhs)

Particular	2022-23	2021-22
Remuneration		
- Salary & Allowances	31.60	27.02
- Other Benefit	0.00	0.53
Total	31.60	27.55

(3) Shri P.K. Banik (Production) w.e.f. 22nd March 2023

(₹ in lakhs)

Particular	2022-23	2021-22
Remuneration		
- Salary & Allowances	0.78	0.00
- Other Benefit	0.00	0.00
Total	0.78	0.00

(4) Shri D. Sahai, Director (Production) Up to 31.08.2022

(₹ in lakhs)

Particular	2022-23	2021-22
Remuneration		
- Salary & Allowances	12.03	27.79
- Other Benefit	0.00	0.00
Total	12.03	27.79

(5) Shri R.K. Gupta, Company Secretary

(₹ in lakhs)

Particular	2022-23	2021-22
Remuneration		
- Salary & Allowances	24.65	22.65
- Other Benefit	0.06	0.02
Total	24.71	22.67

Remuneration does not include the provision made on actuarial valuation of retirement benefits.



30.3 Audit Expenses:

(' in lakhs)

Sr. No.	Particular	2022-23	2021-22
A)	Statutory Auditors		
i.	Audit Fee	2.40	1.80
ii.	Reimbursement of travelling and out of pocket expenses	0.60	0.40
B)	Tax Audit		
i	Audit fee & Reimbursement of Other expenses	0.70	0.51
C)	Internal Auditors		
i.	Audit Fee & Reimbursement of TA & Other expenses	2.86	2.21
D)	Cost Auditors		
i	Audit fee & Reimbursement of Other expenses	0.49	0.37
E)	FICC/ TOP Auditors		
i	Audit fee & Reimbursement of Other expenses	0.88	0.99
F)	PF Auditors		
i	Audit fee & Reimbursement of Other expenses	0.18	-
G)	Audit fee Inventory / Physical verification Audit	0	0.30
H)	Audit fee & Other expenses for other services	2.98	5.90
	Total	11.09	12.48

30.4 Details of dues to Micro and Small Enterprises as per MSMED Act, 2006:

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:-

(' in lakhs)

Particulars	As at 31.03.23	As at 31.03.22
a. Principal amount due and remaining unpaid	67.98	142.42
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	-	-

Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information given by such parties/available with the Company. Interest amount due to MSMED parties during the year is not due/accrued/paid or payable.



30.5 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.

a) Defined Contribution Plans

The Company's contribution to Provident Fund for employees and executives is ₹.402.06 lakh (previous year ₹ 434.51 lakh)

b) Defined Benefit plans

The Benefit plans which are in operation are Gratuity Fund and Earned 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 Earned Leave is recognized in the same manner as Gratuity.

c) Various data as certified by Actuary:-

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

	(₹ in lakhs)	
	Gratuity	Earned Leave
Present value of Obligation at the beginning of the year	2826.19	1249.44
Acquisition Adjustment	-	-
Interest Cost	189.35	86.21
Past Service Cost	-	-
Current Service Cost	63.59	51.97
Curtailement Cost	-	-
Settlement Cost	-	-
Benefits Paid	(860.75)	(582.67)
Actuarial (gain)/loss of obligations	21.52	235.26
Present value of obligation at the end of the year	2239.90	1040.21
i) Long term liability	1756.28	860.64
ii) Current liability	483.62	179.57
	2239.90	1040.21



- 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

(₹ in lakhs)

	Gratuity	Earned Leave
Current Service Cost	63.59	51.97
Past Service Cost	-	-
Interest Cost	189.35	86.21
Expected return on Plan Assets	-	-
Curtailment Cost	-	-
Settlement Cost	-	-
Actuarial gain/(loss) of obligations	21.52	235.25
Expenses Recognized in Statement of Profit/Loss	274.46	373.43

E. Actuarial Assumptions

	Gratuity	Earned Leave
	2006 - 08	2006 - 08
Mortality Table (IALM)		
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	7.20%	7.30%
Inflation Rate	5.00%	5.00%
Return on Asset	N/A	N/A

30.6- Disclosure regarding Provident Fund

The Company's Provident Fund Trust was granted relaxation under para 79C of Employees Provident Fund scheme 1952 vide Notification No. AS/620/Exempt/Genl/ 1468 dtd. 08.08.2007. However, due to past operational performance of the company and compliance related issue of EPF trust, EPFO has issued a notice vide No.AS/TSK/EXEMPT/APCL/2008/287 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. I.A.Ansari vide judgment dated 7th April 2010 has ordered and directed that until further order, the respondent 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 79C of EPF & MP Act 1952 have been withdrawn by Ministry of Labour & Employment, GoI vide letter No. C - II/MISC/02/06/EX/Vol - 1/11854 Date 24.07.2012. The Court has no basis to cause interference with the impugned decision of the GoI and the instant Writ petition No. 5310 of 2009 stands closed as having become redundant. However, a representation has been made to Addl. CPF Commissioner (Exemption), EPFO, New Delhi vide our letter No. A/VI/PF/ 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'18 has ordered for transfer of past accumulation of BVFCL EPF Trust to CBT Account based on the final judgment 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 has 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 latter dated 13th September 2018 issued by RPFC, Tinsukia. On 19.11.2018, upon hearing the parties have 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 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 Guwahati High Court praying inter-alia 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 Hon'ble High Court stayed the operation of impugned order dated 13.09.2018 & 24.09.2018. Last date was fixed on 06.03.2019 and Hon'ble 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 honorable Guwahati High Court ordered then the interim order passed earlier shall continue.



30.7- Segment Reporting:

Company has Identified two primary reporting segments viz own manufactured fertilizers (Urea, Bio-fertilizers and vermi compost) and fertilizer trading (Indigenous and Imported). Information in respect of said segment as required by AS-17, issued by Institute of Chartered Accountants of India is given hereunder.

(Rs. In Lakhs)

	Trading		Manufacturing		Consolidated Total	
	<i>Current Year</i>	<i>Previous Year</i>	<i>Current Year</i>	<i>Previous Year</i>	<i>Current Year</i>	<i>Previous Year</i>
REVENUE					-	-
External sales	42,606.90	6,895.54	72,042.70	24,086.25	1,14,649.60	30,981.79
Other Income	-	-	1,199.57	2,553.41	1,199.57	2,553.41
Inter-segment sales	-	-	-	-	-	-
Total Revenue	42,606.90	6,895.54	73,242.28	26,639.66	1,15,849.17	33,535.20
RESULT						
Segment result	1,936.12	248.11	501.52	(10,011.97)	2,437.63	(9,763.86)
Unallocated corporate expenses	-	-	-	-	-	-
Operating profit	1,936.12	248.11	501.52	(10,011.97)	2,437.63	(9,763.86)
Interest expense	-	-	-	-	-	-
Income taxes	-	-	-	-	-	-
Profit from ordinary activities	1,936.12	248.11	501.52	(10,011.97)	2,437.63	(9,763.86)
Net profit	1,936.12	248.11	501.52	(10,011.97)	2,437.63	(9,763.86)
OTHER INFORMATION						
Segment assets			69,559.05	52,081.97	69,559.05	52,081.97
Unallocated corporate assets	-	-			-	-
Total assets	-	-	69,559.05	52,081.97	69,559.05	52,081.97
Segment liabilities	-	-	1,02,013.32	86,973.87	1,02,013.32	86,973.87
Unallocated corporate liabilities	-	-			-	-
Total liabilities	-	-	1,02,013.32	86,973.87	1,02,013.32	86,973.87
Capital expenditure	-	-	357.54	192.09	357.54	192.09
Depreciation	-	-	3,472.76	3,692.27	3,472.76	3,692.27
Non-cash expenses other than depreciation	-	-	663.19	446.69	663.19	446.69



30.8- Disclosure of Ratios

The disclosure of significant ratios is as under: -

	Ratio	Numerator	Denominator	31.03.2023	31.03.2022	Variance	Reason
1	Current Ratio	Current Assets	Current Liabilities	1.32	1.30	1%	
2	Debt – Equity Ratio	Long term borrowing	Equity & Reserve	(1.77)	(1.64)	8%	-
3	Debt Service Coverage Ratio	Cash profit after tax before interest	Installment with Interest	NIL	NIL		-
4	Return on Equity (ROE):	Net Profit	Equity Share Capital & reserve	-8%	-28%	73%	Improve in Profitability
5	Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	17.41	4.54	283%	Due to Increase in volume of Business.
6	Trade receivables turnover ratio	Sales	Average of opening & closing of debtors	7.15	17.13	-58%	Due to increase in subsidy receivable & increase in trading activity there is increase in debtors.
7	Trade payables turnover ratio	Purchase	Average of opening & closing of creditor Purchase	3.44	1.35	155%	Due to Increase in Purchase cost of Natural Gas Price and increase in traded goods
8	Net capital turnover ratio	Net Annual Sales	Working Capital	9.66	4.04	139%	Due to Increase in Turnover
9	Net profit ratio	Net Profit	Turnover	0.02	(0.32)	107%	Due to Increase in Profitability
10	Return on capital employed (ROCE)	EBIT	Capital Employed (Debt + Equity)	10%	-42%	77%	Due to Increase in Profitability
11	Return on investment	EBIT	Capital Employed (Debt + Equity)	NIL	NIL		-



30.09- Recognition of Government Grant-General

Government of India has sanctioned and disbursed of an amount of Rs 10,000 lakhs during the financial year 2021-22 for Repair & Maintenance of plants to sustain operation of the Urea Manufacturing Units. Interest of ₹ 412.71 lakhs during FY 2022-23 (Previous year ₹ 80.66 lakhs) earned on unutilized government grant have been included in the above Deferred Government Grant.

Utilization Certificate of ₹ 2245.03 lakhs (inclusive of GST) has been submitted to Department of Fertilizers (Comprising Utilization of ₹ 1277.77 during FY 2022-23 and ₹ 967.26 lakhs during FY 2021-22).

During the financial year 2022-23, the total amount was incurred of an amount of Rs. 1277.77 and details are as under:-

Particular	2022-23	2021-22
Advance against supplies	141.47	
Material procured, yet to be consumed	733.89	
Material procured and consumed (Recognized under other income)	345.21	818.22
GST payment on used material (Reversal of GST)	57.2	149.04
Total	1277.77	967.26

30.10 (A) Capital work in progress:-

(a) For Capital - Work - in - progress ageing schedule:-

(₹' in lakhs)					
Amount in CWIP for a period of					
CWIP	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
DPR Expenses on SSP Plant	3.91	-	-	-	3.91
DPR Expenses on Solar Power Project	7.12	-	-	-	7.12
DPR Expenses on Namrup-IV	-	-	-	457.17	457.17

(b) For capital - work in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

To be completed in					
CWIP	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
SSP Plant	0	0	0	0	0
Solar Power Project	0	0	0	0	0
Namrup-IV	0	0	0	0	0



(B) Intangible assets under development:-

(a) For Intangible assets under development ageing schedule:-

(₹ in lakhs)					
Amount in CWIP for a period of					
CWIP	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
HR Facto Software	0.75	-	-	-	0.75
SAP Implementation	24.50	-	-	-	24.50

(b) For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

To be completed in					
CWIP	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
HR Facto Software	0	0	0	0	0
SAP Implementation	0	0	0	0	0

- Since the Project Namrup-IV is under consideration of DoF and expected completion date and estimated cost has not been notified by DoF, hence there is no ageing for overdue or exceeded its cost compared to its original plan.
- As per management decision implementation of SAP ERP S/4 Hana has been put on hold till final implementation / stabilization of Tally Prime Accounting Software.
- HR facto software is under testing phase.
- SSP Project- Department of Fertilizer, GoI has given in principal go ahead approval for the new SSP Project, Subsequently Board has also given investment approval for the project based on DPR Study, technical cum financial appraisal. Tender for engagement of LSTK contractor for establishment of SSP Project is under evaluation process.
- Solar Power Project- Recently the consultant has submitted the final DPR for the proposed 2.4 MW Solar PV Power Project at Namrup. Developer for Installation of Rooftop system is yet to be selected.



30.11-Additional Information

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

(₹ in lakhs)

Sr No	Particulars	2022-23	2021-22
1)	Value of Imports calculated on CIF basis		
i.	Raw Materials		-
ii.	Capital Goods	352.42	33.34
iii.	Components & spare parts		-
2)	Expenditure in Foreign Currency	10.41	0
i.	Purchase of products		-
ii.	Know-how		-
iii.	Professional Consultancy Fees		-
iv.	Other Materials(Travelling)		-

3) Value of Raw Materials, Stores & Spare parts and Components including Chemicals& Catalysts consumed:-

(₹ in lakhs)

Sr No	Particulars	2022-23	%	2021-22	%
i.	Imported	149.64	0.72%	32.97	0.50%
ii.	Indigenous	20615.50	99.28%	6541.63	99.50%
	Total	20765.14	100%	6574.60	100%

4) Earning in Foreign Currency

-

-

5) Research & Development

(a) Revenue Expenditure

-

-

(b) Capital Expenditure

6) Other Information's :

- Title deeds of Immovable Property not held in name of the Company :** All the properties are held in the name of company.
- Details of Benami Property held** - There are no proceedings initiated or pending against the company for holding Benami Property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made there under as on 31 March, 2023.
- Willful Defaulter** - The company has not been declared willful defaulter by any bank or financial institution or other lender as on 31 March, 2023.
- Relationship with Struck off** - The company has no transactions with companies struck off under section 248 of the companies Act, 2013 or section 560 of Companies Act, 1956 as on 31 March, 2023.
- Compliance with number of layers of companies** - Not Applicable.
- Details of Crypto Currency or Virtual Currency** - The company has not traded or invested in Crypto currency or Virtual Currency during the financial year.



30.12- Previous year's comparison

- a) Figures have been rounded off to the nearest lakh 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 - 08988297



S.P. Mohanty
Chairman & Managing Director
DIN -05336787

As per our report of even dated annexed
For BL Purohit & Co.
Chartered Accountant



CA Subhash Purohit
Partner

Membership No.- 059631

Firm Regn. No:-311056E

UDIN: 23059631B01VVVB05407

Date:- 26/07/2023 Place:- ~~Namrup~~ Guwahati

