



**BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED**

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

CIN - U24123AS2002GOI006786

Website: [www.bvfcl.com](http://www.bvfcl.com)

Phone no: 0374-2500618, e-mail: [pkumari@bvfc.com](mailto:pkumari@bvfc.com)

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**NOTICE OF 22<sup>ND</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 22<sup>nd</sup> 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 Thursday, 28<sup>th</sup> day of November, 2024 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 31<sup>st</sup> March, 2024, 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 31<sup>st</sup> March, 2024 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 fix remuneration of Statutory Auditors of the Company for the Financial Year 2024-25 and, if thought 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 2024-25 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 :**

3. **To ratify the remuneration of the Cost Auditors for the financial year ended March 31, 2025**

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

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 31<sup>st</sup> March, 2025, 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 2024-25;
- 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/-  
Priyanka Kumari  
Company Secretary**

**Place : Namrup, Assam  
Date : , 2024**

Notes :

1. Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 in respect of the items No. 3 (Special Business) is annexed hereto.
2. The the Ministry of Corporate Affairs ("MCA") vide its General Circular no. 09/2024 dated 19.09.2024 read with General Circular no. 10/2022 dated December 28, 2022 , 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") permitted holding of AGM through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") till September 30, 2025 without the physical presence of the Members. In pursuance of the applicable provisions of the Act read with MCA Circulars, the Twenty Second 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](http://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. 3 : Ratification of the Remuneration of the Cost Auditors of the Company for the Financial Year ended 31<sup>st</sup> March, 2025**

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 123<sup>rd</sup> Board meeting held on 29<sup>th</sup> July, 2024 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 2024-25. 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 2024-25 by way of the an Ordinary Resolution is being sought from the members, as set out at item No. 3 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/-****Priyanka Kumari  
Company Secretary****Place : Namrup, Assam****Date : ,2024**

## DIRECTORS' REPORT

To,  
The Members,  
Brahmaputra Valley Fertilizer Corporation Limited

Dear Members,

Your Board of Directors have pleasure in presenting the 22<sup>nd</sup> (Twenty second) Annual Report on the business and operations of the Company along with the Audited Annual Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2024 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 is stated as under:

Particulars	<i>(Rs. in Crore)</i>	
	For the Financial Year	
	2023-24	2022-23
Profit (+) / Loss (-) before Depreciation, Interest & Tax	24.51	59.21
Depreciation	15.14	34.73
Interest	0.66	0.10
Profit (+)/Loss (-) before Tax (PBT)	8.71	24.38
Tax Expenses	0	0
Net Profit (+) / Loss (-) after Tax	8.71	24.38

During the financial year 2023 – 24, the Company earned profit before Depreciation, Interest & Tax (PBDIT) of Rs. 24.51 Crores against the profit before Depreciation, Interest & Tax (PBDIT) of Rs. 59.20 Crores in the previous year. The decrease in profit is mainly due to the decrease in production and sales (Including trading business) during the financial year 2023–24 in comparison to the previous Financial Year 2022-23. During the financial year 2023–24 the production of Urea was 180153 Metric Tonnes (MT) (previous Financial Year 223342 MT). During the Financial Year 2023-24, the quantity of Urea sold was 175340 MT (Previous Financial Year 227873 MT). Further, during the Financial Year 2023-24, value of sale of traded products was Rs. 258.42 Crores (previous Financial Year Rs. 409.98 Crores).

### 2. AMOUNT, IF ANY, TRANSFERRED TO RESERVES :

In the F.Y. 2023-24, the Board did not recommend any amount to be transferred to General Reserves.

### 3. DECLARATION OF DIVIDEND :

The Company has earned the profit of Rs.8.71 crores during the Financial Year 2023-24. As per the DIPAM Guidelines on Capital Restructuring of Central Public Sector Enterprise, every CPSE would pay a minimum annual dividend of 30% of PAT or 5% of the net-worth, whichever is higher subject to the maximum dividend permitted under the extant legal provisions. Section 123 of the Companies Act, 2013, prohibits the Company to declare dividend unless carried over previous losses and depreciation not provided in previous year or years are set off against profit of the company for the current year.

In the FY 2023-24, the Board is hereby not recommended for paying dividend out of the profit earned by the Company during the Financial Year 2023-24 on account of huge accumulated losses (Rs.68,166.28 Lakhs) and negative networth (Rs.31,583.04 Lakhs) in compliance of the provisions of Section 123 of the Companies Act, 2013 and rules made thereunder.

#### 4. **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

#### 5. **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 and Certification of CEO & CFO in compliance of Guidelines on Corporate Governance for CPSE, 2010 are collectively enclosed at **Annexure – II**, forming part of the Directors' Report.

#### 6. **CHANGES IN BOARD OF DIRECTORS':**

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

- The tenure of Shri Bipina Bihari Padhy, Non Official Director (Independent) who was appointed by Ministry of Chemical and Fertilizers, Department of Fertilizers, dated May 01, 2020 for a period of three year (03) years commencing from May 09, 2020 has ended on May 08, 2023.
- Shri Siba Prasad Mohanty, Chairman & Managing Director, BVFCL, has resigned from the post of CMD, BVFCL w.e.f. 28.12.2023.
- The Govt. of India, Ministry of Chemicals and Fertilizers, Department of Fertilizers vide Order dated 02.02.2024 has assigned the additional charge of Chairman & Managing Director, BVFCL, to Shri Pradip Kumar Banik, Director (Production), w.e.f 30.01.2024. Subsequently, Shri P. K. Banik has assumed the additional charge of Chairman & Managing Director, BVFCL w.e.f. 03.02.2024.

The Board of Directors wishes to place on record its sincere appreciation for the services rendered by Shri Bipina Bihari Padhy and Shri Siba Prasad Mohanty, during their tenure on the BVFCL Board.

#### 7. **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, 2024, 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, 2024 and of the Profit and loss of the Company for the year ended on March 31, 2024;
- 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.

**8. 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)**.

**9. 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 2023-24. The above Auditors have submitted their Independent Audit Report dated 24.08.2024 on the Annual Financial Statements of the Company for the Financial Year ending March 31, 2024. 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.

**10. 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 31<sup>st</sup> March, 2024 under the provisions of Section 143 (6) of the Companies Act, 2013. C&AG Auditors issued 8 (eight) nos. of observation on 11.09.2024 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 25.09.2024. The Comments of C&AG dated 15.10.2024 on the audited annual financial statements of the Company for the year ended 31<sup>st</sup> March, 2024 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.

**11. 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 Subhadra Dutta & Associates, Kolkata, (Firm Registration Number: 000223) were appointed to conduct the audit of cost accounting records of the Company for the Financial Year 2023-24. The above firm has submitted their draft Cost Audit Report to the management on 19.09.2024. The filing of Cost Audit Report for the Financial Year 2023-24 is under process. The Cost Audit Report for the Financial Year 2022-23 was filed/uploaded on the website [www.mca.gov.in](http://www.mca.gov.in) vide SRN F71961098 dated 26.10.2023, after duly approved by the Board of Directors of the Company on 27.09.2023.

**12. INTERNAL AUDITOR:**

M/s. AMAA & Associates, Chartered Accountants, New Delhi, (Firm Registration Number: 013066C) was appointed as Internal Auditor of the Company for the Financial Year 2023-24. The above firm has submitted their internal audit report for the year 2023-24.

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.

### **13. 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 1<sup>st</sup> September to 15<sup>th</sup> September, 2023. 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 Head Office was inspected on 20.05.2023 by Deputy Director and Head of Office, Implementation Office, Guwahati.
- iv) BVFCL participated in Hindi Diwas Celebration and 3rd All India Official Language Conference, Pune (14-15 September, 2023).
- v) BVFCL participated in the International Conference and Official Language Award Ceremony 2023 organized by Vishwa Hindi Parishad on the occasion of 115th birth anniversary of national poet Shri Ramdhari Singh Dinkar Ji.
- vi) During the Financial Year 2023-24, BVFCL was awarded the first prize for Hindi implementation by NARAKAS Duliajan.
- vii) Annual and quarterly reports related to the implementation of the Department of Official Language are being regularly sent to the Department of Official Language, Ministry of Home Affairs, Government of India, New Delhi, Regional Implementation Office of the Department of Official Language, Ministry of Home Affairs, Guwahati and Oil India Limited Duliajan (NARAKAS Office).
- viii) During the Vigilance Awareness Week organized in the month of October, all the competitions were organized mainly in Hindi language. (Despite being in area C)
- ix) Bilingual song/poem competition was organized for students and officers during Children's Day.
- x) BVFCL participated in the meetings of NARAKAS (Duliajan).
- xi) BVFCL participated in the Joint Regional Official Language Conference for East and North-Eastern Region in Siliguri on March 08, 2024.
- xii) Hindi Prabodh/Praveen/Pragya and Parangat classes were successfully organized in BVFCL for the session July-November, 2023 organized by Hindi Teaching Scheme, Department of Official Language, Home Ministry Centre - Dibrugarh.
- xiii) 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.
- xiv) BVFCL Website is in bilingual and regular updates thereon are made from time to time.
- xv) Bi-lingual official seals of higher officials of the Company were made for official use.

### **14. 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

### **15. 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](http://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 47 applications were received under RTI. All 47 nos. of applications were disposed off. 12 nos. of applications were received at first appeal stage, all of which were disposed off within stipulated time period.

**16. 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 31.03.2024 are given in the respective notes to the financial statements.

**17. 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 2022-23, has been displayed on the website of the company at [www.bvfcl.com](http://www.bvfcl.com), which is available at weblink: [https://bvfc.com/wp-content/uploads/2023/12/Final\\_Form\\_MGT\\_7\\_19122023\\_JMD\\_Signed.pdf](https://bvfc.com/wp-content/uploads/2023/12/Final_Form_MGT_7_19122023_JMD_Signed.pdf).

**18. SECRETARIAL STANDARDS**

During the Financial Year 2023-24, 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.

**19. 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 2023-24, Company has submitted self assessment report and expected '**Excellent Rating**' to your Company. However, DPE notification in this matter is awaited.

**20. BOARD MEETINGS:**

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

**21. COMPOSITION OF AUDIT COMMITTEE:**

The Board had constituted an Audit Committee comprising of Mr. S.K. Sharma, Independent Director as the Chairman; Mr. Rabi Ranjan Sen, Independent Director and Mr. Niranjan Lal, Govt Nomine Director as the Members.

Further, the other details of the Audit Committee and other Committees of the Board are given in the annexed Corporate Governance Report,

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

The Independent Directors (Shri B.B. Padhy, Shri S.K. Sharma and Shri Rabi Ranjan Sen) on the Board during the F.Y. 2023-24, have given declarations towards meeting the criteria of independence as laid down under section 149 (6) of the Companies Act, 2013.

**23. 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.

**24. 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 2023-24 by the Statutory Auditors of the Company.

**25. 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 2023-24.

**26. RISK MANAGEMENT :**

The Company has a structured internal Risk Management Framework, designed to identify, assess and mitigate risks appropriately.

The Risk Management Committee has been entrusted with the responsibility to assist the Board in:

- a) Overseeing the Company's enterprise wide risk management framework;
- b) Ensuring that all material Strategic and Commercial risks including Cyber security, Safety and Operations, Compliance, Control and Financial risks have been identified and assessed; and
- c) Ensuring that all adequate risk mitigation measures are in place to address these risks.

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

In accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (POSH Act) and the Rules made thereunder, the Company has in place a policy which mandates no tolerance against any conduct amounting to sexual harassment of women at workplace. The Company has constituted Internal Complaints Committee(s) (ICCs) to redress and resolve any complaints arising under the POSH Act. During the year 2023-24, no complaint has been reported on sexual harassment of women employees in work places of BVFCL.

**28. DETAILS OF THE CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN DURING THE YEAR :**

During the Financial Year 2023-24, the Company satisfies One threshold criteria as under the provisions of Section 135 (1) of the Companies Act, 2013 i.e. 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 2023-24.

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.***

**29. 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 Affairs, Department of Public Enterprises, Statutory Auditors, Cost Auditors, Practising Company Secretaries, Comptroller & Auditor General of

India, Assam Gas Company Limited, Oil India Limited, PDIL, FACT, 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, Bihar, West Bengal, Odisha, Jharkhand, Chhattisgarh, Madhya Pradesh and Bankers viz. State Bank of India and Canara Bank 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**

**P.K. BANIK**  
**Director (Production) with Additional Charge of**  
**Chairman & Managing Director**  
**DIN : 10095724**

**Place : Namrup, Assam**

**Date : October, 2024**

**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:**

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. REVIEW OF PRODUCTION PERFORMANCE:**

During the year under review, Urea Production in Namrup-III was 180153 MT compared to 223342 MT achieved in Financial Year 2022-23. The targeted Urea production in 2023-24 could not be achieved due to various unforeseen breakdowns of old, unreliable equipments. Energy consumption per MT of Urea produced in Namrup-III was 13.27 GCal/MT compared to 12.20 GCal/MT in the Financial Year 2022-23.

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
2019-20	155992	160186	35.54	29.60	83.86	64.73	-	-
2020-21	131880	137569	14.75	16.48	81.02	80.19	-	-
2021-22	170280	169922	53.81	48.42	107.17	110.41	-	-
2022-23	223342	227870	152.94	147.84	101.39	60.66	67.53	59.94
2023-24	180153	175340	195.68	152.13	0.00	41.04	463.59	195.48

**\* Vermi Compost Manufacturing was discontinued w.e.f. 10.02.2023 due to high Cost of Production.**

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

Namrup-II plant suffered two major failures during FY 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 117<sup>th</sup> Meeting of Board of Directors of BVFCL held on 8<sup>th</sup> May, 2023 in New Delhi. 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 27<sup>th</sup> June 2023 for approval. Subsequently, DoF directed BVFCL vide letter (Ref. No.: 18017/02/2023-PSU (E.34631) dated 17<sup>th</sup> 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 31<sup>st</sup> October 2022.

During the FY 2023-24, 239 on-stream days could be achieved in Namrup-III Plant compared to 315 days in FY 2022-23.

Some of the Jobs carried out in April, 2023 due to forced shut down for Secondary Reformer-RGB Transfer Header Failure are as follows:

1. Rectifications of Secondary Reformer to RGB transfer header leakage.
2. Skimming of Secondary Reformer catalyst dust.
3. Unloading and reloading of catalyst in Primary Reformer Tube no. 229.

Plant was taken shut down on 11<sup>th</sup> June, 2023 for Annual Shut Down 2023. Some of the major jobs carried out in the Annual Shut Down 2023 (June – July, 2023) are as follows:

1. Synthesis Converter catalyst replacement
2. HTS Converter Bottom bed catalyst refilling along with replacement of bottom support grids (with new wire mesh).
3. Skimming of De-Sulphurizer and Methanator top bed dust and top up of catalyst in Methanator.
4. Replacement of 7 nos. of tubes of Auxiliary Boiler steam super heater coil.
5. SGC- overhauling of both EMG and WK turbines and all four barrels beside Rotor replacement of EMG turbine and 2<sup>nd</sup> barrel.
6. Overhauling of PAC HP barrel.
7. Bearing check up of NGBC and PRC.
8. Replacement of Governor of NGBC turbine with the one from Ammonia-II.
9. Hydro-jet cleaning of heat exchangers.
10. Dry ice cleaning of Benfield Solution Cooler (1.32 HE4) fins.
11. Cleaning of Cooling Tower pit.
12. Installation of 3<sup>rd</sup> Cooling Water emergency pump.
13. Installation of reconditioned motor of Cooling Tower M/D M-1 Pump.
14. Provision of backwashing lines at PRC Condensers and Sub-condenser.

ATA 2023 got extended up to August due to shearing off of EMG rotor of Syn Gas Compressor.

**Production Organic fertilizers:** In the FY 2023-24, all time highest production of Bio Fertilizer was recorded. Bio Fertilizer production achieved was 195.68 MT, compared to previous highest of 152.938 MT in 2022-23. 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 (NCU) considering beneficial effects of NCU on increase in soil fertility and higher yield, BVFCL has successfully set-up developed in-house Neem coating plants in Namrup-III to produce only NCU. The Company has been producing only Neem Coated Urea with effect from 20th August 2015 from its plant. 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.

**Implementation of One Nation One Fertilizer:** Government has also 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. 27th December 2022 under this scheme as directed by Dept. of Fertilizer vide F. No. 20-1/2022-FI, dated: 24th August 2022.

#### 4. **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 2023-24, company sold – 175339.800 MT Urea (Previous year 2,27,870.160 MT; excluding export quantity)
- ii. Bio-Fertilizers: 152.134 KL liquid Bio-Fertilizers valued Rs. 228.20 Lakhs were sold (Previous year 147.84 KL liquid Bio-Fertilizers valued Rs. 221.78 lakhs)
- iii. Vermi Compost: 41.040 MT Vermi Compost valued Rs. 5.75 Lakhs were sold (Previous year 60.66 MT valued Rs. 8.49 Lakhs).
- iv. NPK (19:19:19): 195.48 MT of Mukta NPK (19:19:19) valued Rs 293.22 Lakhs were sold (Previous year 59.94 MT valued Rs. 89.91 Lakhs).
- v. Imported Urea: 257694.265 MT of Imported Urea valued Rs 14551.14 Lakhs were sold. (Previous year 218897.38 MT valued Rs. 11,725.82 Lakhs).

###### **(b) Traded Items-**

- i. Urea (NFL) : 13993.380 MT valued Rs. 790.16 lakhs were sold (Previous year 65705.22 MT valued Rs. 3,516.77 lakhs).
- ii. Urea (HURL) : 49023.000 MT valued Rs. 2768.17 lakhs were sold (Previous year Nil).
- iii. Urea (IFFCO) : 273.735 MT valued Rs. 14.61 lakhs (Previous year Nil).
- iv. SSP Fertilizers: 32468.000 MT valued Rs. 3103.08 lakhs were sold (Previous year 71927.60 MT valued Rs. 7,950.85 lakhs).
- v. MOP Fertilizers : 1965.500 MT valued Rs. 603.91 lakhs were sold (Previous year 6988.60 MT valued Rs. 2,200.25 lakhs)
- vi. DAP Fertilizers: 375.000 MT valued Rs. 93.60 lakhs were sold (Previous year 17566.85 MT valued Rs. 4,404.76 lakhs).
- vii. Rock Phosphate : 4943.800 MT , valued Rs. 376.67 lakhs were sold (Previous year 10115.00 MT , valued Rs. 756.99 lakhs).
- viii. Mukta Power: 1424.810 MT valued Rs 1823.76 lakhs were sold (Previous year 3450.22 MT valued Rs 4,416.28 lakhs).
- ix. Ammonium Sulphate: 6455.700 MT valued Rs 1067.96 lakhs were sold (Previous year 16867.51MT valued Rs 2,999.35 lakhs).
- x. Factamfos: 1455.400 MT valued Rs 304.18 lakhs were sold (Previous year 426.00 MT valued Rs 110.52 lakhs).
- xi. APS : Nil (Previous year 3583.60 MT valued Rs 945.23 lakhs).
- xii. NPK (10:26:26): 119.000 MT valued Rs 32.45 lakhs were sold (Previous year 2742.60 MT valued Rs 746.54 lakhs).
- xiii. PDM : 345.500 MT valued Rs 51.19 lakhs were sold (Previous year 4052.95 MT valued Rs 565.77 lakhs).
- xiv. Zinc Sulphate: 254.525 MT valued Rs. 198.10 lakhs were sold (previous Year 261.98 MT valued Rs. 152.08 lakhs).
- xv. NPK: (Water Soluble Fertilizer): 0.100 MT valued Rs 0.10 lakhs were sold (Previous year 53.52 MT valued Rs 80.19 lakhs).
- xvi. Seed: 14.000 MT valued Rs. 16.52 lakhs were sold (Previous year 110.00 MT valued Rs. 12.23 lakhs);
- xvii. NANO UREA : 0.816 KL valued Rs. 3.17 lakhs were sold (Previous year Nil).

- xviii.** NANO DAP : 0.186 KL valued Rs. 1.93 lakhs were sold (Previous year Nil).
- xix.** Calcium Nitrate: 68.000 MT valued Rs. 38.85 lakhs were sold (Previous year Nil).
- xx.** Bentonite Sulphur: 4.260 MT valued Rs. 1.90 lakhs were sold (Previous year Nil).
- xxi.** Sagarika - IFFCO 10 Kg Bucket/Bag: 51.000 Nos valued Rs. 0.20 lakhs were sold (Previous year Nil).
- xxii.** SAGARIKA - IFFCO: 0.060 KL valued Rs. 0.29 lakhs were sold (Previous year Nil).
- xxiii.** City Compost: Nil (Previous year 397.00 MT valued Rs. 28.96 lakhs);
- xxiv.** HIL NET: Nil (Previous year 7000.00 nos valued Rs 18.76 lakhs)
- xxv.** Pesticides: Nil (Previous year 7.67 MT/KL valued Rs 33.35 lakhs).
- xxvi.** Boron: Nil (Previous year 9.00 MT valued Rs. 9.02 lakhs).

**(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:** 03 nos. of Dealers Training Programme were conducted at during F.Y. 2023-24 in different marketing territories. Since the dealers are vital link in disseminating the information to the farmers & retailers. Dealers were educated about the importance of soil testing, benefits of balanced use of fertilizers based on soil sample report and benefits of Neem Coated Urea, Vermi Compost & Bio-fertilizers of your corporation. Dealers were requested to facilitate supply of fertilizers to the farmers conforming to their soil requirement.
- ii.) **Farmers Training Programme:** 34 no.s of Farmers Training Programme were conducted at during F.Y. 2023-24 in different marketing territories. Valued farmers are the key for sale fertilizer in any area. Though these training programs farmers were educated and encourage for using the products from BVFCL product basket and balance use of fertilizer to maintain soil health.
- iii.) **Demonstration Programme:** 06 nos of Field Demonstration were conducted at during F.Y. 2023-24 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 nos of PMKSK in district level in North Eastern states during F.Y. 2022-23 and for F.Y. 2023-24 DoF has entrusted us to serve the farmers of the nation by opening 1126 nos of PMKSK in North Eastern states.



- v.) **Viksit Bharat Sankalp Yatra:** Brahmaputra Valley Fertilizer Corporation Limited (BVFCL) showcased a series of innovative programs during the Viksit Bharat Sankalp Yatra, conducted across the north eastern states of Assam, Meghalaya, Arunachal Pradesh, Nagaland, Tripura and Mizoram. The event aimed to promote agricultural advancements and government initiatives, emphasizing sustainable practices and technological integration in farming.

A key highlight of the yatra was the drone demonstration, which illustrated the modern agricultural techniques available to farmers. These demonstrations showcased the potential of drones in precision agriculture, from efficient spraying of fertilizers and pesticides to monitoring crop health, thereby enhancing productivity and reducing environmental impact. The practical use of drones was met with enthusiasm from local farmers, who saw firsthand how technology could transform their traditional farming practices.

- vi.) **Namo Drone Didi:** Union Cabinet has approved a Central Sector Scheme "Mahila Kisan Drone Kendra". Under the said scheme, Women Self Help Groups (SHGs) will be provided with 15,000 drones in the next three years and the women will be given training to fly and use drones. These women pilots will be known as "Namo drone didi". BVFCL had distributed 18 numbers Drones to 18 numbers of women belonging to Women Self Help Group of Assam in six districts viz. Dibrugarh, Tinsukia, Jorhat, Golaghat, Sonitpur & Udalguri.

## 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.

### **Movement Problem:**

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

### **Other issues:**

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

### **Production and Marketing of Organic fertilizers:**

BVFCL 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. 8<sup>th</sup> Jan 2021. Production of Career based Bio Fertilizer has been stopped due to non-availability of the career materials and their economic non-viability. Production of Liquid Bio Fertilizer has been started by using in-house expertise. This is highly beneficial in achieving higher production on a steady basis in economically viable way, depending upon demand and marketability.

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

BVFCL 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 in very high cost of City compost. The current MDA of Rs.1500/MT is not sufficient for Assam as the cost of transportation by Road from West Bengal to various districts of Assam is very high.

BVFCL 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.

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

- ✓ Rationalization of movement - Rail-Road movement ratio brought down to 94:06 against permissible limit of 80:20 by DoF (Railway freight is 100% reimbursable).
- ✓ Sales in North-Eastern States is given priority.
- ✓ Reduction in Inventory Carrying Cost by maximizing Rail- head sales with minimum storage.
- ✓ Minimum Inventory level in Silos.
- ✓ 100% Payment collection is through RTGS/CMS.

The company is continuing the trading activities for fertilizers and agricultural products to help farmers so that all Agro products are available under one roof (Single Window Concept).

**Constraints in Marketing of Organic fertilizers:**

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

**Steps taken by BVFCL to overcome the Constraints:**

- i. Switched over to Liquid bio-fertilizers as they have longer Shelf life to the extent of 12 to 24 months.
- ii. Training to farmers on uses and benefits of Organic fertilizers during Fertilizer Application Awareness Programme (FAAP), Mass Contact Programme & Farmers Training Programmes etc.
- iii. Training programmes to Dealers & Retailers on Organic fertilizers on mode of action, benefits so that they can guide farmers in a proper way as they are having day to day contact with the farmers at larger level.

- iv. Involvement and active Support of States' Agriculture Department/ Agriculture Universities and Krishi Vigyan Kendra Scientists to promote Organic fertilizers.
- v. In order to promote the use of Organic fertilizer, BVFCL's Organic fertilizers are sold in North Eastern states i.e. Assam, Manipur, Tripura, Nagaland & Mizoram.
- vi. We are also trying our best efforts to promote Organic fertilizers in Meghalaya, Arunachal Pradesh & Sikkim states as well, in close coordination with the State Administration/Agriculture Department/ KVKs of these states.

**Provision for subsidy:**

- i. Inclusion of Organic Fertilizers i.e. Bio-fertilizer and Vermi-compost under Subsidy scheme like other Chemical fertilizers & City Compost will help these products to get added into regular package of practices by the farmers.
- ii. M.D.A. applicable for City compost @ Rs 1500/- Per MT needs to be restored.

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

- BVFCL has been allotted PICT port, Paradip for Handling & Marketing of Imported Urea in Govt. of India account for Three years 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 & West Bengal states. During F.Y. 2023-24 BVFCL has successfully completed Handling & Marketing of 06 numbers of ships. BVFCL is also planning for further expansion of Marketing areas to Uttar Pradesh, Telangana & Andhra Pradesh with the aim of achieving a pan India presence.
- In addition to the existing MoUs, BVFCL has executed MoUs with new business partners viz. IFFCO, Agrophos India Ltd, Madhav Agrochem Pvt. Ltd., MN Crop and Fertico Pvt Ltd , Deepee Chem. Ltd to enhance the range of its product basket during 2023-24.

**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 domestic APM Natural Gas available from the near-by fields of Oil India Limited (OIL) 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 2023-24 is given below:

a. **On number basis:**

Sr. No.	Number Basis	No	Percentage w.r.t Total
1	Total No. of PO placed <b>(GeM + Outside GeM)</b>	474	
	GeM	247	52%
	Out Side GeM	227 (including 37 Pos placed on Single Tender/Nomination basis)	48%

b. **On value basis:**

SL. No.	Value Basis	Amount (Rs.)	Percentage w.r.t Total
2	<b>Total (GeM + Outside GeM) Procurement</b>	<b>55,62,79,661.00</b>	
A	Total PO Value <b>through GeM</b>	15,15,22,955.00	27.23%
B	Total PO Value through <b>Out-side GeM</b>	40,47,56,706.00	72.76%
B1	Total Value procured from Nomination / Single Tender Basis	16,51,85,787.00	29.69%
B2	Total Value procured due to <b>non availability on GeM</b>	23,23,77,083.00	41.77%
3	<b>Total MSME (GeM + Outside GeM) (A+B)</b>	<b>15,34,80,658.00</b>	27.59%
A	Total MSME PO Value <b>through GeM</b>	10,18,57,874.00	18.31%
B	Total MSME PO Value <b>through Outside GeM</b>	5,16,22,784.00	9.28%
C	Total Value of procured from <b>WOMEN entrepreneurs</b>	1,16,43,769.00	2.09%
D	Total Value procured from MSEs owned by <b>SC / ST entrepreneurs</b>	0.00	0.00%

## 9. ISSUES PENDING WITH DEPARTMENT OF FERTILIZERS:

i. **Committee of Secretaries (CoS) meeting for arbitration/resolution of commercial dispute between BVFCL & M/s AGCL through the AMRCD mechanism:** Committee has been notified on 09.06.2023, meeting date yet to be finalized. The amount of claim in the dispute is Rs. 57.16 Cr.

ii. **Revision of FICC Energy norms:** In the 122nd Board Meeting held on 22.05.2024, while reviewing the Physical & Financial Performance of the Company for FY 2023-24, the Director (Production) & CMD (Addl. Charge), BVFCL apprised the Board about the report of PDIL in the Year 2021, and suggested enhancement of energy norms of 12.69 GCal/MT to 13.24 GCal/MT.

The Board held detailed discussions and deliberations on the agenda note and directed the Executive Department of the Company to pursue about the enhancement of energy norms to the Ministry of DoF based on PDIL Report.

Accordingly, a request letter was sent to Addl. Secretary (AM), DoF on 02.07.2024 for according approval for revision of FICC SEC norms for Namrup-III to 13.24GCal/MT w.e.f. 01.01.2017 as recommended by PDIL.

iii. **Health Study of Namrup-III Plants:** For sustenance & survival in present scenario, requirement was felt for engagement of Process Licensors to conduct study to assess feasibility for energy consumption reduction & capacity enhancement of the existing plants of Namrup-III Unit. Accordingly, M/s Topsoe A/s (previously M/s Haldor Topsoe A/S) and M/s Saipem were contacted vide Letter dated 12.03.2022 for submission of proposal for undertaking the above mentioned study for Ammonia, Urea & Utility Plants with the objective of:

- a) Capacity Enhancement ( from its present level of 720 MT/day to about 1200 MT/day).
- b) Energy Consumption Reduction (from its present level of 12.00 Gcal/MT to 8.00 Gcal/MT) in the most economic way, so that these Plants can be operated for at least next 15 years without any further major investment.

Proposals were received from M/s HTAS on 16.06.2022 & from M/s Saipem on 20.06.2022 for undertaking the job of energy reduction as well as enhancement of capacity through up gradation of the process and replacement/ renovation of critical equipments.

BVFCL Board accorded "In Principle" Approval in its 112th Meeting (Aug'22) for conducting the above study. DoF was approached vide letters dated 18.11.2022 & 04.01.2023 for Financial Assistance to BVFCL in the form of Loan or Grant for implementation of the revamp measures.

However, as the proposal for setting up of Namrup-IV project was under active consideration, the Health Study was kept on hold.

The financial involvement for conducting the Health Study would be known only after completion of the study and technical & financial appraisal of the

study report. However, approximate financial implication for conducting the study would be to the tune of Rs. 8.00 (eight) Cr (approx.)

Accordingly, a request letter was sent to Addl. Secretary (AM), DoF on 02.07.2024 for according approval for conducting the revamp study for Namrup-III as well as for extending financial assistance to BVFCL for the same.

- iv. **Establishment of Namrup-IV Project:** As per the Cabinet Approval dated: 21.05.2015 for setting up of Namrup-IV, the new project is under active consideration of Department of Fertilizer, MoC&F.

**10. MOU RATING :**

The Company had started signing MoU with Department of Fertilizer w.e.f. 2004-05 and Ratings obtained during the year 2022-23 was "Good". The MoU Rating for the Year 2023-24 was exempted.

Ratings obtained during the last five years are given below:

Year	Rating
2019-20	Poor
2020-21	Poor
2021-22	Poor
2022-23	Good
2023-24	MoU Exempted

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

**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 Plant Operation & Maintenance, Utilities, Environment Regulatory, Business Competition, Market, Finance, Human Resources, Information Technology, Legal and Internal Control.

**14. COMPLIANCE OF 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, Air (Prevention & Control of Pollution) Act 1981, Environment Protection Act 1986, Public Liability Insurance Act 1991, Batteries (Management & Handling) Rules 2001 etc. All the returns/reports etc., which are required to be submitted as per various laws/rules/govt. orders are submitted regularly in time. Consent to Operate is renewed by the Pollution Control Board, Assam regularly as per Water Act and Air Act. A policy of Rs.15.00 crores under Public Liability Insurance Act 1991 has been taken to give insurance coverage to the nearby people, in case of disaster. All safety norms are strictly followed in BVFCL. Personnel Protective Equipments (PPE) is periodically issued to employees and health check-ups are also carried out. All jobs are executed as per safety norms. BVFCL is also having a well equipped Fire Brigade, which is capable of meeting all regular need. As per Mutual Aid Scheme with the neighboring industries in Dibrugarh and Tinsukia district, external assistance is also available in case of any disaster. Liquid ammonia is stored in Horton Sphere of 1500 MT capacity which is covered by Petroleum Explosives & Safety organization (PESO) License 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 (IS 14489:1998) was conducted in 2022. 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. As per this rule, BVFCL has started the registration process.

**16. KEY OPPORTUNITIES AND THREATS :**

**i.) The Opportunities to the Company**

- Scope for exporting of urea to neighboring states.
- 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.
- 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**

- Entire requirement of feedstock and fuel is being met from APM Natural Gas available at GoI notified price.
- The unit is using only domestic gas and is located close to the source of Feed/ Fuel NG.
- Lower absolute cost of production in the units if run without interruption.
- 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.
- Transportation advantage for supply of Urea compared to other companies situated outside North-Eastern states of India.
- Lower transportation cost of the natural gas because of location of Namrup plants near to the gas wells.
- 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**

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



## 17. **IT UPGRADATION AND E-GOVERNANCE:**

### I. **IT ADOPTION / UP-GRADATION:**

- Email service from NIC has been implemented in the domain @bvfl.com. All Officers have been provided official email ids.
- Visitor Management System has been implemented.
- Online Outgoing AVI for Employees has been implemented.
- E-Office, a digital workspace solution developed by NIC has been implemented.
- Accounting System is being migrated from old COBOL based software to Tally Accounting System.
- HR Management System has been implemented.
- House Allotment Application form has been made online.
- Company's website has been renovated with up to date information.
- Bill Tracking System has been implemented.

### II. **E-GOVERNANCE:**

- Government eProcurement Platform (GePNIC), developed by National Informatics Centre (NIC) has been utilized 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:**

Certificates for ISO 9001:2015 & ISO 14001:2015 were obtained w.e.f. 17/01/2022 and valid till 16/01/2025. Certificates were obtained after successful completion of Recertification Process.

Recertification Audit was conducted in the month of March 2022.

Re-certifications for ISO 9001:2015 and 14001:2015 are being implemented in Namrup-III Group of Plants and Common Services Departments of BVFCL.

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

After Recertification, First Surveillance Audit was conducted in January 2024.

Second Surveillance Audit is due in the current year (2024-25) which will be conducted shortly.

**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 of the Corporation as on 31st March 2024 was 387. The manpower position by category as on 31.03.2024 was as under:-

Sl. No.	Categories	Nos.	%
1	Scheduled Caste	31	8
2	Scheduled Tribe	50	12.90
3	OBC	109	28
4	Ex- Servicemen	0	0
5	Physically handicapped	1	0.25
6	Women	27 (SC-04,ST-03,OBC-07, GEN-13)	6.9
7	Minority	22	5.6
8	Others	197	50.9

## B. TRAINING

### A report of the Training Records during the Financial Year 2023-24.

For employees, 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 FY 2023-24. In spite of limitations on fronts like fund and training resources, BVFCL works out training need assessment based on the yearly feedback on performance from the departments. Further 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.

Further, 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 31<sup>st</sup> March, 2024, 07 (Seven) nos. of in-house training programmes, 07 (Seven) 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	Safety Awareness & Fire Fighting	Officers = 02 Workmen = 26	04/08/2023	Fire & Safety Deptt and Medical Deptt.
02	Electrical Workshop on SIP 5 Relay Configuration	Officers = 11	09/08/2023	M. Mohammed Aseef, M/s Siemens Ltd.
03	Workshop on Retirement Financial Planning and Investments	Officers = 27 Workmen = 05	17/08/2023	Shri A. Acharaya. Ex-CGM Finance, NALCO
04	Workshop on implementation of LOTO safety system in BVFCL	Officers = 24	18/08/2023	Arun Mahato, E-square alliance Ltd. New Delhi
05	Seminar on Stress Management and Naturopathy	Officers = 44 Workmen = 23	19/12/2023 to 20/12/2023	Shri Narendra Kene, Nagpur

07	Outreach/ Seminar Program on TDS/TCS	Officers = 31	23/01/2024	Income Tax India, North Eastern Region, Guwahati
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### External Training Programmes

Sl. No.	Name(s)	Organised by	Venue	Title	Duration
01	1. Mrs. Juliet Chetia, Manager (MH & Training) 2. Mrs. Gayatree Mani Das, Dy. Manager (Ch)	SCOPE, New Delhi	SCOPE, New Delhi	Leadership Development for Women Executives	13th and 14th July, 2023
02	Ms Priya Joshi, Asst. Manager (Vigilance)	ICW, New Delhi	ICW New Delhi	Vigilance Administration and Preventive Vigilance as a tool for Good Governance	7th & 8th August 2023
03	Sri Dhriti Sundar Baruah, Manager (Legal) & CPIO	SCOPE, New Delhi	Lucknow	National Meet on RTI Act	14th and 15th September 2023
04	1. Shri Arijit Nandi, Dy. Manager (Mech) C/E No. 3062/7120 2. Shri Girish Ch. Gowala, Dy. Manager (Mech) C/E No. 3052/7225	Fertiliser Association of India	Hotel Regenta Central, Lucknow, Uttar Pradesh	FAI Training Program for Senior Maintenance Engineers in Fertilizer Industry	9 <sup>th</sup> October to 13 <sup>th</sup> October, 2023
05	Shri Satyajeet Misra, GM (Mktg)	Institute of Directors	Hotel Le Meridien, Delhi	Master class for Directors leading to Certified Corporate Directors	1 <sup>st</sup> Dec to 3 <sup>rd</sup> Dec 2023
06	1. Shri Sachin Khemani, Chief Manager (Finance) 2. Shri Prashanth Kumar, Officer (Finance)	Institute of Chartered Accounts of India (ICAI)	Guwahati, Assam	CA National Conference	1 <sup>st</sup> Dec to 2 <sup>nd</sup> Dec 2023
07	Shri Suryanaryana Sahoo, Officer Finance C/E. No. 0313/7594	ICMAI – Eastern India Regional Council & Bhubaneswar Chapter	Blue Lily Beach Resort, Baliapanda Puri, Odisha	The Regional Cost Conference 2024 on the theme Rupantor – New Bharat – A Paradigm Shift	12 <sup>th</sup> Jan to 14 <sup>th</sup> Jan 2024

## Webinars

Sl. No	Title of the programme	Level & No. of participants	Date	Faculty
01	Workshop on Disciplinary Proceedings	Officers = 29 Workmen = 05	9 <sup>th</sup> August 2023	Shri D.R. Sarin, Ex CMD Artificial Limbs Mfg. Corp. of India
02	Electrical Workshop on Power System Study on Power Trading	Officers = 15 Workmen = 01	11 <sup>th</sup> August 2023	Ms Kena Mehta, M/s Encon Engineers Pvt. Ltd.
03	Online workshop on Public Procurement Policies and Procurement through GeM portal for BVFCL	Officers = 74	28 <sup>th</sup> August to 29 <sup>th</sup> August 2023	National Academy of Human Resource Development, New Delhi

### 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 01.01.2024 and number of appointments made during the preceding calendar year i.e. 2023 is enclosed in **Annexure- II**.

### 24. PUBLIC PROCUREMENT POLICY OF MICRO AND SMALL ENTERPRISES (MSE) ORDER, 2012:

As per directive of Government of India, Ministry of Micro, Small and Medium Enterprises vide Order dated 23rd March, 2012 (as amended), BVFCL achieved overall procurement of products produced and services rendered by Micro, Small and Medium Enterprises to the extent of 27.48% of total purchase made in the financial year 2023-24 against set amended parameter of minimum of 25%. Moreover, percentage of procurement of Goods & Services from MSEs owned by SC/ST entrepreneurs out of total procurement through MSEs was 0%. During the financial year percentage of procurement of Goods & Services from MSEs owned by women entrepreneurs was 2.09%. In all the Notice Inviting Tenders (NIT) necessary provision has been made for stating the Government guidelines for relaxation applicable to MSEs. All efforts are

being made to procure items specified for procurement from MSEs. BVFCL is registered with TReDS platform of Receivable Exchange of India Limited (RXIL), a joint venture of SIDBI and NSE for providing bills discounting facilities to MSEs 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 the other PSUs.

Total 15 no's of complaints were received during FY 2023-24. All the 15 (Fifteen) complaints were disposed off during FY 2023-24.

Agreed lists of suspected officers and List of Doubtful Integrity were prepared in consultation of CMD 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 was brought to the notice of the Management for corrective action/preventive measures.

Files pertaining to high values have been examined by Vigilance Department on regular basis as per CTE laid down pattern and on the basis of finding of inspections, recommendations has been given for systematic improvement.

Prompt and timely submission of Monthly Reports/Quarterly Performance Report (QPR)/CTE Report/Half yearly report to 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 Chief Vigilance Officer(CVO) to identify individuals who seems 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 of 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 was observed by BVFEL w.e.f the 30th October 2023 to 5th November 2023 in line with the theme "भ्रष्टाचार का विरोध करें; राष्ट्र के प्रति समर्पित रहें" "Say no to Corruption, Commit to the Nation". In a move towards inculcating the true spirit of participative vigilance, the commission instructed a three months campaign period from 16th August, 2023 till 15th November 2023 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 employees and school children during the VAW 2023.

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 RESONSIBILITY):**

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

Besides extending housing and medical facilities to its employees and dependents, the Corporation also provides educational facilities to the children of employees and the wards of the Township and the nearby villages. Corporation is running one Higher Secondary School, one Kendriya Vidyalaya and one Model Higher Secondary School((Land and other facilities are being provided by BVFCL) besides one Primary School. The Corporation extended its patronage earlier for establishment of Namrup College, one B.Ed College for higher education and establishment of a State Dispensary at Namrup. BVFCL 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.

The Corporation also 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, Medclaim policy and reimbursement Scheme are implemented for the welfare of the employees.

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

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

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

**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 2023-24, no complaint have been reported on sexual harassment of women employees in work places of BVFCL.

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

	<b>Unit</b>	<b>2023-24</b>	<b>2022-23</b>
<b>(a) Grid Power</b>			
1. Namrup-II	Kwh	0.00	0.00
2. Namrup-III	Kwh	518400	555150
Total Cost	Rs. in Lakhs	214.544	210.83
Rate	Rs./ Kwh	41.38	37.98
<b>(b) Own Generation (CPP)</b>			
Total Unit	Kwh	91299950	102993900
Total Cost	Rs. in Lakhs	5826	5857
Rate	Rs./ Kwh	6.38	5.69
<b>Natural Gas (Billed Quantity)</b>			
<b>(a) For Captive Power consumed</b>			
1. Namrup-II	SCuM	0.00	655682
2. Namrup-III	SCuM	29653929	29391302
Total Cost	Rs. in Lakhs	4278.15	4663.26
Rate	Rs./1000 SM <sup>3</sup>	14426.91	15519.89
<b>(b) For Boilers (S.B.,W.H.B.) (incl. Canteen)</b>			
1. Namrup-II	SCuM	0.00	39593
2. Namrup-III	SCuM	53292965	64510676
Total Cost	Rs. in Lakhs	7688.53	10018.13
Rate	Rs./1000 SM <sup>3</sup>	14426.91	15519.89
<b>(c) For Feed Stock</b>			
1. Namrup-II	SCuM	0.00	0.00
2. Namrup-III	SCuM	97925123	111212425
Total Cost	Rs. in Lakhs	14127.57	17260.05
Rate	Rs./1000 SM <sup>3</sup>	14426.91	15519.89
<b>(d) For Reformer Fuel*</b>			
1. Namrup-II	SCuM	0.00	0.00
2. Namrup-III	SCuM	107566568	124466755
Total Cost	Rs. in Lakhs	15518.53	19317.11
Rate	Rs./1000 SM <sup>3</sup>	14426.91	15519.89

**B. Consumption per MT of production of Urea:**

	<b>Unit (per MT of Urea)</b>	<b>2023-24</b>	<b>2022-23</b>
<b>Natural Gas</b>			
(i) Feed Stock	SM3/MT (Nam-II)	0.00	0.00
	(Nam-III)	543.57	497.95
(ii) Electricity (CPP)	SM3/MT (Nam-II)	0.00	0.00
	(Nam-III)	164.60	131.59
(iii) Boilers etc.	SM3/MT (Nam-II)	0.00	0.00
	(Nam-III)	295.82	288.84
(iv) Reformer Fuel*	SM3/MT (Nam-II)	0.00	0.00
	(Nam-III)	597.08	557.29
<b>Electricity</b>			
(i) Grid Power	Kwh/ MT (Nam-II)	0	0
	(Nam-III)	2.88	2.48
(ii) Generated Power	Kwh/MT Urea	506.79	461.15

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

## ANNEXURE -I (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 13.24 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 during the financial year 2023-24. Some examples are - replacement of Ammonia Converter 2<sup>nd</sup> Bed Catalyst KM1 by the Upgraded Catalyst KM111, NGBC Compressor Vibration Monitoring System BNC-3300 upgraded by the latest version BNC-3500. CO2 Booster Compressor Controllers and Indicators upgraded from Pneumatic Version to Electronic Version, Bagging Plant old Microprocessor based Control System upgraded by PLC based Control System. Cooling tower Cell No.: 6 of Ammonia-III Plant was reconstructed with upgraded material like Douglas Fir Wood. Process Air Compressor Suction Chamber was upgraded with the addition of Rollomatic Screen at its inlet.

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. 0.84 crores (previous year Rs. 3.63 crores) towards purchase of foreign goods for capital equipment.

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**ANNEXURE -I (B) TO DIRECTORS' REPORT:**

**ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCs, STs, OBCs  
AND PHs AS ON 1<sup>ST</sup> JANUARY 2024 AND NUMBER OF APPOINTMENTS MADE  
DURING THE PRECEEDING CALENDER YEAR**

**(THE SAME IS ENCLOSED SEPERATELY IN A PDF FILE)**

**ANNEXURE – II****ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCs, STs and OBCs and PHs AS ON 1<sup>ST</sup> JANUARY, 2024 AND NUMBER OF APPOINTMENTS MADE DURING THE PRECEDING CALENDER YEAR.****NAME OF THE PUBLIC ENTERPRISES: BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED, NAMRUP.**

Groups	Representation of SCs / STs / OBCs as on 01.01.2024				Number of appointments made during the calendar year 2023											
					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
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>17</b>
<b>Group A</b>	275	22	31	83	41	2	2	12	61	5	7	15	-	-	-	-
<b>Group B</b>	34	2	9	6	-	-	-	-	2	1	-	1	-	-	-	-
<b>Group C</b>	68	4	7	18	12	0	0	1	9	0	0	2	-	-	-	-
<b>Group D</b> (Excluding Safai Karmachari)	18	2	3	5	-	-	-	-	-	-	-	-	-	-	-	-
<b>Group D</b> (Safai Karmachari)	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	396	31	50	112	53	2	2	13	72	6	7	18	-	-	-	-

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

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

## **ANNEXURE-II TO DIRECTORS' REPORT**

### **REPORT ON CORPORATE GOVERNANCE**

#### **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

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

#### **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 Mangement 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, 5 (five) meetings of Board of Directors were held, details of which are as under :

<b>Board Meeting No.</b>	<b>Date</b>	<b>No. of Directors attended</b>	<b>Total No. of Directors</b>
117 <sup>th</sup>	08.05.2023	8	8
118 <sup>th</sup>	25.07.2023	6	7
119 <sup>th</sup>	27.09.2023	6	7
120 <sup>th</sup>	15.12.2023	7	7
121 <sup>st</sup>	23.02.2024	5	6

### E. **COMPOSITION OF BOARD**

As on 31<sup>st</sup> March, 2024, there were eight (06) members in the Board of Directors of the Company, comprises Shri Pradip Kumar Banik, Director (Production) with Additional Charge of Chairman & Managing Director, Shri Subash Chandra Das, Director (Finance), Shri Harvinder Singh, Govt. Nominee Director (DOF), Shri Niranjana Lal, Govt. Nominee Director (DOF), Shri Satish Kumar Sharma, Non Official Director (Independent Director) and Shri Rabi Ranjan Sen, Non Official Director (Independent Director).

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

- The tenure of Shri Bipina Bihari Padhy, Non Official Director (Independent) who was appointed by Ministry of Chemical and Fertilizers, Department of Fertilizers, dated May 01, 2020 for a period of three year (03) years commencing from May 09, 2020 has ended on May 08, 2023.
- Shri Siba Prasad Mohanty, Chairman & Managing Director, BVFCL, has resigned from the post of CMD, BVFCL w.e.f. 28.12.2023.
- The Govt. of India, Ministry of Chemicals and Fertilizers, Department of Fertilizers vide Order dated 02.02.2024 has assigned the additional charge of Chairman & Managing Director, BVFCL, to Shri Pradip Kumar Banik, Director (Production), w.e.f 30.01.2024. Subsequently, Shri P. K. Banik has assumed the additional charge of Chairman & Managing Director, BVFCL w.e.f. 03.02.2024.

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	Attendance particulars		Details of Directorship and committee members/ chairman	
	No. of Board meetings attended during the year	Last AGM Held on 29.09.2023	Details of Directorships in other public limited companies	Details of committee memberships and committee Chairmanship
<b><u>Functional Directors</u></b>				
Shri Pradip Kumar Banik, Director (Production) with Additional Charge of Chairman & Managing Director (*)	5	Yes	-	-
Shri Subash Chandra Das Director (Finance)	5	Yes	-	Member in Dispute Resolution Committee.
Shri Siba Prasad Mohanty, Chairman & Managing Director (**)	4	Yes	FAI  Hindustan Urvarak & Rasayan Limited (Add. Charge of MD)	
<b><u>Part Time Official Directors</u></b>				
Shri Harvinder Singh Govt. Nominee Director	2	No	-	-Member in Remuneration Committee
Shri Niranjana Lal Govt. Nominee Director	5	Yes	-	-Member in Audit Committee -Member in Remuneration Committee -Member in Dispute Resolution Committee

<b>Non Official Part Time Director</b>				
Shri Satish Kumar Sharma, Non Official Director (***)	5	Yes	-	-Chairman of Audit Committee -Chairman of Remuneration Committee -Member in Dispute Resolution Committee
Shri Rabi Ranjan Sen, Non Official Director	5	Yes		-Member of Audit Committee -Member in Remuneration Committee -Chairman of Dispute Resolution Committee
Bipin Bihari Padhy, Bhubaneswar (****)	1	No	-	-Chairman of Audit Committee -Chairman of Remuneration Committee -Member in Dispute Resolution Committee

(\*) The Govt. of India, Ministry of Chemicals and Fertilizers, Department of Fertilizers vide Order dated 02.02.2024 has assigned the additional charge of Chairman & Managing Director, BVFCL, to Shri Pradip Kumar Banik, Director (Production), w.e.f 30.01.2024. Subsequently, Shri P. K. Banik has assumed the additional charge of Chairman & Managing Director, BVFCL w.e.f. 03.02.2024.

(\*\*) Ceased from the Directorship w.e.f. 28.12.2023

(\*\*\*) Appointed as Chairman of Audit Committee w.e.f. 25.07.2023 and Chairman in Remuneration Committee w.e.f. 15.12.2023

(\*\*\*\*) Ceased from the Directorship w.e.f. 09.05.2023

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](http://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 2023-24, Audit Committee comprises Three (03) members i.e. Shri Satish Kumar Sharma, Non Official Director, Independent

Director (Chairman); Shri Rabi Ranjan Sen, Non Official Director, Independent 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 12<sup>th</sup> meeting held on 06.06.2003. The terms of reference of the Audit Committee has been approved by the Board at the time of constitution and modified in 57<sup>th</sup> 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 76<sup>th</sup> (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.
13. 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 access 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, four (04) Audit Committee Meetings were held.

<b>Audit Committee No.</b>	<b>Date</b>	<b>No. of Directors attended</b>	<b>Total No. of Directors</b>
80 <sup>th</sup>	25.07.2023	3	3
81 <sup>st</sup>	27.09.2023	3	4
82 <sup>nd</sup>	15.12.2023	3	4
83 <sup>rd</sup>	23.02.2024	3	3

Chairman & Managing Director, Director (Finance), Internal Auditors and Statutory Auditors 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.

**4. Remuneration of Directors**

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

In compliance with the conditions of guidelines issued by the Ministry of Corporate Affairs (MCA) and Department of Public enterprises (DPE), Corporation has



constituted/re-constituted remuneration committee of Directors from time to time and the last reconstitution of the Remuneration Committee was done by Resolution by Circulation No. 116.01 dated 02.03.2023 (noted in 116<sup>th</sup> Board Meeting dated 13.03.2023). As on 31<sup>st</sup> March, 2024, the Remuneration Committee of the Board of your Corporation comprises three (3) members i.e. Sh. Satish Kumar Sharma, Non Official Director, Independent Director, (Chairman), Shri Rabi Ranjan Sen, Non Official Director, Independent 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 two (02) meetings of Remuneration Committee were held.

Remuneration Committee No.	Date	No. of Directors attended	Total No. of Directors
3	25.07.2023	2	3
4	15.12.2023	3	4

Chairman & Managing Director and Director (Finance) attended the meetings as Special Invitee (s).

#### **5. Dispute Resolution Committee**

Initially, as per the directions of Audit Committee in their 66<sup>th</sup> 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 116<sup>th</sup> Board Meeting dated 13.03.2023). As on 31<sup>st</sup> March, 2024, the Dispute Resolution Committee of the Board of your Corporation comprises four members i.e. Shri Rabi Ranjan Sen (Chairman), Shri Satish Kumar Sharma, Non Official Director, Shri Niranjan 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) Directors must be present.

During the year under review, three (03) meetings of the Dispute resolution committee were held :

<b>Dispute Resolution Committee No.</b>	<b>Date</b>	<b>No. of Directors attended</b>	<b>Total No. of Directors</b>
5	08.05.2023	5	5
6	25.07.2023	4	4
7	15.12.2023	4	5

Chairman & Managing Director attended the meetings as Special Invitee (s).

#### **6. Corporate Social Committee**

During the Financial Year 2023-24, the Company satisfies one threshold criteria as under the provisions of Section 135 (1) of the Companies Act, 2013 i.e. 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.

#### **7. Secretarial Audit report**

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

#### **8. Compliance Certificate on Corporate Governance guidelines**

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

#### **9. 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.

**10. 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.

**11. 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 :

	2023-24		2022-23		Remarks
	% of Total Exp.	% of Total Finance Exp.(Int.)	% of Total Exp.	% of Total Finance Exp.(Int.)	
<b>Administrative</b>	1.41	Nil	1.32	Nil	
<b>Office Exp.</b>	0.01	Nil	0.01	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](http://www.bvfcl.com).

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

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

**S/d  
P.K. BANIK  
Director (Production) with Additional Charge  
of Chairman & Managing Director  
DIN : 10095724**

**Place : Namrup, Assam**

**Date : October, 2024**

**ANNEXURE – II (B) TO DIRECTORS' REPORT****FORM MR-3****SECRETARIAL AUDIT REPORT**

**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> 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 **31<sup>st</sup> day of March, 2024 ("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 **31<sup>st</sup> March, 2024** 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 2023-24 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: 09/10/2024**

**Place: Guwahati**



**FOR PRAVIN CHHAJER & ASSOCIATES**  
**COMPANY SECRETARIES**

A handwritten signature in blue ink, appearing to read "Pravin Kumar Chhajer".

**(PRAVIN KUMAR CHHAJER)**

**Proprietor**

**M. No.: A25787**

**COP: 9231**

**UDIN: A025787F001494397**

**Peer Review Regn. No.: 4436/2023**

**Note:1**

- 1) *During the course of our audit, it was observed that the company has not appointed any Women Director in the board of the company as mandated Under Section 149(1) read with rule 3 of the Companies (Appointment of Directors) Rules, 2014 of the Companies Act, 2013.*



**ANNEXURE – II (C) TO DIRECTORS' REPORT****CORPORATE GOVERNANCE CERTIFICATE**

**CORPORATE GOVERNANCE CERTIFICATE**

To,

The Members,

**BRAHMAPUTRA VALLEY FERTILIZER COPORATION 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, 2024** 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 not appointed any Women Director in the board of the company as mandated Under Section 149(1) read with rule 3 of the Companies (Appointment of Directors) Rules, 2014 of the Companies Act, 2013.*

Date: 09.10.2024

Place: Guwahati

FOR PRAVIN CHHAJER & ASSOCIATES  
COMPANY SECRETARIES



  
(PRAVIN KUMAR CHHAJER)

Proprietor

M. No.: A25787

COP: 9231

UDIN: A025787F001494793

Peer review Regn. No.: 4436/2023

**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, 2024**

Sl. No.	Observations	Management Replies
1.	<p><b>During the course of our audit, it was observed that the company has not appointed any Women Director in the board of the company as mandated Under Section 149(1) read with rule 3 of the Companies (Appointment of Directors) Rules, 2014 of the Companies Act, 2013.</b></p>	<p>The directors of the company are appointed by the Central Government, and the company does not have an in house mechanism for such appointments.</p> <p>The company will take up the matter with the Central Government and the concerned department of the Ministry to facilitate the immediate appointment of a Women Director in the Board of the Company, in the current financial year (i.e. 2024-25).</p>

**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**

We, Pradip Kumar Banik , Director (Production) with Additional Charge of 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 31<sup>st</sup> March, 2024 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 31<sup>st</sup> March, 2024 which are fraudulent, illegal or violate 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 31<sup>st</sup> March, 2024;
  - (ii) There was no significant change in accounting policies during the financial year ended 31<sup>st</sup> March, 2024; and
  - (iii) We have not come across any instance during the financial year ended 31<sup>st</sup> March, 2024 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.

S/d  
**(S. C. DAS)**  
**Director (Finance)**  
**DIN : 08988297**

S/d  
**(P.K. BANIK)**  
**Director (Production) with Additional**  
**Charge of Chairman & Managing Director**  
**DIN : 10095724**

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

## ANNEXURE – III TO DIRECTORS REPORT

### Management Replies on the Observations stated in Independent Audit Report for the financial year ended 31<sup>st</sup> March, 2024

The Management Replies on the Audit Observations of the Statutory Auditor were mentioned below.

Sl. No.	Key Audit Points	Reply to Key Audit Points
3.1	<p style="text-align: center;"><b>NOTE 7 : TRADE PAYABLES</b> <b>₹22,922.59 lakhs</b></p> <p>As per Section 22 under MSME Act, 2006 the buyer who is required to get his account audited under any law, shall disclose the principal amount and interest dues thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year. Further as per section 15, where any buyer fails to make payment of the amount to the supplier, the buyer shall, notwithstanding anything contained in any agreement between the buyer and the supplier or in any law for the time being in force, be liable to pay compound interest with monthly rests to the supplier on that amount from the appointed day or, as the case may be, from the date immediately following the date agreed upon, at three times of the bank rate notified by the Reserve Bank of India.</p> <p>Since the dues of MSME were outstanding for more than 45 days, so the interest portion should be calculated as per MSME Act, 2006. As per the details made available an amount of ₹34.55 lakhs is payable as interest on the outstanding amount however the company has not provided for this interest in contravention of the MSME Act. This has resulted in understatement of current liabilities and other expenses corresponding to overstatement of profit for the year by ₹ 34.55 lakhs.</p>	<p>Company has put its best effort to pay to MSME vendors within the statutory time as per terms of P.O.. Bills are processed for payment by Finance department after inspection &amp; acceptance of materials &amp; issue of SRV by stores department and checking of required documents like invoice, GC, TC, deposit of Security Deposit etc. In few occasions processing of bills gets delayed if the discrepancies in bills / required documents are not resolved in time bound manner by the concerned vendors. The payment is processed by the finance section on receipt of all required documents as mentioned in the P.O. / Work Order.</p> <p>Sometimes the vendor fails to file the GSTR1 Return in time leading to non-reflection of invoice in GSTR2B Re-trun of the company restricting the company to avail input tax credit. In such cases the GST component of the invoice is temporarily withheld and subsequently released after reflection in the GSTR-2B of the company. Further the total disputed MSME dues is Rs.6.00 lakhs.</p> <p>Hence no provision of interest is created for fault attributable to vendor. Also company has not received any claim towards delayed payment interest.</p>

3.2	<p style="text-align: center;"><b>NOTE 8 :</b> <b>OTHER CURRENT LIABILITIES</b> <b>₹10539.56 lakhs</b> <b>Advance from customers ₹1496.68 lakhs:</b></p> <p>(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.</p> <p>(2) Advance from customers include 28.99 lakhs from 15 dealers for which the management offered the explanation that they have closed their businesses but amount has not yet been refunded to them. The refund of the excess amounts should be made at the earliest to dealers with whom there is no business as undue holding of these amounts may cause legal issues for the company.</p>	<p>(1) The sale of scrap is recognized in the books of account only when the scrap is removed from the premises of the corporation when the risks and rewards associated with the scraps is completely transferred to the scrap dealers. However though the scrap dealer has deposited an amount of Rs.33.66 lakhs with the corporation it is yet to remove these materials from the premises of the corporation. As per provision of AS-9, the sale of goods are recognized as revenue only when the significant risks and rewards associated with the goods is transferred which is not fulfilled in this case. Hence the initial amount deposited by the scrap dealer has been recognized as a liability and will be eventually transferred to revenue once the above condition is fulfilled.</p> <p>(2) Management is in the process of reconciling the ledgers of such dealers and necessary action will be taken in the FY 24-25.</p>
3.3	<p><b>NOTE 10. PROPERTY PLANT AND EQUIPMENTS: ₹ 18032.25 lakhs</b></p> <p>a. As per AS 10 on "Property, Plant &amp; Equipment", items such as spare parts, stand-by equipment and servicing equipment are recognized as PPE when it is probable that future economic benefits</p>	<p>a) The item of stores and spares representing Rs.553.97 Lakhs has been purchased over years. At the time of purchase the Machinery Spares which can be used only in</p>

	<p>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 ₹ 553.97 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 2023-24. This observation was given in financial year 2022-23 also.</p> <p><b>b.</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>connection with an item of fixed assets and whose use is expected to be irregular and qualify as PPE are capitalized as per the policy of the company and those do not qualify for the same are considered as inventory.</p> <p><b>b)</b> The impairment of asset is done based on the identification of Cash generating unit. The company has two CGU i.e. Namrup II &amp; Namrup III plants.</p> <p>Namrup III - The plant is running at more than 80% capacity in the FY 22-23 &amp; at about 67% capacity during the FY 23-24 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 in the year 1976 and is more than 46 years old. Major items</p>
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	<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. This observation was given in financial year 2022-23 also.</p> <p>Further, repairs amounting to ₹64.22 lakhs are booked in expenses for Namrup II Plant during the year despite it being non-operational since 06.01.2020.</p>	<p>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> <p>c) The consent of the Board of Directors of the Company was accorded on the basis of the technical subcommittee 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>The assets have not retired from active use pending decision 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 is fully depreciated. However, under usage methods of depreciation, the depreciation charge can be zero while there is no production.</p> <p>Further the depreciation is charged as per the Straight line method in the books of accounts.</p>
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		<p>Though the plant is not in production, the closure of the plant still requires the approval of the DOF. During this period certain expenditures are incurred to keep the plant and equipment at its current state, for the purpose of upkeep and security. However the observation is noted and the management will review the expenditure.</p>
<p><b>3.4</b></p>	<p><b>NOTE 12 INVENTORIES:</b> <b>₹ 6199.82 Lakhs</b></p> <p>a) 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.</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 ₹. 1337.99 lakhs including provision reversed during the FY 2023-24 amounting to ₹ 5.31 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</p>	<p>(a) 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 shortages and excess is accounted for on actual basis.</p>

	<p>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 based on the actual valuation of such inventory being conducted at regular intervals. This observation was given in financial year 2022-23 which is still persisting in the current FY 2023-24.</p>	
3.5	<p><b>NOTE 13 TRADE RECEIVABLE: ₹ 17392.74 Lakhs</b></p> <p>a) We observed that the company has not made adequate provisioning for Bad and 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>i.) Age wise break-up of trade receivables for the F.Y. 2023-24 shows ₹ 943.85 lakhs as outstanding for more than 2 years which includes 5% balance claim of subsidy for the period from January 2017 to October</p>	<p>(a) i) 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. Further no provision is created against receivables from FICC, DoF, GoI.</p>

	<p>2017 amounting to ₹6.94 crores from FICC, DOF but 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.</p> <p>ii.) Trade Receivables others includes Sundry debtors sales (Marketing) ₹ 2011.33 lakhs against which the company has ₹ 1186.02 lakhs as cash security deposits and the balance ₹825.31 lakhs is unsecured. Further, ₹ 544.75 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.</p> <p>iii.) Sundry debtors sales (Marketing) ₹ 2011.33 lakhs includes KisanSuwidha Kendra (KSK)- There are ten KSK managed by the company in Marketing department since 2016 and there is receivable of ₹ 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>ii) Out of the total trade receivables of Rs.2011.33lakhs(PY 5008.12 lakhs) there is a cash security of Rs 1186.02 lakhs. Further the company has obtained post datedcheques from debtors hence the receivables are secured. Further to the above collection amount of Rs. 175.92 lakhs is currently parked in Suspense A/c pending reconciliation and to be adjusted against outstanding receivable amount. The company is in the process of reconciliation and matching the same with the debtors. Therefore the net open exposure is very less.</p> <p>It can be observed that the company has significantly brought down its receivables by Rs.2996.79 lakhs compared to previous year end outstanding balance. The efforts are on for collection of balance amount also.</p> <p>iii) Amount receivable from 8Nos KSKs amounting to Rs.122.95 lakhs has already been received as all materials from KSK were sold to ultimate retail consumers (farmers) on cash and carry basis therefore there is no question of outstanding. Credit to respective KSK code could not be given against collection due to lack of information as to from which KSK the amount has been deposited into the bank account of the company.</p> <p>The matter has been disclosed in the foot note.</p>
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<p>b) Observations on the credit policy of the Company:</p> <p>The Company formulated Credit Policy in December 2023, but implementation of which was not that effective in the FY 2023-24.</p> <p><b>As per the Credit Policy "Total credit period offered to Dealers/Retailers should not exceed 60 days from the date of Invoicing in case of trading products."</b> As per the Ageing provided to us Dealers having balance outstanding as on 31<sup>st</sup> march, 2024, with no SD or PDC for more than 60 days is ₹383.19 lakhs.</p> <p><b>As per the Credit Policy, "Every Dealer/Retailer is offered with Secured Credit and Open Credit in a proportion of 1:3. Secured credit is to the extent of Security Deposit offered. Any Credit given beyond the Security Deposit is Open Credit. Open Credit is secured through a Post Dated Cheque collected from the Dealer."</b> However, in actual practice, it has been observed that balances of dealers with No PDC as on 31<sup>st</sup> March, 2024 is ₹1910.04 lakhs having SD balance of ₹318.02 lakhs Thus credit is allowed more than the specified limit of 3 times the security deposit.</p>	<p>(b)</p> <table border="1" data-bbox="954 174 1449 752"> <thead> <tr> <th>Particulars</th> <th>Amount Rs.</th> </tr> </thead> <tbody> <tr> <td>KSK - Suspense reconciliation</td> <td>1,27,26,066</td> </tr> <tr> <td>Prior to Credit policy implementation</td> <td>1,06,94,921</td> </tr> <tr> <td>Subsequently collected</td> <td>1,31,16,936</td> </tr> <tr> <td>Suspense reconciliation</td> <td>1,78,446</td> </tr> <tr> <td>Under Reconciliation</td> <td>4,02,240</td> </tr> <tr> <td><b>Grand Total</b></td> <td><b>3,71,18,609</b></td> </tr> </tbody> </table> <p>From the above, it is clear that Rs.127.27 lakhs pertaining to 10 nos. of KSK has been received and parked in 234002010000100000 NO DEALER CODE**(AS-KAM-0) but reconciliation is pending. Amount of Rs.131.17 lakhs has been received subsequently and Rs.106.94 lakhs is pertaining to credit provided prior to implementation of Credit Policy.</p> <p>Balance 5.82 lakhs is under reconciliation.</p> <p>There are 27 dealers with SD of Rs.25.50 Lakhs having outstanding of Rs.72.46 lakhs.</p> <p>Further there are 10 KSK amounting to Rs.127.26 lakhs against which the collection amount is lying in suspense A/c. Out of the rest 151 dealers with total outstanding of Rs.645.50 lakhs present outstanding as on June 30, 2024 is Rs.306.44 lakhs.</p> <p>Efforts are on for collection of the amount at the earliest.</p>	Particulars	Amount Rs.	KSK - Suspense reconciliation	1,27,26,066	Prior to Credit policy implementation	1,06,94,921	Subsequently collected	1,31,16,936	Suspense reconciliation	1,78,446	Under Reconciliation	4,02,240	<b>Grand Total</b>	<b>3,71,18,609</b>
Particulars	Amount Rs.														
KSK - Suspense reconciliation	1,27,26,066														
Prior to Credit policy implementation	1,06,94,921														
Subsequently collected	1,31,16,936														
Suspense reconciliation	1,78,446														
Under Reconciliation	4,02,240														
<b>Grand Total</b>	<b>3,71,18,609</b>														
<p>c) Trade receivables include 15460.67 lakhs receivable against subsidy from Government of India however, subsidy bill is yet to be generated from iFMS portal for the amount of ₹ 12731.44 lakhs.</p>	<p>c) Trade Receivable - Subsidy (Government of India) includes Subsidy receivable from Government of India amounting to Rs. 12076.43 lakhs (previous year Rs. 8817.59) which is</p>														

		subject to clearance from POS which has been disclosed as Note-1 to Schedule -13.
<b>3.6</b>	<p><b>NOTE 14 CASH AND BANK BALANCES ₹11845.66 lakhs:</b></p> <p>There are 6 bank accounts which are inoperative since long with balance of ₹3.92 lakhs. If the accounts are no more required then must be closed so that the ideal fund lying there can be used productively.</p>	<p>The matter is noted.</p> <p>Necessary action will be taken in FY 2024-25.</p>
<b>3.7</b>	<p><b>NOTE 15 SHORT TERM LOANS AND ADVANCES: ₹8252.41 lakhs</b></p> <p>a) GST input balance as per GSTIN is ₹ 8063.33 lakhs whereas as per the books of accounts it is ₹ 6865.18 lakhs, there is a difference of ₹ 1198.15 lakhs. Further, the cash ledger as per GSTIN shows ₹ 3.10 lakhs whereas in books it is ₹ 133.64 lakhs. The impact of these unreconciled difference on the Profit &amp; Loss or assets/liabilities of the company is not ascertainable.</p> <p>b) Further, as per sub-section (3) of section 54 of CGST Act, 2017, which provides for the refund of unutilized input tax credit in cases where credit is accumulated on account of rate of tax of inputs being higher than the rate of tax on output supplies i.e. on account of inverted duty</p>	<p>a) The difference in GST ITC as per GSTIN and ITC as per the books of accounts is due to the following reason:</p> <p>i.) The GST input balance as per GSTIN reflects the ITC as and when the party files the GSTR 1. However in the books of accounts the ITC is booked on receipt of materials and invoice by the Finance department.</p> <p>ii.) In the current financial year 2023-24, there has been reversal of liability towards AGCL having GST component of Rs. 673.55 lakhs which needs to be reversed in books.</p> <p>The GST component on expenditure on Grant-in-aid amounting to Rs.537.41 lakhs has been expensed off in the current year which was not the practice in the earlier years. The difference has already been reconciled.</p> <p>b) The matter is noted.</p> <p>Necessary action will be taken in FY 2024-25.</p>

structure. The time period for claiming refund of the same is 2 years from the due date of furnishing return u/s 39, for the period in which such claim from refund arises. However, no claim has been filed by BVFCL till date for the refund of the GST amount and as a result funds are being blocked as Input Tax Credit which may not be used by the company for set off in distant future.

c) Advance to Suppliers includes:

<b>Particulars</b>	<b>Outstanding for more than 3 years (₹ in lakhs)</b>
BHEL	89.49
Flowserve Sanmar Ltd, Chennai	5.24
NF Railway Ninsukhya	18.51
Hindustan Paper	21.22
John Crane	6.34
<b>Total</b>	<b>140.80</b>

Complete details of the advances outstanding for more than 3 years is not available and therefore are doubtful of recovery and therefore appropriate provisions should be created for full amount of advances above 3 years of ₹140.81 lakhs however provision is made for ₹ 34.90 lakhs only. The short provisioning is resulting in incorrect presentation of assets and liabilities, profit and loss of the entity.

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

c) The matter is noted and necessary reconciliations will be made in the FY2024-25 will be made and adjustment entries will be passed.

d) The matter is noted. Proper reconciliation will be done in FY 2024-25 and necessary adjustment entry will be done.

Particulars	Account code	AS AT 31.03.24 (₹ in lakhs)	AS AT 31.03.23 (₹ in lakhs)
Advance to Others (Misc) Revenue	422/107	0.35	0.35
Advance to contractors (Transport)	422/103	2.17	2.17
Deposit with Calcutta Port Trust	425/101	0.94	0.94

e) Loans & Advances to Employees ₹ 165.06 lakhs includes ₹93.24 lakhs consisting of thirteen entries lying unadjusted since long and the consequent effect of these un-reconciled items on the financials is not ascertainable readily.

f) Deposit with Excise & Govt. Authorities ₹ 107.08 lakhs:

i) includes deposit with income tax department and other tax departments however TDS and TCS amounting to ₹ 34.16 lakhs and GST ₹ 6868.25 lakhs is shown under Other advances thus there is incorrect grouping of the deposits as depicted in the financials.

ii) Further, against the refund due for AY 2023-24 the Income tax department has adjusted the penalty u/s.270A of the Income Tax Act, 1961 for the AY.2021-22 amounting to ₹ 47,65,069/- however, this refund adjustment has not been accounted in books. Thus resulting in overstating the deposits by ₹ 47,65,069/-and understatement of accumulated losses.

e) The matter is noted. Proper reconciliation will be done in FY 2024-25 and necessary adjustment entry will be done.

f) i) The matter is noted and the groupings will be made correctly in FY 2024-25.

ii) The corporation has already filed the appeal before the authority and the hearing has also been concluded. Order is awaited.



<p><b>3.8</b></p>	<p><b>OBSERVATION ON STATEMENT OF PROFIT AND LOSS</b></p> <p><b>NOTE 17 : Revenue from Operations - ₹74896.44 lakhs (which includes ₹ 38626.48crores on account of Price and freight subsidy for manufactured products):</b></p> <p>i) As per FICC Regulation, the Company is entitled to claim the subsidy only after clearance of stock from ultimate Point of Sale:-</p> <p>a) We observed that the Company has recognized subsidy income against unbilled stock of Neem Coated Urea as detailed below in the table where by the Marketing department of the Company does not have the information of the whereabouts of 102.165 MT. 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. Also, out of the 19.934 MT, 18.915 MT has not been reconciled for reasons as stated above. Similarly, pending stock of Namrup III urea (50kg) was 92.250 MT Subsidy involved is ₹20.63 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.</p>	<p>i.)</p> <p>a) The matter has already been informed to DoF. The stocks mentioned in the query are visible in weekly DBT bills generated in iFMS, but the same is not visible in wholesale and retail level in iFMS.</p> <p>As a result the stocks could not be liquidated from PoS. As soon as the matter is resolved by DoF, BVFCL will claim the subsidy amount accordingly.</p> <p>Necessary follow-up is being done.</p>
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Urea Unit	50 Kg Packaging in MT	45 Kg Packaging in MT	Un-reconciled quantity in MT	Subsidy Involved in ₹ lakhs
Namrup-II	0.75	19.184	18.915	1.76
Namrup-III	92.250		83.250	20.63
Total	93.00	19.184	102.165	22.39

b) We further observed that the company is having huge unsold stock lying with the retailers /dealers or the urea is already sold but sales is not routed through the POS. Increasing trend of unsold stock quantity is being reflected compared to last year, resulting in substantial amount of fund being blocked up. As on 31.03.24, stock of unbilled quantity of 58278.402 MT exists on which price subsidy amounting to ₹ 120.764 crores is unrealized, this unbilled quantity further increased to 68,555.209 MT as on 30.06.2024 valued at ₹ 130.17 crores thus this is turning into a serious issue and the marketing department of the company needs to formulate strategy to liquidate the stock so that the claim to release of the subsidy may be lodged with FICC otherwise there will be serious liquidity problems for the company. The Details of the stock (Neem Coated Urea) is stated as below-

Urea	As on 31.03.23	As on 31.03.24	As on 30.06.24
NCU Qty	38,464.86	58,278.402	68,555.209

b) As per directive of DoF any subsidy on subsidized fertilizer will be eligible for payment as and when the fertilizer is bought by farmer/ end user through PoS machine. All officials of marketing department are doing periodic and daily follow up with wholesalers/ retailers for faster liquidation of BVFCL urea stocks through all means of communication-text msg/whatsappmsg/tele call and V.C.

To supplement we have also started taking the service of online PoS clearance "Subsidex" provided by M/s Dextralabs Innovation Pvt. Ltd. for helping in faster clearance of PoS balance.

Marketing department has also liquidated old stocks which were more than 300 days old from 62 numbers of retailers of Assam and efforts are on to liquidate all old stocks at the earliest.

	<p>ii) Freight receivable for imported urea is outstanding ₹4,62,76,581 for FY 22-23 and ₹2,92,84,738(for 2vessels) for FY 23-24. This freight receivable consists of both primary (rail) and secondary (road) freight receivable over &amp; above ad-hoc inland freight at the rate of ₹1250 per MT received. As per DOP order dated 29.06.20, subsidy on rail freight is restricted to 1400kms.However as per the regularized copy of imported vessels, imported urea has been transported to states beyond 1400 kms and further subsidy over and above 1400 kms have been claimed by BVFCL. In view of the aforesaid DOP order, the additional freight claimed is doubtful to be received. As per convention of conservatism, no doubtful income shall be taken into consideration in recording of transactions by an entity. Since, no certainty exists regarding receipt of freight, rather than recording it under income, it should have been disclosed under Notes to accounts as Contingent Assets.</p>	<p>ii.) BVFCL had dispatched rakes beyond 1400 Km to the state of Madhya Pradesh only. In MP minimum 70% of the material from each rake has been dispatched to MP State Cooperative Marketing Federation Limited. The rake movement in the state of Madhya Pradesh is strictly monitored by State Government and movement is planned as per approval / consent of State Government. In case of movement of BVFCL urea beyond 1400 Km no recovery was made by DoF during last financial years.</p> <p>BVFCL has claimed as per the practice followed in last financial years.</p>
	<p><b>NOTE 18 : Other Income – ₹6371.77 lakhs (Which includes ₹ 197.03 lakhs under Miscellaneous income)</b></p> <p>i) The miscellaneous income includes ₹ 2.46 lakhs on account of 145351690000000000 SALE OF BVFCL JANAUSHADHI KENDRA we observed that the sales amounting to ₹ 31920.00 related to the financial year was not recorded and it was recorded on 03/04/2024 thus showing income less by this amount and the cash on hand balance as on 31.03.2024 less by this amount.</p>	<p>i. The collection with regard to the sale of BVFCL JANAUSHADHI KENDRA is deposited periodically in the BVFCL bank account and taken to books of account accordingly. However the observation is noted and a circular has been issued for depositing the collection on fortnightly basis in the FY 24-25.</p>
	<p><b>Exceptional items in Statement of Profit and Loss for the year ended 31st March, 2024 :</b></p> <p><b>Relinquishment of liability on settlement of dispute ₹ 4617.83 lakhs read with</b></p> <p><b>Note 30.12 :</b></p> <p><b>Note on Gas Transportation Charges</b></p>	<p>The initial Gas Transportation Agreement between BVFCL &amp; AGCL was made for 10 Years effective from the Year 2005 to 2015. It was further extended for a period of 5 Years i.e. up to March, 2020 with the same terms and conditions. Thereafter, 4 Nos. of MoU were signed by both the</p>

<p>The formal gas transportation agreement is not yet signed and no credit note has been issued by Assam Gas Company Limited for the reversal of the earlier disputed excess billed amounts but the Company has accounted the reversal for an amount of ₹4617.83 lakhs towards transportation charges and ₹673.55 lakhs towards GST. In our opinion the reversal of expenses based on minutes of meeting without proper accounting document and agreement in place is not correct.</p>	<p>Companies to transport the gas as per the terms and conditions of the Original Contract. The validity of the last MoU was up to 31.03.2022. It was agreed in the said MoU's that on signing of the agreement AGCL shall submit the revised invoices with retrospective effect and balance amount will be adjusted through monthly invoices / through credit / debit notes as deemed fit by the parties. However the Transportation Charges and the Agreement could not be finalized upto March 31, 2024. In the matter a meeting was held on May 09, 2024 at Assam Secretariat chaired by Secretary to Govt of Assam, Industries, Commerce &amp; PE Dept. As directed by Secretary to Govt of Assam, Industries, Commerce &amp; PE Dept a meeting was held on 17<sup>th</sup> May, 2024 between the management of both the companies BVFCL &amp; AGCL. In the said meeting the management of both the companies agreed on the new Transportation Charges applicable from April 2020. Based on the said MOM dated May 17, 2024 between both the the management, the Transportation charges has been revised during current accounting period of FY 2023-24 with retrospective effect from April 2020. Accordingly the excess Transportation charged from April 2020 to March 2024 amounting to Rs. 4617.83 lakhs has been shown under Exceptional items as Relinquishment of liability on settlement of dispute.</p> <p>Further as per AS – 4 Adjustments to assets and liabilities are required for events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet date.</p>
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		<p>Events occurring after the balance sheet date which do not affect the figures stated in the financial statements would not normally require disclosure in the financial statements although they may be of such significance that they may require a disclosure in the report of the approving authority to enable users of financial statements to make proper evaluations and decisions.</p> <p>Since the amount is having material impact on the assets and liabilities same has been done in line with the requirement of AS.</p> <p>As per AS-5,extra-ordinary items should be disclosed in the statement of profit and loss as part of net profit and loss for the period. The nature and amount of such extraordinary item should be disclosed separately in the profit and loss statement that its impact on current profit and loss can be perceived.</p> <p>In the instant case the MOM of the minutes signed by BVFCL and AGCL persons in the meeting held on 09th May 2024 under the Chairmanship of Secretary to Govt. of Assam, Industries, Commerce&amp; PE Dept is an undeniable binding obligation on AGCL thereby necessitating the above adjustment.</p> <p>The excess Transportation charged from April 2020 to March 2024 amounting to Rs. 4617.83 lakhs has been shown under Exceptional items as Relinquishment of liability on settlement of dispute and shown in the face of the Profit and loss account.</p>
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<p><b>3.9</b></p>	<p><b>OTHER OBSERVATIONS:</b></p> <p>i.) As per the Transaction Audit Report given by CAG, a total of 2740 nos. of quarters are available with BVFCL out of which 2485 nos. of quarters were fit and 255 quarters have been declared unfit. As per the information provided by the management, the rent for these quarters was fixed a decade back. The only available document in form of minutes of 2nd Township Discipline Committee (TDC) meeting held on 03.12.2010 was provided in support of fixed rent. As per the TDC meeting, the rent was subject to revision after every three years, which was still not revised till March 2024. The outsiders i.e. non-employees of the corporation who avail quarters of BVFCL, pay monthly rent ranging from ₹770/- to ₹1200/- which was revised during 2010. Since then the rent was not revised. Non revision of rent results in loss of revenue to the company.</p> <p>ii.) The Company (BVFCL) has entered into marketing agreement with the National Fertiliser Limited (NFL) for marketing its urea and gave NFL bank guarantee amounting to ₹ 10 crores. As per the agreement BVFCL will also ensure sale of fertilizers supplied by NFL by its retailers, through POS, for the quantities not sold through POS and not acknowledged by wholesalers/ retailers in iFMS. Further, in case the payment due against suppliers made as per the agreed terms is not received within the stipulated period, interest 1% above the one year SBI MCLR prevailing on relevant due date shall be charged.</p> <p>As there was un-cleared POS stock of urea NFL revoked the bank guarantee on 13.03.24 amounting to ₹ 235.29 lakhs and also levied interest of ₹ 37.83 lakhs for delayed payment. Further, in April 2024 another 5 crores were collected by NFL by further revoking the bank guarantee.</p>	<p>i.) The security deposits of corporation quarters allotted to non-employees of the corporation were revised on recommendation of HAC dtd 22.11.2022 and subsequent approval of the competent authority. The management of BVFCL has noted the observation and will take appropriate action.</p> <p>ii.) The total revocation of bank guarantee made by NFL was Rs.732.04 lakhs which includes an interest of Rs.39.89 lakhs. The said interest of Rs.39.89 lakhs has been debited to the respective dealers who delayed in payment to BVFCL out of the same Rs.17.20 lakh has already been collected from some dealers &amp; balance interest to be collected shortly during 2024-25. Hence interest component is not a loss to the company. With regard to the balance Rs.692.14 lakhs it is to state that there was outstanding stock in POS in respect of three states i.e. Odisha, Assam and West Bengal to the tune of 4303.98 MT however the same has come down to 29.90 MT as on 18/09/2024. The marketing department of BVFCL has already lodged refund claim of Rs.684.30 lakh (with supporting</p>
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	<p>Thus, the company's own subsidy amounting to ₹ 120.764 crores was stuck due to non-clearance of urea stock from POS as on 31.03.24 and due to revocation of bank guarantee by NFL for ₹ 735.29 lakhs the company suffered liquidity crisis.</p> <p>The trading margin of only Rs.70/- MT has been earned by BVFCL amounting to ₹ 9.79 lakhs on trading of 13993.38 MT of NFL's product but suffered interest loss of much more than that due to revocation of bank guarantee and levy of interest.</p> <p>The marketing department needs to ramp up its collection activities so that the precious funds are not blocked and should take wise decision on marketing the products of another company after properly vetting its own capacities to meet the agreement terms and conditions.</p>	<p>details) which is expected to be realized very soon. Efforts are on to clear the balance PoS stock 29.90 MT and lodge the refund claim with M/s NFL for balance amount.</p>
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**ANNEXURE – IV TO DIRECTORS' REPORT****CAG NIL REPORT**

**(The same is enclosed in PDF separately)**





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



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गोपनीय

रिपोर्ट/2-264/डी.जी.ए./सी ई/(ए.एफ.&डब्ल्यू.आर)/Acts/BVFCL/2023-24/

दिनांक :- /10/2024

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 2024 को समाप्त वर्ष के वित्तीय खातों पर टिप्पणियाँ।

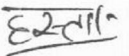
महोदय,

इस पत्र के साथ कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत ब्रह्मपुत्र वैली फर्टिलाइजर कॉर्पोरेशन लिमिटेड के 31 मार्च 2024 को समाप्त वर्ष के वित्तीय खातों पर शून्य टिप्पणियाँ भेजी जा रही हैं।

कृपया इस पत्र की पावती भेजने की कृपा करें।

भवदीय,

संलग्न: यथोपरी

  
(संदीप लाल)

महानिदेशक लेखापरीक्षा, केन्द्रीय व्यय  
(कृषि, खाद्य एवं जल संसाधन)

रिपोर्ट/2-264/डी.जी.ए./सी ई/(ए.एफ.&डब्ल्यू.आर)/Acts/BVFCL/2023-24/

दिनांक :- /10/2024

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

६२०११

(संदीप लाल)

महानिदेशक लेखापरीक्षा, केन्द्रीय व्यय (कृषि, खाद्य एवं जल संसाधन)

रिपोर्ट/2-264/डी.जी.ए./सी ई/(ए.एफ.&डब्ल्यू.आर)/Acts/BVFCL/2023-24/ 3775

दिनांक :- /5 /10/2024

- 1) ब्रह्मपुत्र वैली फर्टिलाइजर कॉरपोरेशन लिमिटेड की प्रति कोलकाता कार्यालय को सूचना एवं आवश्यक कार्यवाही हेतु अग्रेषित है।
- 2) प्रति भारत के नियन्त्रक एवं महालेखापरीक्षक, (CA-V Section) नई दिल्ली को आवश्यक कार्यवाही हेतु अग्रेषित है। Proforma on the performance of the Statutory Auditors संलग्न हैं।

AA  
15/10/24

वरिष्ठ लेखा परीक्षा अधिकारी (प्रतिवेदन)

**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 2024**

The preparation of financial statements of **Brahmaputra Valley Fertilizer Corporation Limited** for the year ended 31 March 2024 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(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with 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 24<sup>th</sup> August 2024.

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 2024 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: 15.10.2024

22  
15/10/2024

(Sandeep Lall)  
Director General of Audit Central Expenditure  
(Agriculture, Food & Water Resources)



**B.L. PUROHIT & CO.**  
**CHARTERED ACCOUNTANTS**

## 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 31<sup>st</sup> March, 2024 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*



SUBHASH PUROHIT, FCA  
PARTNER  
M. NO. 059631  
DATE: 24/08/2024  
PLACE: GUWAHATI

# **B.L. PUROHIT & CO.**

## **CHARTERED ACCOUNTANTS**



### **Independent Auditor's Report**

To the Members of **Brahmaputra Valley Fertilizer Corporation Limited (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 2024, 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, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph of our report, 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, 2024, and its profit and cash flows for the year ended on that date.

#### **2. Basis for Qualified 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. Our observations on which our opinion is based are given in **Para 3** below. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### **3. Observations for Qualified Opinion:**

##### **OBSERVATIONS ON BALANCE SHEET**

##### **3.1 NOTE 7 : TRADE PAYABLES ₹22,922.59 lakhs**

As per Section 22 under MSME Act, 2006 the buyer who is required to get his account audited under any law, shall disclose the principal amount and interest dues thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year. Further as per section 15, where any buyer fails to make payment of the amount to the supplier, the buyer shall, notwithstanding anything contained in any agreement between the buyer and the supplier or in any law for the time being in force, be liable to pay compound interest with monthly rests to the supplier on that amount from the appointed day or, as the



# B.L. PUROHIT & CO.

## CHARTERED ACCOUNTANTS



case may be, from the date immediately following the date agreed upon, at three times of the bank rate notified by the Reserve Bank of India.

Since the dues of MSME were outstanding for more than 45 days, so the interest portion should be calculated as per MSME Act, 2006. As per the details made available an amount of ₹34.55 lakhs is payable as interest on the outstanding amount however the company has neither paid nor provided for this interest in contravention of the MSME Act. This has resulted in understatement of current liabilities and other expenses corresponding to overstatement of profit for the year by ₹ 34.55 lakhs.

### 3.2 NOTE 8 : OTHER CURRENT LIABILITIES ₹10539.56 lakhs

Advance from customers ₹1496.68 lakhs:

- a) This includes an amount of ₹33.66 lakhs against Liability for Deposit for Scrap Materials sales. We observed that this amount was 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. *This observation has been made in the Audit Report for the Previous FY 22-23 which is still persisting in the current FY 2023-24.*
- b) Advance from customers include 28.99 lakhs from 15 dealers for which the management offered the explanation that they have closed their businesses but amount has not yet been refunded to them. The refund of the excess amounts should be made at the earliest to dealers with whom there is no business as undue holding of these amounts may cause legal issues for the company.

### 3.3 NOTE 10. PROPERTY PLANT AND EQUIPMENTS(PPE) : ₹ 18032.25 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 ₹553.97 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 2023-24. *This observation has been made in the Audit Report for the Previous FY 22-23 which is still persisting in the current FY 2023-24.*



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- 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. 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.

*This observation has been made in the Audit Report for the Previous FY 22-23 which is still persisting in the current FY 2023-24.*

Further, repairs amounting to ₹64.22 lakhs are booked in expenses for Namrup II Plant during the year despite it being non-operational since 06.01.2020.

**3.4 NOTE 12 INVENTORIES: ₹ 6199.82 Lakhs**

- a. 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 ₹1337.99 lakhs including provision reversed during the FY 2023-24 amounting to ₹5.31 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



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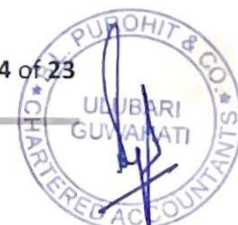


inventory with no movement for more than 20 years is being provisioned directly at 95%. However, in our opinion the percentages being used for provisioning against inventory may be periodically revised and should be based on the actual valuation of such inventory being conducted at regular intervals.

*This observation has been made in the Audit Report for the Previous FY 22-23 which is still persisting in the current FY 2023-24.*

### **3.5 NOTE 13 TRADE RECEIVABLE: ₹ 17392.74 Lakhs**

- a) We observed that the company has not made adequate provisioning for Bad and 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.
- i) Age wise break-up of trade receivables for the F.Y. 2023-24 shows ₹ 943.85 lakhs as outstanding for more than 2 years which includes 5% balance claim of subsidy for the period from January 2017 to October 2017 amounting to ₹6.94 crores from FICC, DOF but 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.
- ii) Trade Receivables others includes Sundry debtors sales (Marketing) ₹2011.33 lakhs against which the company has ₹1186.02 lakhs as cash security deposits and the balance ₹825.31 lakhs is unsecured. Further, ₹544.75 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.
- iii) Sundry Debtors sales (Marketing) ₹2011.33 lakhs includes receivable of ₹122.95 lakhs from Kisan Suwidha Kendra (KSK)- There are ten KSK managed by the company in Marketing department since 2016 and there is receivable of ₹122.95 lakhs against these. The realization made from these KSKs was not regularly deposited or properly accounted for and thus these accounts are outstanding. Normally there should not have been any balance outstanding. No provision for doubtful debts has been made though the balance is more than 4 years old. *This observation has been made in the Audit Report for the Previous FY 22-23 which is still persisting in the current FY 2023-24.*
- b) Observations on the credit policy of the Company:  
The Company formulated Credit Policy in December 2023, but implementation of which was not that effective in the FY 2023-24.
- **As per the Credit Policy "Total credit period offered to Dealers/Retailers should not exceed 60 days from the date of Invoicing in case of trading products."** As per the Ageing provided to us Dealers having balance outstanding as on 31<sup>st</sup> march, 2024, with no SD or PDC for more than 60 days is ₹383.19 lakhs.





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- As per the Credit Policy, "Every Dealer/Retailer is offered with Secured Credit and Open Credit in a proportion of 1:3. Secured credit is to the extent of Security Deposit offered. Any Credit given beyond the Security Deposit is Open Credit. Open Credit is secured through a Post Dated Cheque collected from the Dealer." However, in actual practice, it has been observed that balances of dealers with No PDC as on 31<sup>st</sup> March, 2024 is ₹1910.04 lakhs having SD balance of ₹318.02 lakhs Thus credit is allowed more than the specified limit of 3 times the security deposit.

- c) Trade receivables include ₹15460.67 lakhs receivable against subsidy from Government of India however; subsidy bills are yet to be generated from iFMS portal for the amount of ₹ 12731.44 lakhs.

### 3.6 NOTE 14 CASH AND BANK BALANCES ₹11845.66 Lakhs

There are 6 bank accounts which are inoperative since long with balance of ₹3.92 lakhs. If the accounts are no more required, then must be closed so that the ideal fund lying there can be used productively.

### 3.7 NOTE 15 SHORT TERM LOANS AND ADVANCES: ₹8252.41 Lakhs

- a) GST input balance as per GSTIN is ₹8063.33 lakhs whereas as per the books of accounts it is ₹6868.25 lakhs, there is a difference of ₹1195.08 lakhs. Further, the cash ledger as per GSTIN shows ₹3.10 lakhs whereas in books it is ₹133.64 lakhs. The impact of these unreconciled difference on the Profit & Loss or assets/liabilities of the company is not ascertainable.
- b) Further, as per sub-section (3) of section 54 of CGST Act, 2017, which provides for the refund of unutilized input tax credit in cases where credit is accumulated on account of rate of tax of inputs being higher than the rate of tax on output supplies i.e. on account of inverted duty structure. The time period for claiming refund of the same is 2 years from the due date of furnishing return u/s 39, for the period in which such claim from refund arises. However, no claim has been filed by the Company till date for the refund of the GST amount and as a result funds are being blocked as Input Tax Credit which may not be used by the company for set off in distant future.

- c) Advance to Suppliers includes:

Particulars	Outstanding for more than 3 years (₹ in lakhs)
BHEL	89.49
Flowserve Sanmar Ltd, Chennai	5.24
NF Railway Ninsukhya	18.51
Hindustan Paper	21.22
John Crane	6.34



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Total	140.80
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Complete details of the advances outstanding for more than 3 years is not available and therefore are doubtful of recovery and therefore appropriate provisions should be created for full amount of advances above 3 years of ₹140.80 lakhs however provision is made for ₹34.90 lakhs only. The short provisioning is resulting in incorrect presentation of assets and liabilities, profit and loss of the entity.

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

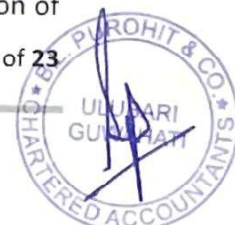
Particulars	Account code	AS AT 31.03.24 (₹ in lakhs)	AS AT 31.03.23 (₹ in lakhs)
Advance to Others (Misc) Revenue	422/107	0.35	0.35
Advance to contractors (Transport)	422/103	2.17	2.17
Deposit with Calcutta Port Trust	425/101	0.94	0.94

- e) Loans & Advances to Employees ₹165.06 lakhs includes ₹93.24 lakhs consisting of thirteen entries lying unadjusted since long and the consequent effect of these unreconciled items on the financials is not ascertainable readily.
- f) Deposit with Excise & Govt. Authorities ₹107.08 lakhs:
- includes deposit with income tax department and other tax departments however TDS and TCS amounting to ₹34.16 lakhs and GST ₹6868.25 lakhs is shown under Other advances thus there is incorrect grouping of the deposits as depicted in the financials.
  - Further, against the refund due for AY 2023-24 the Income tax department had adjusted the penalty u/s.270A of the Income Tax Act, 1961 for the AY.2021-22 amounting to ₹47.65 lakhs however, this refund adjustment has not been accounted in books. Thus resulting in overstating the deposits by ₹47.65 lakhs and understatement of accumulated losses.
- g) 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.

**3.8 OBSERVATION ON STATEMENT OF PROFIT AND LOSS**

**NOTE 17 Revenue from Operations- ₹74896.44 Lakhs** (Which includes ₹38626.48 crores on account of Price and freight subsidy for manufactured products)

- i) As per FICC Regulation, the Company is entitled to claim the price subsidy only after clearance of stock from ultimate Point of Sale:-
- We observed that the Company has recognized subsidy income against unbilled stock of Neem Coated Urea as detailed below in the table where by the Marketing department of the Company does not have the information of



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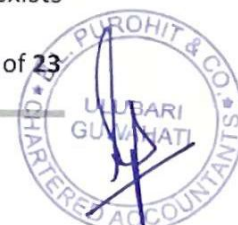
the whereabouts of 102.165 MT. The pending stock quantity of Namrup II plant- Neem Coated Urea (45 kg) was 19.184 MT and Neem Coated Urea (50kg) was 0.75 MT. As the Namrup II plant stopped production after the blast in 2020 the above stock is pending with which wholesaler or retailer is not known to the Marketing department of the Company. Subsidy involved is ₹1.76 lakhs. Also, out of the 19.934 MT, 18.915 MT has not been reconciled for reasons as stated above. Similarly, pending stock of Namrup III urea (50kg) was 92.250 MT Subsidy involved is ₹20.63 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.

Urea Unit	50 Kg Packaging in MT	45 Kg Packaging in MT	Un-reconciled quantity in MT	Subsidy Involved in ₹ lakhs
Namrup-II	0.75	19.184	18.915	1.76
Namrup-III	92.250		83.250	20.63
Total	93.00	19.184	102.165	22.39

- b) We further observed that the company is having huge unsold stock lying with the retailers /dealers or the urea is already sold but sales is not routed through the POS. Increasing trend of unsold stock quantity is being reflected compared to last year, resulting in substantial amount of fund being blocked up. As on 31.03.24, stock of unbilled quantity of 58278.402 MT exists on which price subsidy amounting to ₹ 120.764 crores is unrealized, this unbilled quantity further increased to 68,555.209 MT as on 30.06.2024 valued at ₹ 130.17 crores thus this is turning into a serious issue and the marketing department of the company needs to formulate strategy to liquidate the stock so that the claim to release of the subsidy may be lodged with FICC otherwise there will be serious liquidity problems for the company. The Details of the stock (Neem Coated Urea) is stated as below-

Urea	As on 31.03.23	As on 31.03.24	As on 30.06.24
NCU Qty	38,464.86	58,278.402	68,555.209

- ii) Freight receivable for imported urea is outstanding ₹462.77 lakhs for FY 22-23 and ₹292.85 lakhs(for 2vessels) for FY 23-24. This freight receivable consists of both primary (rail) and secondary (road) freight receivable over & above ad-hoc inland freight at the rate of ₹1250 per MT received. As per DOP order dated 29.06.20, subsidy on rail freight is restricted to 1400kms. However, imported urea had been transported to states beyond 1400 kms and further subsidy over and above 1400 kms have been claimed by the Company. In view of the aforesaid DOP order, the additional freight claimed is doubtful to be received. As per convention of conservatism, no doubtful income shall be taken into consideration in recording of transactions by an entity. Since, no certainty exists



regarding receipt of freight, rather than recording it under income, it should have been disclosed under Notes to accounts as Contingent Assets.

**NOTE 18 Other Income - ₹6371.77 Lakhs (which includes ₹ 197.03 lakhs under Miscellaneous income)**

The miscellaneous income includes ₹2.46 lakhs on account of 145351690000000000 SALE OF BVFCL JANAUSHADHI KENDRA, we observed that the sales amounting to ₹0.32 lakhs related to the financial year was not recorded and it was recorded on 03/04/2024 thus showing understatement of income by this amount and understatement of the cash in hand balance as on 31.03.2024 by this amount.

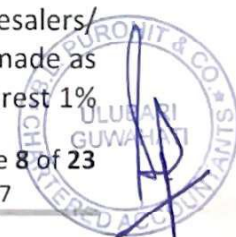
**Exceptional items in Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2024:**

**Relinquishment of liability on settlement of dispute ₹4617.83 lakhs read with Note 30.12 Note on Gas Transportation Charges**

The formal gas transportation agreement is not yet signed and no credit note has been issued by Assam Gas Company Limited for the reversal of the earlier disputed excess billed amounts but the Company has accounted the reversal for an amount of ₹4617.83 lakhs towards transportation charges and ₹673.55 lakhs towards GST. In our opinion the reversal of expenses based on minutes of meeting without proper accounting document and agreement in place is not correct. As a result the income is shown excess by this amount and liabilities are shown less.

**3.9 OTHER OBSERVATIONS:**

- i) As per the Transaction Audit Report given by CAG, a total of 2740 nos. of quarters are available with BVFCL out of which 2485 nos. of quarters were fit and 255 quarters have been declared unfit. As per the information provided by the management, the rent for these quarters was fixed a decade back. The only available document in form of minutes of 2nd Township Discipline Committee (TDC) meeting held on 03.12.2010 was provided in support of fixed rent. As per the TDC meeting, the rent was subject to revision after every three years, which was still not revised till March 2024. The outsiders i.e. non-employees of the corporation who avail quarters of BVFCL, pay monthly rent ranging from ₹770/- to ₹1200/- which was revised during 2010. Since then the rent was not revised Non revision of rent results in loss of revenue to the company.
- ii) The Company (BVFCL) has entered into marketing agreement with the National Fertiliser Limited (NFL) for marketing its urea and gave NFL bank guarantee amounting to ₹ 10 crores. As per the agreement BVFCL will also ensure sale of fertilizers supplied by NFL by its retailers, through POS, for the quantities not sold through POS and not acknowledged by wholesalers/retailers in iFMS. Further, in case the payment due against suppliers made as per the agreed terms is not received within the stipulated period, interest 1%



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above the one year SBI MCLR prevailing on relevant due date shall be charged.

As there was un-cleared POS stock of urea NFL revoked the bank guarantee on 13.03.24 amounting to ₹ 235.29 lakhs and also levied interest of ₹ 37.83 lakhs for delayed payment. Further, in April 2024 another 5 crores were collected by NFL by further revoking the bank guarantee.

Thus, the company's own subsidy amounting to ₹ 120.764 crores was stuck due to non-clearance of urea stock from POS as on 31.03.24 and due to revocation of bank guarantee by NFL for ₹ 735.29 lakhs the company suffered liquidity crisis.

The trading margin of only Rs.70/- MT has been earned by BVFCL amounting to ₹ 9.79 lakhs on trading of 13993.38 MT of NFL's product but suffered interest loss of much more than that due to revocation of bank guarantee and levy of interest.

The marketing department needs to ramp up its collection activities so that the precious funds are not blocked and should take wise decision on marketing the products of another company after properly vetting its own capacities to meet the agreement terms and conditions.

#### **4. 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 ₹31,583.04 Lakhs.

The company is having accumulated losses to ₹ 68,166.28 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.

#### **5. 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.

#### **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.



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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:



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- 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.



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**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 except for the matters described in the **Basis for Qualified Opinion** paragraph 3 above obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. Except for the possible effects of the matter described in the **Basis for Qualified Opinion** paragraph 3 above 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. Except for the possible effects of the matter described in the **Basis for Qualified Opinion** paragraph 3 above, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. Except for the possible effects of the matter described in the **Basis for Qualified Opinion** paragraph 3 above, 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**, as amended;
- 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**".
- g. 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 not applicable to a government company as per Notification dated 05.06.2015 issued by Ministry of Corporate Affairs.
- h. 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;







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- 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, 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, 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 misstatement.
- 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.
- 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 is applicable to the Company with effect from April 1, 2023. During the course of audit, we noticed that the Company has enabled feature of Audit Trail on 26th May 2024 (i.e from FY 24-25 onwards) and consequently, we are unable to comment on audit trail feature of the said software for FY 23-24.



**B.L. PUROHIT & CO.**  
**CHARTERED ACCOUNTANTS**



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*

SUBHASH PUROHIT, FCA  
PARTNER  
MEMBERSHIP NO. 059631  
UDIN: 24059631BKGPYE3661  
Place : Guwahati  
Date: 24.08.2024



**B.L. PUROHIT & CO.**  
**CHARTERED ACCOUNTANTS**



**Brahmaputra Valley Fertilizer Corporation Limited**  
**Annexure A to the Independent Auditor's Report for the Financial Year 2023-24**  
**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 by the company management, the physical verification of property, plant and equipment was assigned to an external agency. The agency has commenced the task of verification of property, plant and equipment and the process of physical verification is expected to be completed in the subsequent financial year considering the voluminous nature of the fixed assets in the organisation and multiple departments involved. Any material discrepancy which might be observed in the verification will be dealt in the subsequent financial year.
- 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, we observed that the stock of manufactured goods, traded goods and the packing materials used for the packing of finished goods have been physically verified by the management at the yearend however, we observed that the physical verification of stores and other inventory is not being done since long time. 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.L. PUROHIT & CO.**  
**CHARTERED ACCOUNTANTS**



- 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.
- iii) The Company has not 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 31<sup>st</sup> March, 2024, for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, some disputed dues against the Company are outstanding as at 31<sup>st</sup> March, 2024, in respect of Assam Value added tax and central state tax (CST). The details for the aforesaid mentioned dues has been disclosed below-



**B.L. PUROHIT & CO.**  
**CHARTERED ACCOUNTANTS**



Name of the statute	Name of dues	Amount In ₹ lakhs	Period to which the amount relates	Forum where 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	2016-17	Superintendent of taxes
	CST	5.95	2016-17	Superintendent of taxes
	E-Tax	9.02	2013-14	Commissioner of Taxes, Assam

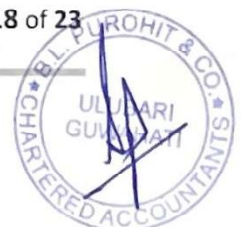
- viii) According to the information and explanations given to us, the Company has not surrendered or disclosed as income any transactions not recorded in books of account during the year in the tax assessments under the Income Tax Act, 1961.
- ix) Based on our audit procedures, and as per the information & 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 made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and therefore the requirements of compliance of Section 42 and Section 62 of the Companies Act, 2013 is not applicable on company.
- xi) (a) To the best of our knowledge and according to the information and



**B.L. PUROHIT & CO.**  
**CHARTERED ACCOUNTANTS**



- 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.
- xv) 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) According to the information and explanations given to us, during the current reporting period the Company has incurred cash losses amounting to ₹6460.12



**B.L. PUROHIT & CO.**  
**CHARTERED ACCOUNTANTS**



lakhs and no cash losses were incurred in the immediately preceding financial year.

- xviii) The Company is a Govt. Company and its Statutory Auditor is being appointed by 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) According to the information and explanations given to us by the management the Company fulfills 2 out of 3 criteria for the applicability of the provisions of the Section 135 of the Companies Act, 2013 however, the amount to be spent on CSR based on the two per cent of the average net profits of the company made during the three immediately preceding financial years is negative and therefore this clause 3(xx) of CARO 2020 is not applicable on Company during the reporting year 2023-24.
- 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

*Subhash Purohit*

CA SUBHASH PUROHIT  
**Partner**

Membership No : 059631

UDIN: 24059631BKGPYE3661

Place : Guwahati

Date : 24.08.2024



**B.L. PUROHIT & CO.**  
**CHARTERED ACCOUNTANTS**



**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 2023-24**

**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 31<sup>st</sup> March, 2024 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

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3<sup>RD</sup> FLOOR, B BLOCK, K.K.TOWER, ULUBARI, G.S ROAD, GUWAHATI, ASSAM, PIN:781007

TELEPHONE: 0361-2460203, Email:blpurohit.co@gmail.com, <https://blpurohitandco.in/>





**B.L. PUROHIT & CO.**  
**CHARTERED ACCOUNTANTS**



exists, and testing and evaluating the design and operating effectiveness of internal control bases on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

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

**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 irregularities in material respects, and significant deficiency in internal financial controls system over financial reporting were identified and such internal financial controls over financial reporting were not operating effectively as at 31st March, 2024 including timely filing of appeals against the assessment orders passed against the company leading to imposition of penalties and not giving effect of the penalty in financials, non-availability of proper records for unreconciled balances in the current period, incorrect





**B.L. PUROHIT & CO.**  
**CHARTERED ACCOUNTANTS**

classification of income, expenses, assets and liabilities, insufficient provisioning, non-conduct of 100% physical verification of fixed assets and stores, Failure to perform reconciliations of significant accounts, correction of misstatement due to error (like in calculation of depreciation) 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**  
**B.L. PUROHIT & CO.**  
**CHARTERED ACCOUNTANTS**  
**FRN 311056E**

*Subhash Purohit*



**SUBHASH PUROHIT, FCA**  
**PARTNER**  
**MEMBERSHIP NO. 059631**  
**UDIN- 24059631BKGPYE3661**  
**DATE: 24.08.2024**  
**GUWAHATI**



**B.L. PUROHIT & CO.**  
**CHARTERED ACCOUNTANTS**

**Brahmaputra Valley Fertilizer Corporation Limited**  
**Annexure C of the Independent Auditor's Report for the Financial Year 2023-24**  
**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 2023-24**

Sl.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.	Based on the details provided by the Management and our audit we observed that the Company has a Computerized Accounting System. The company maintains its books of accounts in Tally accounting software except accounting of manufacturing process, material management, fixed assets register and payroll processing which is maintained in software in COBOL system for the time being. The legacy data from the COBOL system migrated to Tally system needs to be scrutinized and cleaned so that unnecessary and duplicate ledgers are sorted and taken care of.
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 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.	Based on the details provided by the Management and our audit we observed that during the financial year 2023-24 no new grants were received by the Company from Central/State agencies.

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

*Subhash Purohit*

SUBHASH PUROHIT, FCA  
PARTNER  
MEMBERSHIP NO. 059631




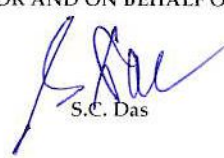


UDIN- 24059631BKGPYE3661  
PLACE: GUWAHATI  
DATED: 24.08.2024

**BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED**

(CIN U24123AS2002GOI006786)

**Balance Sheet as at 31st March, 2024**


(Rs. in lakhs)

PARTICULARS	Note No.	As at 31st March, 2024	As at 31st March, 2023
<b>I EQUITY AND LIABILITIES</b>			
<b>A Shareholders' Funds</b>			
(a) Share Capital	1	36,583.24	36,583.24
(b) Reserves and Surplus	2	(68,166.28)	(69,037.52)
<b>B Non-Current Liabilities</b>			
(a) Long term Borrowing	3	57,275.00	57,275.00
(b) Other long-term liabilities	4	2,173.78	1,756.16
(c) Long-Term Provisions	5	2,278.37	2,616.91
<b>C Current Liabilities</b>			
(a) Short term Borrowing	6	64.94	2,495.80
(b) Trade Payables	7	22,922.59	21,428.62
Total Outstanding dues of micro enterprises and small enterprises		580.25	67.98
Total Outstanding dues of creditors other than micro enterprises and small enterprises		22,342.34	21,360.63
(c) Other current liabilities	8	10,539.56	15,777.63
(d) Short-term provisions	9	223.66	663.19
<b>TOTAL (A+B+C)</b>		<b>63,894.87</b>	<b>69,559.05</b>
<b>II ASSETS</b>			
<b>D Non-Current Assets</b>			
(a) Property, Plant & Equipment and Intangible Assets			
(i) Tangible Assets (Net Block)	10	16,973.54	15,101.83
(ii) Intangible Assets	10	12.04	10.32
(ii) Capital work-in-progress			
a) Tangible	10	468.20	468.20
b) Intangible	10	24.50	25.25
(iv) Capital work-in-progress ( Capital stores)	10	553.97	682.68
(b) Long-term loans and Advances	11	1,332.30	1,103.12
<b>E Current Assets</b>			
(a) Inventories	12	6,199.82	3,449.04
(b) Trade Receivables	13	17,392.74	29,407.11
(c) Cash and Bank Balances	14		
- Cash & Cash Equivalents		11,047.41	6,710.64
- Other Bank Balances		798.25	5,796.03
(d) Short-Term Loans and Advances	15	8,252.41	6,443.98
(e) Other Current Assets	16	839.68	360.85
<b>TOTAL (D+E)</b>		<b>63,894.87</b>	<b>69,559.05</b>
Significant Accounting Policies	29		
Additional Notes to Accounts	30		
The accompanying note forms an integral part of these Financial Statements			
<b>FOR AND ON BEHALF OF THE BOARD</b>			
			
Priyanka Kumari	S.C. Das	P.K. Banik	
Company Secretary	Director ( Finance)	Chairman & Managing Director(Add Charge)	
	DIN - 08988297	DIN - 10095724	
		As per our report of even date annexed For BL Purohit & Co. Chartered Accountants,  CA Subhash Purohit Partner ICAI Membership No. : 059631 Firm Regn. No : 311056E UDIN : 24059631BKGPYE3661 Dated: 24.08.2024 Place: Guwahati	

Statement of Profit and Loss for the year ended 31st March, 2024

(Rs. in lakhs)

PARTICULARS	Note No.	Year ended 31st March, 2024	Year ended 31st March, 2023
I Revenue from Operations	17	74,896.44	114,649.60
II Other Income	18	6,371.77	1,199.57
<b>III Total Income</b>		<b>81,268.21</b>	<b>115,849.17</b>
<b>IV Expenses</b>			
Cost of Materials Consumed	19	16,720.66	20,765.14
Purchases of Stock in Trade	20	17,763.29	34,297.25
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	21	(2,535.43)	628.02
Employee Benefits Expenses	21	280.19	(419.20)
Finance Cost	22	6,037.66	5,545.99
Depreciation and Amortisation Expense	23	65.97	9.63
Other Expenses	10	1,513.74	3,472.76
	24,25, 26,27	47,717.62	48,677.45
<b>Total Expenses</b>		<b>87,563.70</b>	<b>112,977.05</b>
V Profit before exceptional and extraordinary items and Tax (III-IV)		(6,295.49)	2,872.12
VI Exceptional Items			
a) Prior period Adjustment - (Expenses) / Income	27A	2,548.90	(434.49)
b) Relinquishment of liability on settlement of dispute (Refer Note No. 30.11)		4,617.83	-
VII Profit before extraordinary items and Tax (V-VI)		871.24	2,437.63
VIII Extraordinary Items		-	-
IX Profit before Tax (VII-VIII)		871.24	2,437.63
X Tax Expenses			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
XI Profit / (Loss) for the period from continuing operations (VII-VIII)		871.24	2,437.63
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)		871.24	2,437.63
Earnings per share (of Rs. 1,000/- each):	28		
Basic Earnings per Share (Rupees)		23.82	66.63
Diluted Earnings per Share (Rupees)		23.82	66.63
Significant Accounting Policies	29		
Additional Notes to Accounts	30		

  
Priyanka Kumari

Company Secretary

FOR AND ON BEHALF OF THE BOARD

  
S.C. Das

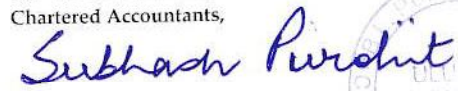
Director ( Finance )  
DIN - 08988297



P.K Banik

Chairman & Managing Director ( Add Charge )  
DIN - 10095724

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

  
CA Subhash Purohit  
Partner

ICAI Membership No. : 059631

Firm Regn. No : 311056E

UDIN : 24059631BKGPYE3661

Dated: 24.08.2024 Place: Guwahati



**BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED**  
(CIN U24123AS2002GOI006786)

Cash Flow Statement for the Year ended as on 31st March, 2024

(Rs. in lakhs)

Particulars	2023 - 24	2022 - 23
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit/(Loss) before tax :	871.24	2,437.63
Add: Adjustments for Non Cash items & other than		
<u>Operating Activities</u>		
- Depreciation	1,513.74	3,472.76
- Provision for Obsolescence of stores & Spares	9.90	41.20
- Provision for Leave Encashment	492.50	373.43
- Provision for Gratuity	559.56	274.46
- Fixed Assets written off against replaced assets	127.86	42.10
Provision for Unmoved Capital Stores	-	8.09
Provision no longer required written back	-	-
Liability Written back	(2,721.52)	(34.99)
Depreciation written back	(2,710.18)	(152.23)
Provision for doubtful Debts / advances	-	47.58
Assets Write off(Net)	(13.30)	442.49
	(2,741.44)	-
<b>Cash flow from Operation Before Working Capital</b>	<b>(1,870.20)</b>	<b>6,952.53</b>
<b>Changes, Taxes &amp; Extraordinary Items</b>		
Adjustments for Working Capital changes :		
- (Increase)/Decrease in Trade and Other Receivable	12,014.37	(26,780.79)
- (Increase)/ Decrease in Inventory	(2,760.68)	(589.33)
- Increase/(Decrease) in Trade Payable and other payables	(3,813.92)	15,870.00
- Increase in Advance & other Current Assets	(2,287.26)	(769.68)
- Increase in Capital stores	(100.48)	(105.17)
- Gratuity and Leave encashment paid	(1,052.06)	1,999.98
	129.78	(1,443.42)
		(6,865.87)
Extra ordinary items	-	-
<b>Cash Inflow from Operating Activities (A)</b>	<b>129.78</b>	<b>(6,865.87)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(790.04)	(357.54)
(Increase)/Decrease in Advances for CWIP	(0.75)	(311.51)
<b>Cash Outflow from Investing Activities (B)</b>	<b>(790.79)</b>	<b>(669.05)</b>

**BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED**  
(CIN U24123AS2002GOI006786)  
Cash Flow Statement for the Year ended as on 31st March, 2024 (contd..)

(Rs. in lakhs)

Particulars	2023 - 24	2022 - 23
<b><u>CASH FLOW FROM FINANCING ACTIVITIES :</u></b>	-	-
<b><u>NET INCREASE IN CASH AND CASH EQUIVALENTS: (A+B+C)</u></b>	(661.01)	(7,534.92)
<b><u>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR :</u></b>	12,506.67	20,041.59
<b><u>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR :</u></b>	11,845.66	12,506.67

**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.

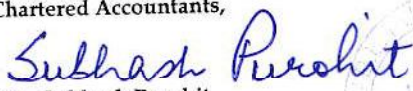
**FOR AND ON BEHALF OF THE BOARD**

  
Priyanka Kumari  
Company Secretary

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

  
P.K Banik  
Chairman & Managing Director ( Add Charge)  
DIN- 10095724

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

  
CA Subhash Purohit  
Partner

ICAI Membership No. : 059631

Firm Regn. No : 311056E

UDIN: 24059831BKGPYE3861

Dated: 24.08.2024 Place: Guwahati



BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED  
(CIN U24123AS2002GOI006786)  
NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2023-24

(Rs. in lakhs)

PARTICULARS	As at 31st March, 2024	As at 31st March, 2023		
<b>NOTE 1 : SHARE CAPITAL</b>				
<b>Authorised Capital :</b>				
5,100,000 Equity Shares of Rs. 1,000/- each	51,000.00	51,000.00		
<b>Issued, Subscribed &amp; Paid up Capital :</b>				
<b>Promoters' Contribution</b>				
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		
<b>Others</b>				
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		
	<u>36,583.24</u>	<u>36,583.24</u>		
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :				
Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number of Shares	Amount (Rs.in Lakhs)	Number of Shares	Amount (Rs.in Lakhs)
Equity Shares at the beginning of the year	3658324	36,583.24	3658324	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 2024		As at 31st March ,2023	
	Number of Shares held	Percentage of holding	Number of Shares held	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 31.03.2024	% 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."				



## BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

(CIN U24123AS2002GOI006786)

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2023-24

(Rs. in lakhs)

PARTICULARS	As at 31st March, 2024	As at 31st March, 2023
<b>NOTE 2 : RESERVES AND SURPLUS</b>		
Statement of Profit and Loss		
Opening Balance	(69,037.52)	(71,475.15)
Add: During the year Profit/ (Loss)	871.24	2,437.63
<b>Total</b>	<b>(68,166.28)</b>	<b>(69,037.52)</b>
<b>NOTE 3 : LONG-TERM BORROWINGS</b>		
Interest free unsecured loan from GoI	57,275.00	57,275.00
<b>Total</b>	<b>57,275.00</b>	<b>57,275.00</b>
<b>NOTE 4 : OTHER LONG-TERM LIABILITIES</b>		
Security Deposit	2,173.78	1,756.16
<b>Total</b>	<b>2,173.78</b>	<b>1,756.16</b>
<b>NOTE 5 : LONG-TERM PROVISIONS</b>		
Provisions for Employee Benefits		
Provision for Gratuity	1,475.92	1,756.27
Provision for Leave Encashment	802.45	860.64
<b>Total</b>	<b>2,278.37</b>	<b>2616.91</b>
<b>NOTE 6 : SHORT-TERM BORROWING</b>		
Bank Overdraft	-	2,495.80
Book Overdraft	64.94	-
	<b>64.94</b>	<b>2,495.80</b>

## BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

(CIN U24123AS2002GOI006786)

NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2023-24

(Rs. in lakhs)

PARTICULARS	As at 31st March, 2024	As at 31st March, 2023
<b>NOTE 7 : TRADE PAYABLES</b>		
a) Total Outstanding dues of micro enterprises and small enterprises	580.25	67.98
b) Total Outstanding dues of creditors other than micro enterprises and small enterprises	22,342.34	21,360.63
<b>Total</b>	<b>22,922.59</b>	<b>21,428.62</b>
<b>NOTE 8 : OTHER CURRENT LIABILITIES</b>		
Deffered Government Grant - General	6,955.95	9,123.71
Opening Balance of Grant	9,123.71	
Add:- Interest Accrued on Unutilized Grant	391.11	
Less:- Govt Grant recognised in Statement of Profit & Loss Account along with GST on Goods & services	(2,558.87)	
Capital Reserve	-	-
Statutory remittances (Contributions to PF, VAT Withholding taxes, Excise Duty, VAT, Service Tax, GST etc)	155.36	301.56
Advances from Customers	1,496.68	2,682.20
<b>Others</b>		
i) Sundry Creditors other than Trade Payables	285.02	2,238.93
ii) Liability for Expenses	1,320.18	864.82
iii) Other Liabilities	326.37	566.41
<b>Total</b>	<b>10,539.56</b>	<b>15,777.63</b>
<p>An amount of Rs 10,000 lakh have been received during the financial year 2021 - 22 from GoI for repair &amp; Maintenance of plants. Interest accrued/received during the financial year 2021-22, 2022-23 &amp; 2023-24 is Rs. 80.66 lakh , Rs. 412.72 lakhs &amp; Rs.391.11 Lakhs respectively. An amount of Rs. 2558.87 lakhs (Rs. 2227.70 lakhs charged to Profit &amp; Loss A/c along with GST input tax credit of Rs. 331.17 lakhs) in addition to the same the GST credit of Rs.206.24 lakhs for the Previous Year was also charged to Profit and Loss during the financial year (Previous year Rs 402.41 lakh including reversal of GST credit of an amount of Rs. 57.20 lakhs) . However Utilization certificate of an amount of Rs. 4842.80 lakh has been submitted to the DoF for payment made on cash basis. (Refer Note No.- 30.9 of notes to accounts)</p>		
<b>NOTE 9 : SHORT TERM PROVISIONS</b>		
Current dues of Gratuity	161.92	483.62
Current dues of Leave encashment	61.74	179.57
<b>Total</b>	<b>223.66</b>	<b>663.19</b>

Age wise break-up of Trade Payables for the F.Y. 2023-24

Particulars	(Rs in Lakh)				
	Less than 1 year	1-2 years	2-3 years	More than 3	Total
(i) MSME	574.25	-	-	-	574.25
(ii) Other	22,284.67	17.39	11.89	28.39	22,342.34
(iii) Disputed Dues - MSME		6.00	-	-	6.00
(iv) Disputed Dues - others					-
<b>Total</b>	<b>22,858.92</b>	<b>23.39</b>	<b>11.89</b>	<b>28.39</b>	<b>22,922.59</b>

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

Particulars	(Rs in Lakh)				
	Less than 1 year	1-2 years	2-3 years	More than 3	Total
(i) MSME	67.98	-	-	-	67.98
(ii) Other	17,085.03	2.95	35.45	2.67	17,126.10
(iii) Disputed Dues - MSME					-
(iv) Disputed Dues - others	2,549.16	1,685.38	-	-	4,234.54
<b>Total</b>	<b>19702.17</b>	<b>1688.33</b>	<b>35.45</b>	<b>2.67</b>	<b>21428.61</b>

BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED (CIN U24123AS2002GOI006786)													
NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2023-24													
(Rs. in lakhs)													
PARTICULARS	C O S T						DEPRECIATION					NET BLOCK	
	As on 01.04.2023	Additions	Deduction Replacement	Deduction for Adjustment	As at 31.03.2024	As on 01.04.2023	Provided During the	Adjustment of last year depreciation	Dep. W/off Replacement	Dep W/off Depreciation of Assets	Total upto 31.03.2024	As on 31.03.2024	As on 31.03.2023
1	2	3	4	5	6	7	8	9	10	11	12	13	
<b>A. TANGIBLE ASSETS</b>													
Land					176.95	-						176.95	176.95
Freehold	176.95	-	-	-	176.95	-		(32.63)				319.33	298.38
Buildings	3,996.66	-	-	-	3,996.66	3,698.27	11.69	(0.17)				32.92	21.04
Electrical Installation	260.71	12.71	-	-	273.42	239.67	1.00	(0.17)				15,650.01	13,900.84
Plant & Machinery	105,157.06	728.29	(302.19)	10.91	105,594.07	91,256.21	1,417.07	(2,553.94)	(175.28)			0.02	0.05
Catalyst	0.05	-	-	-	0.05	-	0.02	-				20.51	21.45
NPK 19 : 19	21.47	-	-	-	21.47	0.02	0.68	0.26				74.04	82.38
Factory & Office Equipmt.	561.23	-	-	(1.65)	559.58	478.85	8.32	(1.37)	(0.26)			57.99	56.81
Furniture & Fixtures	277.97	3.06	-	(0.46)	280.57	221.16	6.10	(4.68)	(0.63)			38.83	34.24
Computer	198.97	15.41	(4.42)	4.95	214.91	164.73	4.43	11.75	(0.04)			59.91	43.98
Vehicles	299.34	24.85	-	(0.63)	323.56	255.35	8.30	0.04				21.76	21.70
Roads, Bridges & Culverts	238.15	-	-	-	238.15	216.45	3.43	(3.49)				432.91	361.77
Railway Siding	2,264.78	-	-	-	2,264.78	1,903.01	33.41	(104.55)				88.33	82.22
Water System	583.34	-	-	-	583.34	501.11	15.29	(21.40)				16,973.54	15,101.83
Total of 'A'	114,036.66	784.32	(306.60)	13.13	114,527.51	98,934.83	1,509.74	(2,710.18)	(179.48)			97,553.98	82,222.22
<b>B. INTANGIBLE ASSETS</b>													
Software	45.26	5.72	-	-	50.98	34.94	4.00	-	-			12.04	10.32
Total of 'B'	45.26	5.72	-	-	50.98	34.94	4.00	-	-			12.04	10.32
TOTAL(A+B)	114,081.92	790.04	(306.60)	13.13	114,578.49	98,969.77	1,513.74	(2,710.18)	(179.48)			16,985.58	15,112.15
PREVIOUS YEAR	114,232.37	357.54	(65.49)	(442.49)	114,081.93	95,672.63	3,472.76	(152.23)	(23.39)			15,112.15	
<b>C. CAPITAL WORK IN PROGRESS</b>													
a) Tangible													
SSP Plant	3.91	-	-	-	3.91	-						3.91	3.91
Namrup - IV	457.17	-	-	-	457.17	-						457.17	457.17
Solar Power Project	7.12	-	-	-	7.12	-						7.12	7.12
Total of 'a'	468.20	-	-	-	468.20	-						468.20	468.20
b) Intangible													
SAP	24.50	-	-	-	24.50	-						24.50	24.50
HR Management	0.75	-	(0.75)	-	-	-						-	0.75
Total of 'b'	25.25	-	(0.75)	-	24.50	-						24.50	25.25
TOTAL 'C'=(A+B)	493.45	-	(0.75)	-	492.70	-						492.70	493.45
<b>D. CAPITAL WORK IN PROGRESS (CAPITAL STORES)</b>													
Particulars	Opening Balance 01.04.2023	Purchase	Issue	Provisions	Closing balance 31.03.2024							Closing balance 31.03.2024	Closing balance 31.03.2023
Capital work in progress	980.69	139.77	(253.26)	(313.23)	553.97							553.97	682.68
Total of 'D'	980.69	139.77	(253.26)	(313.23)	553.97							553.97	682.68



**SUB NOTE 10 : Property, Plant & Equipment and Intangible Assets**

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

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

Year	2023 - 24	2022 - 23
Statement of Profit & Loss	1,513.74	3,472.76
<b>Total</b>	<u>1,513.74</u>	<u>3,472.76</u>

3. The company has written off Rs. 127.12 lakhs (net of depreciation) during the year ( Previous year Rs. 42.10 lakhs) towards written down value of replaced fixed assets on the basis of report dated 13.06.24 of an inhouse technical committee as on 31st March, 2024 since book value was not ascertainable, major part of such replaced assets related to earlier years.

4. During the current year the company identified the difference between the Accumulated depreciation & Net Block as per FAR and as per Trail Balance. The depreciation was over charged in books of accounts over years. Same was rectified in the current year to match the Depreciation as per FAR and Trail Balance. Further it is noticed that in case of some of the assets the deprecation has been over charged. The rectification has been done in the current year and excess depreciation charged has been booked as income. Depreciation past period Credits by adjusting the provision for depreciation to the extent it has been identified and can be rectified.

## BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

(CIN U24123AS2002GOI006786)

NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2023 - 24

(Rs. in lakhs)

PARTICULARS	As at 31st March, 2024	As at 31st March, 2023
<b>NOTE 11 : LONG-TERM LOAN AND ADVANCES</b>		
<b>A.Capital Advances</b>		
Secured, considered good	-	-
Unsecured, considered good	-	0.01
<b>B. Others</b>		
Deposit held as margin money against gurantee issuer	1,230.61	1,000.00
Security Deposit	65.23	68.63
Prepaid expenses	36.46	34.48
Doubtful	28.65	28.98
Less: Provision for doubtful advances	(28.65)	(28.98)
<b>Total</b>	<b>1,332.30</b>	<b>1,103.12</b>
<b>NOTE 12 : INVENTORIES</b>		
Intermediaries product ( Ammonia ) (valued at lower of cost or net realisable value)	202.66	482.85
Finished Products (other than those acquired for Trading)	2,058.06	138.60
Stock of traded Products	973.00	103.86
<b>Others</b> (valued at lower of cost or net realisable value)		
Stock of LPG Cylinder	1.94	2.47
Stores & Spares under inspection	367.09	0.98
Stores in Transit	-	168.20
<b>Subtotal (A)</b>	<b>3,602.75</b>	<b>896.95</b>
Stores and spares (At cost)	4,117.41	3,975.95
Stock of packing materials ( at cost)	72.13	203.30
Less :		
a) Provision for obsolescence & Impairment	(1,338.00)	(1,343.32)
b) Provision for shortage of Bags	-	(30.67)
c) Prov. For shortage of Finished products	(253.17)	(253.17)
d) Prov. For shortage of Trading Products	(1.30)	-
<b>Subtotal (B)</b>	<b>2,597.07</b>	<b>2,552.09</b>
<b>Total (A+B)</b>	<b>6,199.82</b>	<b>3,449.04</b>
Physical verification of Finished Goods, Intermediaries, and Packing Materials (HDPE Bags) have been carried out during the financial year 2023 - 24 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 no 29.7.		
During the FY 2021-22, shortage of inventory of finished goods amounting to Rs 253.17 lakhs were identified and as per the directives of the BoD the value of inventory was carried in the books and a corresponding provision against the same was created for the amount equivalent to the value of shortage. Subsequently in the FY 2022-23 the inventory was accounted based on the physical verification report of the committee hence the inventory pertaining to the shortage of urea for FY 2021-22 was charged off to consumption of the FY 22-23. However the provision created existed in the books of account. The error has been rectified in the FY 23-24 by increasing the inventory by the amount of Rs. 253.17 and crediting the prior year material consumed (shortage of urea) to that extent.		
During the FY 2010-11 discrepancies were noticed during physical verification of stores and spares and accordingly an amount of Rs. 30.67 lakhs was provided for in the books as Provision for shortage of Bags. However it is noticed that no corresponding inventory is carried in the books for which the provision is created. Therefore the provision is written back.		
During the current year a provision of Rs.1.30 lakhs has been created against shortage of trading products.		



(Rs. in lakhs)

PARTICULARS	As at 31st March, 2024	As at 31st March, 2023
<b>NOTE 13 : TRADE RECEIVABLES</b>		
<u>Trade receivables outstanding for a period more than six months from the date they were due for payment</u>		
Subsidy ( Government of India)	1352.34	741.90
Others	544.75	4186.10
	1897.09	4928.00
<b>Trade Receivable less than six months</b>		
Subsidy ( Government of India)	14108.33	23701.63
Others	1484.05	874.21
	15592.38	24575.84
Provision for doubtful receivables	-96.73	-96.73
	15495.65	24479.11
<b>Total</b>	17392.74	29407.11
<b>Aggregate of Trade receivables :</b>		
Unsecured, Considered good	17392.74	29407.11
Unsecured Considered doubtful	96.73	96.74
Provision for doubtful receivables	-96.73	-96.74
	17392.74	29407.11

Note 1 :- Trade Receivable - Subsidy (Government of India) includes Subsidy receivable from Government of India amounting to Rs. 12076.43 lakhs (previous year Rs. 8817.59) which is subject to clearance from POS.

Note 2:- Trade receivables include Rs. 127.97 Lakhs (Previous year Rs. 127.97 Lakhs) on account of receivable from seven numbers of KSK managed by Marketing Department since 2016 and two number of KSK managed by private parties. 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 3:- Trade receivables include Rs. 1.78 Lakhs (Previous year Rs. 1.78 Lakhs) from retail sale of Vermi-under dealer code 1001. Marketing Department has not sold any materials 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.

Note 4:- Subsidy ( Government of India) outstanding for more than six months amounting to Rs. 1352.24 lakhs includes Rs. 694.31 lakhs (Previous year 694.31 lakhs) outstanding for more than 5 years on account of 5% balance claim of subsidy for the period from January 2017 to October 2017. Company has not made any provision against the said amount being receivable from FICC, DOF.

Age wise break-up of Trade Receivables for the F.Y. 2023-24

Particulars	(Rs. in Lakh)					Total
	Less than 6 month	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables	15,592.38	204.22	706.25	140.92	802.93	17,446.70
(ii) Disputed receivables	-	-	42.77	-	-	42.77
<b>Total</b>	15592.38	204.22	749.02	140.92	802.93	17489.47

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

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

## BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

(CIN U24123AS2002GOI006786)

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2023-24

(Rs. in lakhs)

PARTICULARS	As at 31st March, 2024	As at 31st March, 2023
<b>NOTE 14 : CASH AND BANK BALANCES</b>		
A) Cash and Bank Balances	11,047.41	6,710.64
B) Balances with Bank		
In Term deposit accounts	795.47	5,789.86
Balances held as margin money or security against borrowings, and other commitments.	2.78	6.17
<b>Total</b>	<b>11,845.66</b>	<b>12,506.67</b>
<b>NOTE 15 : SHORT-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
Loans and advances to employees	165.06	115.55
Advance for Insurance Premium	90.96	66.11
Deposit with Excise & Govt. Authorities	107.08	85.79
Advance to suppliers	609.54	520.35
Other Advances	7,275.83	5,621.34
Doubtful advances to suppliers	34.90	34.78
Less: Provision for doubtful advances	(34.90)	(34.78)
Prepaid expenses	3.94	34.82
<b>Total</b>	<b>8,252.41</b>	<b>6,443.97</b>
<b>NOTE 16 : OTHER CURRENT ASSETS</b>		
<b>Unsecured, considered good</b>		
Other Receivables	682.32	272.83
<b>Unsecured, considered doubtful</b>		
Other Receivables	197.57	197.57
Less: Provision for doubtful receivables	(197.57)	(197.57)
Interest accrued on deposits	157.36	88.02
<b>Total</b>	<b>839.68</b>	<b>360.85</b>
<p>Other receivables include sundry debtors (Estate) amount Rs. 546.37 lakhs (Previous year Rs. 444.41 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 2023-24

(Rs. in lakhs)

PARTICULARS	Year ended 31st March, 2024	Year ended 31st March, 2023
<b>NOTE 17 : REVENUE FROM OPERATIONS</b>		
<b>A. Sale of Manufactured Products</b>		
Urea	9,900.86	12,049.64
Sale of NPK	293.22	89.91
Bio Fertilizer	228.20	221.78
Vermicompost	5.75	8.49
<b>Total of 'A'</b>	<b>10,428.03</b>	<b>12,369.82</b>
<b>B. Sale of Trading Goods</b>		
Sale of MOP	603.91	2,200.25
Sale of Pesticides	-	33.35
Sale of DAP	93.60	4,404.76
Sale of SSP	3,103.08	7,950.85
Sale of Vegetable Seeds	16.52	12.23
Sale of Rock Phosphate	376.67	756.99
Sale of Micronutrient	198.10	161.10
Sale of City Compost	-	28.96
Sale of Urea -Traded	3,572.93	3,516.77
Sale of Agro Power	-	324.45
Sale of FACTUMPHOS	304.18	110.52
Sale of Amm. Sulphate	1,067.96	2,999.35
Sale of HIL Net	-	18.76
Sale of imported urea	14,551.14	11,725.82
Sale of Mukta Power	1,823.76	4,416.28
Sale of Calcium Nitrate	38.85	945.23
Sale of NPK	32.45	826.73
Sale of PDM	51.19	565.77
Sale of other Trading products	7.59	-
<b>Total of 'B'</b>	<b>25,841.93</b>	<b>40,998.17</b>
<b>Total of (A+B)</b>	<b>36,269.96</b>	<b>53,367.99</b>
<b>C. Other Operating Revenue</b>		
<b>i) Manufactured Product ( Urea)</b>		
a) Price Subsidy for manufactured products	35,720.04	52,245.03
b) Freight Subsidy for manufactured products	2,943.66	3,340.79
<b>ii. Reimbursement of expenses for imported Urea</b>		
a) Purchase cost Reimbursement	240.65	991.17
b) Freight	1,223.65	462.77
c) Income from laytime	21.55	64.88
iii) <b>Past period subsidy - Income / (Reversal)</b>	<b>(1,523.06)</b>	<b>4,176.97</b>
<b>Total of 'C'</b>	<b>38,626.48</b>	<b>61,281.61</b>
<b>Total of (A+B +C)</b>	<b>74,896.44</b>	<b>1,14,649.60</b>

Subsidy received / receivable of Rs. 38,663.69 lakhs (previous year Rs. 55,585.82 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. 2,511.75 lakhs deescalation claim during the Financial year 23-24 (previous year Rs. 1,084.12 lakhs escalation claim) has been accounted for on accrual basis taking into account the guidelines, policies, instructions and clarifications issued by the Govt. of India.





**BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED**  
(CIN U24123AS2002GOI006786)

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2023-24**

( Rs. in lakhs)

PARTICULARS	Year ended 31st March, 2024	Year ended 31st March, 2023
<b>NOTE 18 : OTHER INCOME</b>		
A. Interest income		
i) Interest on short term deposit (TDS deducted Rs. 88.88 lacs Previous year Rs. 83.98 lacs)	307.21	283.69
ii) Interest received on Income tax refund	3.57	6.00
iii) Interest on others	0.08	0.44
iv) Interest on savings Accounts	0.01	0.01
<b>Total</b>	<b>310.87</b>	<b>290.14</b>
B. Sale of Scrap & Salvaged materials	111.07	37.21
C. Recovery of Licence fee, Electricity & Water charges etc. from employees & others.	266.17	292.62
D. Miscellaneous income	197.03	199.41
E. Recognition of Govt. Grant related to repair & Maintenance	2,765.11	345.21
F. Sundry Liability written back	2,721.52	34.99
<b>Total</b>	<b>6,060.90</b>	<b>909.43</b>
<b>Grand Total</b>	<b>6,371.77</b>	<b>1,199.57</b>

Recovery of licence fee, electricity & water charges includes Rs. 249.65 lakhs from others on account of licence fee, water & electricity charges (Previous year Rs. 259.66 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. 2558.87 lakhs (Rs. 2227.70 lakhs charged to Profit & Loss A/c along with GST credit expensed off amounting to Rs. 331.17 lakhs) in addition to the same the GST credit of Rs.206.24 lakhs for the Previous Year was also charged to Profit and Loss during the financial year (Previous year Rs 402.41 lakh including reversal of GST credit of an amount of Rs. 57.20 lakhs) have been utilized for repair and maintenance of plant (Refer Note No.- 8).

Sundry liability written back during the current year amounting to Rs. 2721.52 lakhs includes provision for sundry creditors Misc, Godown rent, transport charges, liability for purchase and railway freight amounting to Rs. 936.06 lakhs. Further provision for secondary freight payable amounting to Rs. 1572.17 lakhs has been identified as provision no longer required and hence written back. Sundry Liability written back also includes Provision for shortage of Bags amounting to Rs. 30.67 lakhs created in FY 2010-11 against which there is no corresponding inventory.

**NOTE 19 : COST OF MATERIALS CONSUMED**

<b>Natural Gas</b>		
Opening stock	-	-
Add: Purchase	14,126.07	17,260.05
Total of Opening Stock and Purchase	<b>14,126.07</b>	<b>17,260.05</b>
Closing Stock	-	-
<b>Consumption</b>		
Plant - II	-	-
Plant - III	14,126.07	17,260.05
<b>Total Consumption</b>	<b>14,126.07</b>	<b>17,260.05</b>
Consumption of Stores and Spare Parts	1,096.90	1,579.29
Consumption of Packing Materials	1,497.69	1,925.80
<b>Total of Cost of Materials Consumed</b>	<b>16,720.66</b>	<b>20,765.14</b>

**BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED**  
(CIN U24123AS2002GO1006786)

NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2023-24

(Rs. in lakhs)

PARTICULARS	Year ended 31st March, 2024	Year ended 31st March, 2023
<b>NOTE 20 : PURCHASES OF STOCK - IN - TRADE</b>		
Purchase of City Compost	-	28.08
Purchase of DAP	93.03	4,371.69
Purchase of MOP	596.56	2,194.36
Purchase of Pesticides	-	31.18
Purchase of SSP	2,938.49	7,053.00
Purchase of Seeds	15.26	11.75
Purchase of Rockphosphate	361.84	726.81
Purchase of Urea - Traded	3,036.07	3,470.92
Purchase of Zinc	174.69	138.72
Purchase of Boron	-	8.47
Purchase of HIL Net	-	17.63
Purchase of Amm. Sulphate	1,053.02	2,932.40
Purchase of FACTAMFOS	295.49	108.39
Purchase of Agro Power	-	300.62
Purchase of NPK	312.36	921.29
Purchase of Imported Urea	7,250.99	6,489.59
Purchase of NFL APS	-	935.77
Purchase of Mukta Urea	-	4,044.36
Purchase of PDM	15.43	512.24
Purchase of Calcium Nitrate	35.46	-
Purchase of Mukta Power (Baroda)	1,577.22	-
Purchase of other Trading products	7.40	-
<b>Total</b>	<b>17,763.29</b>	<b>34,297.25</b>
<b>NOTE 21 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND TRADING GOODS</b>		
Inventories at the end of the year		
<b>A. Stock of Manufactured goods</b>		
Urea ( Manufactured)	1744.51	130.79
Intermediaries product (Ammonia) /goods	202.66	482.85
Stock of Biofertilizers	60.38	7.81
<b>Total</b>	<b>2007.55</b>	<b>621.45</b>
<b>B. Stock of Traded Products</b>		
Traded Products	973.00	103.86
	<b>973.00</b>	<b>103.86</b>
Inventories at the beginning of the year:		
<b>C. Stock of Manufactured goods</b>		
Urea	130.79	863.68
Intermediaries product (Ammonia) /goods	482.85	63.65
Stock of Biofertilizers	7.81	6.79
Stock of Traded products	103.86	-
<b>Total</b>	<b>725.31</b>	<b>934.13</b>
<b>D. Stock of Traded Products</b>		
Traded Products	-	-
	-	-
<b>Net (Increase) / Decrease in stock</b>	<b>(2,255.25)</b>	<b>208.82</b>
*The Closing stock of Urea as on 31.03.2024 includes silo stock of 3917.275 MT (Previous year 479.76 MT) and stock in transit of 1318.59 MT (Previous year NIL).		
<b>NOTE 22 : EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	3,624.36	3,685.27
Contributions to Provident and other funds	404.90	415.11
Staff welfare expenses	956.34	797.72
Provision for Gratuity Liability	559.56	274.46
Provision for Leave Liability	492.50	373.43
<b>Total</b>	<b>6,037.66</b>	<b>5,545.99</b>

**BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED**  
(CIN U24123AS2002GOI006786)  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2023-24**

(Rs. in lakhs)

PARTICULARS	Year ended 31st March, 2024	Year ended 31st March, 2023
<b><u>NOTE 23 : FINANCE COST</u></b>		
<b>Interest expenses:</b>		
<b>A. Interest on Unsecured loan from Govt of India</b>		
i) Normal Interest	-	-
ii) Penal Interest	-	-
<b>B. Interest on Secured loan from Bank</b>		
Interest on bank over draft	65.97	9.63
<b>Total</b>	<b>65.97</b>	<b>9.63</b>
<b><u>NOTE 24 : REPAIRS &amp; MAINTENANCE</u></b>		
Repairs and Maintenance - Buildings	231.98	192.87
Repairs and Maintenance - Plant & Machinery	2,334.70	657.57
Repairs and Maintenance - Others	193.41	58.73
<b>Total</b>	<b>2,760.09</b>	<b>909.18</b>
<b><u>NOTE 25 : POWER &amp; FUEL</u></b>		
Power and Fuel	27,832.56	34,545.64
<b>Total</b>	<b>27,832.56</b>	<b>34,545.64</b>
<b><u>NOTE 26 : FREIGHT &amp; HANDLING EXPENSE</u></b>		
Freight	7,833.90	6,139.06
Handling charges	3,039.85	2,570.74
<b>Total</b>	<b>10,873.75</b>	<b>8,709.80</b>

BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED  
(CIN U24123AS2002GOI006786)  
NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2023-24

(Rs. in lakhs)

PARTICULARS	Year ended 31st March, 2024	Year ended 31st March, 2023
<u>Note : 27 Other Expenses</u>		
Rent including Lease Rentals	26.92	23.72
Insurance	110.84	117.44
Water & Air pollution Control Tax & Cess	10.37	10.41
Land Revenue	21.07	21.07
Rates & Taxes	-	0.04
Communication Expenses	23.08	23.17
Travelling and Conveyance	131.63	86.54
Printing and Stationeries	2.25	10.45
Business promotion	5.61	19.49
Donations and Contributions	3.13	2.88
Legal and professional fee	14.17	29.79
Payments to Statutory auditors	2.70	3.00
Cleaning work inside Factory	467.40	435.80
Miscellaneous Expenses for factory	549.90	261.28
Security expenses	1,667.23	1,678.41
Director expenses	4.10	21.33
Provision for doubtful Debts FICC	-	47.58
Provision for obsolescence of stores & Spares	9.90	41.20
Provision for shortage of trading products	1.30	
Provision for unmoved capital items	-	8.09
Miscellaneous Casual labour township	199.15	180.72
Miscellaneous Administration expenses	1,148.05	703.82
Selling & Distribution Expenses	1,574.07	552.68
Payment to Retainers	150.49	191.83
Fixed Assets written off for replaced assets	127.86	42.10
<b>Total</b>	<b>6,251.21</b>	<b>4,512.83</b>

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2023-24

(Rs. in lakhs)

PARTICULARS	For Year ended 31st March, 2024	For Year ended 31st March, 2023
<b>SUB NOTE 27A :: PRIOR PERIOD ADJUSTMENT</b>		
<b>EXPENSES</b>		
Prior Period Exp (Mktg)	192.86	-
Material Consumed	192.54	0.07
Repairs & Maintenance	14.09	-
Misc. Expenses	1.49	0.59
Insurance Charges	0.23	-
Audit expenses	0.83	2.22
Provident Fund expenses	0.17	-
CISF Expenses	21.94	25.65
Work Contract Expenses	54.99	-
Electricity Charges	9.90	-
Stock Account	-	1.34
Licence fee etc	-	0.02
Dumorage Exp.	-	6.48
Write off of old assets	-	289.81
CWIP for Namrup - IV	-	258.51
Other Expenses (Mktg.)	-	22.09
<b>Total of Debit</b>	<b>489.05</b>	<b>606.77</b>
<b>INCOME</b>		
Material consumed	73.40	0.03
Depreciation past period credit	2,710.22	-
CISF Expenses	-	172.15
Bank Charges	1.16	0.10
Prior Period material consumed (Shortage of Urea)	253.17	-
<b>Total of Credit</b>	<b>3,037.95</b>	<b>172.28</b>
<b>Net Debit/(Credit)</b>	<b>(2,548.90)</b>	<b>434.48</b>

BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED  
(CIN U24123AS2002GOI006786)

NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2023-24

(Rs. in lakhs)

PARTICULARS	Year ended 31st March, 2024	Year ended 31st March, 2023
<b>NOTE 28 : EARNINGS PER SHARE</b>		
A) Number of Equity Shares at the beginning of the year	3658324	36,58,324
Number of Equity Shares at the end of the year	3658324	36,58,324
Weighted average number of Equity Shares outstanding during the year	3658324	36,58,324
Face Value of each Equity Share	1000	1,000
B) Net Profit for the year attributable to Equity Share Holders (after Prior Period Adjustments but before Exceptional items) (Rs in lacs)	-3746.59	2,437.63
Net Profit for the year attributable to Equity Share Holders (after Prior Period Adjustments and Exceptional items) (Rs. in lacs)	871.24	2,437.63
C) Basic earning per share on profit after tax before Exceptional items (Rs/share)	23.82	66.63
D) Diluted earning per share on profit after tax and Exceptional items (Rs/share)	23.82	66.63



BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED  
(CIN U24123AS2002GOI006786)

NOTES TO FINANCIAL STATEMENT FOR THE YEAR 2023-24

(Rs. in lakhs)

PARTICULARS	Year ended 31st March, 2024	Year ended 31st March, 2023
<b>NOTE 28 : EARNINGS PER SHARE</b>		
A) Number of Equity Shares at the beginning of the year	3658324	36,58,324
Number of Equity Shares at the end of the year	3658324	36,58,324
Weighted average number of Equity Shares outstanding during the year	3658324	36,58,324
Face Value of each Equity Share	1000	1,000
B) Net Profit for the year attributable to Equity Share Holders (after Prior Period Adjustments but before Exceptional items) (Rs in lacs)	-3746.59	2,437.63
Net Profit for the year attributable to Equity Share Holders (after Prior Period Adjustments and Exceptional items) (Rs. in lacs)	871.24	2,437.63
C) Basic earning per share on profit after tax before Exceptional items (Rs/share)	23.82	66.63
D) Diluted earning per share on profit after tax and Exceptional items (Rs/share)	23.82	66.63



## 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 Vermi compost and Trading of Fertilizer etc.

The Financial statements were authorized for issue in accordance with resolution of the Board of Directors on 23<sup>rd</sup> August 2024.

### 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.
- iii. Apart from cost of Fixed Assets, Revenue Expenditure incurred during construction and commissioning period is capitalized till commencement of commercial production. Incidental Income prior to commencement of commercial production is set-off against the cost of the Project.
- iv. Additions to Plant & Machinery include major repairs as well as renewals and replacements which will increase life and efficiency of the Plant. In such cases, if the written down value of the assets replaced is not ascertainable, technical valuation is made for adjustment in the accounts.
- v. Machinery spares which can be used only in connection with an item of fixed assets and whose use is expected to be irregular are capitalized.
- vi. Physical Verification of fixed assets is carried out by the internal committee constituted by competent authority each year. And once in every five years the Physical Verification of fixed assets conducted by an outside professional agency.

**5. Depreciation and amortization:**

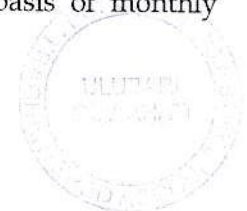
- i. Machinery, Equipments and Office Appliances costing up to Rs. 5,000/- are fully depreciated in the year of addition.
- ii. Depreciation is charged on "Straight Line Method", as per useful life and rate of depreciation specified in the Schedule - II of the Companies Act, 2013.
- iii. The cost of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

**6. Borrowing Cost :**

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

**7. Inventories :**

- i. Inventory includes Raw Material, Packaging Material, Stores and Spares, Intermediate products/goods and finished stock
- ii. Raw Materials are valued at cost (monthly weighted average).
- iii. Packaging Materials and Stores & Spares are valued at Cost (inclusive of expenses incidental to bring the materials to the present condition and location less duties and taxes recoverable by company from taxing authorities) on the basis of monthly weighted average or technical estimates, whichever is lower.



- iv. Loose tools are written-off over a period of three years.
- v. Stocks of :
- a. Finished Goods :-  
Urea is valued at lower of cost or net realizable value comprising concessional price subsidy and freight subsidy.
  - b. Intermediate products/ goods like Ammonia is valued at lower of cost or net realizable value.
  - c. Bought out finished products - are valued at lower of cost or net realizable value.
  - d. The company has formulated a comprehensive policy for age wise provisioning of inventory for capital stores and other stores & spares on the book value for determining the lower of cost or net realizable value.

The provision is made on the following basis:

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

#### 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. Materials procured yet to be consumed are shown as income in the year of its issue from stores / consumption.
- v. 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 tax able 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 on issue of catalyst from stores.

**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 31<sup>st</sup> March 2024 contingent liability are as under:-

		(₹ in lakhs)	
Particulars		2023 - 24	2022 - 23
	Claims against the Company not acknowledged as debts:		
(i)	Litigation and Other Commitments :	199.47	101.73
(ii)	Tax Liabilities against 'CST', Entry Tax & VAT	684.39	684.39
(iii)	Renewal Purchase Obligation (AERC Regulation 2010)	-	747.57
<b>TOTAL</b>		<b>838.86</b>	<b>1533.69</b>

**30.2 Related Party Disclosures:**

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

**(A) Key Management Personnel:**

- (1) Shri S.P.Mohanty, Chairman & Managing Director Up to 28<sup>th</sup> December 2023
- (2) Shri S.C. Das, Director (Finance)
- (3) Shri P.K. Banik Director ( Production) w.e.f 22<sup>nd</sup> March - 2023 & Addl.Charge of CMD w.e.f 3<sup>rd</sup> February2024.
- (4) Shri R.K. Gupta, Company Secretary Up to 31<sup>st</sup> July 2023
- (5) Shri. R.K. Tiwari, Assistant Manager (CS) w.e.f.1<sup>st</sup> August 2023 to 2<sup>nd</sup> March 2024

**(B) Contracts or arrangements or Transactions with other Related Parties:- Enterprise having**

Common Key Managerial Personnel

- a. Hindustan Urvarak & Rasayan Ltd.



## (A) Key Management Personnel:

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

(₹ in lakhs)

Particular	2023-24	2022-23
Remuneration		
- Salary & Allowances	26.45	33.27
- Other Benefit	0.00	0.00
<b>Total</b>	<b>26.45</b>	<b>33.27</b>

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

(₹ in lakhs)

Particular	2023-24	2022-23
Remuneration		
- Salary & Allowances	34.23	31.60
- Other Benefit	0.00	0.00
<b>Total</b>	<b>34.23</b>	<b>31.60</b>

(3) Shri P.K. Banik (Production) Addl. Charge of CMD w.e.f 3<sup>rd</sup> February 2024

(₹ in lakhs)

Particular	2023-24	2022-23
Remuneration		
- Salary & Allowances	31.46	0.78
- Other Benefit	0.00	0.00
<b>Total</b>	<b>31.46</b>	<b>0.78</b>

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

(₹ in lakhs)

Particular	2023-24	2022-23
Remuneration		
- Salary & Allowances	9.92	24.65
- Other Benefit	0.00	0.06
<b>Total</b>	<b>9.92</b>	<b>24.71</b>

(5) Shri R.K. Tiwari, Assistant Manager (CS) w.e.f.1<sup>st</sup> August 2023 to 2<sup>nd</sup> March 2024

(₹ in lakhs)

Particular	2023-24	2022-23
Remuneration		
- Salary & Allowances	9.11	0.00
- Other Benefit	0.00	0.00
<b>Total</b>	<b>9.11</b>	<b>0.00</b>

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



## (B) Contracts or arrangements or Transactions with other Related Parties:

a. With Hindustan Urvarak &amp; Rasayan Limited(HURL)

(₹' in lakhs)

Particular	2023-24	2022-23
Purchase of Urea	2449.45	-
Reimbursement of Travel Expenditure of Directors	4.30	-
<b>Total</b>	<b>2453.75</b>	<b>-</b>

## 30.3 Audit Expenses:

(₹' in lakhs)

Sr. No.	Particular	2023-24	2022-23
<b>A)</b>	<b>Statutory Auditors</b>		
i.	Audit Fee	2.70	2.40
ii.	Reimbursement of travelling and out of pocket expenses	-	0.60
<b>B)</b>	<b>Tax Audit</b>		
i	Audit fee & Reimbursement of Other expenses	0.80	0.70
<b>C)</b>	<b>Internal Auditors</b>		
i.	Audit Fee & Reimbursement of TA & Other expenses	1.40	2.86
<b>D)</b>	<b>Cost Auditors</b>		
i	Audit fee & Reimbursement of Other expenses	0.37	0.49
<b>E)</b>	<b>FICC / TOP Auditors</b>		
i	Audit fee & Reimbursement of Other expenses	1.11	0.88
<b>F)</b>	<b>PF Auditors</b>		
i	Audit fee & Reimbursement of Other expenses	0.17	0.18
<b>G)</b>	<b>Audit fee Inventory / Physical verification Audit</b>	1.00	0
<b>H)</b>	<b>Audit fee &amp; Other expenses for other services</b>	4.21	2.98
	<b>Total</b>	<b>11.76</b>	<b>11.09</b>

## 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:-



Particulars	(₹ in lakhs)	
	As at 31.03.24	As at 31.03.23
a. Principal amount due and remaining unpaid	580.25	67.98
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 ₹.336.84 lakh (previous year ₹ 402.06 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	2239.90	1040.21
Acquisition Adjustment	-	-
Interest Cost	161.27	75.94
Past Service Cost	-	-
Current Service Cost	54.43	49.19
Curtailment Cost	-	-
Settlement Cost	(1161.62)	(668.51)
Benefits Paid	343.86	367.37
Actuarial (gain)/loss of obligations	1637.84	864.20
Present value of obligation at the end of the year		
	1475.92	802.45
i) Long term liability	161.92	61.75
ii) Current liability	1637.84	864.20

B. Statement showing change in fair value of plan assets:-Not Applicable as Scheme is unfunded.

C. Reconciliation of present value of defined benefit obligation and fair value of plan Assets:-Not Applicable as Scheme is unfunded.

D. Expenses Recognized in Statement of Profit/Loss

	Gratuity	Earned Leave
Current Service Cost	54.43	49.19
Past Service Cost	-	-
Interest Cost	161.27	75.93
Expected return on Plan Assets	-	-
Curtailment Cost	-	-
Settlement Cost	343.86	367.37
Actuarial gain/(loss) of obligations	-	-
Expenses Recognized in Statement of Profit/Loss	559.56	492.50



## E. Actuarial Assumptions

	Gratuity	Earned Leave
	2006 - 08	2006 - 08
Mortality Table (IALM)	60	60
Superannuation Age		
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	7.00%	7.00%
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 - I/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 25.10.8 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. Thereafter, the Gauhati High Court passed the interim order on 18.12.2018 suspending the operation of said impugned orders dated 13.09.2018 and 24.09.2018 until further orders (copy of order attached herewith). The matter had been listed on 17/10/2023, On request for adjournment by the learned counsel of the Petitioner, the matter was adjourned for two weeks. After that the next date hearing has not been fixed till date.



## 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.

(₹. In Lakhs)

Particulars	Trading		Manufacturing		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>REVENUE</b>					-	-
External sales	27,327.77	42,516.99	47,568.67	72,042.70	74,896.44	1,14,559.69
Other Income	-	-	6,371.77	1,199.57	6,371.77	1,199.57
Inter-segment sales	-	-	-	-	-	-
<b>Total Revenue</b>	<b>27,327.77</b>	<b>42,516.99</b>	<b>53,940.44</b>	<b>73,242.28</b>	<b>81,268.21</b>	<b>1,15,759.26</b>
<b>RESULT</b>						
Segment result	1,185.24	1,936.12	(314.01)	501.52	871.24	2,437.63
Unallocated corporate expenses	-	-	-	-	-	-
Operating profit	1,185.24	1,936.12	(314.01)	501.52	871.24	2,437.63
Interest expense	-	-	-	-	-	-
Income taxes	-	-	-	-	-	-
Profit from ordinary activities	1,185.24	1,936.12	(314.01)	501.52	871.24	2,437.63
Net profit	1,185.24	1,936.12	(314.01)	501.52	871.24	2,437.63
<b>OTHER INFORMATION</b>						
Segment assets			63,894.87	69,559.05	63,894.87	69,559.05
Unallocated corporate assets	-	-	-	-	-	-
<b>Total assets</b>			<b>63,894.87</b>	<b>69,559.05</b>	<b>63,894.87</b>	<b>69,559.05</b>
Segment liabilities						
Unallocated corporate liabilities	-	-	-	-	-	-
<b>Total liabilities</b>			<b>95,477.91</b>	<b>1,02,013.33</b>	<b>95,477.91</b>	<b>1,02,013.33</b>
Capital expenditure	-	-	790.04	357.54	790.04	357.54
Depreciation	-	-	1,513.74	3,472.76	1,513.74	3,472.76
Non-cash expenses other than depreciation	-	-	223.66	663.19	223.66	663.19

## 30.8- Disclosure of Ratios

The disclosure of significant ratios is as under: -

Sl No.	Ratio	Numerator	Denominator	31.03.2024	31.03.2023	Variance	Reason
1	Current Ratio	Current Assets	Current Liabilities	1.32	1.32	0%	
2	Debt - Equity Ratio	Long term borrowing	Equity & Reserve	-1.81	(1.77)	2%	-
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	-3%	-8%	-63%	Decrease in profitability
5	Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	6.68	17.41	-62%	Due to Increase in year end inventory of trading good and also decrease in volume of Business.
6	Trade receivables turnover ratio	Sales	Average of opening & closing of debtors	3.2	7.15	-55%	Due to Increase in year end inventory and decrease in sales.
7	Trade payables turnover ratio	Purchase	Average of opening & closing of creditor Purchase	1.44	3.44	-58%	Due to decrease in Purchase cost of Natural Gas Price and decrease in traded goods
8	Net capital turnover ratio	Net Annual Sales	Working Capital	6.95	9.66	-28%	Due decrease in Turnover
9	Net profit ratio	Net Profit	Turnover	0.01	0.02	-50%	Due to decrease in turnover
10	Return on capital employed (ROCE)	EBIT	Capital Employed (Debt + Equity)	3.11%	10%	-69%	Due to decrease in profit and Increased in Capital employed
11	Return on investment	EBIT	Capital Employed (Debt + Equity)	NIL	NIL	-	-

### 30.9- 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 ₹ 391.11 lakhs during FY 2023-24 (Previous year ₹ 412.71 lakhs) earned on unutilized government grant have been included in the above Deferred Government Grant.

Utilization Certificate of ₹ 4842.80 lakhs has been submitted to Department of Fertilizers ( Comprising Utilization of ₹ 2597.77 lakhs during FY 2023-24 and ₹ 1277.77 lakhs during FY 2022-23 and ₹ 967.26 lakhs during FY 2021-22 ).

During the financial year 2023-24, the total amount incurred was of an amount of Rs. 2765.11 lakhs and details are as under:-

Particular	₹. In Lakhs	
	2023-24	2022-23
Advance against supplies	424.45	141.47
Material procured, yet to be consumed	489.80	733.89
Material procured and consumed including GST for the FY 23-24 Rs. 331.17 (Recognized under other income)	2558.87	345.21
Prior Year GST recognized as Grant in Aid (prior year GST of Rs. 57.20 for FY 22-23 & Rs. 149.04 recognized under other income)	206.24	-
<b>Total Grant Income recognized in Profit &amp; Loss Account</b>	<b>2765.11</b>	<b>345.21</b>
GST Payment on used material(Reversal of GST)	-	57.20
<b>Total</b>	<b>3679.36</b>	<b>1277.77</b>

As per the significant accounting policy 16 (ii) GST Input Tax credit on Grant in Aid are not being availed and hence same needs to be charged off to expenses. However during the financial year 21-22 & 22-23 same was not charged to expenses. In the current year the GST relating to previous year grant in Aid expenses has been charged to as prior period expenses and with corresponding increase in the Grant in Aid Income.

### 30.10 (A) Capital work in progress:-

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

CWIP	₹ in lakhs				
	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than years	Total
DPR Expenses on SSP Plant	-	3.91	-	-	3.91
DPR Expenses o 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.

CWIP	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
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)					
CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
SAP Implementation		24.50			24.50

- 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.
- 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 Note on Gas Transportation Charges**

The initial Gas Transportation Agreement between BVFCL & AGCL was made for 10 Years effective from the Year 2005 to 2015. It was further extended for a period of 5 Years i.e. up to 2020 with the same terms and conditions. Thereafter, 4 Nos. of MoU were signed by both the Companies to transport the gas as per the terms and conditions of the Original Contract. The validity of the last MoU was up to 31.03.2022. It was agreed in the said MoU's that on signing of the agreement AGCL shall submit the revised invoices with retrospective effect and balance amount will be adjusted through monthly invoices / through credit / debit notes as deemed fit by the parties. However the Transportation Charges and the Agreement could not be finalized upto March 31, 2024. In the matter a meeting was held on May 09, 2024 at Assam





Secretariat chaired by Secretary to Govt of Assam, Industries, Commerce & PE Dept. As directed by Secretary to Govt of Assam, Industries, Commerce & PE Dept a meeting was held on May, 17, 2024 between the management of both the companies. In the said meeting the management of both the companies agreed on the Transportation Charges. Based on the MOM dated May 17, 2024 between the management of both the companies the Transportation charges has been revised in the FY 2023-24. Accordingly the excess Transportation charged from April 2020 to March 2024 amounting to Rs. 4617.83 lakhs has been shown under Exceptional items as Relinquishment of liability on settlement of dispute.

### 30.12 Prior period error for shortage of inventory of finished goods

During the FY 2021-22 shortage of inventory of finished goods amounting to Rs 253.17 lakhs were identified and as per the directives of the BoD the value of inventory was carried in the books and a corresponding provision against the same was created for the amount equivalent to the value of shortage. Subsequently in the FY 2022-23 the inventory was accounted based on the physical verification report of the committee hence the inventory pertaining to the shortage of urea for FY 2021-22 was charged off to consumption of the FY 22-23. However the provision created existed in the books of account. The error has been rectified in the FY 23-24 by increasing the inventory by the amount of Rs. 253.17 and crediting the prior year material consumed (shortage of urea) to that extent.

### 30.13-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	2023-24	2022-23
1)	Value of Imports calculated on CIF basis		
i.	Raw Materials		-
ii.	Capital Goods	37.47	352.42
iii.	Components & spare parts		-
2)	Expenditure in Foreign Currency	46.27	10.41
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	2023-24	%	2022-23	%
i.	Imported	105.90	0.64%	149.64	0.72%
ii.	Indigenous	16,614.76	99.36%	20615.50	99.28%
	Total	16,720.66	100%	20765.14	100%

4) Earning in Foreign Currency

5) Research & Development  
(a) Revenue Expenditure

(b) Capital Expenditure

6) Other Information's :

a) **Title deeds of Immovable Property not held in name of the Company** : All the properties are held in the name of company.

b) **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, 2024.

c) **Willful Defaulter** - The company has not been declared willful defaulter by any bank or financial institution or other lender as on 31 March, 2024.

d) **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, 2024.

e) **Compliance with number of layers of companies** - Not Applicable.

f) **Details of Crypto Currency or Virtual Currency** - The company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

### 30.14- Audit Trail

The companies accounts were maintained in CoBOL which is a very old system. Hardware and software support is not available. Audit Trail is not possible in CoBOL software therefore Tally accounting software was chosen to be implemented in financial year 2023-24.

Financial year 2023-24 was the implementation period of Tally in our Organization. During this period, our users were working on both applications, i.e. COBOL and Tally. In transition phase, master records were exported from COBOL and then imported to Tally. Many times errors occurred while importing to Tally. Backlog entries were also done to run the two systems in parallel. Customization as per the company requirement and stabilization took more than expected time. Therefore, Tally implementation Partner advised to enable the Edit Log only after completion of transfer of all Master Records from COBOL to Tally. Due to the above the Audit trail could not be implemented.



Further as per the prevailing practice followed by the company in the erstwhile CoBOL software was adopted in Tally whereby the deletion / modification in entries are not done. Any change required is done by passing rectification entry or by reversing the entry passed / improper entry and passing the correct / proper entry.

**30.15- 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**

  
Priyanka Kumari  
Company Secretary

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

  
P.K. Banik  
Chairman & Managing Director  
DIN -10095724

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: 24059631BKGPYE3661

Date:- 24.08.2024  
Place:- Guwahati