



**29th ANNUAL REPORT
2021-2022
RAJ RAYON INDUSTRIES
LIMITED**

L17120DN1993PLC000368

“Trust, Quality and Excellence”

|| Address ||

SURVEY NO 177/1/3, VILLAGE SURANGI SILVASSA DN 396230 IN



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COMPANY INFORMATION

BOARD OF DIRECTORS:

(Appointed by Mr. Abhishek Nagor, Insolvency Professional Resolution Professional for M/s Raj Rayon Industries Limited post NCLT order)

Mr. RAJKUMAR SATYANARAYAN AGARWAL
(Managing Director-Chairperson)

Mrs. SAPNA RAJKUMAR AGARWAL
(Non-Executive - Non Independent Director-
Woman Director)

Mr. SANDIIP SATYANARAYAN AGARWAL
(Whole Time Director and Chief Financial
Officer)

Mr. VINODKUMAR BAJRANGLAL DALMIA
(Non-Executive - Independent Director)

Prof. RAMESH CHANDRA AGARWAL
Non-Executive - Independent Director

Mr. KAILASHNATH JEEVAN KOPPIKAR
(Non-Executive - Independent Director)

The dissolved Board / KMP resigned on 19th October, 2021 pursuant to NCLT order

Mrs. Rajkumari Kanodia
(Non-Executive Chairperson & Director)

Mr. Mayadhar Ravindar Mahakud
(Managing Director)

Mr. Rajendraprasad Rampratap Sharma
(Independent Director)

Mr. Banti Parasar

(Independent Director)

Mr. Sushil Kumar Kanodia
(CEO & CFO)

REGISTERED OFFICE:

Survey No. 177/1/3,
Village – Surangi, Dist-Silvassa,
Dadra and Nagar Haveli (U.T.) - 396 230 (INDIA)
Tel: 7977290784

Website: www.rajrayon.com

Email: investors@rajrayon.com

PLANT LOCATION:

Survey No. 177/1/3 (Registered office)
including Survey No. 161/1, 161/2, 164/3 &
162/3, 177/1/4 Village - Surangi, District -
Silvassa, Dadra & Nagar Haveli (U.T.) - 396 230
(INDIA)

SHARE TRANSFER AND DEMAT REGISTRARS:

M/S LINK INTIME INDIA PRIVATE LIMITED
C 101, 247 Park, LBS Rd, Surya Nagar, Gandhi
Nagar, Vikhroli West, Mumbai, Maharashtra
400083

Tel.: 022 – 4918 6000

AUDITORS:

M/s. MKPS & Associates
Chartered Accountant

PROPOSED AUDITORS:

Bagaria & Co. LLP,
Chartered Accountants

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. CHINTAN DHAROD

LISTING AND CODE

BSE Limited- 530699

NSE- RAJRILTD

BANKER

Bank of Baroda



BOARD'S REPORT

To
The Members,
RAJ RAYON INDUSTRIES LIMITED

Your Directors have pleasure in presenting 29th Annual Report of the Company together with the Audited Financial Statements of the Company for the year ended **31st March 2022**.

1. FINANCIAL RESULTS

Particular	For the financial year 2021-22 (Amount in Rs. Lakhs.)	For the financial year 2020-21 (Amount in Rs. Lakhs.)
Revenue from Operations	5.50	NIL
Other Income	0.04	95.61
Total Income	5.54	95.61
Less: Depreciation & Amortization Expenses	2798.91	3,550.36
Less: Employee Benefits Expenses	5.59	0
Less: Finance Cost	0.32	0
Less: Other Expenses	236.48	23.07
Total Expenses	3041.30	3573.43
Profit/ (Loss) before exceptional items and tax	(3035.76)	(3,477.82)
Less: Exceptional Items	67113.12	0
Profit/ (Loss) before tax	64077.36	(3,477.82)
Tax Expenses	0	0
Tax adjustment for earlier years	0	0
Profit/(Loss) after Tax	64077.36	(3,477.82)

REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

During the financial year under review the Company has earned total revenue of Rs.5.54/- Lakhs as compared to the previous years' revenue of Rs. 95.61/- Lakhs. The Company has incurred a net profit after tax of Rs. 64077.36/- Lakhs after considering exceptional items as compared to the previous years' Net Loss of Rs. (3,477.82) Lakhs. The exceptional items on account of gains recognised in accordance with the approved resolution plan in the year under review. Your Directors are continuously looking for avenues for future growth of the company.

DIVIDEND:

In absence of adequate amount of profits for the year ended 31st March, 2022 and past accumulated losses, your directors do not recommend payment of any dividend for the year ended 31st March, 2022.

SHARE CAPITAL OF THE COMPANY:

During the financial year under review, there was change in the paid up share capital of the Company in terms of the Resolution Plan submitted by SVG FASHIONS PRIVATE LIMITED approved by the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT") vide its Order dated 05th October, 2021, received on 7th October 2021 ("said Order") as follows:



- 1) Cancellation of 118,035,930 Equity Shares of Re. 1/- each fully paid up capital of erstwhile Promoters;
- 2) Cancellation of shares held by public which is less than 100 in numbers or in fraction and allotment of one equity share in place of 100 equity shares. Accordingly 2282495 Equity shares of Re.1/- each allotted to public and 226,135,575 Equity shares of Re.1/- each cancelled;
- 3) Cancellation of 14,000,000- 15% Non-Convertible, Non-Cumulative, Redeemable Preference Shares of Rs. 10/- each fully paid up issued at a premium of Rs. 20/- per share to M/s. Nakoda Limited on 25th February, 2013 ;
- 4) Pursuant to NCLT plan for allotment of CCPS to financial creditors the Board has done Reclassification of the existing Authorised Share Capital of the Company **FROM** Rs. 86,00,00,000/- (Rupees Eighty Six Crore) divided in to 71,00,00,000 (71 Crore) Equity Shares of Re. 1/- each and 1,50,00,000 (One Crore Fifty Lakhs) Non- Cumulative preference Shares of Rs. 10/- each **TO** 56,00,00,000 (56 Crore) Equity Shares of Re. 1/- each , 26,00,000 Compulsory Convertible Preference Shares (CCPS) and 4,00,000 Non- Cumulative preference Shares of Rs. 100/- each.
- 5) Issued of 1,00,000 Compulsory Convertible Preference Shares (CCPS) CLASS – A to financial creditors viz., State Bank of India and Phoenix ARC Private Limited, of Rs. 100/- each by way of conversion of amount owing to financial creditors;
- 6) Issued 54,90,00,000 Equity Shares having a face value of Re. 1/- aggregating to Rs. 54,90,00,000/- (Fifty-Four Crores Ninety Lakhs) on a preferential allotment basis to the entities defined by M/s SVG Fashions Private Limited; and
- 7) Issued of 25,00,000 Compulsory Convertible Preference Shares (CCPS) CLASS – B of Rs.100/- each to M/s SVG Fashions Private Limited.

After considering aforesaid changes as on 31st March, 2022, the paid up share capital of the Company was Rs. 22,82,495/- divided into 22,82,495 equity shares of Re. 1/- each.

CHANGES POST FINANCIAL YEAR:

Post financial year 2021-22 as on the date of this report and as per the Resolution Plan , the Company has allotted of 1,00,000 Compulsory Convertible Preference Shares (CCPS) - CLASS – A to financial creditors of Rs. 100/- each as issued by way of conversion of amount owing to financial creditors.

REASON FOR SUSPENSION FROM TRADING:

In reference to the Standard Operating Procedure (SOP) imposed on the company in addition to capital reduction of equity shares of erstwhile promoters/promoter group and Cancellation of shares held by public as mentioned in the earlier in share capital of the Company and in reference to pursuant to “NCLT” Order dated 5th October, 2021, the Shares of the Company were suspended from trading on the platform of NSE and BSE from the record date i.e. 26th October, 2021. The suspension of trading was removed and the trading in the equity shares further permitted w.e.f. 31st March, 2022.

DEPOSITS:

During the financial year under consideration, your Company has not accepted any public deposits within the meaning of section 73 of the Companies Act, 2013 and the rules made there under.

INTERNAL CONTROL SYSTEM AND ADEQUACY:



The Board has adopted the policies and procedures for ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of financial disclosures.

The Company's Internal Audit department evaluates the efficiency and adequacy of internal control system and gives its report and recommendations to the Chairman of Audit Committee and based on Internal Audit Report the corrective actions are taken.

THE BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board at present consists of 6 Directors. The Board of Directors is duly constituted. The details of present directors appointed pursuant to the approval of Resolution Plan by National Company Law Tribunal Ahmedabad Bench vide order dated 5th October, 2021, received on 7th October, 2021 and accordingly constitution is as below:

Name of Director	Designation	Date of Appointment
Rajkumar Satyanarayan Agarwal	Managing Director	19/10/2021
Sapna Rajkumar Agarwal	Non- Independent Director-Non executive	19/10/2021
Sandiip Satyanarayan Agarwal	Whole Time Director/Executive and CFO	CFO on 19/10/2021 and WTD w.e.f.07/02/2022
Ramesh Chandra Agarwal	Independent Director	19/10/2021
Vinodkumar Bajranglal Dalmia	Independent Director	19/10/2021
Kailashnath Jeevan Koppikar	Independent Director	07/02/2022

During the year, Eight Board Meetings held. The dates of Board Meetings along with attendance of each Director are given below:

Sr. No	Date of Board Meeting	Name of suspended Board members and Attendance details			
		Rajkumari Kanodia*	Banti Parasar*	Rajendraprasad Rampratap Sharma*	Mayadhar Ravindar Mahakud*
1.	01/07/2021	Present	Present	Present	Present
2.	13/08/2021	Present	Present	Present	Present

* Mr. Sushil kumar Radheshyam Kanodia attended Board meetings on a capacity of CEO and CFO of the Company and Mr. Abhishek Nagori as Insolvency Professional viz 01/07/2021 and 13/08/2021.

Sr. No	Date of Board Meeting	Name of new Board members and KMP and Attendance details					
		Rajkumar Satyanarayan Agarwal	Sapna Rajkumar Agarwal	Sandiip Satyanarayan Agarwal **	Ramesh Chandra Agarwal.	Vinod kumar Bajranglal Dalmia	Kailashnath Jeevan Koppikar
3.	19/10/2021	Present	Present	Present	Present	Present	-
4.	02/11/2021	Present	Present	Present	Present	Present	-
5.	11/11/2021	Present	Present	Present	Present	Present	-
6.	07/02/2022	Present	Present	Present	Present	Present	Present



7.	14/02/2022	Present	Present	Present	Present	Present	Leave of Absence
8.	21/03/202	Present	Present	Present	Present	Present	Present

*Erstwhile Directors and KMP resigned from the Board w.e.f. 19/10/2021 pursuant to the approval of Resolution Plan by National Company Law Tribunal Ahmedabad Bench vide order dated 5/10/2021, received on 07/10/2021.

**Appointed as WTD of the Company w.e.f. 07/02/2022 and attended Board meeting from 19/10/2021 till 11/11/2021 on a capacity of being a Chief Financial Officer of the Company.

As the Company is under Corporate Insolvency Resolution Process Mr. Abhishek Nagori as the Resolution Professional ("RP") was a Chairman for all the Board meetings and Committee meetings till the execution of RP i.e. till 19.12.2021.

Details of all the Committee along with their composition and meetings held during the year under review are given in the Corporate Governance Report. The intervening gap between the companies was within the period prescribed under the Companies Act, 2013.

All Independent Directors have given declarations that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Separate meetings of Independent Directors, pursuant to Section 149 (7) read with Schedule VI of the Companies Act, 2013 was held on 14th February, 2022.

COMMITTEES OF THE BOARD:

In accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has constituted three committees of the Board, namely:

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

(a) Retirement by rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Articles of Association of the Company, Mrs. Sapna Rajkumar Agarwal (DIN: 00437469), Woman Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment and your Board recommends her reappointment.



(b) **Appointment of Directors and KMP:** The new board members and KMP was appointed as per details given under head of THE **BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**.

The Company has appointed Mr. Chintan Mukesh Dharod as a Company Secretary and Compliance officer of the Company w.e.f. 19/10/2021 pursuant to the approval of Resolution Plan by National Company Law Tribunal Ahmedabad Bench vide order dated 5th October, 2021, received on 7th October, 2021.

(c) **Cession:** The old/ suspended board members and KMP resigned w.e.f 19/10/2021 as per details given under head of THE **BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**.

Brief resume of the director proposed to be appointed / re-appointed or to whose remuneration is to be approved as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings is given in the Notice convening the 29th Annual General Meeting of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS:

M/s. Chaturvedi & Patel Chartered Accountant Firm registration no.: 121351W, had expressed their inability to continue as the Statutory Auditors of the Company, as their term of peer review is expired.

Pursuant to the provisions of section 139 and all other applicable provisions, if any of the Companies Act, 2013, and the rules framed thereunder, as amended from time to time, M/s. MKPS & Associates, Chartered Accountants (Firm Registration No. 302014E) was appointed for the period of 5 years at the 28th Annual General Meeting held on 30th September, 2021. Accordingly,



the appointment of M/s. MKPS & Associates, Chartered Accountants (Firm Registration No. 302014E) was approved by members of the Company as the Statutory Auditors of the Company to hold office from the conclusion of 28th Annual General Meeting held for the year ended 31st March, 2021 until the conclusion of the FY 2025-2026 of the Company.

M/s. MKPS & Associates, Chartered Accountants have furnished a certificate of their eligibility under Section 141 of the Act and the Companies (Audit and Auditors) Rules 2014, confirming that they are eligible for continuance as Statutory Auditors of the Company.

The Notes on financial statements referred to in the Auditors Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark except receipt of balance confirmation and the same was address by the management.

FRAUD REPORTED BY AUDITOR UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013:

There was no instance of fraud reported by the auditor in their report under Section 143 (12) of the Companies Act, 2013.

SECRETARIAL AUDIT:

The provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Riddhi Shah a Company Secretary in Practice to undertake the Secretarial Audit of the Company for the Financial Year 2021-22. The Secretarial Audit Report (MR-3) is annexed herewith as Annexure –A.

With respect to observations made by the Secretarial Auditors in their report, we would like to state as follows:

Sr. No.	Observations	Explanation of Board of Directors
1.	The delay in filing the June 2021 results by one day	The June 2021 results was prepared by Resolution Professional and suspended Board so there was a delay due to administrative issues
2.	Delay in filing the Regulation 31 i.e. shareholding pattern within the period prescribed September 2021	Due to non-payment of RTA fees the data was not provided by RTA on time
3.	Web Site non-functional and updates till the new Board has been appointed	New Board has updated and in process of doing updation on website as per LODR
4.	The Company secretary was not appointed for the period 1.4.2021 till 19.10.2021	The Company was not in compliance with Regulation 6(1) of LODR and Section 203 of the Companies Act till 19.10.2021

Your Company always endeavor to comply with all the applicable rules and regulations.

FORMAL ANNUAL EVALUATION:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out annual performance evaluation of its own performance, the directors individually as well as evaluation of working of committees of Board of Directors.

Executive Directors were evaluated on the basis of targets / criteria given to them by the board from time to time as well as per their terms of appointment. Independent Directors, being evaluated



by entire board except of Director being evaluated ,on meeting their obligations connected with their independence criteria as well as adherence with the requirements of professional conduct, roles, functions and duties specifically applicable to Independent Directors as contained in Schedule IV of the Companies Act, 2013. Chairman and other Non-Independent Directors were being evaluated by Independent Directors, who also reviewed the performance of secretarial department. Performance evaluation of the Committees and that of its members in effectively discharging their duties, were also being carried out by board.

The overall performance of Chairman, Executive Directors and Non-Executive Directors of the Company is satisfactory. The review of performance was based on criteria of performance, knowledge, analysis, quality of decision making etc.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDAR):

Management Discussion and Analysis Report (MDAR) for the year under review, which also deals with the opportunities, challenges and the future outlook for the Company, as stipulated under Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 Agreement with the Stock Exchange of India, is presented in a separate section forming part of the Annual Report.

CORPORATE DEBT RESTRUCTURING (CDR)

The detailed key features of the CDR Proposal are given in under Notes forming part of Notes to Accounts given in this Annual Report.

MATTER LISTED WITH NCLT

BRIEF HISTORY: The State Bank of India has filed the petition with NCLT Ahmedabad under section 7 of the Insolvency and Bankruptcy Code the same was admitted and the Corporate Insolvency Resolution Process ("CIRP") application filed against Raj Rayon Industries Limited and appointed Mr. Abhishek Nagori as the Resolution Professional ("RP") in term of the Insolvency and Bankruptcy Code, 2016 ("Code") to manage the affairs of the Company as per the provisions of the Code.

However, the power of the Board was suspended with effect from 23/01/2020. The NCLT order also provided for a moratorium with effect from 23rd January 2020 till the completion of the Corporate Insolvency Resolution process (CIRP) or until it approves the resolution plan under section 1(1) or passes an order for liquidation of the company under section 33, whichever is earlier. Currently, the CIRP process in respect of the company is in progress. Resolution Plan passed by CoC and filed application to the Hon'ble National Company Law Tribunal (NCLT) for approval of Resolution plan.

PROGRESS RESOLUTION PLAN:

The Resolution Plan submitted by SVG FASHIONS PRIVATE LIMITED was approved by The National Company Law Tribunal, Ahmedabad Bench ("NCLT") vide order dated 05th October, 2021.

IMPLEMENTATION OF PLAN:

Pursuant to the said Approved Resolution Plan, the following key changes have taken place since last financial year and as on the date of this report under the Chairmanship of Mr. Abhishek Nagori, the Resolution Professional ("RP") of each Board and committee meetings held till the new Board members appointment as per said plan:



- 1) There was change in the constitution of Board and Key Managerial personnel's, details of which given under head of THE BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL of this report;
- 2) There was change in the constitution of various committees of the Board, details of which given under Corporate Governance Report forming part of this Annual Report;
- 3) Cancellation of 118,035,930 Equity Shares of Re. 1/- each fully paid up capital of erstwhile Promoters;
- 4) Cancellation of shares held by public which is less than 100 in numbers or in fraction and allot one equity share in place of 100 equity shares. Accordingly 2282495 Equity shares of Re.1/- each allotted to public and 226,135,575 Equity shares of Re.1/- each cancelled;
- 5) Cancellation of 14,000,000- 15% Non-Convertible, Non-Cumulative, Redeemable Preference Shares of Rs. 10/- each fully paid up issued at a premium of Rs. 20/- per share to M/s. Nakoda Limited on 25th February, 2013 ;
- 6) Reclassification of the existing Authorised Share Capital of the Company from Rs. 86,00,00,000/- (Rupees Eighty Six Crore) divided in to 71,00,00,000 (71 Crore) Equity Shares of Re. 1/- each and 1,50,00,000 (One Crore Fifty Lakhs) Non- Cumulative preference Shares of Rs. 10/- each TO 56,00,00,000 (56 Crore) Equity Shares of Re. 1/- each , 26,00,000 Compulsory Convertible Preference Shares (CCPS) and 4,00,000 Non- Cumulative preference Shares of Rs. 100/- each.
- 7) Issued of 1,00,000 Compulsory Convertible Preference Shares (CCPS) CLASS – A to financial creditors viz., State Bank of India and Phoenix ARC Private Limited, of Rs. 100/- each by way of conversion of amount owing to financial creditors;
- 8) Issued 54,90,00,000 Equity Shares having a face value of Re. 1/- aggregating to Rs. 54,90,00,000/- (Fifty-Four Crores Ninety Lakhs) on a preferential allotment basis to the entities defined by M/s SVG Fashions Private Limited; and
- 9) Issued of 25,00,000 Compulsory Convertible Preference Shares (CCPS) CLASS – B of Rs.100/- each to M/s SVG Fashions Private Limited.
- 10) The New Board members and management took the in charge of the factory and started revamping the machineries and manpower. Management is expecting that the production will start soon and company will come up with bright colours.

Your directors would like to additionally inform to members that upon allotment of issued shares of the Company as mentioned in aforesaid point no. 8 and 9, M/s SVG Fashions Private Limited and the entities defined by it will take control over the Company and be classified as new Promoters of the company, subject to the approval of Stock Exchanges on reclassification of promoters where the shares of the Company are listed.

We further state that the implementation of approved Resolution Plan is in process as per the NCLT Order as on date of this report and the Company will update about the further progress on said plan to the members as per statutory requirements.

SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

Your Company does not have any subsidiary, joint venture or associate Company.

CORPORATE GOVERNANCE:

The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements as stipulated by SEBI. The report on Corporate Governance as prescribed in Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Annual Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of



Corporate Governance along with a declaration signed by the Chairman and Managing Director stating that Members of the Board and Senior Management Personnel have affirmed the compliance vide Code of Conduct of the Board and Senior Management is attached to the report on Corporate Governance.

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

COST AUDITOR:

As per the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company has appointed M/s. C SAHOO & CO., Proprietor Mr. Chandra Mani Sahoo Mem. No.: 18011 Practicing Cost Accountant Firm Registration No. (100665) as the Cost Auditor to conduct the Cost Audit for the financial year 2022-23 at a remuneration of Rs. 1,00,000/- (Rupees One Lakh Only) plus out of cost expenses and tax as applicable. A resolution seeking approval of the members for ratifying the remuneration payable to the Cost Auditor for financial year 2022-23 is provided in the Notice of the ensuing 29th Annual General Meeting.

COST RECORDS:

The Cost accounts and records will now be maintain for the FY 22-23 and for previous FY i.e. 21-22 were not required to be maintained under Section 148 (1) of Act during the year under review as the Company has not initiate the production.

INTERNAL AUDITOR:

Pursuant to the provisions of Section 138 of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014, the Board on recommendation of the Audit Committee the Company has appointed M/s N.R Tibrewala & Co. LLP, Chartered Accountants Firm Registration No. (W100608) as the Internal Auditor of the Company for the financial year 2021-2022. Internal Auditor submits their reports to the Audit Committee on quarterly basis.

Based on the report of internal auditor, management undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee.

EXTRACT OF THE ANNUAL RETURN

As required under Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the copy of Annual Return as on 31st March, 2022 will be placed on the website of the Company and can be accessed on companies web site at www.rajrayon.com.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows

A) Conservation of energy:



- We have Installed Air Preheater in the Exhaust of the Heaters which Reduces the Power Load to Heat the Air for Combustion of the Fuel in the Heaters & reduce the Flue Gas Temperature too.
- We Have Installed Air Coolers for the Condensation of the Vapours of the Process Column which Ultimately reduces the Water Purification Cum Power cost to Treat it from Bore well to the Condition where it can be Made Useable for the Process, also the Natural Cooling Reduces the Power Load of the Fans too of the Cooling Towers .
- We have been using the IE3 Motors for More Energy Savings.
- We have Designed the Continuous Polymerisation Plant Building is Such a way that the required Ventilation of Air is achieved without use of Exhaust Fans to remove the heat of the Building. This results in reduced capex and regular energy costs.
- All the old Electrical panels, Cables, transformers have been replaced by new latest technology equipment which will be more efficient and reduce monthly energy bills.
- New Variable frequency drives have been installed to ensure high efficiency and optimum use of energy.
- All new lights that are being installed are low power consuming LED type fittings.
- Elimination of Tedious process for movement of main raw materials;

The main raw material for the plant will be PTA which was previously coming in bags due to various reasons. We will bring PTA in tankers to our plant which will save the cost of transportation, cost of bags, handling costs and also electrical energy consumed during transportation to the height via electrical hoists. This will also save costs incurred due to pilferage during transportation of bags.

It was observed during regular cost audit exercise, that due to the temperature difference during day & night, It is possible to stop 50% electrical fans of all coolers in the night. This translates in considerable energy saving during the night.

Similarly regular energy savings are achieved by optimizing the plant process parameters & process activity due to reduced loads on all the cooling towers & chillers.

The company has also increased the use of electricity free turbo vent in place of electrical operated exhaust fan resulting in 100% savings.

B) Technology absorption

The company has purchased new H.T. Power capacitor banks which will increase the power factor to nearly 1 and reduce energy costs.

Melt Transfer Line:

We have already installed a direct melt transfer line to the POY plant which will bypass the process of making chips and save the energy consumed for cooling the polymer and cutting into chips, packing and transporting to POY area and re-heating and extruding at the PoY stage. This will be in addition to the assured uninterrupted supply to the POY lines for better production efficiency.

Installing new POY plant

We are in the process of installing new POY production lines with better quality, higher efficiency and lower energy consumption and material wastage.

(C) Foreign exchange earnings and Outgo:



There are no Foreign exchange earnings and Outgo during the year under review.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

The Provisions with respect to Corporate Social Responsibility (CSR) as per provisions of Section 135 of Companies Act, 2013 read with rules framed thereunder was not applicable to the Company in the financial year under review.

However, your Company is enthusiastic to serve the society at large, which it will do in the coming years.

LISTING AND DEMATERIALISATION:

The Equity Shares of the Company are listed on the BSE Limited & NSE Limited. Shareholders are requested to convert their holdings to dematerialized form to derive its benefits by availing the demat facility provided by NSDL and CDSL.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

The Company has received necessary declarations from each Independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria for Independence as laid down in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2016.

COMPANY'S POLICY ON NOMINATION, APPOINTMENT, REMUNERATION AND EVALUATION:

The Current policy is to have an appropriate proportion of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. On March 31, 2022, the Board consists of six board members including CFO and three are independent directors. The Company has framed a Nomination, Remuneration and one Nominee Director and Evaluation Policy.

VIGIL MECHANISM:

Pursuant to the requirement of the Companies Act 2013 and provisions of Listing Agreement applicable to the Company, your Company has adopted Vigil mechanism (Whistle Blower Policy) for complying with the Company's Code of Conduct and Ethics, and particularly to assuring that business is conducted with integrity and that the Company's financial information is accurate. The reportable matters may be disclosed by the employees to the Management / Managing Director / Chairman of the Audit Committee. No complaint was received during the Financial Year 2021-22.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

RELATED PARTY TRANSACTIONS:

All the related party transactions which were entered by the Company during the financial year were done on arm's length basis and were in the ordinary course of business of the Company. Also there are no materially significant related party transactions made by the company with Directors,



Key Managerial Personnel, Promoter or any other designated persons which may conflict with the interest of the Company at large.

In accordance with the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated the Related Party Transaction Policy and the same is uploaded on the Company's website at: https://www.rajrayon.com/Pdf/Policy%20_Related%20party%20transcation.pdf

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The Board of directors have agreed to forego any remuneration since the plan is still under implementation. Pursuant to that disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not provided in the Annual Report.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are required to be provided in the Annual Report. However there were no employees who were in receipt of remuneration for which details need to be disclosed.

UNCLAIMED DIVIDEND:

Your Company would like to bring to the notice of the shareholders that the unpaid dividend which needs to be transferred to Investor Education & Protection Fund as per Section 125 of the Companies Act, 2013 was not done as there was no records available relating to the shareholders whose dividend are unpaid and hence the balance is lying in the Banks' unpaid dividend Account.

ADDITIONAL DISCLOSURES UNDER COMPANIES ACT, 2013:

- a) The Company has not issued any bonus shares, sweat equity shares, shares with differential voting rights and equity shares on rights basis during the year under review.
- b) The Company does not accept any deposit from its public.
- c) It is not proposed to transfer any amount to reserves.
- d) There was no change in the nature of business during the year under review.
- e) The provisions regarding receipt of remuneration or commission from holding or subsidiary of the Company are not applicable and hence, the disclosure under Section 197 (14) is not required.
- f) The Company has not received any complaints under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- g) The Company has not bought back its shares, pursuant to the provisions of Section 68 of Act and the Rules made thereunder.
- h) The Company has not issued any warrants, debentures, bonds or any non-convertible securities.



- i) The financial statements of the Company were not revised.
- j) The Company has not failed to implement any corporate action.
- k) The Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.
- l) As there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of the Companies Act, 2013, no Voting rights were directly exercised by the employees of the Company.
- m) Except the implementation of the CIRP Process as per the Approved Resolution Plan as explained earlier:
 - i. There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.
 - ii. There are no significant material changes and commitments affecting the financial position of the Company, which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of this Annual Report.
 - iii. There is no application made / proceeding pending under the Insolvency and Bankruptcy Code, 2016.
 - iv. There was no instance of one-time settlement with any Bank or Financial Institution.
 - v. The Company was not required to carry out valuation of its assets.

ACKNOWLEDGEMENTS:

Your Directors' would like to express their grateful appreciation for assistance and co-operation received from the Banks, Government Authorities, Customers, Vendors and Members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services of the Executives, Staff members and Workers of the Company.

For and on behalf of the Board of the Directors

RAJKUMAR SATYANARAYAN AGARWAL
Managing Director
00395370

SANDIIP SATYANARAYAN AGARWAL
Whole Time Director and CFO
00395348

Place: Mumbai
Date: 30/05/2022



Annexure -A
Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Raj Rayon Industries Limited
CIN: L17120DN1993PLC000368
R.O.: SURVEY NO 177/1/3,
VILLAGE SURANGI,
SILVASSA, DN: 396230

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **Raj Rayon Industries Limited** (hereinafter called the company) CIN: **L17120DN1993PLC000368**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the M/s. **Raj Rayon Industries Limited**'s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2022 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') ;
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;



- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit period)**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit period)**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit period)** and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit period)**
- (vi) Other laws as per the representation made by the Company are as follows;
- Factories Act, 1948
 - Industrial Disputes Act, 1947
 - Payment of Wages Act, 1936
 - Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - Employees State Insurance Act, 1948
 - Environment Protection Act, 1986
 - Indian Contracts Act, 1872
 - Income Tax Act, 1961 and Indirect Tax Laws
 - Pollution Control Laws

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and general meetings are generally complied.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

The Hon'ble National Company Law Tribunal, Ahmedabad Bench, has ordered the Commencement of Corporate Insolvency Resolution Process of "M/s Raj Rayon Industries Limited" (Corporate Debtor) (CIN- L17120DN1993PLC000368) vide NCLT order No C.P (I.B) No. 350/NCLT/AHM/2019, Dated: 23rd January, 2020 (CIRP Process Commencement Date). Pursuant to the Order, Mr. Abhishek Nagori, insolvency professional having IBBI Registration number (IBBI/IPA-001/IP-P00020/2016-17/10044) has been appointed as Interim Resolution Professional. On 15th February, 2020 Mr. Abhishek Nagori confirmed as Resolution Professional of M/s Raj Rayon Industries Limited by passing unanimous resolution in the 1st Committee of Creditor meeting at Mumbai. The RP has written a letter to SEBI,



Exchanges, Depositories, RTA regarding waiver of fees and penalties. On confirmation and receipt of benpos and data from the depository and RTA, the Company shall file the compliances with stock exchanges.

Pursuant to Resolution Plan (RP) by National Company Law Tribunal Ahmedabad Bench vide order dated 05th October, 2021, received on 7th October 2021, the following actions were taken:

- 1. The Board of the Company was reconstituted and previous Board resigned w.e.f. 19th October, 2021.*
- 2. Reconstitution of various Committees of the Company w.e.f. 19th October, 2021.*
- 3. Appointed Chief financial officer (CFO) w.e.f. 19th October, 2021.*
- 4. Reclassify the Authorised Capital of the Company for execution of resolution plan.*
- 5. The Company has appointed the internal auditors w.e.f 11th November, 2021 for financial year 2021-2022.*
- 6. Completed the reduction in share capital of the company as per Resolution Plan.*

However:

- 1. The Company has not appointed Cost Auditor in the year under review.*
- 2. There was delay in filing the June 2021 results with NSE and BSE by one day.*
- 3. There was delay in filing shareholding pattern within the period prescribed for September 2021 as per Regulation 31 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015*
- 4. Web Site was non-functional till November 2021 and not updates but new management has assured to do the same.*
- 5. The Company has not appointed the KMP- Company Secretary under section 203 of the Companies Act, 2013 in last financial year. During the year the Company has appointed Company Secretary on 19th October, 2021.*
- 6. The company has not dispatched the Annual Report for FY 2020-21 but emailed for the same has been sent to the shareholders whose email ids was available.*
- 7. There was a delay in filing DIR-12 and associate eforms with MCA for appointment of new Board and other matter, as informed by management the delay was due to non – cooperation of suspended board for providing the technical support to affix digital signature of e-forms.*
- 8. The Newspaper publications of financial results are not published for June 2021 as per requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

Further post appointment Mr. Abhishek Nagori as Insolvency Professional (IP) the Board is dissolved and Board is working as per order of IP and NCLT till October 19, 2021.

I further report that:

The Board of Directors of the Company is duly constituted. The Board has one women Director. During the period under review, the Board of the Company was reconstituted w.e.f 19th October, 2021 pursuant to Resolution Plan by National Company Law Tribunal Ahmedabad Bench vide order dated 5th October, 2021, received on 7th October 2021.

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



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

I further report that there are 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.

I further report that during the audit period there was no instance of:

- (i) Public/Right/Preference 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.

Further, my report of even dated to be read along with the following clarifications:

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

Date: 30/05/2022

Place: Mumbai

Riddhi Krunal Shah

C P No.: 17035

UDIN No - A020168D000430842

Note:

I have partially conducted online verification and examination of records, as facilitated by the Company due to Covid-19 and subsequent lockdown situation for the purpose of issuing this report.



MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

The economic development of India is greatly dependent on export earning of Textile Industry. India is the world's second-largest producer of textiles and garments. It is also the fifth-largest exporter of textiles spanning apparel, home and technical products. The textiles and apparel industry contribute 2.3% to the country's GDP, 13% to industrial production and 12% to exports. The sector employs around 40 Million workers. The size of India's textile market stood at US\$ 223 Billion in 2021, growing at a CAGR of 10.23% over 2016. Indian textile players have undertaken various initiatives to boost textile sales viz. investment to expand production capacity, using technology to optimise the value chain, leveraging strategic partnerships and strengthen sustainable textiles business. Textile industry has been steadily recovering post pandemic amid increased raw material prices and container shortages.

However, the COVID-19 pandemic had challenged the textile industry drastically which is now on a revival stage. Increasing demand for apparel from the fashion industry coupled with the growth of e-commerce platforms is expected to drive the market growth over the forecast period. The textile industry is an ever-growing market, with key competitors being China and India. China is the world's leading producer and exporter of both raw textiles and garments. India is the third largest textile manufacturing industry and is responsible for more than 6% of the total textile production, globally. The rapid industrialization in the developed and developing countries and the evolving technology are helping the textile industry to have modern installations which are capable of high-efficient fabric production.

OPPORTUNITIES & THREATS

Opportunities

The black swan event has affected the Indian textile & apparel industry, in terms of both trade and domestic consumption. The spread of the virus initiated in China has made the world rethink on their supply chain plans and most of them are likely to opt for India as an obvious option to china since especially now that the socio-political situation in china going further south. The Indian government is also realising the potential and has announced PLI scheme for the synthetic textile industry which will give a major boost of confidence to potential buyers from Europe and US. The EU and the US, which are huge markets for textile & apparel products are likely to become key partners of India in the near future.

Threats

The major threat lurking today is the volatile situation in Ukraine and Taiwan. After nearly two years of pandemic disruption, the fashion & textile industry is once again finding its feet. Companies are adapting to new consumer priorities, and digital is providing a nexus for growth. Still, the industry faces significant challenges amid supply-chain disruption, patchy demand and persistent pressure on the bottom line. The Company will strive to remain fundamentally strong by way of reducing costs and maintain only sustainable debt.

The industry is expected to weather the challenges and is expected to generate revenue and employment in a global perspective.



Labour force and employment:

The Textile Industry provides direct employment to over 50 million people. Even though the pandemic had disturbed the labour and employment situation, it is back on its feet with a renewed vigour and work from factory and office is back on the cards for most corporates.

Import & Exports of raw material and readymade garment:

The High sea freight costs have adversely impacted exports globally and Indian textile importers have turned to domestic suppliers, thereby increasing demand locally.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The Company operates in the segment of Manufacturing and Marketing of Synthetic Textiles Yarns.

OUTLOOK

The Company expects to be on a profitable growth thrust on gearing up of operational activities at production levels.

INTERNAL CONTROLS SYSTEMS AND THEIR ADEQUACY.

- RRIL's well-defined organisation structure, policy guidelines, predefined authority levels and an extensive system of internal controls, ensure optimal utilisation and protection of resources, IT security, accurate reporting of financial transactions and compliance with applicable laws and regulations.
- RRIL has adequate system of internal control in place to ensure that assets are safeguarded against loss from unauthorised use or disposition, and that transactions are authorised, recorded, and reported correctly.
- RRIL's internal audit function is empowered to examine the adequacy, relevance and effectiveness of control systems, compliance with laws, regulations and policies, plans and statutory requirements.
- RRIL has an strong budgetary control system. Actual performance is reviewed with reference to the budget by the management on an ongoing basis.
- RRIL's Audit Committee of the Board reviews the findings and recommendations of the internal auditor.

The system is improved and modified continuously to meet changes in business conditions, statutory and accounting requirements.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the financial year under review the Company has earned total revenue of Rs.5.54/- Lakhs as compared to the previous years' revenue of Rs. 95.61/- Lakhs. The Company has incurred a net profit after tax of Rs. 64077.36/- Lakhs after considering exceptional items as compared to the previous years' Net Loss of Rs. (3,477.82) Lakhs.



The net worth of the company became positive due to written off the loans pursuant to resolution plan approved by NCLT.

Research & Development:

The Company always strives to be innovative and cost competitive, aided by its fully equipped R & D facilities. It will gain support from its parent company by way of market feedback on demand and immediate feedback on the quality so that the company can develop product specifications and quality as per requirements of the market. Besides producing microfibre and regular POY of Denier range fine to coarse, the Company's has the flexibility to produce various products like Full Dull, Semi Dull, Bright Yarns, Doped Dyed Yarn, recycled yarns, Fire Retardant and Anti Microbial yarns.

Quality Management:

RRIL gearing up to ensure that product quality is comparable to the best in the industry and quality improvement measures are being put in place to enhance quality of its various polyester yarns and polyester chips as per customer requirements.

Environment and Safety:

Being conscious of the need for environmentally clean and safe operations, the Company conducts its operations ensuring safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

The Company recognises that Human Resources are its most valuable assets that provide competitive edge to stay ahead. The Company's focus is on developing the most superior work force so that the Company and individual employees can accomplish their work goals in service to customers.

The Company's strategy for development of Human Resources is through providing a motivating work environment, recruiting the best talents, providing challenging goals and by creating a culture for learning and growth. Industrial relations remained cordial at the plants.

RISKS AND CONCERNS:

The Company was under Corporate Insolvency Resolution Process in the year under review and is in path of initiating the process for operational activities to start on full stretch basis and soon it will come out of the progress on plans for the safeguarded the interest of shareholders.

In view of management, the broader trends in the economy are expected to have a direct impact on your Company's growth prospects as well as on stage of transforming the business in different textile products. Inflation is expected to remain elevated for the foreseeable future, driven by war-induced commodity price increases and broadening price pressures. In addition, the anticipated increase in interest rates by Central Banks in the coming year are also expected to lower growth and exert pressure on economies particularly those in emerging markets.

In these circumstances, the ability to successfully navigate cost pressures would have a significant bearing on the overall performance of your Company. Diminishing purchasing power and affects demand due to the economic circumstances may adversely impact the market for textiles and



apparel resulting in the movement to value-for-money options which will result in higher volumes but lower profitability in commodity products.

KEY RATIOS:

In accordance with the SEBI (Listing Obligations and Disclosures Requirements) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in Key sector-specific financial ratios.

Ratios	2021-22	2020-21
Debtors Turnover	0	0
Inventory Turnover	0	0
Interest Coverage Ratio	-9611.506	-
Current Ratio	1.960	0.026
Debt Equity Ratio	0	-1.171
Operating Profit Margin (%)	-	-
Net Profit Margin (%)	-	-
Return on Net Worth (%)	-86.286	5.743

details of any change in Return on Net Worth (%) as compared to the immediately previous financial year along with a detailed explanation thereof.

FORWARD LOOKING STATEMENTS:

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business, if any and other ancillary factors.

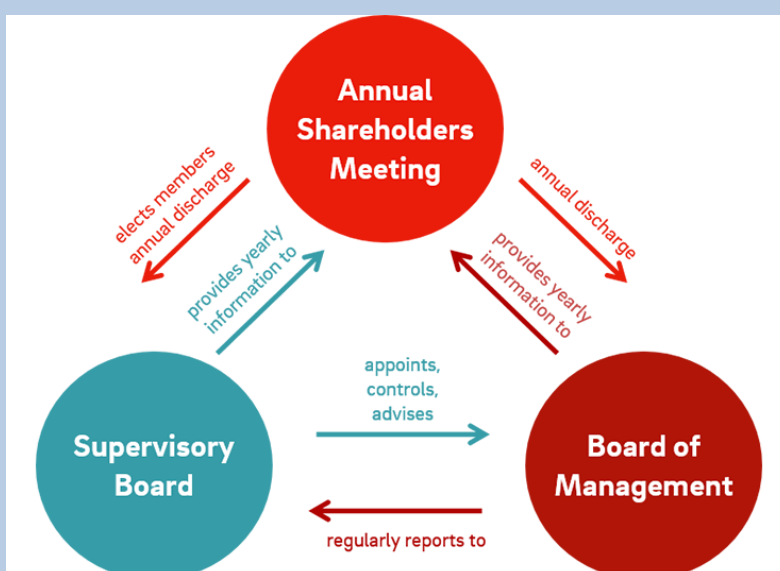


CORPORATE GOVERNANCE REPORT

I. PHILOSOPHY ON CORPORATE GOVERNANCE

The Company firmly believes in the concept of transparency and fairness. Adequate timely disclosure, professionalism and accountability form the keystone of our Corporate Governance Policy. The Company values, practices and implements ethical and transparent business practices aimed at building trust amongst various stakeholders. The company believes that Corporate Governance is a significant element in improving efficiency and growth as well as enhancing investor confidence. The Company endeavours to constantly improve on these aspects.

The driving principles of our corporate governance framework are encapsulated in the following diagram:



The Board has developed the corporate governance framework to fulfil their responsibility.

This framework ensures that we make timely disclosures and share accurate information regarding our financials and performance.

II. BOARD OF DIRECTORS

A. Composition of the Board:

The Board of Directors provide strategic direction and thrust to the operations of the Company. As on 31st March, 2022, the Board has 6 directors with optimum combination of Executive/Non- Executive/Independent Directors. The Executive Director is Chairperson of the Company who is the promoter of the Company and the numbers of independent directors are one-half of the total number of directors. None of the Directors on the Board is a Member in more than 10 Committees and Chairman of more than 5 Committees (as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), across all the companies in which he is a Director. Hence, the Company complies with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 norms for Composition of Board of Directors.



B. Details of Board of Directors:

During the review period, the Board met 7 times on 01/07/2021, 12/08/2021, 19/10/2021, 02/11/2021, 11/11/2021, 07/02/2022 and 14/02/2022.

The names and categories of the Directors on the Board, their attendance at board meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2022 are given herein below.

Name of the Director	Category of Director	No. of Board Meetings held	No. of Board Meetings attended	Names of Listed companies where the person is director and the category of directorship as on 31st March 2022	Committee Memberships	Committee Chairmanships	Last Annual General Meeting attended 30/09/2021
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Mrs. Rajkumari Sushil kumar Kanodia	Promoter Director & women Director (upto 19/10/2021)	2	2	N.A.	N.A.	N.A.	YES
Mr. Rajendraprasad Rampratap Sharma	Independent Director(upto 19/10/2021)	2	2	N.A.	N.A.	N.A.	YES
Mr. Banti Parasar	Independent Director(upto 19/10/2021)	2	2	N.A.	N.A.	N.A.	YES
Mr. Mayadhar Ravindar Mahakud	Managing Director(upto 19/10/2021)	2	2	N.A.	N.A.	N.A.	YES
Mr. Rajkumar Satyanarayan Agarwal	Managing Director (appointed w.e.f. 19/10/2021)	5	5	1*	0	0	N.A.
Ms. Sapna	Director	5	5	1*	2	0	N.A.



Rajkumar Agarwal	(appointed w.e.f. 19/10/2021)						
Mr. Sandiip Satyanarayan Agarwal	Whole Time Director and CFO (appointed w.e.f. 19/10/2021)	5	5	1*	0	0	N.A.
Prof. Ramesh Chandra Agarwal	Independent Director (appointed w.e.f. 19/10/2021)	5	5	1*	2	1	N.A.
Mr. Vinodkumar Bajranglal Dalmia	Independent Director (appointed w.e.f. 19/10/2021)	5	5	2*#	2	1	N.A.
Mr. Kailashnath Jeevan Koppikar	Independent Director (appointed w.e.f. 19/10/2021)	2	1	1*	0	0	N.A.

*The directorship includes the directorship of the Company.

holding position of Independent director at KIRAN PRINT-PACK LTD.

The Board was reconstituted by appointing new board members on the board of the company pursuant to Resolution Plan submitted by SVG FASHIONS PRIVATE LIMITED approved by the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT") vide its Order dated 05th October, 2021 and accordingly the old board members resigned from the Company. All independent directors were resigned pursuant to aforesaid NCLT order before the expiry of their terms and there were no other material reason.

The New Independent Directors were appointed as per National Company Law Tribunal, Ahmedabad Bench ("NCLT") Order dated 05th October, 2021 wherein members approval was deemed, pursuant to which the Board has considered it's approved by the member under regulation 17 (1A) and 17(1C) of LODR.

Note:

The Committees considered for the purpose of calculation of membership and/or chairmanship as discussed above are those as specified in the Listing Regulations i.e Audit Committee and Stakeholder Relationship Committee.

C. Other Provisions: Disclosure of relationships between directors *inter-se*

The Company confirms that it did not have any material pecuniary relationship or transaction with any Non-Executive Director during the year ended 31st March 2022. Except, Mr. Rajkumar Satyanarayan Agarwal, Managing Director is husband of Ms. Sapna Rajkumar Agarwal, who holds position of Non-Executive/Woman Director and brother of Mr. Sandiip Satyanarayan Agarwal, Whole time director and CFO of the Company no other director share any relationship with other directors. Further, the Company has not paid any sitting fees for attending the Board and/or the Committee meetings and commission for the year under review.

The information as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is being made available to the Board. The Audit Committee of the Board of Directors periodically reviews the compliance report submitted by the Managing Director



regarding compliance with the various laws applicable to the Company. The Company has a succession plan in place for appointment to the board of directors and senior management.

D. Number of shares and convertible instruments held by Non-Executive Directors

None of the Non-executive directors of the company holds any shares/convertible instruments of the Company except Ms. Sapna Agarwal as mentioned in Notice of AGM.

E. Skills/Expertise/Competencies

In accordance with Regulation 34(3) read with Part C of Schedule V of SEBI Listing Regulations, the Board has identified the following skills/expertise/ competencies as required in the context of its

business(es) and sector(s) for it to function effectively and which are taken into consideration while nominating candidates to serve on the Board of the Company:

Sr. No .	Name of the Director	Skills/Expertise/ Competencies
1.	Mr. Rajkumar Satyanarayan Agarwal	Industry knowledge/experience & technical Expertise, Interpersonal skills, Ethics, Commitment
2.	Mr. Sandeep Satyanarayan Agarwal	Industry knowledge/experience & technical Expertise, Interpersonal skills, Ethics, decision making and Commitment
3.	Ms. Sapna Rajkumar Agarwal	Industry knowledge/experience, Interpersonal skills & self-driven professional
4.	Mr. Vinodkumar Bajranglal Dalmia	Industry knowledge/experience, Interpersonal skills, Leadership and technical Expertise
5.	Prof. Ramesh Chandra Agarwal	Industry knowledge/experience & technical Expertise, Interpersonal skills, decision making and Commitment
6.	Mr. Kailashnath Jeevan Koppikar	Industry knowledge/experience & technical Expertise, Interpersonal skills, Ethics, Commitment

F. Familiarisation programmes for Independent Director

To familiarize new Independent Directors with the strategy, operations and functions of our Company, the Company's presentation on strategy, operations, product offerings, markets, organization structure, finance, human resources, technology, etc. is given at the time of their induction and thereafter during the Board meetings and/or committees thereof. Details of the programme for familiarisation of Independent Directors with the working of the Company are available on the website of the Company and can be accessed on <https://www.rajrayon.com/Pdf/Familiarisation-programmes-for-independent-directors.pdf>

G. Criteria for appointment of Independent Directors:

The Nomination and Remuneration Committee while considering the proposal for appointment of Independent Directors also considers the criteria of independence prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors of the Company also confirms that all the Independent Directors of the Company have complied with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, regarding enrollment in the Data Bank for Independent Directors as required under Notification dated 22nd October, 2019 issued by the Ministry of Corporate Affairs in this regard.



Separate Meeting of Independent Directors:

Schedule IV, of the Companies Act, 2013 and Regulation 25(3) of SEBI (Listing Obligation Disclosure Requirement) Regulations, 2015 mandates that Independent Directors of the Company should hold at least one separate meeting in a year without the presence of Non-independent Directors and members of the Management. During the year under review, the Independent Directors met on 14th February, 2022, *inter alia* to discuss:

- review the performance of non-independent directors and the Board as a whole, review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- to assess the quality, quantity and timeliness of flow of information between the company management and the Board.
- During the financial year Separate Independent Directors Meeting was held on 14th February, 2022.

The Non-Executive Directors/Independent Directors were not paid Sitting Fees for Meeting of the Board or Committee attended by them/or any commission during the year under review.

III. TERMS AND CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTORS:

Independent Directors fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Formal Letter of appointment has been given to Independent Directors at the time of their appointment/re-appointment. The terms and conditions of appointment/re-appointment of Independent Directors has been disclosed on the website of the Company at <https://www.rajrayon.com/Pdf/Letter-of-Appointment-of-Independent-Director.pdf>

IV. AUDIT COMMITTEE

- Terms of reference:** The Audit Committee is, *inter alia*, entrusted with the responsibility to monitor the financial reporting, audit process, determine the adequacy of internal controls, evaluate and approve transactions with related parties, disclosure of financial information and recommendation of the appointment of Statutory Auditors.
- Composition:** The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.
- Meeting held and attendance:** During the year under review, Audit Committee met 4 times on 1st July, 2021, 13th August, 2021, 11th November, 2021 and 14th February, 2022 with a gap of not more than 120 days. The details of the meetings attended by the Directors are given below:

Name of member	Member/ Chairman	Number of Meetings Held and Attended
Mr. Rajendraprasad Rampratap Sharma	Chairman (upto 19 th October, 2021)	2
Mr. Banti Parasar	Member (upto 19 th October, 2021)	2
Mr. Mayadhar Ravindar Mahakud	Member (upto 19 th October, 2021)	2



Prof. Ramesh Chandra Agarwal	Chairman (appointed w.e.f.19 th October, 2021)	2
Mr. Vinodkumar Bajranglal Dalmia	Member(appointed w.e.f.19 th October, 2021)	2
Ms. Sapna Rajkumar Agarwal	Member(appointed w.e.f.19 th October, 2021)	2

All the recommendations made by the Audit Committee during the year were accepted by the Board. The Audit Committee is empowered, pursuant to its terms of reference and its role, inter alia, includes the following

V. NOMINATION & REMUNERATION COMMITTEE:

The role of the Nomination and Remuneration Committee is governed by its Charter and its composition is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

During the year under review, the composition of the Nomination & Remuneration Committee of the Board comprised the following Non-Executive Directors.

- a. Meeting held and Attendance:** During the year under review, the Nomination & Remuneration Committee met two times on 11th November, 2021 and 7th February, 2022. The composition of the Committee along with the details of the meeting attended by the Directors is given below:

Name of member	Member/ Chairman	Number of Meetings held& Attended
Mr. Rajendraprasad Rampratap Sharma	Chairman (upto 19 th October, 2021)	0
Mr. Banti Parasara	Member (upto 19 th October, 2021)	0
Mr. Mayadhar Ravindar Mahakud	Member (upto 19 th October, 2021)	0
Mr. Vinodkumar Bajranglal Dalmia	Chairman (appointed w.e.f.19 th October, 2021)	2
Prof. Ramesh Chandra Agarwal	Member(appointed w.e.f.19 th October, 2021)	2
Mrs. Sapna Rajkumar Agarwal	Member(appointed w.e.f.19 th October, 2021)	2

VI. STAKEHOLDERS RELATIONSHIP COMMITTEE

The role of the Stakeholders Relationship Committee is governed by its Charter and its composition is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. During the year under review, the composition of the Stakeholders Relationship Committee of the Board comprised the following Non-Executive Directors.

- a. Meeting Held and attendance:** During the year under review, the Committee met four times on 1st July, 2021, 13th August, 2021, 11th November, 2021 and 14th February, 2022.



Name of member	Member/ Chairman	Number of Meetings Held and Attended
Mr. Rajendraprasad Rampratap Sharma	Chairman (upto 19 th October, 2021)	2
Mr. Banti Parasar	Member (upto 19 th October, 2021)	2
Mr. Mayadhar Ravindar Mahakud	Member (upto 19 th October, 2021)	2
Mr. Vinodkumar Bajranglal Dalmia	Chairman (appointed w.e.f.19 th October, 2021)	2
Prof. Ramesh Chandra Agarwal	Member(appointed w.e.f.19 th October, 2021)	2
Mrs. Sapna Rajkumar Agarwal	Member(appointed w.e.f.19 th October, 2021)	2

The Committee meets at intervals to consider Shareholders' complaints. However, during the year under review the Company has not received any request for share transfers/complaints or matters required to be considered/approved at the committee meeting.

Mr. Chintan Dharod, Company Secretary and Compliance Officer of the Company hold designation of the compliance officer w.e.f. 19th October, 2021.

Number of Shareholder complaints received during the year:

During the year under review, no investor complaints were received by the Company.

VII. REMUNERATION OF DIRECTORS:

The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the financial year 2021-22 except Mrs. Sapna Rajkumar Agarwal, Non-Executive Director, who is wife of Mr. Rajkumar Satyanarayan Agarwal, Managing Director and sister in law of Mr. Sandeep Satyanarayan Agarwal, WTD and CFO of the Company.

Further except Company secretary none of the KMP received any remuneration as the Company was under IBC and under stress to start its production.

Further none of the directors were paid any sitting fees for attending any meetings.

- There are no separate service contracts with any of the directors. The tenure of office of the Managing Director and Whole Time / Executive Directors for five years and remuneration is for three years from their respective dates of appointment, and can be terminated by either party by giving one month's notice in writing. There is no separate provision for payment of severance fees;
- No stock options are offered to any of the Directors of the Company; and
- The Company was under IBC, the old Board members have not received any remuneration in the year under review.



VIII. GENERAL BODY MEETINGS

The details of Annual General Meetings (AGM) held in the last three years are given hereunder:

Financial Year	Date	Location	Time	Special Business considered in the AGM/EGM
2018-2019	30-09-2019	Hotel Green Wood, Naroli Road, Opp DSB Bank Sillvassa 396230	10.00 am	Appointment of Mr. Mayadhar Ravindar Mahakud (DIN: 08340476), as the Managing Director of the Company
2019-2020	12-03-2021	VCOM	4.00 pm	Nil
2020-21	30-09- 2021	VCOM	4.00 pm	Nil

IX. Disclosures

- a. **Disclosures on materially significant related party transactions, i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.**

None of the transactions with any of the related parties were in conflict with the interest of the Company.

- b. **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years**

The Company has complied most of the requirements of the regulatory authorities on matters related to capital markets and paid the necessary penalties wherever applicable by the Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets. However as the company was under IBC the penalties wherever possible was waived by the authorities.

c. Vigil Mechanism

Pursuant to the requirement of the Companies Act 2013 and provisions of Listing Agreement applicable to the Company, your Company has adopted Vigil mechanism (Whistle Blower Policy) for complying with the Company's Code of Conduct and Ethics, and particularly to assuring that business is conducted with integrity and that the Company's financial information is accurate. Details of the Vigil Mechanism are given in the Directors' Report and no personnel has been denied access to the Audit Committee. The whistle blower Policy is available on the Company's website and can be accessed through the link: <https://www.rajrayon.com/Pdf/Whistle-Blower-Policy.pdf>

d. Compliance with Non – Mandatory Requirements

The Company is compliant with non- Mandatory requirements of Regulation 27(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 to the extent it is applicable to the Company.



- i. The Chairperson is an executive director.
- ii. The Company is in the regime of unmodified opinions on financial statements.
- iii. The Internal Auditor reports directly to the Audit Committee in all functional matters.

e. Subsidiary Companies: The Company does not have any subsidiary.

f. Disclosures on materially significant related party transactions

The Company has not entered into any related party transactions during the year under review as the Company was under IBC which form a part of the financial statements as required under Ind AS-24 and the same forms part of this Annual Report. However, as on the reporting date, the Company has entered into related party transactions upon implementation of NCLT order and these transactions are not having any potential conflict with the interests of the Company at large. The Policy on Materiality of Related Party Transaction and Dealing with Related Party Transactions is available on the Company's website and can be accessed through the [link: https://www.rajrayon.com/Pdf/Policy%20Related%20party%20transcation.pdf](https://www.rajrayon.com/Pdf/Policy%20Related%20party%20transcation.pdf)

g. Commodity price risk or foreign exchange risk or hedging activities:

The risks are tracked and monitored on a regular basis. However, the during the Financial Year 2021-22 the company has not started any operational activities accordingly company has nothing to termed in the matter.

h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of LODR, 2015

During the year under review, the Company has not raised any funds through preferential allotment or qualified institutions placement.

i. Details of total fees paid to statutory auditors

Total fees for all services paid by the Company, on a consolidated basis, to the statutory auditors are as follows:

Particular	Financial Year 2021-22 (INR in Lakhs)
Audit Fees	4.31

j. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to uphold and maintain the dignity of women employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. The below table provides details of complaints received/disposed during the financial year 2021-22:

Number of complaints filed during the financial year	NIL
Number of complaints disposed of during the financial year	NIL
Number of complaints pending as on end of the financial year.	NIL



k. Recommendations of Committees

The Board of Directors confirm that during the year they have accepted all mandatory recommendations received from its Committees.

l. Disclosure on compliance with Corporate Governance Requirements specified in Listing Regulations

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and sub-regulation (2) of Regulation 46 of the Listing Regulations.

m. Disclosure of Loans and Advances

During Financial Year 2021-22, the Company have not given any Loans and advances in the nature of loans to firms/companies in which directors are interested.

X. Means of communication

Publication of Quarterly Results	Quarterly Results are not published in newspapers but the same are displayed on the Company's website www.rajrayon.com .
Website	www.rajrayon.com In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, stock quotes, Annual Report, Quarterly/Half yearly/ Nine-months and Annual financial results along with the applicable policies of the Company
Stock Exchange	Your Company makes timely disclosures of necessary information to BSE Limited and the National Stock Exchange of India Limited in terms of the Listing Regulations and other rules and regulations issued by the SEBI NEAPS (NSE Electronic Application Processing System) NEAPS are a web-based application designed by NSE for corporates. BSE Corporate Compliance & the Listing Centre BSE Listing is a web-based application designed by BSE for Corporates. All periodical compliance filings, <i>inter alia</i> , shareholding pattern, Corporate Governance Report, corporate announcements, amongst others are in accordance with the Listing Regulations filed electronically. Corp filing: Various Announcements, Quarterly Results, Shareholding Pattern etc. of the Company are also posted on www.corpfiling.co.in .



SEBI Complaints Redress System (SCORES)	The investor complaints are processed in a centralised web based complaints redress system. The salient features of this system are Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaints and its current status.
Whether it also displays official news releases	Official news releases, detailed presentations made to media, analysts, institutional investors, etc. are displayed on the Company's website www.rajrayon.com .
Annual Report	Annual Reports are sent to each shareholder at their address registered or on their e-mail address registered with the Company/RTA/Depositories.
The presentations made to institutional investors or to the analysts	N.A.

14. GENERAL SHAREHOLDER INFORMATION:

AGM Date	Friday, 30.09.2022
Time	Business Hours 11.00 a.m.
Venue	Video Conferencing / Other Audio Visual Means ("VC" / "OAVM")
Registered office	Survey No. 177/1/3, Village-Surangi, Dist-Silvassa, Dadra & Nagar Haveli (U.T.) - 396230 (INDIA)
Plant Location	Survey No. 177/1/3 (Registered office) including Survey No. 161/1, 161/2, 164/3 & 162/3, 177/1/4 Village - Surangi, District - Silvassa, Dadra & Nagar Haveli (U.T.) - 396 230 (INDIA)
Listing Fees	The Company has paid the Listing Fees of the exchanges for FY 21-22.
Financial Year	April 1, 2021 to March 31, 2022
Book Closure Date	NA
Dividend	Not Declared for the Financial Year 2021-22
Listing of Stock Exchange	BSE Limited National Stock Exchange of India Limited
Stock Code	BSE-530699 NSE Symbol- RAJRILTD
Demat ISIN No.	INE533D01032
CIN	L17120DN1993PLC000368



Financial Calendar	Financial Year: 1stApril,2022 to 31stMarch,2023 Results for the quarter ending June Midweek of August Results for quarter ending September Midweek of November Results for quarter ending December Midweek of February Results for year ending March 31, Last week of May, Annual General Meeting September
Registrars and Transfer Agents(R&TA):	LINK INTIME INDIAPRIVATE LIMITED 247,LalBahadur Shastri Marg, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra-400083 Phone:02249186000 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in
Address for Correspondence	For Transfer/ transmissionofshares,changeofaddress/bankmandatedetailsforphysical shares, receipt of dividend warrant, loss of share certificates etc., should be addressed to: Link Intime India Private Limited 247, Lal Bahadur Shastri Marg, Surya Nagar, GandhiNagar,VikhroliWest,Mumbai,Maharashtra400083 Phone:02249186000 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in (OR) Directly to the Company to: Company Secretary & Compliance Officer Raj Rayon Industries Ltd. Registered office: Survey No. 177/1/3, Village - Surangi, Dist. - Silvassa, Dadra & Nagar Haveli (UT), Silvassa , Dadra & Nagar Haveli, 396230 E-mail:investors@rajrayon.com Tel Nos: 0260-09998802192

Market Price Data: High & Low price of equity shares on the BSE Limited with BSE Sensex is as under:

Month	Company's Shares price at BSE*		BSE Sensex (Points) *	
	High	Low	High	Low
April 2021	0.22	0.19	50,375.77	47,204.50
May 2021	0.25	0.20	52,013.22	48,028.07
June 2021	0.35	0.22	53,126.73	51,450.58
July 2021	0.33	0.27	53,290.81	51,802.73
August 2021	0.36	0.26	57,625.26	52,804.08
September 2021	0.32	0.21	60,412.32	57,263.90
October 2021	0.40	0.27	62,245.43	58,551.14
November 2021	0	0	61,036.56	56,382.93
December, 2021	0	0	59,203.37	55,132.68
January 2022	0	0	61,475.15	56,409.63
February 2022	0	0	59,618.51	54,383.20
March 2022	2.24	1.29	58,890.92	52,260.82

* Source: www.bseindia.com



Share Transfer System: Pursuant to the provisions of Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from 1st April, 2019, SEBI has mandated that, securities can be transferred only in dematerialized mode, except in case of transmission or transposition of the securities. Further, SEBI has fixed 31st March, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Therefore, the members holding shares in physical form are requested to consider converting their holdings into dematerialized form. Transfers of equity shares in electronic form are affected through the depositories with no involvement of the Company.

Distribution of shareholding as at 31st March, 2022:

Slab of Shares		Shareholders	Percentage (%)	Total shares	Percentage (%)
From	To				
1	500	20611	97.3503	904851	39.6431
501	1000	347	1.639	273544	11.9844
1001	2000	124	0.5857	186602	8.1754
2001	3000	41	0.1937	103253	4.5237
3001	4000	11	0.052	37107	1.6257
4001	5000	10	0.0472	46792	2.0500
5001	10000	12	0.0567	93109	4.0793
10001	and above	16	0.0756	637237	27.9184
Total		21172*	100.000	2282495	100.000

* No of shareholders taken as per DP accounts and not by clubbing of PAN.

Dematerialization of shares and liquidity:

As on 31st March, 2022, about 99.62% of the Company's Equity Shares have been dematerialized. The Equity Shares of the Company are actively traded on the BSE Ltd. and NSE.

Compliance Officer: The Company has appointed Mr. Chintan Mukesh Dharod w.e.f. 19th October, 2021, Company Secretary and Compliance Officer of the Company. Mr. Sushil Kumar Radheshyam Kanodia, the CEO & CFO of the Company ceased to be the Compliance Officer upon change in composition of Board who resigned w.e.f. 19th October, 2021.

Shareholding pattern of the Company as on 31st March 2022

	Category	Number of Shares Held	Percentage holding
A.	Promoters' Holding		
1.	Promoters		
	-Indian Promoters	Nil	0.00
	-Foreign Promoters	Nil	0.00
2.	Persons acting in Concert	Nil	0.00
	Sub-Total (1+2)	Nil	0.00
B.	Non-Promoters' Holding		
3.	Institutional Investors		
	a. Mutual Funds and UTI	Nil	Nil
	b. Banks, Financial Institutions, Insurance	11,669	0.51
	Companies (Central/ State Govt. Institutions, Non-Institutions)	Nil	Nil



	Government Institutions	Nil	0.00
	NBFCs registered with RBI	813	0.04
	c. FIIs (Foreign Institutional Investors)	Nil	0.00
	Sub-Total	Nil	Nil
4.	Others		
	a.Private Sector Corporate Bodies and others	392,925	17.21
	b. Indian Public	178,5617	78.23
	c. NRI	91,471	4.01
	Grand Total	22,82,495	100.00

Credit Ratings:

The Company has not obtained any credit rating during the financial year.

Convertible Instrument:

The Company has not issued any American Depository Receipts (ADRs)/ Global Depository Receipts (GDRs).

The Company has issued of 1,00,000 Compulsory Convertible Preference Shares (CCPS) CLASS – A to financial creditors viz., State Bank of India and Phoenix ARC Private Limited, of Rs. 100/- each by way of conversion of amount owing to financial creditors and 25,00,000 Compulsory Convertible Preference Shares (CCPS) CLASS – B of Rs.100/- each to M/s SVG Fashions Private Limited.

Code for Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

CEO/CFO Certification

The Chief Executive Officer & Chief Financial Officer have certified to the Board in accordance with uniform Listing Agreement pertaining to CEO / CFO certification for the financial year ended 31st March, 2022 is annexed and forms part of this Report.

Disclosures with respect to demat suspense account/ unclaimed suspense account:

The details of share in Demat Suspense Account / Unclaimed Suspense Account are mentioned below:

- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: Nil
- Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Nil
- Number of shareholders to whom shares were transferred from suspense account during the year: Nil



(d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: 170 Equity shares of Re.1 each *

**170 Equity shares were transferred on 14th March, 2022 on account of reduction of capital of the company as approved by Hon'ble National Company Law Tribunal, Ahmedabad bench, vide order dated 5th October, 2021.*

(e) The voting rights on these shares will remain frozen till the rightful owner of such shares claims the shares.

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

This is to certify that the Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management Personnel and that the same has been uploaded on the Company's website

All the Board members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the Financial Year ended 31st March, 2022.

For Raj Rayon Industries Limited

RAJKUMAR SATYANARAYAN AGARWAL
Managing Director
00395370

SANDIIP SATYANARAYAN AGARWWAL
Whole Time Director and CFO
00395348

Place: Mumbai
Date: 30/05/2022



CORPORATE GOVERNANCE CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

To,
The Members of
M/s. RAJ RAYON INDUSTRIES LIMITED

I have examined the compliance of Corporate Governance by **M/s. RAJ RAYON INDUSTRIES LIMITED** ("the Company") for the Financial Year ended 31st March, 2022, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') as referred to in Regulation 15(2) of the SEBI Listing Regulations for the Financial Year ended 31st March, 2022.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. My examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the Compliance with the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable.

In my opinion and to the best of my information and according to the explanation given to me and based on the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable except:

1. *The Company has not appointed Cost Auditor in the year under review.*
2. *There was delay in filing the June 2021 results with NSE and BSE by one day.*
3. *There was delay in filing shareholding pattern within the period prescribed for September 2021 as per Regulation 31 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015*
4. *Web Site was non-functional till November 2021 and not updates but new management has assured to do the same.*
5. *The Company has not appointed the KMP- Company Secretary under section 203 of the Companies Act, 2013 in last financial year. During the year the Company has appointed Company Secretary on 19th October, 2021.*
6. *The company has not dispatched the Annual Report for FY 2020-21 but emailed for the same has been sent to the shareholders whose email ids was available.*
7. *There was a delay in filing DIR-12 and associate eforms with MCA for appointment of new Board and other matter, as informed by management the delay was due to non – cooperation of suspended board for providing the technical support to affix digital signature of e-forms.*



8. *The Newspaper publications of financial results are not published for June 2021 as per requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

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

Riddhi Krunal Shah

C.P. No. : 17035

M.No.20168

PR No.2037/2022

Place: Mumbai

Date: 30/05/2022

Note:

I have partially conducted online verification and examination of records, as facilitated by the Company due to Covid-19 and subsequent lockdown situation for the purpose of issuing this Certificate.



CERTIFICATE OF MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER ON CORPORATE GOVERNANCE

The Board of Directors

M/s. RAJ RAYON INDUSTRIES LIMITED

We have reviewed the financial statements and the cash flow statement RAJ RAYON INDUSTRIES LIMITED for the financial year 2021-22 and certify that:

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

For Raj Rayon Industries Limited

RAJKUMAR SATYANARAYAN AGARWAL
Managing Director
00395370

SANDIIP SATYANARAYAN AGARWWAL
Whole Time Director and CFO
00395348

Place: Mumbai
Date: 30/05/2022



CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015)

To
The Members,
M/s. RAJ RAYON INDUSTRIES LIMITED

I have examined the relevant registers, records, forms, returns and disclosure received from the Directors of RAJ RAYON INDUSTRIES LIMITED having CIN L17120DN1993PLC000368 and having registered office at SURVEY NO 177/1/3, VILLAGE SURANGI SILVASSA DN 396230 INDIA (hereinafter referred to as 'the Company') produced before us by the Company for the purpose of issuing this certificate in accordance with Regulation 34(3) read with Schedule V Para C sub Clause (10)(i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

In my opinion and to the best of my knowledge and according to the verifications including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanation furnished to us by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below have been debarred or disqualified for the financial year ended 31st March 2022 from being appointed or continuing as Directors of Companies by the Securities Exchange Board of India, Ministry of Corporate Affairs or such other statutory Authority.

SR. NO.	NAME OF THE DIRECTOR	DIN	DATE OF APPOINTMENT IN THE COMPANY
1.	MR. RAJKUMAR SATYANARAYAN AGARWAL	00395370	19/10/2021
2.	MR. SANDIIP SATYANARAYAN AGARWWAL	00395348	07/02/2022
3.	MS. SAPNA RAJKUMAR AGARWAL	00437469	19/10/2021
4.	MR. VINODKUMAR BAJRANGLAL DALMIA	03018994	19/10/2021
5.	PROF. RAMESH CHANDRA AGARWAL	09364549	19/10/2021
6.	MR. KAILASHNATH JEEVAN KOPPIKAR	03195681	07/02/2022

Ensuring the eligibility for the appointment or continuity of every Director on the Board of above referred Company is the responsibility of the management of the Company. My responsibility is to express an opinion as stated above based on the verification. This certificate is neither an assurance as to the future viability of the Company or effectiveness with which the management has conducted the affairs of the Company.

Riddhi Krunal Shah
C.P. No. : 17035
M.No.20168
PR No.2037/2022

Date: 30/05/2022
Place: Mumbai



INDEPENDENT AUDITOR'S REPORT

To
The Members of
Raj Rayon Industries Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **Raj Rayon Industries Limited** ('the Company'), which comprises of Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow 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 matter described in the **Basis for Qualified Opinion** section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- a) We have not received direct bank confirmations from the banks and hence in view of pending confirmations from banks we are unable to comment on the impact, if any, on the financial statement arising out of such confirmations and reconciliation thereof with the books of accounts.

Emphasis of Matter

- a) We draw attention to Note No. 27, 28 and 37 of the accompanying financial statements, wherein the company has interalia disclosed the facts w.r.t. the implementation of the NCLT approved resolution plan under the Insolvency and Bankruptcy Code (IBC), 2016 and the consequential relinquishment / realignment of the rights, risks and responsibilities of the company and all other stakeholders including financial and operational creditors, of which necessary effect has been considered in the said financial statements;

Our opinion is not modified in respect of the above.

Key Audit Matters

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



Considering that the operational activities are to be resumed and there are minimal operations as at the reporting date, we have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matters	How addressed in our audit
Assessment of Useful life of the PPE The company has certain PPE which are being acquired by it under the resolution process under IBC. These assets were acquired from the erstwhile management after the operations were suspended and the assets were lying un-operational. These PPE constitute a major part of the total assets of the company and hence the value as well as the charge as depreciation has been considered as a key audit matter.	Our audit procedures included but were not limited to the following: a) Verifying the value / carrying amount of the PPE with the valuation reports of the third party valuers; b) Checking the management assessment of the realisable value c) Checking the rates used for depreciation vis-à-vis the rates as specified in the Companies Act, 2013.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the Act). 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

Information Other than the Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Business responsibility Report, Corporate Governance report and Shareholder's information, but does not include the financial statement and our auditor's report thereon. The same was not made available till the date of our report.

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

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

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

Responsibilities of Management and those charged with Governance for the Standalone 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 (including other comprehensive income), changes in equity 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control 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 the management.
- Conclude on the appropriateness of the 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. However, future events or conditions may cause the Company to cease to continue as a 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.

Materiality is the magnitude of misstatements in the financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

Other Matters:

- (i) The financial statements of the Company for the year ended 31st March, 2021, were audited by the predecessor auditor; whose report dated 26th July, 2021 expressed a qualified opinion on those statements. The qualification in the report of the previous auditors, unless otherwise reported, has been addressed due to the resolution process as described hereinafter and management actions thereafter.
- (ii) We draw your attention to note no 27 and 28 of the financial statements which describes the implementation of the resolution plan pursuant to approval by National Company Law Tribunal by an Order dated 5th October 2021 and the resultant impacts of the same on the financial statements for the year ended March 31, 2022.

Our opinion is not modified in respect of the matters specified in "Other Matters" paragraph above.

Report on Other Legal and Regulatory Requirements

1. Pursuant to the Companies (Auditor's Report) Order, 2020 ("the Order" "CARO"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.



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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and records.
- (c) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, except for matters described in the 'Basis for Qualified Opinion' para stated above;
- (e) On the basis of the written representation received from the directors as on March 31, 2022 taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as Directors in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year.

- (h) With respect to the matters to be included in the Auditor's report in accordance with the 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. Pursuant to the NCLT Order dated 5th October 2021, the Company does not have any pending litigation which would impact its financial performance.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, 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 or entity, including foreign entities ("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 or entity, 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 in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contains any material misstatement.

For MKPS & Associates
Chartered Accountants
Firm registration No. -302014E

Place: Mumbai
Date: May 30, 2022

Narendra Khandal
Partner
Membership No. 065025
UDIN: 22065025AJXBES1249



Annexure “B” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the Members of The RAJ RAYON INDUSTRIES LIMITED of even date:

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of RAJ RAYON INDUSTRIES LIMITED (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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.

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of



financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies

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

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.

Disclaimer of Opinion

The system of Internal Financial Control Over Financial Reporting with regard to the company were not made available to us to enable us to determine if the company has established adequate internal financial control over financial reporting and whether such internal financial control was operating effectively. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2022.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of the Company.

**For MKPS & Associates
Chartered Accountants
Firm registration No. -302014E**

**Place: Mumbai
Date: May 30, 2022**

**Narendra Khandal
Partner
Membership No. 065025
UDIN: 22065025AJXBES1249**



Annexure “A” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the members of Raj Rayon Industries Limited of even date:

- i. (a) In respect of Company’s Property, Plant and Equipment (PPE) and Intangible Assets:
 - A. The fixed assets register and other records of the Company needs to be updated for, showing full particulars including quantitative details and situation of Property, Plant and Equipment (PPE) and right of use assets.
 - B. The Company has not maintained proper records showing full particulars of intangible assets.
- (b) As explained to us, physical verification of the assets has not been carried out during the year.
- (c) According to the information and explanation given to us and the records examined by us and based on the examination of the scanned copies of the title deeds of the immovable properties pledged with the bankers as security against borrowings, we report that the title deeds of the immovable properties that have been pledged as security against borrowings and other facilities availed by the Company, are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalue its Property, Plant and Equipment (including right of use assets) or intangible assets or both during the year and hence reporting under clause 3(i)(d) of the Order is not applicable to the Company.
- (e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records, neither any proceedings have been initiated during the year nor are pending as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder and hence reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- ii. (a) The Company does not hold any physical inventories. Accordingly, paragraph 3(ii)(a) of the order is not applicable.
- (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of Rs 5 crore, in aggregate from banks or financial institutions on the basis of security of current assets. Accordingly, paragraph 3(ii)(b) of the order is not applicable.
- iii. According to the information and explanations given to us, during the year, 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.
- iv. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records, the Company has complied with the provisions of section 185 and 186 of the Act, to the extent applicable with respect to the loans and investments made during the year. The Company has not provided any guarantee and security during the year.



- v. In our opinion and according to the information and explanations given to us, The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- vi. As informed to us, the maintenance of Cost Records has been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. We have broadly reviewed the books of account maintained by the Company, and are of the opinion that, prima facie, the prescribe accounts and records have not 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, the Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a year of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues as referred in clause vii(a) above which has not been deposited on account of any dispute as all disputed dues have been waived off by the NCLT order dated 5th October 2021.
- viii. According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) and hence reporting under clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of loans or other borrowings or in the repayment of interest thereon to the lenders except the dues which has been settled according to NCLT Order dated 5th October 2021 and hence reporting under clause 3(ix) of the Order is not applicable to the Company.
- (b) The Company is not declared as willful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short term basis have not been utilised for long term purposes.
- (e) According to the information and explanations given to us, the company does not have any subsidiary(ies) and hence the reporting requirements under sub-clause (e) and (f) of clause 3(ix) of the order are not applicable.
- x. (a) The Company has not raised any money during the year by way of initial public offer / further public offer hence, the requirement to report on clause 3(x)(a) of the Order is not applicable.



- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares pursuant to the NCLT Order 5th October 2021. Accordingly, the Company was not required to comply with the requirements of section 42 and section 62 of the Companies Act, 2013. The Company has not made any private placement of shares or fully or partly convertible debentures during the year or in the recent past.
- xi. (a) During our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- (b) During the year, no report under sub section 12 of Section 143 of the Act has been filed by us in Form ADT-4 as prescribed in rule 13 of Companies (Audit and Auditors) rules, 2014 with the Central Government.
- (c) Based on our audit procedures performed and according to the information and explanations given to us, no whistle blower complaints received during the year by the Company and hence reporting under clause 3 (xi) (c) of the Order is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with related parties are in compliance with section 177 and 188 of the Act and all the details have been disclosed in the standalone financial statements as required by the applicable Accounting Standard.
- xiv. (a) In our opinion and based on our examination, though the company is required to have an internal audit system under section 138 of the Act, it does not have the same established for the year.
- (b) The company did not have an internal audit system for the period under audit. We were unable to obtain internal audit reports of the company, hence the internal audit reports have not been considered by us.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.
- (b) In our opinion, there is no core investment company within the “Companies in the Group” as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.



- xviii. There has been resignation of the statutory auditors of the Company during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, having regard to the order of the NCLT referred to at Note No. 27 & 28 of the accompanying financial statements, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section (5) of section 135 of the Act.
- (b) In respect of ongoing projects, there are no unspent amounts that are required to be transferred to special account in compliance with provision of sub section (6) of section 135 of the said Act.

**For MKPS & Associates
Chartered Accountants
Firm registration No. -302014E**

**Place: Mumbai
Date: May 30, 2022**

**Narendra Khandal
Partner
Membership No. 065025
UDIN: 22065025AJXBES1249**



RAJ RAYON INDUSTRIES LIMITED

Balance Sheet as at 31st March 2022

(All amounts are in ₹ Lakhs except unless otherwise stated)

	Note	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	8,868.07	12,568.24
Capital Work in progress	3	581.35	
Financial Assets			
Investments	4	-	10.02
Other financial assets	5	0.30	777.11
Other Non-current assets	6	370.03	268.51
Total Non- current assets		9,819.75	13,623.88
Current Assets			
Inventories	7	-	60.38
Financial Assets			
Trade Receivables	8	0.05	1,477.89
Cash and Cash Equivalents	9	9.00	5.86
Bank Balances other than Cash and	10	1.21	1.21
Cash Equivalents			
Other financial assets	11	-	1.72
Other Current Assets	12	404.12	362.34
Total Current Assets		414.38	1,909.40
Total Assets		10,234.13	15,533.28
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital		22.82	3,464.54
Other Equity		3,495.43	(64,023.65)
Total Equity		3,518.26	(60,559.11)
Share Application Money pending Allotment		6,504.49	-
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	13	-	2,400.00
Total Non-Current Liabilities		-	2,400.00
Current Liabilities			
Financial liabilities			



Borrowings	14	-	68,538.72
Trade Payables	15		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		16.88	85.82
Other Financial Liabilities	16	190.31	5,067.51
Other Current Liabilities	17	4.19	-
Provisions	18	-	0.35
Current tax liabilities (net)	19	0.01	-
Total Current Liabilities		211.38	73,692.39
Total Liabilities		211.38	76,092.39
Total Equity and Liabilities		10,234.13	15,533.28

Significant accounting policies and Key accounting estimates and judgements
See accompanying notes to the financial statements

Significant Accounting Policies

The accompanying notes are an integral part of these standalone financial statements
As per our Report of even date

For MKPS & Associates

Chartered Accountants

ICAI Firm Registration Number: 302014E

Narendra Khandal

Partner

Mem. No. 065025

Mumbai

May 30, 2022

For and on behalf of Board of Directors of Raj Rayon Industries Limited

Rajkumar Agarwal

Managing Director

DIN: 00395370

May 30, 2022

Sandiip Agarwwal

WTD & CFO

DIN: 00395348

May 30, 2022

Chintan Dharod

Company Secretary

May 30, 2022



RAJ RAYON INDUSTRIES LIMITED

Statement of Profit and Loss for the year ended 31st March 2022

(All amounts are in ₹ Lakhs except unless otherwise stated)

Particulars	Note	Year ended 31st March, 2022	Year ended 31st March, 2021
Revenue from Operations	20	5.50	-
Other Income	21	0.04	95.61
Total Income (I)		5.54	95.61
EXPENSES			
Cost of Materials Consumed	22	-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	-	-
Employee Benefits Expense	24	5.59	2.52
Finance Costs	25	0.32	-
Depreciation and Amortisation Expense	3	2,798.91	3,550.36
Other Expenses	26	236.48	20.55
Total Expenses (II)		3,041.30	3,573.43
Profit Before Tax and Exceptional Items (I-II)		(3,035.76)	(3,477.82)
Exceptional Items	27	67,113.12	-
Profit Before Tax		64,077.36	(3,477.82)
<u>Tax Expense</u>			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
(3) Current taxes relating to earlier years		-	-
Profit for the period		64,077.36	(3,477.82)
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Re measurement of defined benefit plans		-	-
- Income tax expense / (benefit) related to items that will not be reclassified to Profit and loss		-	-
Total Other comprehensive income (Net of Tax)		-	-
Total Comprehensive income for the Year		64,077.36	(3,477.82)



Earnings per equity share of face value
of ₹ 10 each

Basic EPS (In ₹)

2,807.34

(1.00)

Diluted EPS (In ₹)

2,807.34

(1.00)

Significant Accounting Policies

1

See accompanying Notes to the Financial
Statements

1 to 39

As per our Report of even date

For MKPS & Associates

Chartered Accountants

ICAI Firm Registration Number: 302014E

For and on behalf of Board of Directors of

**Raj Rayon Industries
Limited**

Rajkumar Agarwal

Managing Director

DIN: 00395370

May 30, 2022

Sandiip Agarwal

WTD & CFO

DIN: 00395348

May 30, 2022

Narendra Khandal

Partner

Mem. No. 065025

Mumbai

May 30, 2022

Chintan Dharod

Company Secretary

May 30, 2022



RAJ RAYON INDUSTRIES LIMITED

CASH FLOW STATEMENT for the year ended 31st March, 2022

(All amounts are in ₹ Lakhs except unless otherwise stated)

	Year Ended March 31, 2022	Year Ended March 31, 2021
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax and Extraordinary Items	64,077.36	(3,477.82)
Adjustment for:		
Depreciation	2,798.91	3,550.36
Provision for Bad & Doubtful Debts	-	-
Exceptional Item	(67,113.12)	-
Exchange Rate Change	-	-
(Profit) / Loss on Sale of Fixed Asset	-	-
Rent Income	-	-
Interest / Other Income	(0.04)	(3.17)
Expenses for Increase in Authorised Share Capital	-	-
Finance Costs	-	-
Operating Profit Before Working Capital Changes	(236.89)	69.37
Adjustment For:		
Changes in Working Capital'		
(Increase)/ Decrease in Trade Receivables	(0.05)	11.58
(Increase)/ Decrease in Financial and Other Assets	(467.90)	14.25
Increase/ (Decrease) in Trade Payables	16.88	(1.11)
Increase/ (Decrease) in Financial and Other liabilities	21.89	(92.18)
Cash Used in Operations	(666.08)	1.91
Direct Taxes Paid	-	-
Cash Flow Before Extraordinary Items	(666.08)	1.91
Extraordinary Items	-	-
NET CASH FLOW USED IN OPERATING ACTIVITIES	(666.08)	1.91
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(408.73)	-
Sale of Fixed Assets	-	-
Investments / (Maturity) of FD₹	-	-
Interest / Other Income	0.04	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	(408.69)	-
(C) CASH FLOW FROM FINANCING ACTIVITIES		



Repayment of Long Term Borrowings	(5,326.59)	-
Share Application Money pending Allotment	6,404.49	
Change in Working Capital Borrowing from Banks	-	3.17
Interest & Other Borrowing Cost	-	-
NET CASH USED IN FINANCING ACTIVITIES	1,077.91	3.17
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	3.14	5.08
Effect Of Foreign Exchange On Cash And Cash Equivalent	-	-
Opening Balance of Cash and Cash Equivalents	5.86	0.78
Closing Balance of Cash and Cash Equivalents	9.00	5.86

As per our Report of even date

For MKPS & Associates

Chartered Accountants

ICAI Firm Registration Number: 302014E

Narendra Khandal

Partner

Mem. No. 065025

Mumbai

May 30, 2022

**For and on behalf of Board of Directors of
Raj Rayon Industries Limited**

**Rajkumar
Agarwal**

Managing

Director

DIN: 00395370

May 30, 2022

Sandiip

Agarwal

WTD & CFO

DIN: 00395348

May 30, 2022

Chintan Dharod

Company Secretary

May 30, 2022



RAJ RAYON INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March, 2022

1. CORPORATE INFORMATION

Raj Rayon Industries Limited ("the company") is a limited company domiciled and incorporated in India and its shares are publicly traded on the Bombay stock exchange (BSE) and National Stock Exchange (NSE), in India. The registered office of the company is situated at survey No. 177/1/3, Village Surangi, Dadra & Nagar Haveli, Silvassa-396230, India. Company is engaged in the business of manufacturing and trading of polyester chips, polyester yarn and processed yarn.

Pursuant to an application made by State Bank of India, the Hon'ble National Company Law Tribunal, Ahmedabad bench ("Adjudicating Authority"), vide its order dated 23rd January, 2020, had ordered the commencement of the corporate insolvency resolution ("CIR") process in respect of the company under the provisions of the Insolvency and Bankruptcy Code, 2016 (the "Code").

Pursuant to its order dated 05th October, 2021("NCLT Order"), the Adjudicating Authority approved the resolution plan ("Approved Resolution Plan") submitted by M/s SVG Fashions Private Limited ("Resolution Applicant") ("RA") for the Company under Section 31 of the Insolvency and Bankruptcy Code, 2016 ("Code"). As per the terms of Section 31 of the Code, the Approved Resolution Plan shall be binding on the Company, its employees, members, creditors, guarantors and other stakeholders involved in the Resolution Plan.

Further, as per the terms of the approved Resolution Plan, a Management Committee/ Supervision Committee (MC/SC) is required to be constituted which shall comprise of 4 (four) members: (a) 1 (one) member appointed by the Resolution Applicant or his representative; (b) 2 (two) members appointed by CoC; and (c) Resolution Professional, the Monitoring Committee was accordingly been formed to maintain the Company as a going concern and to supervise the implementation of the Approved Resolution Plan.

2. SIGNIFICANT ACCOUNTING POLICIES:

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise stated.

2.1 STATEMENT OF COMPLIANCE:

The Financial Statements (FS) have been prepared in accordance with the provisions of Companies Act, 2013 and the Indian Accounting Standards ("IndAS") notified under the Companies (Indian Accounting Standards Rules) 2015 and amendments thereof issued by Ministry of Corporate Affairs in exercise of the powers conferred by Section 133 of the Companies Act, 2013.

2.2 BASIS OF PREPARATION:

The Financial Statements are presented in the format prescribed in the Schedule III to the Companies Act, (the Act) 2013. The statement of Cash flows has been prepared and presented as per the requirement of Ind AS-7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss as prescribed in schedule III of the Act are presented by way of notes forming part of the financial statements along with the



other notes required to be disclosed under notified Accounting Standards and SEBI (LODR) Regulations 2015, as amended.

2.3 CURRENT AND NON-CURRENT CLASSIFICATION:

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred assets and liabilities are classified as non-current assets and liabilities.

2.4 USE OF ESTIMATES AND CRITICAL ACCOUNTING JUDGMENTS:

a) Impairment of Assets:

An asset is considered as impaired when at the date of Balance Sheet, there are indications of impairment and the carrying amount of the asset, or where applicable, the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use). The carrying amount is reduced to their recoverable amount and the reduction is recognized impairment loss in the statement of profit and loss. The impairment loss is recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment depreciation is provided on the revised carrying value of the impaired assets and remaining useful life.

b) Employee Benefits:

Short term employee benefits are recognized as an expense in the statement of profit and loss or the year in which the related services are rendered. Leave encashment being a defined benefit plan is accounted for using the projected unit credit method on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet Date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the year in which they arise. Contribution to Provident Fund, a defined contribution plan is made in accordance with the statute and is recognized as an expense in the



year in which employees have rendered services the cost of providing gratuity. A defined benefit plans is determined using the projected unit credit method, on the basis of actuarial valuations carried out by third pa actuaries at each Balance sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in the statement of profit and loss. Re-measurements of defined benefit plan in respect of post-employment and other long-term benefits are charged to the other comprehensive income in the year in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

c) Fair Value Measurement:

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence or a principal market in the most advantageous market for the asset or liability.

A fair value measurement or a non-financial asset takes into account a market participants ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value maximizing the use or relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy.

Off-Setting Financial Instruments:

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable rights to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and enforceable in the normal course of business and in the event of default insolvency or bankruptcy of the Company or counterparty.

d)Income Tax:

The Company reviews at each balance sheet date the carting amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the standalone financial.

e)Contingencies:

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect or contingencies/claim/litigations against the company as it is not possible to predict the outcome or pending matters with accuracy.

f)Impairment of Financial Assets:

The impairment provisions for financial assets are based on assumptions about risk of defaults and expected cash loss. The company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on company's past history, existing market conditions as well as forward looking estimates at the end or of each period.



g) Impairments of Non-Financial Asset:

The company assesses at each reposting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual investment testing for an asset is required. The Company estimates the asset's recoverable amount. An assets recoverable amount is the higher of an assets or Cash generating Units (CGU) fair value less costs or disposal and its value in use. It is determined for an individual asset unless the asset does not generate cash inflows that are largely independent to those from other assets or group of assets where the carrying amount of an asset or CGU exceeds its recoverable amount. The asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost or disposal, recent market transactions are taken into account. I found such Transactions can be identified, an appropriate valuation model issued. These calculations are corroborated by valuation multiples or other available fair value indicators.

h) Define Benefit Parts:

The costs of the identified benefit plan and other post-employment benefits and the present value or such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ or mutual developments in the future. These include the determination of the discount rate; futures are increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumption sare reviewed at each reporting.

2.5Property, Plant and Equipment:

Property, plant and equipment are carried at cost of acquisition or construction, net of Goods and Service Tax less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use. Depreciation on the property, plant and equipment is provided using straight line method over the useful life of assets as specified in schedule II to the Companies Act, 2013. Depreciation on property, plant and equipment which are added during the year, is provided on pro-rata basis succeeding to the month of addition. Freehold land is not depreciated. The assets' residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate. Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Profits/losses arising in the case of retirement/disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence. Leasehold lands are amortized over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in schedule in schedule II to The Companies Act, 2013, where the lease period of land is beyond the life of the building. In other cases, buildings constructed on leasehold lands are amortized over the primary lease period of the lands.

2.6Intangible Assets:

Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets. Identifiable intangible assets are recognized when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Computer software are capitalized at the amounts paid to acquire the respective



license for use and are amortized over the period of useful lives or period of three years whichever is less. The assets' useful lives are reviewed at each financial year end. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is de-recognized.

2.7 Leases:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalized at the commencement of the lease at the inception dates at fair value of the leased property or lower of the present value or the minimum lease payments. The corresponding liability is included in the balance sheet as a finance lease liability. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

2.8 Inventories:

In general, all inventories are measured at lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Cost of inventories comprise of all costs of purchase, cost of conversion and other cost incurred in bringing the inventory to the present location and condition. Raw Materials are valued on weighted average basis and Stores & Spares are determined on FIFO basis. Waste, By Products and Trial Run Products are valued at net realizable value. Finished Products are valued at raw material cost plus costs of conversion comprising labour costs and an attributable proportion of manufacturing overheads based on normal levels of activity.

2.9 Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized when the company has present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is



disclosed in the Notes to the Financial Statements.

Contingent assets are not recognized. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

2.10 Financial Instruments - Initial Recognition, Subsequent Measurement and Impairment:

A financial instrument is any contract that gives rise to a financial asset or one entity and a financial liability or equity instrument of another entity.

Financial Assets – Initial Recognition and Measurement:

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets which are not fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

Financial Assets – Subsequent Recognition and Measurement:

For the purpose of subsequent measurement of financial assets are classified into two broad categories: -

(a) Financial assets at fair value

(b) Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income). A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

Business Model Test:

The objective of the Company's business model is to hold the financial asset to collect the contractual cash flow.

Cash Flow Characteristics Test:

The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that needs the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

Business Model Test:

The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.

Financial Assets: Equity Investment in Subsidiaries, Associates and Joint venture:

The Company has accounted for its equity investment in subsidiaries, Associates and Joint Venture at cost.



Financial Assets – De recognition:

A financial asset (or, where applicable, a part of a financial assets or a part of a groups or similar financial assets) is primarily derecognized (i.e. removed from the Company's statement or financial position) when:

The rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flow from the asset.

Financial Liabilities Initial Recognition and Measurement:

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables of directly attributable transaction costs.

Financial liabilities - Subsequent Measurement:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables measuring within one year from the balance sheet date. The carrying amounts approximate fair value due to short maturities of these instruments.

2.11 Investment Properties:

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, Investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation on investment properties is provided using straight line method over the estimated useful lives as specified in Schedule II to the Companies Act, 2013. Residual values, useful lives and method of depreciation of investment properties are reviewed at each financial year end and are adjusted prospectively, if appropriate. The effects of any revision are included in the statement of profit and loss when the changes arise.

Though the Company measures investment properties using cost-based measurement, the fair value of investment property is disclosed in the notes, Investment properties are derecognized either when they have been disposed-off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of profit and loss in the period of de-recognition.

2.12 Cash and Cash Equivalents:

Cash and cash equivalent in the balance sheet comprise cash at bank cash on hand and short- term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits. As defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

2.13 Non Current Assets Held for Sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when a sale is highly probable from the date of classification, Management



are committed to the sale and the asset is available for immediate sale in its present condition. Non-current assets are classified as held for sale from the date these conditions are met and are measured at lower of carrying amount and fair value less cost to sell. Any resulting impairment loss is recognized in the statement of profit and loss as a separate line item. On classification as held for sale, the assets are no longer depreciated. Assets and liabilities classified as held for sale are presented separately as current items in the Balance Sheet.

2.14 Dividend Distribution:

Annual dividend distribution to the shareholders is recognized as a liability in the period in which the dividends are approved by the shareholders. Dividend payable and corresponding tax on dividend distribution is recognized directly in other equity.

2.15 Revenue Recognition and Export Incentive Revenue Recognition:

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods has passed to the buyer as per the terms or the contracts. Usually on delivery of the goods, and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue from Operations is measured at the fair value of the consideration received or receivable and includes sale of products' waste. Services Incentives and excise duty and are net official. Value added tax discounts and claims.

Other Operating Income:

Export Incentives other than advance license are recognized at the time of exports and the benefits in respect of advance license received by the Company against export made by it is recognized as and when goods are imported against them.

Interest Income:

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Which the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income:

Dividend Income is recognized when the right to receive the payment is established.

2.16 Foreign Currency Reinstatement and Translation:

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the date of the transaction. Monetary Items denominated in foreign currencies at the year-end are restated at year end rates. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss.

Exchange difference relating to long term monetary items, arising during the year, in so far as they relate to the acquisition or construction of qualifying assets is adjusted to the carrying cost of such assets, in other cases such difference are accumulated in a 'Foreign Currency Monetary Item Translation Difference Account' and amortized to the statement of profit and loss over the balance life or the long term monetary item. However, that the period of amortization does not extend beyond 31st March 2020.



Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit. All other finance gains and losses are presented in the statement of profit and loss on a new basis.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currency translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is.

2.17 Taxes on Income:

Income tax expense represents the sum of current tax (including MAT and income tax for earlier years) and deferred tax. Tax is recognized in the statement of profit and loss. Except to the extent that it relates to items recognized directly in equity or other comprehensive income in such cases the tax is also recognized directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognized in equity or other comprehensive income is also recognized in equity or other comprehensive income.

Current Tax Provision is computed for income calculated after considering all allowances and exemptions under the provision of the applicable income Tax Laws. Current tax assets and current tax liabilities are offset, and presented as net.

Deferred Tax is recognized on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax assets and liabilities are measured at the applicable tax rates. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilized.

Minimum Alternative Tax (MAT) is applicable to the Company: Credit of MAT is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognized as an asset. The said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent the reason is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.18 Borrowing Costs:

Borrowing costs specifically relating to the acquisition or construction or qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporary deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying capitalization rate to the



expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining qualifying asset. The amount of borrowing cost capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

2.19 Earnings per Share:

Basic earnings per share are computed using the net profit for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder and weighted average number of equity and potential equity shares outstanding during the year including share options. Convertible preference shares and debentures. Except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares to the date of conversion.

2.20 Recoverability of Trade Receivables:

Judgments are required in assessing the recoverability or overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating or the counterparty, the amount timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of misstatement.

2.21 Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow or funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application or judgment to existing facts and circumstances, which can be subject to change since the cash outflows can take place many years in the future. The carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

2.22 Fair Value Measurement of Financial Instruments:

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.



**RAJ RAYON INDUSTRIES
LIMITED**

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2022

(All amounts are in ₹ Lakhs except unless otherwise stated)

Note 3 (a): Property, Plant & Equipment's

PARTICULARS	GROSS CARRYIN G VALUE AS ON APRIL 1, 2021	DDITIO NS	DISPOSA L / ADJUSTM ENT	GROSS CARRYIN G VALUE AS ON MARCH 31, 2022	ACCUMUL ATED DEPRECI ATION AS ON APRIL 1, 2021	DEPRECI ATION FOR THE PERIOD	DISPOSAL / ADJUSTME NT	Adjustme nt on recalculat ion	ACCUMUL ATED DEPRECIA TION AS ON MARCH 31, 2022	CARRYIN G VALUE AS ON MARCH 31, 2022	CARRYIN G VALUE AS ON MARCH 31, 2021
Tangible Assets											
Land	279.79	-	-	279.79	-	-	-	-	-	279.79	279.79
Air Condition System	510.13	-	510.13	-	484.55	0.03	(484.59)	-	-	-	25.57
Electrical Installation	3,333.84	-	3,333.84	-	2,955.41	43.66	(2,999.06)	-	-	-	378.44
Factory Building	6,448.26	-	-	6,448.26	2,309.93	205.28	-	1,264.42	3,779.63	2,668.64	4,138.33
D. G.Sets	190.96	-	190.96	-	117.72	3.90	(121.62)	-	-	-	73.24
Plant & Machinery	45,821.00	-	20,547.65	25,273.35	38,197.15	1,279.64	(20,089.70)	(0.00)	19,387.09	5,886.25	7,623.84
Furniture & Fixtures	146.02	-	146.02	-	136.57	0.39	(136.96)	-	-	-	9.46
Vehicle	36.38	-	36.38	-	34.56	-	(34.56)	-	-	-	1.82
Office Equipment's	30.33	-	30.33	-	29.01	0.02	(29.03)	-	-	-	1.32
Computers	89.28	-	89.28	-	87.70	0.12	(87.82)	-	-	-	1.59
Office Premises	45.39	-	-	45.39	10.55	0.76	-	0.69	12.01	33.39	34.84
Total Tangible Assets	56,931.39	-	24,884.59	32,046.80	44,363.15	1,533.80	(23,983.33)	1,265.11	23,178.73	8,868.07	12,568.24

Note 3 (b): Intangible Assets

Computer Software	7.50	-	-	7.50	7.50	-	-	-	7.50	-	-
Total Intangible Assets	7.50	-	-	7.50	7.50	-	-	-	7.50	-	-
Gross Total Fixed Assets	56,938.89	-	24,884.59	32,054.30	44,370.65	1,533.80	(23,983.33)	-	23,186.23	8,868.07	12,568.24



Capital Work in progress

Particulars

As at April 1, 2020

-

As at March 31, 2021

-

As at March 31, 2022

581.35

- 3.1:** Pursuant to provisions of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002, State Bank of India had taken over the possession of the properties. Subsequent to NCLT Order, the possession and the original title documents of the properties have been handed over to the management and the encumbrances on the said assets of the Company shall stand permanently extinguished on completion of procedural formalities as provided in the NCLT order and resolution plan.
- 3.2:** The Company has re-assessed the depreciation for the year ended March 31, 2022 and the net block as at March 31, 2022 in accordance with the useful life of the assets and the impact of such re-assessment has been provided in the above financial statements.

RAJ RAYON INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March, 2022

(All amounts are in ₹ Lakhs except unless otherwise stated)

10 Equity Share Capital

Particulars	No. of Shares	Amount in ₹ Lakhs
As at 1st April, 2020	34,64,54,000	3,464.54
Changes in equity share capital during the year	-	-
As at 31 March, 2021	34,64,54,000	3,464.54
Changes in equity share capital during the year	-	-
Reduction in Share Capital by reduction in Number of Shares	(34,41,71,505)	(3,441.72)
As at 31st March, 2022	22,82,495	22.82

In accordance with the Approved Resolution Plan, the Company has cancelled the shares of the erstwhile promoters and promoter group shareholders and has also reduced shares of the public shareholders to 1 share of Re. 1 each for every 100 shares held. The Capital Reduction was approved by Central Depository Services (India) Limited and National Securities Depository Limited. The Capital Reduction was completed on January 18, 2022.



11 Other Equity

₹ in Lakhs

	<u>Reserves and Surplus</u>					
	Securities Premium	Capital Reserve	Retained Earnings	Debt instruments through OCI	Equity Instruments through OCI	Total
Balance as on 1st April 2020	7,630.73	114.47	(68,291.03)	-	-	(60,545.83)
Profit/(loss) for the year	-	-	-	-	-	-
Other Comprehensive Income / (loss)	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	(3,477.82)	-	-	(3,477.82)
Dividends paid (incl. dividend distribution tax)	-	-	-	-	-	-
Transfer to General Reserves	-	-	-	-	-	-
Balance as on 31st March 2021	7,630.73	114.47	(71,768.85)	-	-	(64,023.65)
Profit/(loss) for the year	-	-	-	-	-	-
Reduction in Share Capital by reduction in Number of Shares	-	3,441.72	-	-	-	3,441.72
Other Comprehensive Income / (loss)	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	64,077.36	-	-	64,077.36
Dividends paid (incl. dividend distribution tax)	-	-	-	-	-	-
Transfer to General Reserves	-	-	-	-	-	-
Balance as on 31st March 2022	7,630.73	3,556.19	(7,691.48)	-	-	3,495.43

There is addition in Capital Reserve due to reduction of face value of equity shares amounting to ₹ 34,41,71,505.



10 Equity Share Capital

Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorised		
71,00,00,000 (71,00,00,000) Equity Shares of Rs 1/- each	-	-
1,50,00,000 (1,50,00,000) Preference Shares of Rs. 10/- each	-	-
Total	-	-
Issued, subscribed and fully paid up	-	-
34,64,54,000 (34,64,54,000) Equity Shares of Rs. 1/- each fully paid	22.82	3,464.54
Total	22.82	3,464.54

a) Reconciliation of number of shares

Equity Shares	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	Amount in ₹ Lakhs	No. of Shares	Amount in ₹ Lakhs
Shares outstanding at the beginning of the year	34,64,54,000	3,464.54	34,64,54,000	3,464.54
Add/(Less): Shares Issued during the year				
Reduction in Share Capital by reduction in Number of Shares	-3,442	(3,441.72)	-	-
Shares outstanding at the end of the year	34,64,50,558	22.82	34,64,54,000	3,464.54

In accordance with the Approved Resolution Plan, the Company has cancelled the shares of the erstwhile promoters and promoter group shareholders and has also reduced shares of the public shareholders to 1 share of Re. 1 each for every 100 shares held. The Capital Reduction was approved by Central Depository Services (India) Limited and National Securities Depository Limited. The Capital Reduction was completed on January 18, 2022.

Details of Shareholders holding more than 5% equity shares in the Company

Equity Shares	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding



Fully paid Equity Shares of Rs.1 each held by:

Raj Money Market Limited	-	-	9,47,20,930	27.34
Fine Fashion Private Limited	-	-	2,16,61,258	6.25
Jitendra B Salecha (HUF)	-	-	2,06,44,848	5.96

11 Other Equity

Particulars	As at 31st March, 2022	As at 31st March, 2021
Securities Premium		
As per Opening Balance	7,630.73	7,630.73
Changes during the year	-	-
Closing Balance	7,630.73	7,630.73
Capital Reserve		
As per Opening Balance	114.47	114.47
Reduction in Share Capital by reduction in Number of Shares	3,441.72	-
Closing Balance	3,556.19	114.47
Retained Earnings		
As per Opening Balance	(71,768.85)	(68,291.03)
Total Comprehensive Income	64,077.36	(3,477.82)
Closing Balance	(7,691.48)	(71,768.85)
Total	3,495.43	(64,023.65)



RAJ RAYON INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March, 2022

(All amounts are in ₹ Lakhs except unless otherwise stated)

4	INVESTMENTS	As at 31st March, 2022	As at 31st March, 2021
	Other than Trade: (Unquoted At Cost):		
	Investments in fully paid equity instruments		
	Raj Money Markets Limited - 1,00,100 (1,00,100) Shares having face value of ₹ 10/- each	-	10.01
	The Bharat Co-operative Bank (Mumbai) Limited - 10 (10) Shares having face value of ₹ 100/- each	-	0.01
	Total	-	10.02
Note: The Company has re-assessed the Investments post implementation of Approved Resolution Plan for the year ended March 31, 2022 and it is of the view that the same is not recoverable hence the Investments of ₹ 10.02 lakhs are written off as an exceptional items.			
5	OTHER FINANCIAL ASSETS	As at 31st March, 2022	As at 31st March, 2021
	TUFS Benefit Receivable (Interest Subsidy)	776.64	776.64
	Less: Provision for doubtful recovery of TUFS Interest Subsidy	(776.64)	-
	Security Deposit	0.30	0.47
	Total	0.30	777.11
6	OTHER NON-CURRENT ASSETS	As at 31st March, 2022	As at 31st March, 2021
	Capital Advances	370.03	117.79
	Less: Provision for doubtful Capital advances	-	(117.79)
	Others (VAT Payment under Protest)	250.00	250.00
	Less: Provision for doubtful recovery of VAT Deposits	(250.00)	-
	Balance with Revenue Authorities	-	18.51
	Total	370.03	268.51



RAJ RAYON INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March, 2022

(All amounts are in ₹ Lakhs except unless otherwise stated)

7	INVENTORIES	As at 31st March, 2022	As at 31st March, 2021
	Valued at lower of cost or Net reliable value		
	a. Raw Materials	-	38.34
	b. Work in Progress	-	9.84
	c. Finished goods	-	0.54
	d. Stores and spares	-	10.63
	e. Packing Material	-	1.02
	Total	-	60.38

Note: The Company has re-assessed the Inventories post implementation of Approved Resolution Plan for the year ended March 31, 2022 and it is of the view that the same is not recoverable hence the Inventories of ₹ 60.38 lakhs are written off as an exceptional items.

8	TRADE RECEIVABLES	As at 31st March, 2022	As at 31st March, 2021
	Unsecured, considered good	0.05	1,477.89
	Unsecured, considered doubtful	-	11,053.49
	Less: Provision for doubtful trade receivables	-	(11,053.49)
	Total	0.05	1,477.89

Note: The Company has re-assessed the Trade Receivables post implementation of Approved Resolution Plan for the year ended March 31, 2022 and it is of the view that the same is not recoverable hence the Trade Receivables of ₹ 1477.89 lakhs are written off as an exceptional items.

9	CASH AND CASH EQUIVALENTS	As at 31st March, 2022	As at 31st March, 2021
	Cash in hand	0.73	-
		-	-
	Balances with banks:	-	-
	In Current Accounts	3.08	5.86
	In Overdraft Account	5.18	-
	Total	9.00	5.86



RAJ RAYON INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March, 2022

(All amounts are in ₹ Lakhs except unless otherwise stated)

10	BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS	As at 31st March, 2022	As at 31st March, 2021
	Balances with Banks in Unpaid Dividend Accounts	0.80	0.80
	In term deposit accounts with Banks held as Security, Deposit, Margin Money for Letter of Credit and Bank Guarantees Issued	0.41	0.41
	Total	1.21	1.21

11	OTHER FINANCIAL ASSETS	As at 31st March, 2022	As at 31st March, 2021
	Unsecured, considered doubtful		
	Advances to Suppliers	-	82.04
	Less: Provision for Doubtful Advances to Suppliers	-	(81.82)
		-	-
	Security Deposits	-	1.50
	Total	-	1.72

Note: The Company has re-assessed the Advances to Suppliers and Security Deposits post implementation of Approved Resolution Plan for the year ended March 31, 2022 and it is of the view that the same is not recoverable hence the Advances to Suppliers and Security Deposits of ₹ 1.72 lakhs are written off as an exceptional items.

12	OTHER CURRENT ASSETS	As at 31st March, 2022	As at 31st March, 2021
	Prepaid Expenses	0.32	-
	Advance to suppliers	3.09	-
	Balance with Revenue Authorities	400.71	361.58
	Interest accrued on Fixed Deposit	-	0.77
	Total	404.12	362.34

Note: The Company has re-assessed the Interest accrued on Fixed Deposits post implementation of Approved Resolution Plan for the year ended March 31, 2022 and it is of the view that the same is not recoverable hence the Interest accrued on Fixed Deposits of ₹ 0.77 lakhs are written off as an exceptional items.



RAJ RAYON INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March, 2022

(All amounts are in ₹ Lakhs except unless otherwise stated)

13	LONG TERM BORROWINGS	As at 31st March, 2022	As at 31st March, 2021
	From Others		
	Unsecured		
	Inter-Corporate Loans	-	1,000.00
	15% Non-Convertible Non-Cumulative Redeemable Preference Shares of ₹ 10/- each	-	1,400.00
	Total	-	2,400.00
Note: The Company has re-assessed the Inter-Corporate Loans post implementation of Approved Resolution Plan for the year ended March 31, 2022 and the same is not payable hence the Inter-Corporate Loans of ₹ 2,400 lakhs are written back as an exceptional items.			
Shareholder holding more than 5% preference share capital at the end of the year :			
	Name of Shareholders (% of Holding)	As at 31st March, 2022	As at 31st March, 2021
	Preference Shares		
	Nakoda Limited (No of Shares CY 14000000, PY 14000000)	-	1,000.00
14	SHORT TERM BORROWINGS	As at 31st March, 2022	As at 31st March, 2021
	Secured		
	From Bank	-	68,538.72
	Total	-	68,538.72
15	TRADE PAYABLES	As at 31st March, 2022	As at 31st March, 2021
	(a) Dues to MSME	-	-
	(b) Others	16.88	85.82
	Total	16.88	85.82

Note: The Company has re-assessed the Trade Payables post implementation of Approved Resolution Plan for the year ended March 31, 2022 and the same is not payable hence the Trade Payables of ₹ 85.82 lakhs are written back as an exceptional items.

On the basis of information and records available with the company, there are no Micro and Small Enterprises which have registered with the competent authority under the Micro, Small and Medium Enterprises Development Act, 2006.



RAJ RAYON INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March, 2022

(All amounts are in ₹ Lakhs except unless otherwise stated)

16	OTHER FINANCIAL LIABILITIES	As at 31st March, 2022	As at 31st March, 2021
	Interest Accrued & Due on Bank Loans	-	4,952.71
	Interest Accrued & Due on Unsecured Loans	-	114.00
	Unpaid Dividends	-	0.80
	Creditors for Capital Goods	172.61	-
	Salary and Wages Payable	15.74	-
	Other Payables	1.95	-
	Total	190.31	5,067.51

Note: The Company has re-assessed the Other Financial Liabilities post implementation of Approved Resolution Plan for the year ended March 31, 2022 and the same is not payable hence the Other Financial Liabilities of ₹ 5,067.51 lakhs are written back as an exceptional items.

17	OTHER CURRENT LIABILITIES	As at 31st March, 2022	As at 31st March, 2021
	Statutory Liabilities	4.19	-
	Total	4.19	-

18	SHORT TERM PROVISIONS	As at 31st March, 2022	As at 31st March, 2021
	Short Term Provisions	-	0.35
	Total	-	0.35

Note: The Company has re-assessed the Short Term Provisions post implementation of Approved Resolution Plan for the year ended March 31, 2022 and the view that the same is not payable hence the Short Term Provisions of ₹ 0.35 lakhs are written back as an exceptional items.

19	CURRENT TAX LIABILITIES (NET)	As at 31st March, 2022	As at 31st March, 2021
	Provision for Taxes (Net of Advance Tax & TDS)	0.01	-
	Total	0.01	-



RAJ RAYON INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March, 2022

(All amounts are in ₹ Lakhs except unless otherwise stated)

20	REVENUE FROM OPERATIONS	Year ended 31st March, 2022	Year ended 31st March, 2021
	Sales (Net of Discounts and Sales Return)	-	-
	Other Operating Income	5.50	-
	Total	5.50	-
21	OTHER INCOME	Year ended 31st March, 2022	Year ended 31st March, 2021
	Interest on Term Deposits	0.04	1.64
	Miscellaneous Income	-	93.97
	Total	0.04	95.61
23	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	Year ended 31st March, 2022	Year ended 31st March, 2021
	Inventory at the beginning of the year		
	a. Finished Goods	-	0.54
	b. Work in Process	-	9.84
		-	-
	Inventory at the end of the year	-	-
	a. Finished Goods	-	0.54
	b. Work in Process	-	9.84
	Total	-	-
24	EMPLOYEE BENEFIT EXPENSES	Year ended 31st March, 2022	Year ended 31st March, 2021
	Salaries, Bonus and incentives	4.06	2.52
	Contribution to Provident and other funds	-	-
	Staff welfare expenses	1.52	-
	Total	5.59	2.52



RAJ RAYON INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March, 2022

(All amounts are in ₹ Lakhs except unless otherwise stated)

25	FINANCE COST	Year ended 31st March, 2022	Year ended 31st March, 2021
	Interest on Income Tax	0.23	-
	Bank Charges	0.09	-
	Total	0.32	-
26	OTHER EXPENSES	Year ended 31st March, 2022	Year ended 31st March, 2021
	Power & Fuel	1.90	-
	Legal & Professional Charges	20.11	3.98
	Auditor Remuneration	4.31	-
	Freight and transport charges	0.33	-
	Travelling and Conveyance Expenses	2.46	4.47
	Rates and taxes	5.52	-
	Repairs & Maintenance	-	-
	-Others	0.39	-
	Security Charges	16.62	-
	Printing & Stationery	0.47	0.19
	Miscellaneous Expenses	184.37	11.91
	Total	236.48	20.55
27	EXCEPTIONAL ITEMS	Year ended 31st March, 2022	Year ended 31st March, 2021
	Extinguishment of Financial Creditors after final settlement	68,075.80	-
	Payment made to operational creditors	(10.95)	-
	Extinguishment of 15% Non-Convertible Non-Cumulative Redeemable Preference Share Capital	1,400.00	-
	Write Back of Other Unsecured Loans and interest thereon	1,114.00	-
	Write Back of Other Current & Non-Current Liabilities	287.34	-
	Other Current & Non-Current Assets Written off	(2,841.78)	-
	Investments Written Off	(10.02)	-
	Write off Fixed assets	(901.26)	-
	Total	67,113.12	-



- (i) In respect of Financial Creditors the Company has already paid / provided as per the resolution plan. No financial creditor now has any further rights or claim against the item. Company, in respect of the period prior to the insolvency commencement date or in respect of the amounts written back. Accordingly, the Company has recognised a gain of ₹ 680.76 crores on account of extinguishment of such financial liability as exceptional items.
- (ii) As per the resolution plan, in respect of Operational Creditors outstanding as on the insolvency commencement date, the Company has made the payment of ₹ 10,95,324 and has recognized loss as an exceptional item in these financial statements.
- (iii) As per the resolution plan, in respect of 15% Non-Convertible Non-Cumulative Redeemable Preference Share Capital of Rs. 10 each as on the insolvency commencement date, the Company has recognised a gain of ₹ 14 crores on account of extinguishment of such financial liability as exceptional items.

28 Pursuant to an application made by State Bank of India, the Hon'ble National Company Law Tribunal, Ahmedabad bench ("Adjudicating Authority"), vide its order dated 23rd January, 2020, had ordered the commencement of the corporate insolvency resolution ("CIR") process in respect of the company under the provisions of the Insolvency and Bankruptcy Code, 2016 (the "Code").

Pursuant to its order dated 05th October, 2021 ("NCLT Order"), the Adjudicating Authority approved the resolution plan ("Approved Resolution Plan") submitted by M/s SVG Fashions Private Limited ("Resolution Applicant") ("RA") for the Company under Section 31 of the Insolvency and Bankruptcy Code, 2016 ("Code"). As per the terms of Section 31 of the Code, the Approved Resolution Plan shall be binding on the Company, its employees, members, creditors, guarantors and other stakeholders involved in the Resolution Plan.

Further, as per the terms of the approved Resolution Plan, a Management Committee/ Supervision Committee (MC/SC) is required to be constituted which shall comprise of 4 (four) members: (a) 1 (one) member appointed by the Resolution Applicant or his representative; (b) 2 (two) members appointed by CoC; and (c) Resolution Professional, the Monitoring Committee was accordingly been formed to maintain the Company as a going concern and to supervise the implementation of the Approved Resolution Plan.

Implementation of the Approved Resolution Plan (Plan) has commenced and the following steps have been completed as per the terms of the said Plan:

- The Company has constituted new Board of Directors in place of erstwhile Board of Directors for managing the day to day affairs of the Company
- The cash pay-out on account of CIRP costs, other operational creditors and dues of the financial creditors as envisaged under the approved resolution plan has been effected;
- In accordance with the Approved Resolution Plan, the Company has cancelled the shares of the erstwhile promoters and promoter group shareholders and has also reduced shares of the public shareholders to 1 share of Re. 1 each for every 100 shares held. The Capital Reduction was approved by Central Depository Services (India) Limited and National Securities Depository Limited. The Capital Reduction was completed on January 18, 2022.



- The settlement of lenders was to be done by repayment of ₹ 53 Crore and conversion of debt of ₹ 1 crore to Compulsory Convertible Preference Shares ('CCPS') in accordance with the NCLT order. Repayment of ₹ 53 Crore has been made to the Financial Creditors and CCPS has been issued to the Financial Creditors.

The pending steps for completion of implementation of the Approved Resolution Plan are:

- Allotment of equity shares- to offer and issue 54,90,00,000 equity shares having a face value of Re. 1/- aggregating to ₹ 54,90,00,000 on a preferential allotment basis to the entities defined by M/s SVG Fashions Private Limited ("Resolution Applicant"/"New Promoter").
- Allotment of CCPS- to offer and issue 25,00,000 Compulsory Convertible Preference Shares (CCPS) to M/s SVG Fashions Private Limited ("Resolution Applicant"/"New Promoter") of Rs. 100/- each.

29	EARNINGS PER EQUITY SHARE	As at 31st March, 2022	As at 31st March, 2021
	Net Profit / (Loss) After Tax	64,077.36	(3,477.82)
	Weighted average number of shares used in computing basic earnings per share	22,82,495	34,64,54,000
	Effect of potential equity shares		
	Weighted average number of shares used in computing diluted earnings per share	22,82,495	34,64,54,000
	Face Value of Equity Shares	1	1
	Basic Earnings Per Share	2,807.34	(1.00)
	Diluted Earnings Per Share	2,807.34	(1.00)

30	CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)	As at 31st March, 2022	As at 31st March, 2021
	Contingent Liabilities:		
	Notices / Show Cause Notices received from Excise Department.	-	594.81
	Show cause notices for levy of cess.	-	7.82
	Order of assessment by Entry Tax / Commercial Tax Officer Ahmedabad (Net of ₹ 250.00 Lakhs being amount Recovered by the Department)	-	308.83
	Notice from Debts Recovery Tribunals	-	1,00,808.99
	Notice from Debts Recovery Tribunals (Phoenix ARC Pvt Ltd.)	-	6,548.21
	Demand Notice from Income Tax Department for Assessment Year 2011-12	-	125.24
	Demand Notice from Income Tax Department for Assessment Year 2012-13	-	160.69



Contingent commitments

Estimated amount of contracts, net of advances, remaining to be executed on Capital Account.

Other Commitments (Raw Materials)

Security Deposit

-	-
-	-
-	-

Pursuant to its order dated 05th October, 2021 ("NCLT Order"), after the payment of the dues to Creditors, Unsecured Creditors, Secured Operational Creditors, as per the Resolution Plan all the liabilities of the said stakeholders shall stand permanently extinguished as per the approved Resolution Plan. Any other claims including Government/Statutory Authority, whether lodged during CIRP or not and any contingent/unconfirmed dues shall also stand extinguished."

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PAYMENT TO AUDITORS

As at
31st March,
2022

As at
31st March, 2021

Statutory Audit under the Companies Act 1956

4.31

1.75

Taxation Matters

-

-

Reimbursement of Cess

-

-

Total

4.31

1.75

32

SEGMENT REPORTING

Considering the nature of its business activities and related risks and returns, the Company had, at the time of transition to Ind AS, determined that it operates in a single primary business segment, namely "Textiles", which constitutes a reportable segment in the context of Ind AS 108 on "Operating Segments". There has been no development during the quarter necessitating any changes in Operating Segment.

33

RELATED PARTY DISCLOSURES (AS PER IND AS 24 ISSUED BY ICAI)

Names of Related Parties and Description of Relationships

Party owning an interest in voting power of the company that gives it significance influence over the company:

SVG Fashions Pvt Ltd

Non-Executive Directors

Smt. Sapna Rajkumar Agarwal

Non-Executive Independent Directors

Shri Vinodkumar Bajranglal Dalmia (Appointment w.e.f. 19-10-2021)

Prof. Ramesh Chandra Agarwal (Appointment w.e.f. 19-10-2021)



Shri Kailashnath Jeevan Koppikar (Appointment w.e.f. 07-02-2022)

Executive Managing Director

Shri Rajkumar Satyanarayan Agarwal
(Appointment w.e.f. 19-10-2021)

Key Management Personnel:

- i) Shri Sandiip Satyanarayan Agarwal (Whole-Time Director)
- ii) Chintan Mukesh Dharod (Company Secretary)

Relatives of Key Management Personnel:

Enterprises over which parties mentioned in (a) and (b) above are exercising significant influence:

- i) Binaykia Synthetics Limited
- ii) Deepak Synthetics Private Limited
- iii) SVG Fashions Private Limited
- iv) Sunflag Filaments Limited
- v) SVG Denims Limited
- vi) Shri Satyanarayan Agarwal
- vii) Shri Raj Kumar Agarwal
- viii) Harshvardhan Rungta
- ix) Smt Sapna Agarwal
- x) Smt Rricha Agarwal
- xi) Shri Yashovardhan Agarwal

Transactions during the period and balances outstanding for the period ended with the related parties are as follows:

34	PARTICULARS	As at 31st March, 2022	As at 31st March, 2021
	Share Application Money pending allotment	6,404.49	
35	CIF VALUE OF IMPORTS	As at 31st March, 2022	As at 31st March, 2021
	Raw Materials / Stock in Trade	-	0.80
	Capital Goods	-	0.80



36	Ratios								
	Particulars	Measure	Current year Numerator	Current year Denominator	Prev. year Numerator	Prev. year Denominator	For the year ended		% variance
							31-Mar-22	31-Mar-21	
	Current Ratio	Times	414.38	211.38	1,909.40	211.38	1.96	9.03	(78.30%)
	(Current Assets / Current Liabilities)								
	Debt-Equity Ratio	Times	-	3,518.26	70,938.72	(60,559.11)	-	(1.17)	(100.00%)
	(Total Debt / Shareholder's Equity)								
	Debt Service Coverage Ratio	Times	-	-	-	-	-	-	-
	(Earnings available for debt service / Interest expenses (on long term borrowings) + Principal repayments made during the year for long term loans)								
	Return on Equity Ratio	%	(3,035.76)	(28,520.43)	(3,477.82)	3,464.54	10.64%	(100.38%)	(110.60%)
	(Net Profits after tax and before exceptional items/ Average Shareholder's Equity)								
	Inventory turnover ratio	Times	-	-	-	-	-	-	-
	(Cost of Goods Sold / Average Inventory)								
	Trade Receivables turnover ratio	Times	5.50	738.97	-	1,483.68	0.01	-	100.00%
	(Revenue from operations / Average Trade Receivables)								
	Trade payables turnover ratio	Times	-	-	-	-	-	-	-
	(Net Credit Purchase / Average Trade payables)								
	Net capital turnover ratio	Times	5.50	203.00	-	203.00	0.03	-	100.00%
	(Revenue from operations / Working Capital excl. Curr Mat of LTB)								
	Net profit ratio	%	(3,035.76)	5.50	(3,477.82)	-	(552.14)	0.00%	100.00%
	(Net Profits after tax and before exceptional items/Revenue from operations)								
	Return on Capital employed	%	(3,035.44)	(27,320.43)	(3,477.82)	(56,420.05)	11.11%	6.16%	80.24%
	(Earnings before Interest, tax and exceptional items/ Average Capital Employed)								
	Return on investment	%	0.04	0.41	1.64	0.41	10.54%	400.01%	(97.37%)
	(Dividend Income+Int on FD+ Profit/Loss/Fair Value Gain on Quoted Invst)/ Avg Market Value of Quoted Invst + Avg FD)								



Reason for variance in the above ratios-

Increase & decrease in ratio is because of adjustments (write off / write back) of assets and liabilities post take-over of the operations of the Company by the New Management pursuant to the NCLT order.

37 Employee Benefit Expenditure

The disclosures required under Ind AS-19 "Employee Benefits":

The Company has not made provision for gratuity and leave encashment for the year. In the absence of such valuation, relevant disclosures as per Ind AS-19 Employee Benefits have not been given.

38 The Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT") has approved the resolution plan (" Approved Resolution Plan") submitted by SVG Fashions Private Limited ('Resolution Applicant' or 'Management') vide their order dated October 05, 2021 ("NCLT Order"). Pursuant to the said order Corporate Insolvency Resolution Process ("CIRP") has been completed. The New Management has taken over the operations of the Company from the Resolution Professional ("RP") and is fulfilling the conditions as per NCLT order and the resolution plan submitted. Pursuant to the Approved Resolution Plan, a Monitoring Committee has been formed w.e.f. October 07, 2021 to overlook the implementation of the approved resolution plan. Considering the above, the financial statements are being presented on a 'Going Concern' basis.

39 Figures for the previous year have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.