

ANNUAL REPORT



Raj Rayon Industries Limited
FY 2024-2025

OUR FOUNDING STORY

About SVG Group		About Raj Rayon Group	
	Established in 1984 , SVG fashions is the leading vertically integrated Producer of Polyester Knits in India		Established in 1993 , Raj Rayon specializes in the production of high-quality man-made fibers
	Converting “ Fiber to Fashion ” they are your one stop solutions to all your textile needs right from texturised yarns to stitched garments		The Company focusses on manufacturing Polyester chips, Partially Oriented Yarn (POY) and Drawn Textured Yarn (DTY)
	4 decades of proven expertise in textiles and strong management pedigree		Operations span across 25 acres land and 900,000sq ft manufacturing plant located in the scenic region of Silvassa.
	Fully equipped manufacturing facilities set up in Silvassa		Raj Rayon Industries experienced a complete overhaul under the leadership of new management and since reviving its operations in 2023 , further investments have been made in buildings and new state of the art machinery
3600 Tonnes/Month Production		3500+ Customers	12000 Tonnes Per Month Polymerization Chips- 1000TPM POY- 11000TPM DTY- 4500TPM

THE TRANSFORMATION OF RAJ RAYON INDUSTRIES

“From Fiber to Fashion”

- SVG group, recognized for its progressive approach made a Complete Turn-around in Raj Rayon’s operations since taking over in 2021.
- Strategic investments were channeled into the company with a focus to eliminate obsolete machinery, update and enhance production capabilities with state-of-the-art Technology and reduce cost of production, setting the stage for future growth.
- Starting with first production in Jan 2023 with a Polymerization capacity of 300TPD, PoY capacity of 125TPD and DTY capacity of 60TPD. RRIL implemented one expansion in FY24 and has now completed the second consecutive expansion to reach a Polymerization capacity of 400TPD, PoY capacity of 350 TPD and DTY capacity of 150TPD and we plan to continue this journey.

CURRENT CAPACITY OF THE COMPANY STANDS AT

Capacity TPA	FY25	FY26
Chips	18,500	12,000
POY	82,000	1,26,000
DTY	46,800	54,000

“It is the business acumen of the promoters and the dedication of a skilled professional team that led to the transformation of Raj Rayon Industries. Their relentless efforts have made Raj Rayon Industries what it is today”

THE SYNERGY

Backward Integration:

Raj Rayon, known for its high-quality man-made fibers and yarn manufacturing, serves as the foundational step in the textile production chain, providing a strong basis for backward integration with SVG Fashions.

Operational Consolidation

Complete integration of production from buying petrochemical molecules at Raj Rayon to Ready made garments at the parent company creates unmatched synergies by optimizing production costs and enhancing supply chain efficiency.



Operational Consolidation

SVG Fashions, with a solid market presence and a premium client base including brands like Skechers, Reliance Retail, Adidas, and Puma, ensures a steady order flow for Raj Rayon, stabilizing production and maximizing output.

Creating Synergies:

The acquisition integrates Raj Rayon's upstream capabilities with SVG's downstream processes, optimizing the value chain from fiber production to finished garments and enabling the delivery of comprehensive textile solutions.

Products	UOM	Group Capacity
Fabric Processing	Mtr/annum	4,00,00,000
Knitted Fabrics	Tons/annum	16,000
Furnishing Fabrics	Mtr/annum	18,00,000
Embroidery Fabric	Mtr/annum	24,00,000
Ready Made Garments	Pcs/annum	12,00,000

Technological Advancements: Vapour absorption chillers use waste vapours to generate chilled water for air conditioning and Air Pre heaters use hot air from the plant to reduce fuel consumption. 2 and 3 dimensional pigment dosing systems which help to produce inherent dyed yarns and other specialties like cotton-like yarns

Vertical and Lateral Expansion:

Raj Rayon Industries Ltd. (RRIL) is poised to upgrade its vertically integrated production capacity of chips, POY, and DTY, by adding niche products in yarns and knitted fabrics. This strategic move will enable RRIL to enter higher value-added segments, which are expected to be margin accretive

Cost-Saving Measures: RRIL has implemented various cost-saving strategies to enhance EBITDA margins. Key measures include – a) Utilizing reusable packaging to reduce costs b) Optimizing logistics to cut expenses c) Leveraging increased capacity to negotiate better dealer margins within the existing network, aiming for an additional 2-3% savings at the EBITDA margin level.

Capacity Expansion:

The company is currently ramping up its production capacity with targeted capital expenditures focused on higher-margin products. The planned investments are expected to increase the existing combined capacity from 400 TPD to 700 TPD, nearly doubling the production capacity

Sustainable Margins: The management anticipates maintaining sustainable margins in the range of 5-7% for POY, with DTY margins expected to be between 10-12%.

Revenue Aspirations:

Management has set an ambitious goal to achieve a topline of INR 2900 crores (POY/FDY - ~780 cr, DTY - ~1760 cr, Chips - ~360 cr) by FY2027, reflecting their confidence in the company's growth potential.

MANAGEMENT VIEW:



Mr. Raikumar S. Agarwal

"I'm delighted to report that Raj Rayon Industries Ltd. has achieved another significant milestone, completing its 3rd consecutive capacity expansion plan at our Silvassa facility. This accomplishment is a testament to the dedication and expertise of our management team and workforce.

As we reflect on FY24-25, we're proud of the progress we've made in strengthening our position in the textile industry. Our growth strategies are yielding results, and we're confident that our commitment to excellence and innovation will drive sustained growth.

Looking ahead, we're excited about the opportunities that lie ahead. Our comprehensive plan is designed to elevate Raj Rayon to new heights, leveraging our strengths to achieve remarkable success. We're committed to delivering value to our stakeholders and setting new benchmarks in the industry.

With a clear vision and a strong team, we're poised to achieve extraordinary milestones in the coming years. I would like to express my gratitude to our employees, investors, and partners for their unwavering support.

Together, we'll continue to push boundaries and achieve greatness."

GROWTH DRIVERS:

- ✓ With the recent MIP (Minimum import price) imposed on cheap textile imports and Quality Control Order(QCO) making BIS certification mandatory for imported POY and FDY yarns, the industry dynamics for local yarn manufacturers is seeing tailwinds and we expect Indian yarn players to benefit from the same.
- ✓ The presence in complete value chain from yarn to garments, cost saving measures, strong management pedigree along with state-of-the-art equipment for polymer and yarn testing. The company takes pride in having access to such advanced facilities, which are only available in Leading plants worldwide.
- ✓ PLI schemes for polyester fabrics will result in increased demand for polyester yarns. Generous state wise capital subsidies and interest subventions will drive growth across the country.
- ✓ With the growing international support through FTAs and the on-going crisis in Bangladesh , Sri Lanka and China +1 wave, India will stand to gain by way of growing global demand for man-made fiber products from India.

RESEARCH AND DEVELOPMENT CAPABILITIES:



RRIL maintains a strong focus on research and development (R&D) activities, aiming to develop new products, explore innovative applications, improve operational efficiencies, and reduce manufacturing costs.

The facilities include state-of-the-art equipment for polymer and yarn testing. The company takes pride in having access to such advanced facilities, which are only available in leading plants worldwide.



The company's philosophy revolves around innovation and cost competitiveness. To achieve these goals, RRIL possesses comprehensive R&D facilities for spinning and texturizing.



SUSTAINABILITY AT OUR PLANTS



Efficient Recycling Treatment

We have installed a state-of-the-art Effluent Treatment Plant (ETP) with a Reverse Osmosis process for water recycling. Our aerobic ETP treats effluent water and generates significantly less CO₂ compared to traditional anaerobic ETPs.



Water and Energy Recovery and Utilization

Residual heat is recovered and utilized for preheating atmospheric air used in HTM heaters. This process ensures proper fuel combustion, reducing overall fuel consumption and CO₂ emissions. RRIL is Going one step further and has planned to install machinery to use Biomass as fuel which will also help reduce cost of production



Innovative Cooling Solutions

Waste vapors from the system are converted into chilled water through vapor absorption chillers. This chilled water is used for air conditioning the plant, thereby significantly reducing the power requirements for cooling production areas



Power Saving Initiatives

Various power-saving methods are continuously implemented to minimize power consumption. This includes the purchase of energy-efficient motors and the installation of solar power panels.



Sustainable Packaging Solutions

RRIL uses 100% recycled packing materials and have further achieved a reduction in packing material requirements by recycling these materials further by re-using them. Paper tubes and Jumbo bags are an example of re-using of packing materials.

Investment Rationale

“INSPIRE, EMPOWER AND CREATE”

Capex Led Growth - Capex of ~ INR 500-600 crores over the next 2-3 years and adding new cost efficient machineries with latest technologies. Capex will be executed at much lower cost due to existing ready infrastructure. Capex will expand the polymerization from 400 TPD to 700 TPD, POY/FDY from 350 TPD to 650TPD and DTY capacity from 150 TPD to 400 TPD resulting in reduced fixed costs.

Shift Towards Better Margin Products - The company's continuous polymerization process, which converts PET directly into fiber, has the potential to expand gross margins. Alongside the implementation of cost-saving measures and higher value-added product mix, the company expects to achieve high net profit margin. This is further supported by low leverage.

Completing Value Chain with Product features customised to customer needs, due to domain knowledge of down the line Products.

Raj rayon is supported by SVG Fashions which has down the line production facilities for making all types of fabrics and finally an in-House Apparel manufacturing set-up. This enables Raj Rayon to supply customized products as per the requirement of the end Customer.

Drivers of Growth of Polyester Industry

The global polyester fibre market size was estimated at USD 118.51 billion in 2023 and is expected to grow at a CAGR of 7.3% from 2024 to 2030. The market growth is being fuelled by advancements in technology, expansion of research and development capabilities, and the growing utilization of polyester fibre in textile, apparel, and industrial applications. One of the main factors driving the product's growth is the increasing demand for cost-effective and durable materials in these industries. Polyester fibres offer several advantages over natural fibres, including high strength, wrinkle and abrasion resistance, and easy maintenance, making them an attractive choice for manufacturers and consumers alike.

The polyester industry is growing due to a number of factors, including:

- Demand for durable, cost-effective materials:

Polyester fibres are strong, durable, and easy to maintain, making them a popular choice for manufacturers and consumers.

- Growing Athleisure Market:

There has been a big shift towards fitness especially after COVID pandemic, which has increased the demand for performance and leisure wear across the globe which is predominantly Polyester.

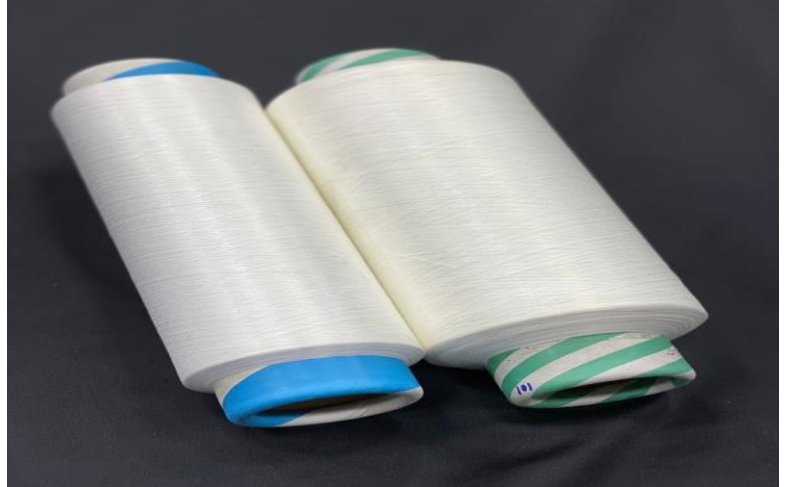
- Automotive industry :

The expansion of the automotive industry is driving demand for polyester fibres, which are used in airbags, seatbelts, headliners in auto, carpets, and interior upholstery.

- Wide use of Polyester:

Polyester is used in many products and industries because of its strength, durability, and ability to stretch and shrink without losing strength like athleisure, home textiles, fashion, technical textiles, luggage, electronics, hotel industries, denims are also now 50% poly, mattress, carpet, rugs, fish nets,

PRODUCTS



BOARD OF DIRECTORS



**Mr. Rajkumar
Satyanarayan Agarwal**

Chairman & Managing
Director



**Mr. Sandeep
Satyanarayan Agarwal**

Whole time Director
and CFO



**Ms. Sapna Rajkumar
Agarwal**

Non-Executive, Non-
Independent Director



**Ms. Supriya Mahesh
Pujari**

Non-Executive,
Independent Director



**Mr. Vinodkumar Bajranglal
Dalmia**

Non-Executive,
Independent Director



**Mr. Kailashnath
Jeevan Koppikar**

Non-Executive,
Independent Director



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COMPANY INFORMATION

Name: RAJ RAYON INDUSTRIES LIMITED

CIN : L17120DN1993PLC000368

BOARD OF DIRECTORS:

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)

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

Mrs. SUPRIYA MAHESH PUJARI
(Non-Executive Woman Independent Director)

REGISTERED OFFICE:

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

CORPORATE OFFICE:

A/13 Agarwal Golden Chambers, 3rd Floor,
Veera Desai Road, off New Link Road, Andheri
(W), Mumbai, Maharashtra 400053
Contact details:022-42509700

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)

Website: www.rajrayon.com
Email: investors@rajrayon.com

SHARE TRANSFER AND DEMAT REGISTRARS:

MUFG Intime India Pvt. Ltd. (Formerly known as
Link Intime India Private Limited)
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400 083
Tel.: 022 – 4918 6000
www.in.mpms.mufig.com

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
HDFC Bank

NOTICE

Notice is hereby given that the **32nd Annual General Meeting** of the members of **Raj Rayon Industries Limited** will be held on Tuesday, September 30, 2025 at 12.00 Noon through Video Conferencing / Other Audio Visual Means ("VC" / "OAVM") Facility to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2025 and the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors' and the Auditors' thereon and in this regard, if thought fit, pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended 31st March, 2025 and the reports of the Board of Directors and Auditors thereon be and are hereby received, considered and adopted."

2. To appoint a Director in place of Ms. Sapna Rajkumar Agarwal (DIN: 00437469) who retires by rotation and, being eligible, offers herself for re-appointment as Director, and in this regard, if thought fit, pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms. Sapna Rajkumar Agarwal (DIN: 00437469), Director of the Company, who retired by rotation and being eligible, had offered herself for reappointment, be and is hereby re-appointed as a Director of the Company, who shall be liable to retire by rotation."

SPECIAL BUSINESS:

3. **RATIFICATION OF REMUNERATION TO COST AUDITORS:**

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

"RESOLVED THAT pursuant to the provisions of section 148(3) and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the remuneration payable to M/s. C. Sahoo & Co., Cost Auditor appointed by the Board of Directors on the recommendation of the Audit Committee as Cost Auditor to conduct the audit of the cost records of the company for the financial year ending 31st March, 2026 amounting to Rs. 1,00,000/- plus out of cost expenses, and tax as applicable be and is hereby ratified."

4. **APPROVAL OF RELATED PARTY TRANSACTION:**

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

"RESOLVED THAT pursuant to the provisions of Section 188(1) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulations 2(1)(zc), 23(4) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the applicable provisions of the Companies Act, 2013 read with the related rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable laws/statutory provisions, if any, and the Company's Policy on Related Party Transactions, the consent

of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee constituted/empowered/to be constituted by the Board from time to time to exercise its powers conferred by this resolution) for entering into any contract / arrangement / transactions/job work/Internal purchase/sale of goods and providing/availing services/using resources/entering into agreement for use of properties, Providing corporate Guarantee, Providing Securities to third party for any Borrowing or otherwise, subject to such contract(s)/arrangement(s)/ transaction(s) being carried out at arm's length and in the ordinary course of business of the Company with SVG Fashions Private Limited (SVG) – up to Rs. 900 Crs , Rajwada Silk Mills LLP- up to 5 Crs, Binaykia Synthetics Ltd- up to Rs. 5 Crs , Deepak Synthetics Pvt. Ltd. – up to Rs. 5 Crs, Venkateshwar Udyog & Finance Private Limited – up to Rs. 5 Crs , Sunflag Filaments Limited- upto Rs.10 Crs for a period from October 01, 2025 to September 30, 2026 as detailed in the explanatory statement and conditions as may be decided by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company ('the Board', which term shall be deemed to include the Audit Committee) be and is hereby authorised to perform and execute all such acts, deeds, matters and things, including delegation of all or any of the powers conferred herein, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto, and also to settle any issue, question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem fit or desirable, subject to compliance with the applicable laws and regulations, without the Board being required to seek any further consent / approval of the Members.

5. APPOINTMENT OF MS. RIDDHI SHAH, A PEER REVIEWED, PRACTICING COMPANY SECRETARIES AS SECRETARIAL AUDITORS OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and as per the recommendation of Audit Committee and approval of the board at their meeting held on 29th May, 2025, the consent of the members be and is hereby accorded for appointment of Ms. Riddhi Shah, a Peer Reviewed, Practicing Company Secretaries as Secretarial Auditors of the Company for conducting Secretarial Audit for a period of five consecutive years i.e. from FY 2025-26 till FY 2029-30 at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Secretarial Auditors.

RESOLVED FURTHER THAT any of the Directors and / or Company Secretary of the Company be and are hereby severally authorized to file the necessary form(s) with Ministry of Corporate Affairs and do all acts and deeds to give effect to this resolution."

6. INCREASE IN AUTHORISED SHARE CAPITAL AND CONSEQUENT AMENDMENT TO THE CAPITAL CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

To consider, and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 13, 61, & 64 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and the rules framed thereunder and as authorized by the Article of Association

('AOA') of the Company & as approved by the Board of Directors in their meeting held on 29th May, 2025, consent of the Members be and is hereby accorded to increase the Authorized Share Capital of the Company from

Rs. 86,00,00,000/- (Rupees Eighty Six Crore only) divided into 60,00,00,000 (Sixty Crore Equity Shares of Re. 1/- (Rupee One only) each ; 26,00,000 Compulsory Convertible Preference Shares Rs. 100/- each;

TO

Rs. 110,00,00,000/-(Rupees One Hundred and Ten Crore only) divided into 84,00,00,000 (Eighty Four Crores Equity Shares of Re. 1/- (Rupee One only) and each; 26,00,000 Compulsory Convertible Preference Shares Rs. 100/- each;

RESOLVED FURTHER THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Act (including any statutory modification (s) or re-enactment(s) thereof), clause (V) (a) of the Memorandum of Association of the Company be and is hereby amended by substituting with the following:

"V(a). The Authorized Share Capital of the Company is Rs. 110,00,00,000/-(Rupees One Hundred and Ten Crore only) divided into 84,00,00,000 (Eighty-Four Crores Equity Shares of Re. 1/- (Rupee One only) each and 26,00,000 Compulsory Convertible Preference Shares Rs. 100/- each

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as "Board" which term shall include a Committee thereof authorized for the purpose) be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deemed necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to sign and execute all necessary forms, documents and papers as may be deemed necessary and expedient in connection with the foresaid matter and to do such acts and deeds required to give effect to the aforesaid resolutions."

By order of the Board
RAJKUMAR SATYANARAYAN AGARWAL

MANAGING DIRECTOR
DIN: 00395370

Place: Silvassa
DATE: 29/05/2025

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

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") relating to special business to be transacted at the ensuing Annual General Meeting ("AGM") is annexed hereto.

2. Pursuant to the provisions of Sections 108 of the Companies Act, 2013 (“the Act”), read with the Companies (Management and Administration) Rules, 2014 (“the Rules”) and other applicable provisions of the Act and the Rules, General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 21/2021 dated December 14, 2021 read with other relevant circulars, including General Circular Nos. 2/2022 May 5, 2022 and 3/2022 dated May 5, 2022, 11/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs (“MCA Circulars”), Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Secretarial Standard on General Meetings (“SS-2”) issued by the Institute of Company Secretaries of India and other applicable laws, rules and regulations (including any statutory modification or re-enactment thereof for the time being in force and as amended from time to time), the 32nd AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 32nd AGM shall be Registered Office of the Company.
3. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed to this Notice.
4. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 32nd AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the 32nd AGM through VC/OAVM Facility and e-Voting during the 32nd AGM.
5. The Members may join the 32nd AGM through VC/ OAVM Facility by following the procedure mentioned herein below in the Notice which shall be kept open for the Members from 11.45 A.M. IST i.e. 15 (fifteen) minutes before the time scheduled to start the 32nd AGM and the Company may close the window for joining the VC/OAVM Facility 15 (fifteen) minutes after the scheduled time to start the 32nd AGM. Members may note that the VC/OAVM Facility, allows participation of at least 1,000 Members on a ‘first come first served’ basis. The large Shareholders (i.e. shareholders holding 2% or more), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors etc. can attend the 32nd AGM without any restriction on account of ‘first come first served’ basis.
6. The attendance of the Members participating in the 32nd AGM through VC/ OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Voting rights shall be reckoned on the paid-up value of shares registered in the name of member/beneficial owners (in case of electronic shareholding) as on the cut-off date i.e. Tuesday, September 23, 2025.
8. As per the Ministry of Corporate Affairs (MCA) Circulars and SEBI Circulars, the Annual Report for the year 2024-25 including Notice of the 32nd AGM of the Company, *inter alia*, indicating the process and manner of e-voting is being sent only by Email, to all the Members whose Email IDs are registered with the Company/ Registrar and Share Transfer Agent or with the respective Depository Participant(s) for communication purposes to the Members and to all other persons so entitled.

In terms of the applicable provisions of the Act, SEBI Listing Regulations read with the MCA Circulars issued by MCA and SEBI Circular, the Annual Report including Notice of the 32nd AGM of the Company will also be available on the websites the Company at <http://www.rairayon.com/>, of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and on the website of MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) at <https://instavote.linkintime.co.in>.

Further as per the amendment in Regulation 36 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the web-link, including the exact path, where complete details of the Annual Report are available, shall be sent via physical letter to those member(s) who have not registered their email address(es) either with the Company or with any Depository or MUFG Intime India Private Limited (Formerly Link Intime India Private Limited), Registrar & Share Transfer Agent (RTA) of the Company. Accordingly the company will sent the notice to those members.

9. Shareholders require to update KYC details pursuant to SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024, and to dematerialise physical securities. The circular issued by SEBI mandates all the listed companies to record PAN, Address with PIN code, Mobile Number, Bank Account details, Specimen Signature and choice of Nomination of security holders holding securities in physical mode. While updating Email ID is optional, the security holders are requested to register email id also to avail online services. This is applicable for all security holders holding securities in physical mode. RTA will attend to all service requests of the shareholders with respect to transmission, dividend, etc., only after updating the above details in the records.
10. Since the 32nd AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
11. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company/Registrar and Share Transfer Agent, MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited)
12. Members must quote their Folio No. /Demat Account No. and contact details such as e-mail address, contact no. etc. in all their correspondence with the Company/Registrar and Share Transfer Agent.
13. Ms. Riddhi Shah, Practicing Company Secretary, Mumbai has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
14. During the 32nd AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act.
15. In terms of the applicable provisions of the Act and Rules thereto, the Company has obtained e-mail addresses of its Members and have given an advance opportunity to every Member to register their e-mail address and changes therein from time to time with the Company for service of communications/documents (including Notice of General Meetings, Audited Financial Statements, Directors' Report, Auditors' Report and all other documents) through electronic mode.

Although, the Company has given opportunity for registration of e-mail addresses and has already obtained e-mail addresses from some of its Members, Members who have not registered their E-mail address so far are requested to register their e-mail for receiving all communications including Annual Report, Notices and Circulars etc. from the Company electronically. Members can do this by updating their email addresses with their depository participants.

16. In case of joint holders attending the 32nd AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
17. Securities of listed companies would be transferred in dematerialised form only w.e.f. April 1, 2019. In view of the same, Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company's RTA for assistance in this regard.

18. As we all know that today the holders of physical certificates are required to submit various documents to the Registrar and Share Transfer Agent (RTAs) for processing the service requests and it is a common observation that tracking of the complaints posted by shareholders/ investors poses problems with the clients and their shareholders. Keeping in view of the difficulties faced by the investors, SEBI has come out with the circular: SEBI/HO/MIRSD/MIRSD-PoD-1/CIR/2023/72 dated 8th June 2023 wherein RTA's have mandated to build a user-friendly online mechanism/portal for processing of Investor service request and complaints. MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) , our RTA has developed an online mechanism and also implemented the same on our Website under the heading Swayam. Link of the same is: <https://swayam.linkintime.co.in/>

Swayam is designed to enhance services of RTA and provide a more efficient and user-friendly experience to all our investors/client's shareholders. All the procedures and related forms are available at a click of a button along with a complete track of the investor's query/ complaint. We request the members to use the same for ease of your query/ complaint.

VOTING:

19. In compliance with provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide its Members the facility to cast their votes either for or against each resolutions set forth in the Notice of the 32nd AGM using electronic voting system ('remote e-voting') and e-voting (during the 32nd AGM), provided by MUFG Intime India Private Limited (formerly known as MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited)) ("MUFG") and the business may be transacted through such voting.

Only those Members who will be present in the 32nd AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting, and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the 32nd AGM.

The voting period begins on **Saturday, September 27, 2025 (9.00 AM IST)** and ends on **Monday, September 29, 2025 (5.00 PM IST)**. During this period, Members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on **Tuesday, September 23, 2025** may cast their votes electronically. Any person, who acquires shares of the Company and becomes a Member of

the Company after dispatch of the Notice of 32nd AGM and holds shares as of the cut-off date i.e. **Tuesday, September 23, 2025**, may obtain the login ID and password by sending a request at rnt.helpdesk@linkintime.co.in. However, if a Member is already registered with Link Intime for e-voting, then he/she can use existing user id and password/PIN for casting the vote.

The Scrutinizer shall, immediately after the conclusion of voting at the 32nd AGM, first count the votes cast during the 32nd AGM, thereafter unblock the votes cast through remote e-voting and make, not later than two working days of conclusion of the 32nd AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall counter sign the same.

The Results declared along with the report of the Scrutinizer shall be placed on the website of MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) (<https://instavote.linkintime.co.in>) and on the Company's website at <http://www.rajrayon.com/> immediately. The result will also be displayed on the Notice Board of the Company at its Registered Office. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed. The resolutions, if passed by requisite majority, shall be deemed to have been passed on the date of the 32nd AGM i.e. September 30, 2025.

(A) THE INSTRUCTIONS FOR E-VOTING ARE AS FOLLOWS:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on **Saturday, September 27, 2025 (9.00 AM IST)** and ends on **Monday, September 29, 2025 (5.00 PM IST)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date on **Tuesday, September 23, 2025** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the

ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (i) In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, **Login method for Individual shareholders holding securities in demat mode is given below:**

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	a) <u>Users who have opted for CDSL Easi / Easiest facility</u> - Visit URL: https://web.cdslindia.com/myeasitoken/Home/Login or www.cdslindia.com. - Click on New System Myeasi Tab - Login with existing my easi username and password - After successful login, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime, for voting during the remote e-voting period. - Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period. b) <u>If the user is not registered for Easi/Easiest</u> - To register, visit URL: https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration / https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration - Proceed with updating the required fields. - Post registration, user will be provided username and password. - After successful login, user able to see e-voting menu. - Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period. c) <u>Individual Shareholders directly visiting the e-voting website of CDSL</u> - Visit URL: https://www.cdslindia.com - Go to e-voting tab. - Enter Demat Account Number (BO ID) and PAN No. and click on “Submit”.

	• System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account • After successful authentication, click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.
Individual Shareholders holding securities in demat mode with NSDL Depository	a) <u>If you are already registered for NSDL IDeAS facility,</u> • Visit URL: https://eservices.nsdl.com and click on “Beneficial Owner” icon under “Login”. • Enter User ID and Password. Click on “Login” • After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services. • Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period. b) <u>If your are not registered for IDeAS e-Services, option to register is available:</u> • To register, visit URL: https://eservices.nsdl.com and select “Register Online for IDeAS Portal” or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp • Proceed with updating the required fields. • Post successful registration, user will be provided with Login ID and password. • After successful login, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services. • Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period. c) <u>Individual Shareholders directly visiting the e-voting website of NSDL</u> • Visit URL: https://www.evoting.nsdl.com • Click on the “Login” tab available under ‘Shareholder/Member’ section. • Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. • Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services. • Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period. a) Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

	NSDL Mobile App is available on  App Store  Google Play  
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for e-voting facility. • Login to DP website • After Successful login, user shall navigate through “e-voting” option. • Click on e-voting option, user will be redirected to NSDL / CDSL Depository website after successful authentication, wherein user can see e-voting feature. • After successful authentication, click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

Shareholders who have not registered for INSTAVOTE facility:

2. Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -

A. User ID:

NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.

CDSL demat account – User ID is 16 Digit Beneficiary ID.

Shareholders holding shares in physical form – User ID is Event No + Folio Number registered with the Company.

B. PAN:

Enter your 10-digit Permanent Account Number (PAN)

(Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI:

Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number:

Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

Shareholders holding shares in **NSDL form, shall provide 'D' above*

***Shareholders holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

- ❖ Set the password of your choice
(The password should contain minimum 8 characters, at least one special Character (!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
- ❖ Enter Image Verification (CAPTCHA) Code
- ❖ Click "Submit" (You have now registered on InstaVote).

3. Shareholders who have registered for INSTAVOTE facility:

Click on "**Login**" under 'SHARE HOLDER' tab.

- A. User ID: Enter your User ID
- B. Password: Enter your Password
- C. Enter Image Verification (CAPTCHA) Code
- D. Click "Submit"

4. Cast your vote electronically:

- a. After successful login, you will be able to see the "Notification for e-voting".
- b. Select 'View' icon.
- c. E-voting page will appear.
- d. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
- e. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote

Guidelines for Institutional shareholders ("Custodian / Corporate Body/ Mutual Fund")

STEP 1 – Custodian / Corporate Body/ Mutual Fund Registration

- a) Visit URL: <https://instavote.linkintime.co.in>
- b) Click on "**Sign Up**" under "Custodian / Corporate Body/ Mutual Fund"
- c) Fill up your entity details and submit the form.
- d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.
- e) Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person's email ID. (You have now registered on InstaVote)

STEP 2 – Investor Mapping

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) Click on **“Investor Mapping”** tab under the Menu Section
- c) Map the Investor with the following details:
 - A. ‘Investor ID’ –
 - i. NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID
i.e., IN00000012345678
 - ii. CDSL demat account – User ID is 16 Digit Beneficiary ID.
 - B. ‘Investor’s Name - Enter Investor’s Name as updated with DP.
 - C. ‘Investor PAN’ - Enter your 10-digit PAN.
 - D. ‘Power of Attorney’ - Attach Board resolution or Power of Attorney.

**File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID. Further, Custodians and Mutual Funds shall also upload specimen signatures.*

- E. Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the “Report Section”.

STEP 3 – Voting through remote e-voting

The corporate shareholder can vote by two methods, during the remote e-voting period.

METHOD 1 - VOTES ENTRY

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) Click on **“Votes Entry”** tab under the Menu section.
- c) Enter the **“Event No.”** for which you want to cast vote.
Event No. can be viewed on the home page of InstaVote under “On-going Events”.
- d) Enter **“16-digit Demat Account No.”** for which you want to cast vote.
- e) Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).
- f) After selecting the desired option i.e. Favour / Against, click on ‘Submit’.
A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.

OR

METHOD 2 - VOTES UPLOAD

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) After successful login, you will be able to see the “Notification for e-voting”.
- c) Select **“View”** icon for **“Company’s Name / Event number”**.
- d) E-voting page will appear.
- e) Download sample vote file from **“Download Sample Vote File”** tab.
- f) Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file and upload the same under **“Upload Vote File”** option.
- g) Click on ‘Submit’. ‘Data uploaded successfully’ message will be displayed.

(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Helpdesk for Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at enotices@in.mpms.mufig.com or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Forgot Password:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on: <https://instavote.linkintime.co.in>

- Click on “**Login**” under ‘SHARE HOLDER’ tab.
- Click “**forgot password?**”
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA).
- Click on “SUBMIT”.

In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. The password should contain a minimum of 8 characters, at least one special character (!#\$%), at least one numeral, at least one alphabet and at least one capital letter.*

User ID:

NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.

CDSL demat account – User ID is 16 Digit Beneficiary ID.

Shareholders holding shares in physical form – User ID is Event No + Folio Number registered with the Company.

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: <https://instavote.linkintime.co.in>

- Click on 'Login' under "Custodian / Corporate Body/ Mutual Fund" tab
- Click **"forgot password?"**
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).
- Click on "SUBMIT".

In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. The password should contain a minimum of 8 characters, at least one special character (!#\$%&), at least one numeral, at least one alphabet and at least one capital letter.*

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

- ❖ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ❖ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- ❖ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at

(company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investors@rajrayon.com. These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders - Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. For Individual Demat shareholders – Please update your email id & mobile no. with your **respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

(B) INSTRUCTIONS FOR SHAREHOLDERS/MEMBERS TO ATTEND THE 32nd AGM THROUGH INSTAMEET:

- a) Visit URL: <https://instameet.in.mpms.mufig.com> & click on “Login”.
- b) Select the “**Raj Rayon Industries Limited**” and ‘Event Date’ and register with your following details:
 - **Demat Account No. or Folio No:**
Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID.
Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
Shareholders holding shares in physical form – shall provide Folio Number.
 - **PAN:**

Enter your 10-digit Permanent Account Number (PAN)
(Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

- **Mobile No:** Enter your Mobile No.
 - **Email ID:** Enter your email Id as recorded with your DP/ Company.
- c) Click “Go to Meeting”
You are now registered for InstaMeet, and your attendance is marked for the meeting.

Instructions for shareholders to Speak during the General Meeting through InstaMeet:

- a) Shareholders who would like to speak during the meeting must register their request with the company.
- b) Shareholders will get confirmation on first cum first basis depending upon the provision made by the company.
- c) Shareholders will receive “speaking serial number” once they mark attendance for the meeting. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
- d) Other shareholder who has not registered as “Speaker Shareholder” may still ask questions to the panellist via active chat-board during the meeting.

**Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.*

Instructions for Shareholders to Vote during the General Meeting through InstaMeet:

Once the electronic voting is activated during the meeting, shareholders who have not exercised their vote through the remote e-voting can cast the vote as under:

- a) On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
- b) Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET
- c) Click on 'Submit'.
- d) After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
- e) Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
- f) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note:

Shareholders/ Members, who will be present in the General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

Helpdesk:

Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at instameet@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000 / 4918 6175.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

Item No.3

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the re-appointment of M/s. C. Sahoo & Co., Cost Auditor as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2026 at a remuneration of Rs.1,00,000/- (Rupees One Lakh only) plus out of cost expenses, and tax in connection with the aforesaid audit.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, Members of the Company are required to ratify the remuneration proposed to be paid to the Cost Auditors.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested (financially or otherwise) in this Resolution Resolution except to the extent of their shareholding, if any, in the Company.

The Board recommends the Ordinary Resolution set out at Item No.3 for the approval of Members.

Item No. 4

Background, details and benefits of the transaction

Sr.no.	Name of Related party	Background
1	SVG Fashions Private Limited (SVG)	Promoter & Holding company of the company where directors & their relatives are interested
2	Binaykia Synthetics Ltd	Promoter Company where directors & their relatives are interested
3	Deepak Synthetics Pvt. Ltd.	Promoter Company where directors & their relatives are interested

4	Rajwada Silk Mills LLP	Promoter Entity, where directors & their relatives are interested
5	Venkateshwar Udyog & Finance Private Limited	Promoter Company where directors & their relatives are interested
6	Sunflag Filaments Limited	Promoter Company where directors & their relatives are interested

These companies/entity are primarily engaged in the business to provide the raw materials, yarn and other related materials and finance for supplying various deniers of polyester filament yarn throughout India and globally and to provide maintenance products/services for the same.

The Company and Related Parties have been engaged in textile business and supply of fabrics and spinning Yarn and finance business. The entities vast experience and strategic capabilities that it has developed in this area have enabled it to become the largest exporter in India and globally.

The proposed transactions will aid the growth of the Company's business.

Management decided to enter in to contract / arrangement / transactions/job work/Internal purchase/sale of goods and providing/availing services/using resources/entering into agreement for use of properties, providing corporate Guarantee, Providing Securities to third party for any Borrowing and availing inter corporate deposits or otherwise with aforesaid parties /entities subject to such contract(s)/arrangement(s)/ transaction(s) being carried out at arm's length and in the ordinary course of business of the Company.

The related parties are in the same business and have abundant experience and client base for the same.

The management has provided the Audit Committee of Directors ('Audit Committee') with the relevant details of various proposed RPTs including material terms and basis of pricing. All Independent Directors on the Audit Committee, after reviewing all necessary information, have granted approval for entering into the RPTs between Company and related entities for a value mentioned below.

Sr.no.	Name of Related party	Limits upto (for a period from October 01, 2025 to September 30, 2026)
1	SVG Fashions Private Limited (SVG)	Rs. 900 Crs
2	Binaykia Synthetics Ltd	Rs. 5 Crs
3	Deepak Synthetics Pvt. Ltd.	Rs. 5 Crs
4	Rajwada Silk Mills LLP	Rs. 5 Crs
5	Venkateshwar Udyog & Finance Private Limited	Rs. 5 Crs
6	Sunflag Filaments Limited	Rs.10 Crs

The Audit Committee has noted that the transactions to be entered into between **related entities** will be on an arm's length basis and in the ordinary course of business of all the parties.

Details of the RPTs between the Company and **related entities** including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Master Circular dated November 11, 2024 read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/18 February 14, 2025 w.e.f. April 1, 2025, is as follows:

Sl. No.	Description	Details
1.	A summary of information provided by the management to the Audit Committee	

a.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	SVG Fashions Private Limited (SVG)	Private company who is holding company of the company and where directors and their relatives are directors/member of company
		Rajwada Silk Mills LLP	directors and their relatives are partners of entity
		Binaykia Synthetics Ltd	Limited company where directors and their relatives are directors/member of company
		Deepak Synthetics Ltd	Limited company where directors and their relatives are directors/member of company
		Venkateshwar Udyog & finance Private Limited	Private Limited company where directors and their relatives are directors/member of company
		Sunflag Filaments Limited	Limited company where directors and their relatives are directors/member of company
b.	Type/Nature, material terms, monetary value and particulars of contracts or arrangement	The contract / arrangement / transactions/job work/Internal purchase/sale of goods and providing/availing services/using resources/entering into agreement for use of properties, providing corporate Guarantee, Providing Securities to third party for any Borrowing and availing inter corporate deposits or otherwise: • SVG Fashions Private Limited (SVG) – up to Rs. 900 Crs , • Rajwada Silk Mills LLP- up to 5 Crs, • Binaykia Synthetics Ltd- up to Rs. 5 Crs , • Deepak Synthetics Ltd – up to Rs. 5 Crs, • Venkateshwar Udyog & finance Private Limited – up to Rs. 5 Crs • Sunflag Filaments Limited- upto Rs. 10 Crs.	

c.	Tenure of the transaction	October 01, 2025 to September 30, 2026
d.	Value of Transaction	• SVG Fashions Private Limited (SVG) – up to Rs. 900 Crs , • Rajwada Silk Mills LLP- up to 5 Crs, • Binaykia Synthetics Ltd- up to Rs. 5 Crs , • Deepak Synthetics Ltd – up to Rs. 5 Crs, • Venkateshwar Udyog & finance Private Limited – up to Rs. 5 Crs • Sunflag Filaments Limited- upto Rs. 10 Crs.
e.	Percentage of annual consolidated turnover of the Company considering FY23-24 as the immediately preceding financial year	• SVG Fashions Private Limited (SVG) – 38.73% • Rajwada Silk Mills LLP- 0.21% • Binaykia Synthetics Ltd- 0.03%, • Deepak Synthetics Ltd – 0.03% • Venkateshwar Udyog & finance Private Limited – 0.39% • Sunflag Filaments Limited- 0.76%
f.	Justification for the transaction	Please refer to 'Background, details and benefits of the transaction' which forms part of the explanatory statement to the Resolution No. 5.
g.	Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary: NA	
h.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder	The proposed RPTs has been evaluated by a reputed in terms of pricing and arm's length criteria.

i.	Percentage of counterparty's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis	32.29%	Standalone turnover of SVG Fashions Private Limited (SVG)
		32.04%	Standalone turnover of Rajwada Silk Mills LLP
		4.61%	Standalone turnover of Binaykia Synthetics Ltd
		5.02%	Standalone turnover of Deepak Synthetics Ltd
		57.92%	Standalone turnover of Venkateshwar Udyog & finance Private Limited
		57.32%	Standalone turnover of Sunflag Filaments Limited
j	Name of the director or key managerial personnel who is related, if any and nature of relationship	Mr. Rajkumar Satyanarayan Agarwal, Managing Director, Mrs. Sapna Rajkumar Agarwal, Director and Mr. Sandeep Satyanarayan Agarwal, WTD and CFO Directors and their relatives are Directors and Members in the Company (ies)/ entities The interest or concern held by the aforesaid Directors and KMPs or that of their relatives, is limited only to the extent of their holding directorship/ shareholding in the Company.	
K	Any other information that may be relevant	All important information forms part of the statement setting out material facts of the proposed RPTs	

Arm's length pricing:

The RPT(s)/contract(s)/arrangement(s) mentioned in this proposal have been evaluated by a reputed external independent consulting firm and the firm has confirmed that the proposed terms of the RPT(s)/contract(s)/arrangement(s) meet the arm's length testing criteria. The RPT(s)/contract(s)/arrangement(s) also qualify as contract under ordinary course of business.

Brief details on the mode of determination of arm's length pricing are provided below:

Nature of Transaction	Pricing method
contract / arrangement / transactions/job work/Internal purchase/sale of goods and providing/availing services/using resources/entering into agreement for use of properties, providing corporate Guarantee, Providing	The price of contract / arrangement / transactions/job work will be on the same line as with other part or vendors and as per the industrial standards.

Securities to third party for any Borrowing and availing inter corporate deposits or otherwise	The rate of interest for the corporate Guarantee, Providing Securities to third party for any Borrowing and availing inter corporate deposits or otherwise will be as per the Government/ bank rate
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Justification for transaction

The Company and Related Parties/entities have been engaged in textile business and supply of fabrics and spinning Yarn. The entities vast experience and strategic capabilities that it has developed in this area have enabled it to become the largest exporter in India, basis that the proposed transactions will aid the growth of the Company's business.

The said transactions, being a material RPT, requires prior approval of the Members of the Company in accordance with Regulation 2(1)(zc)(i) of the Listing Regulations.

Based on the review and approval of the Independent Directors on the Audit Committee, **the Board recommends passing of the resolution as set at Item No. 4 of the Notice as a Special Resolution.**

Except, Mr. Rajkumar Satyanarayan Agarwal, Managing Director, Mrs. Sapna Rajkumar Agarwal, Director and Mr. Sandeep Satyanarayan Agarwal, WTD and CFO and their relatives, none of the other Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise in the said resolution Resolution except to the extent of their shareholding, if any, in the Company.

Members may note that pursuant to the provisions of the Listing Regulations, all related parties of the Company (whether such related party is a party to the above-mentioned transaction or not) shall not vote to approve the Resolution under item No. 4.

Item No. 5:

In reference to the amendment under Reg. 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024, the company requires to appoint Secretarial Auditors of the Company for a period of 5 consecutive financial years who holds peer reviewed issued by ICSI, which shall be, subject to approval of shareholders of the Company.

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved appointment of Ms. Riddhi Shah, a Peer Reviewed Practicing Company Secretaries as Secretarial Auditors of the Company for a period of 5 consecutive financial years commencing from FY 2025-26 till FY 2029-2030, to conduct the secretarial audit.

Brief Profile of Secretarial Auditors:

Riddhi Shah, Practicing Company Secretaries, a Peer Reviewed, with an aim to be a leading PCS in promoting good Corporate Governance with an objective to provide wide spectrum of quality Professional services in the field of Compliance and Secretarial with an aim to facilitate value addition to its clients. She is passionate about her quality of services as she care her Clients profoundly.

An associate member of the Institute of Company Secretaries of India (ICSI) having 14 plus years of enriched experience in corporate secretarial filed and specialized in handling the Corporate Law Matters, Conducting Due Diligence. Worked with Reliance, National Stock Exchange, Kalpataru Limited & last with Capri Global Capital Limited.

The proposed fees for the financial year ending March 31, 2026, is Rs. 50,000, plus applicable taxes and out-of-pocket expenses. For subsequent years of the term, the remuneration shall be determined by the Board based on the recommendations of the Audit Committee.

The fees for other permissible services / certifications will be in addition to the Secretarial Audit fees and be decided, in consultation with the Secretarial Auditor, by the Board, as per the recommendations of the Audit Committee.

The Board recommends the ordinary resolution at item no. 3 of the accompanying Notice for approval of the Members.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested (financially or otherwise) in this Resolution Resolution except to the extent of their shareholding, if any, in the Company.

The Board recommends the Special Resolution set out at Item No.5 for the approval of Members.

Item No. 6:

The present Authorized Share Capital of the Company is Rs. 86,00,00,000/- (Rupees Eighty Six Crore only) divided into 60,00,00,000 (Sixty Crore Equity Shares of Re. 1/- (Rupee One only) each ; 26,00,000 Compulsory Convertible Preference Shares Rs. 100/- each;

In order to facilitate the rights issue of equity shares and requirements of the Company for the operations in future, if any, the Board at its meeting held on 29th May, 2025 approved the increase in the Authorized Share Capital of the Company from

Rs. 86,00,00,000/- (Rupees Eighty Six Crore only) divided into 60,00,00,000 (Sixty Crore Equity Shares of Re. 1/- (Rupee One only) each ; 26,00,000 Compulsory Convertible Preference Shares Rs. 100/- each;

TO

Rs. 110,00,00,000/-(Rupees One Hundred and Ten Crore only) divided into 84,00,00,000 (Eighty-Four Crores Equity Shares of Re. 1/- (Rupee One only) each and 26,00,000 Compulsory Convertible Preference Shares Rs. 100/- each

by creation of additional 24,00,00,000 (Twenty Four Crores) Equity shares of Re.1 each (Rupee one only) subject to approval of Members.

The increase in the Authorized Share Capital as aforesaid would entail consequential alteration of the existing Clause V(a) of the Memorandum of Association of the Company.

It is proposed to increase the additional 24,00,00,000 (Twenty Four Crores) Equity shares of Re.1 each (Rupee one only) each which shall rank *pari-passu* with the existing equity shares in all respects and shall be subject to the provisions of the Memorandum and Articles of Association of the Company.

The increase in the Authorized Share Capital and consequential alteration to Clause V(a) of the Memorandum of Association of the Company require Members' approval in terms of Sections 13, 61 and 61 of the Companies Act, 2013 and any other applicable statutory and regulatory requirements and requests the members to accord their consent to the proposed resolution.

A copy of the Memorandum of Association of the Company duly amended will be available for inspection at the registered office of the Company during the office hours on all working days till the AGM.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of this Notice except to the extent of their shareholding in the Company.

The Board recommends the matter and the resolution set out under Item No. 6 for the approval of the Members by way of passing an Ordinary Resolution.

Details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard- 2 on "General Meetings" issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM:

Particulars	Ms. Sapna Rajkumar Agarwal
DIN	00437469
Nationality	Indian
Date of Birth	02/11/1965
Date of Appointment	19/10/2021
Designation	Director (Non-Executive Woman)
Qualifications	Bachelor of Commerce
Expertise in specific function area	Self-Professional in Fashion Industry and having a knowledge about the fashion and quality check of the products. She is the role model for all the business houses to having a great work life balance.
Number of Meetings of Board attended during the year	5
Terms & Conditions of Appointment / Re-appointment & Remuneration sought to be paid or last drawn	She shall be liable to retire by rotation
Directorship held in other companies	SVG Fashions Private Limited
Membership/Chairmanships of the committees in other companies	-
Relationship with existing Directors of the Company	Wife of Mr. Rajkumar Satyanarayan Agarwal, Managing Director and sister in law of Mr. Sandiip Satyanarayan Agarwal , WTD & CFO of the Company
Number of shares held in company	35,00,000 (0.63%)

Place: Silvassa
DATE: 29/05/2025
Registered Office:
SURVEY NO 177/1/3,
VILLAGE SURANGI
SILVASSA DN 396230 IN

By order of the Board
RAJKUMAR SATYANARAYAN AGARWAL

MANAGING DIRECTOR
DIN: 00395370

BOARD'S REPORT

To
The Members,
RAJ RAYON INDUSTRIES LIMITED

Your directors have pleasure in presenting 32nd Annual Report of the Company together with the Audited Financial Statements of the Company for the year ended **31st March 2025**.

1. FINANCIAL RESULTS

Particular	For the financial year 2024-25 (Amount in Rs. Lakhs.)	For the financial year 2023-24 (Amount in Rs. Lakhs.)
Revenue from Operations	84,937.94	74,516.82
Other Income	475.18	512.82
Total Income	85,413.12	75,029.64
Less: Cost of materials consumed	68,260.83	60,735.88
Less: Changes in inventories of finished goods	986.19	(813.17)
Less: Depreciation & Amortization Expenses	1,244.01	1,134.71
Less: Employee Benefits Expenses	1,199.55	1,145.78
Less: Finance Cost	1,358.02	1,119.58
Less: Other Expenses	11,538.17	10,713.88
Total Expenses	84,586.77	74,036.66
Profit/ (Loss) before exceptional items and tax	826.35	992.98
Less: Exceptional Items	-	-
Profit/ (Loss) before tax	826.35	992.99
Tax Expenses		
Tax adjustment for earlier years/ Deferred Tax	554.26	(588.68)
Profit/(Loss) after Tax	1,380.61	404.30

REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

During the financial year under review the Company has earned total revenue of Rs. **85,413.12** /- Lakhs as compared to the previous years' revenue of Rs. 75,029.64/- Lakhs. The Company has earned a net profit of Rs. **1,380.61** /- Lakhs after considering exceptional items as compared to the previous years' net profit of Rs. 404.30/- Lakhs. Your directors are continuously looking for avenues for future growth of the company.

DIVIDEND:

In order to conserve the resources and in absence of adequate amount of profits for the year ended 31st March, 2025 and past accumulated losses, your directors do not recommend payment of any dividend for the year ended 31st March, 2025.

SHARE CAPITAL OF THE COMPANY:

During the financial year under review, there was no change in the paid up share capital of the Company after the implementation 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 on 31st March, 2025, the paid up share capital of the Company was Rs. 80,60,82,495/- divided into 556,082,495 equity shares of Re. 1/- each and 2,500,000 Compulsory Convertible Preference Shares (CCPS) Class- B of Rs. 100/- each.

CHANGES IN PAST FINANCIAL YEARS

Based on market capitalization list issued by NSE India Limited for 31st March, 2023 the Company was categorised under **“TOP 1000 Companies”** basis that as per LODR, the company was required to comply with the additional compliance Which is applicable w.e.f. 1st April, 2023, status of those compliances are as follows:

SR. NO.	COMPLIANCE	STATUS OF COMPLIANCE
1	Risk Management Committee	The Company has formed Risk management Committee in Board Meeting held on 27 th May, 2023
2	Woman Independent Director	Appointed Ms. Supriya Mahesh Pujari (DIN. 07661070) as Woman Independent Additional Director on the Board of the Company w.e.f. 27 th May, 2023 on recommendation of Nomination and Remuneration Committee of the Company for a first term of five consecutive years. The Company has taken the approval of the members by passing special resolution through postal ballot on 14 th July, 2023 in compliance with provisions of the Companies Act, 2013 read with the SEBI (LODR), Regulations, 2015.
3	To undertake Directors and Officers insurance ('D and O insurance') for all their independent directors of the Company.	The Company is in process of taking insurance for all their independent directors of the Company.
4	To adopt policies: a) Dividend Distribution Policy (DDP) b) Risk management policy	The Board members have adopted both policies as on date of this report in their meeting held 27 th May, 2023.
Link	DDP: https://www.rajrayon.com/Pdf/Dividend-Distribution-Policy.pdf	
5	Report of Business Responsibility and Sustainability reporting with Annual Report.	The Company has prepared the report and attached as part of Annual Report.

Further, the company is now categorised under “TOP 2000 companies” since last two financial years ended i.e. as on 31st March, 2024 and 31st March, 2025, however, based on the Regulation. 3 (2) of SEBI LODR, the aforesaid compliances, shall be continue(s) and remain applicable to the company for consecutive period three years, hence the company has adapted these compliances in line to compliance under the said regulation.

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:

As on the date of this report, the Board at present consists of 6 Directors. The Board of Directors is duly constituted. The details of present directors appointed 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
Vinodkumar Bajranglal Dalmia	Independent Director	19/10/2021
Kailashnath Jeevan Koppikar	Independent Director	07/02/2022
Supriya Mahesh Pujari	Woman/ Independent Director	27/05/2023

During the financial year, Five 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 Board members and KMP and Attendance details					
		Rajkumar Satyanarayan Agarwal	Sapna Rajkumar Agarwal	Sandiip Satyanarayan Agarwal	Vinod kumar Bajranglal Dalmia	Kailashnath Jeevan Koppikar	Supriya Mahesh Pujari
1.	28/05/2024	Present	Present	Present	Present	Present	Present
2.	13/08/2024	Present	Present	Present	Present	Present	Present
3.	14/11/2024	Present	Present	Present	Present	Present	Present
4.	11/02/2025	Present	Present	Present	Present	Present	Present
5.	18/03/2025	Present	Present	Present	Present	Present	Present

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 read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 **29th February, 2024**.

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

4. Risk Management Committee
5. Management 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.

RISK MANAGEMENT AND AREAS OF CONCERN

The Company has laid down a well-defined Risk Management Policy covering the risk mapping, trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out from time to time to identify, evaluate, manage and monitoring of both business and non-business risks. The Board is in process of adopting a practice for periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

Risk Management Committee comprised of Mr. Sandiip Satyanarayan Agarwal, WTD and CFO, Mr. Vinodkumar Bajranglal Dalmia and Mr. Kailashnath Jeevan Koppikar, Independent Directors as its members. Mr. Sandiip Satyanarayan Agarwal is Chairman of Risk Management Committee of the Committee. The Committee assists the Board of Directors in fulfilling its oversight responsibilities with regard to enterprise risk management. The Committee reviews the risk management practices and actions deployed by the Management with respect to identification, impact assessment, monitoring, mitigation and reporting of key risks while at the same time trying to achieve its business objectives.

This Committee's responsibilities include, achieving the objective of developing a risk mitigated culture that supports decision making and helps improving the Company's performance as stated in the Risk Management Policy of the Company. The role and terms of reference of the Risk Management Committee are in conformity with the requirements of the Act and Regulation 21 of the SEBI Listing Regulations.

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: There was no appointment/change of KMP during the year under review.

c. Cession: There was no cessation of Director/KMP during the year under review.

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 32nd 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:

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, the Board members on recommendation of Audit Committee, re-appointed of M/s. Bagaria & Co. LLP Chartered Accountants (Firm Registration No – 113447W/W-100019) as Statutory Auditors of the Company (for a remaining period of his first term of five years) in their meeting held on 27th May, 2023 till the FY 2026-27 i.e. for period of four years of their first term of appointment. The members of the company have approved the appointment of M/s. Bagaria & Co. LLP Chartered Accountants at their 30th Annual General Meeting held on 30th September, 2023.

M/s. Bagaria & Co. LLP 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.

AUDITORS REPORT:

The Statutory Auditors of the Company has issued the Auditors Report for the Financial Year ended on March 31, 2025 with modified opinion stating that they cannot audit and comment on the impact, if any, on the financial statement arising out of subsequent availability of any pending bank statements of inoperative bank accounts which are continuing in the name of the Company from prior to the Corporate Insolvency Resolution Process when the current management was not in charge of the affairs of the Company was not available for verification for which management stated that the company is in process to obtain details in the matter.

The Auditors' Report does not contain any other qualification, reservation or adverse remark except as detailed herein above.

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 2024-25. 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.	<i>There was continuous Non- compliance under Reg.38 of SEBI (LODR), Regulations, 2015 with the requirements pertaining to the Minimum Public Shareholding (MPS) requirements from the June 2023 quarter till the date of this report.</i> <i>The Company has paid fines levied under Standard Operating Procedure (SOP) for suspension and revocation of trading of specified securities of listed entities with both exchanges BSE and NSE for the June quarter, 2024 (days) wise.</i> <i>The Company has yet not paid fines levied under Standard Operating Procedure (SOP) by both exchanges BSE of and NSE for the September, 2024, December, 2024 quarter(s) (days) wise of Rs. 10,85,600/- each exchange/each quarter wise. And for March, 2025 quarter Rs.10,62,000/- for each exchange.</i> <i>Further, BSE Ltd. and National Stock Exchange of India Limited on account of Non- compliance under Reg.38 of SEBI (LODR), Regulations, 2015 read with Rule 19(2)(b) and 19(A) of the Securities Contract (Regulation) Rule, 1957 have freeze the entire demat account(s) of promoter(s)/promoter group(s) till the non-compliances continues.</i>	<i>The Company was under IBC having taken action for OFS in the last financial year to achieve MPS, however, the company could not achieve the MPS on time.</i> <i>The Company is proposing to plan different ways to achieve the MPS.</i>

Your Company always endeavour 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.

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 on recommendation of Audit committee of the Company has re-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 2025-26 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 2025-26 is provided in the Notice of the ensuing 32nd Annual General Meeting.

COST RECORDS:

The Company maintained the cost accounts and records; the Cost Audit report was filed with authority for the FY 23-24 during the financial year under review.

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 from the financial year 2021-2022 until such time the Audit Committee/Board otherwise

decide to revoke their appointment. 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, 2025 will be placed on the website of the Company and can be accessed on company's 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:

The details of net Gain on foreign currency transactions given in notes on Financial Statements for the year ended 31st March, 2025.

Foreign exchange Outgo during the year under review is as follows:

Particulars	Financial Year 01.04.24 to 31.03.25	Financial Year 01.04.23 to 31.03.24
	INR in Lakhs	INR in Lakhs
Import of Goods Calculated on CIF Basis:	12081.45	12,929.60
(i) Raw Material	5833.60	8,204.25
(ii) Component and Spare Parts	-	-
(iii) Capital Goods	6247.85	4,725.35
Total Expenditure in Foreign Exchange	12081.45	12,929.60
Total Foreign Exchange income	-	-

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.

Further in the FY 2024-25 company has earned a profit after tax Rs. 1380.61 lakhs which fall under the ambit of Section 135 of the Companies Act, 2013, and Board will be doing the requisite provisions and spent the CSR amount in FY 2025-26.

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, 2025, the Board consists of six board members including CFO and three are independent directors. The Company has framed and adopted a Nomination and Remuneration Policy for appointment, remuneration and evaluation of Directors from time to time and is available on the website of the Company <https://www.rajrayon.com/Pdf/Nomination%20and%20remuneration%20policy.pdf>

VIGIL MECHANISM:

Pursuant to the requirement of the Companies Act 2013 and provisions of Listing Regulations 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 2024-25.

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 said policy has been reviewed by the Board of Directors as per the statutory requirement from time to time. The policy has been uploaded on the Company's website at: [https://www.rajrayon.com/Pdf/Policy%20 Related%20party%20transcation.pdf](https://www.rajrayon.com/Pdf/Policy%20Related%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. As the unpaid dividend was per IBC take over by the new management the data was not handed over and the Bank account details are not available.

However post new management took over the company, they have not declared any dividend.

AGREEMENTS BINDING LISTED ENTITIES:

Pursuant to Regulation 30A of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, during the financial year, no agreement has been entered or executed by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of the Company or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company.

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. The Company has Internal Complaints Committee as per statutory requirement.
- 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 during the year under review.
- 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 has been implemented and completed during the financial year 2022-23
- a. 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.
 - b. 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.
 - c. There is no application made / proceeding pending under the Insolvency and Bankruptcy Code, 2016.
 - d. There was no instance of one-time settlement with any Bank or Financial Institution.
 - e. The Company was not required to carry out valuation of its assets.
 - f. Pursuant to Rule 19(2)(b) and 19(A) of the Securities Contract (Regulation) Rule, 1957 and Regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular no. SEBI/HO/CFD/PoD2/P/CIR/2023/18 dated February 03, 2023, the Company needs to increase its MPS to 10% within a maximum period of twelve months from the date of such fall due to allotment of securities to Promoter/Promoter Group i.e. from 10th June, 2022, however, the Company could not achieve the Minimum 10% of public shareholding on or before 10th June, 2023 as per statutory requirement till the date of this report.

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 AGARWWAL
Whole Time Director and CFO
00395348

Place: Silvassa
Date: 29/05/2025

Annexure –A
Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial 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 report that:

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.

Company's Responsibilities:

The Company's Management and Board of Directors are responsible for the maintenance of secretarial record under the Companies Act, 2013 and compliance of the provisions of the Corporate and other applicable laws, rules, regulations and standards. Further the Company's Management and Board of Directors are also responsible for establishing and maintaining adequate systems and process, commensurate with the size and operations of the Company to identify, monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

Auditor's Responsibility Statement:

My responsibility is only to examine and verify those compliances on a test basis and express an opinion on these secretarial records based on audit.

I have followed the audit practices and processes 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 processes and practices, I followed provide a reasonable basis for my opinion.

I have not verified the correctness and appropriateness of financial records and books of accounts of the Company. Wherever required, I have obtained the Management's Representation Letter about the compliance of Laws, rules and regulations and happening events, etc.

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.

Limitations:

I have conducted the secretarial audit by examining the secretarial records including minutes, documents, registers, other records and returns related to the applicable laws on the Company etc. However some of the documents and records mentioned herein have been received via electronic

means. The management has confirmed that the records submitted to me are true and correct. I have relied upon representation given by the Management of the Company for certain areas which otherwise requires physical verification.

Report on Secretarial Records and Compliances made thereunder:

Based on verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised 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 March 31, 2025 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 2025 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; **Not Applicable**
- (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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable**
 - f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - g) 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)**
 - h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit period)**

- i) 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; **Not Applicable as the Company is not registered as Registrar to issue and Share Transfer Agent during the financial year under the review.**
- j) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (**Not applicable to the Company during the Audit period**) and
- k) 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:

However,

There was continuous non-compliance under Reg. 38 of SEBI (LODR), Regulations, 2015 with the requirements pertaining to the Minimum Public Shareholding (MPS) requirements from the June 2023 quarter till the date of this report and the Company.

The Company has paid fines levied under Standard Operating Procedure (SOP) for suspension and revocation of trading of specified securities of listed entities with both exchanges BSE and NSE for the June quarter, 2024 (days) wise.

The Company has yet not paid fines levied under Standard Operating Procedure (SOP) by both exchanges BSE and NSE for the September, 2024, December, 2024 and March, 2025 quarter(s) (days) wise.

BSE Ltd. and National Stock Exchange of India Limited on account of Non-compliance under Reg.38 of SEBI (LODR), Regulations, 2015 read with Rule 19(2)(b) and 19(A) of the Securities Contract (Regulation) Rule, 1957 have freeze the entire demat account(s) of promoter(s)/promoter group(s) till the non-compliances continues.

However the Management of the Company informed that, as the Company was under IBC have taken action for OFS to achieve MPS in last financial year, however, the company could not achieve the MPS on time.

I further report that:

I have not examined compliance with applicable Financial Laws, like Direct and Indirect Tax Laws, since the same have been subject to review by statutory financial audit and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and there was no changes in the composition of the Board of Directors that took place during the period under review.

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.

The Company has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder insofar as it appears from our examination of those records.

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: 29/05/2025
Place: Mumbai

Riddhi Krunal Shah
C P No.: 17035/ M.No.20168
PR No.2037/2022
UDIN No - A020168G000483391

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian textile and apparel industry continues to remain one of the most significant contributors to the national economy, both in terms of domestic consumption and exports. During FY 2024-25, the sector witnessed gradual recovery from global demand slowdown and supply chain disruptions seen in the previous years. Supported by government incentives and improving consumer sentiment, the industry has shown resilience and adaptability.

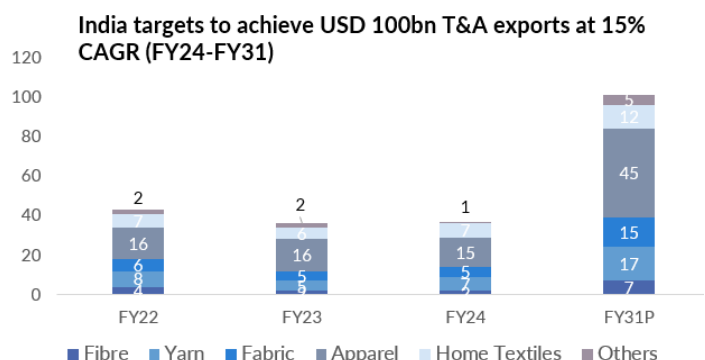
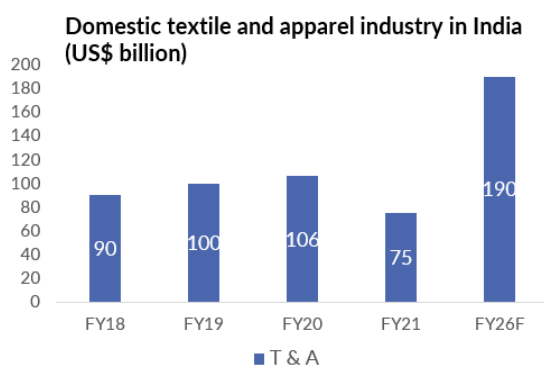
India is the second-largest producer of textiles and garments globally and the largest producer of cotton. The industry contributes around 2% to India's GDP, 13-14% to industrial production, and nearly 11-12% to the country's export earnings. With a workforce of over 45 million people directly employed and more than 100 million in allied sectors, textiles remain one of the largest sources of employment generation in India.

In FY 2024-25, domestic demand was driven by increasing disposable incomes, changing fashion trends, rising penetration of branded apparel, and the growth of e-commerce platforms. On the global front, export opportunities improved as markets in the US and Europe began stabilizing, while Free Trade Agreements (FTAs) under negotiation with the UK, EU, and other nations are expected to open new avenues for Indian exporters.

The Government of India continued to provide strong policy support with schemes such as the Production Linked Incentive (PLI) Scheme for Textiles, the establishment of PM MITRA Mega Textile Parks, and support for Technology Upgradation and Technical Textiles Mission. These initiatives are expected to modernize the sector, improve competitiveness, and attract large-scale investments.

At the same time, the industry continues to face challenges including raw material price volatility, rising energy costs, competition from other low-cost textile manufacturing countries, and increasing compliance requirements related to sustainability and environmental standards. Despite these challenges, the long-term outlook for the Indian textile industry remains positive, supported by its strong raw material base, skilled workforce, growing domestic market, and improving export competitiveness.

- The Indian textile and apparel (T&A) market is estimated to be valued at USD 175bn in FY24, with the domestic market contributing 79% and exports accounting for 21% of the market size. The polyester yarn industry has been growing at an average CAGR of 4-5% only, so the demand supply equation is likely to be favorable for polyester yarn makers.
- The Indian domestic T&A market has registered a CAGR of 8%, growing from USD 50 bn in FY11 to USD 138bn in FY24. The Ministry of Textiles targets the domestic T&A market to touch USD 250bn by FY31, growing at 9% CAGR, faster than the global textile industry.
- Within the total domestic T&A market, India's home textiles market is estimated at USD 10bn for FY24, slated to expand at ~7% CAGR over FY24-FY31 to USD 16bn.



OPPORTUNITIES & THREATS

Opportunities

Strong Domestic Consumption – Rising disposable incomes, urbanization, and increasing preference for branded and organized retail are driving steady demand in the domestic market. The growth of e-commerce and digital retail channels is expanding the reach of textile products across Tier II and Tier III cities.

Export Growth Potential – With global buyers diversifying sourcing away from China, India is well-positioned to capture a larger share of international markets, particularly in the US and Europe. Pending **Free Trade Agreements (FTAs)** with the UK and EU are expected to provide a competitive edge to Indian exporters.

Government Support – Initiatives such as the **PLI Scheme**, **PM MITRA Parks**, and focus on **Technical Textiles** and **Man-Made Fiber (MMF)** segments are expected to modernize production capacities and improve cost efficiencies.

Shift Towards Sustainability – Increasing global demand for sustainable, organic, and eco-friendly fabrics presents new opportunities. Indian companies investing in green technologies and circular economy models can gain a competitive advantage.

Technical Textiles & Niche Segments – Rising applications of technical textiles in healthcare, infrastructure, automotive, and defense sectors provide significant growth avenues.

Threats

Raw Material Volatility – Prices of cotton, polyester, and other key raw materials remain unpredictable due to global supply-demand imbalances, weather conditions, and international trade dynamics.

Global Demand Fluctuations – The textile industry is heavily dependent on export markets. Any slowdown in the US, EU, or other major markets due to inflationary pressures or geopolitical instability directly impacts Indian exporters.

Intense Competition – Countries like Bangladesh, Vietnam, and Turkey continue to offer cost competitiveness in terms of labor and logistics, posing a challenge to Indian players.

Compliance & Sustainability Pressures – Increasing global focus on ESG norms, stricter labor standards, and environmental regulations require continuous investment in compliance, which may impact margins.

High Operational Costs – Rising energy, transportation, and financing costs put pressure on profitability, especially for small and medium enterprises in the fragmented textile ecosystem.

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 and digital platforms.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

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

OUTLOOK

The outlook for the Indian textile industry remains positive, supported by a strong domestic market, favorable government policies, and improving export prospects. With rising consumer demand for fashion, home textiles, and technical textiles, the sector is expected to witness steady growth in the coming year.

The Government's continued focus on strengthening the textile ecosystem through initiatives such as **PLI Scheme, PM MITRA Parks, and National Technical Textiles Mission** will enhance competitiveness, attract investments, and accelerate technology adoption. The expected conclusion of **Free Trade Agreements (FTAs)** with key markets such as the UK and EU is likely to provide significant export opportunities and improve India's global market share.

On the domestic front, demand is projected to rise owing to urbanization, increasing penetration of organized retail, and rapid growth of e-commerce platforms. Growing awareness around sustainability and eco-friendly products will encourage companies to adopt greener processes, thereby opening new product categories and premium market segments.

However, challenges relating to raw material price volatility, rising energy costs, global economic uncertainties, and compliance with evolving environmental and labor standards may continue to put pressure on margins. Companies with a strong focus on **product innovation, operational efficiency, digital adoption, and sustainability practices** will be better positioned to manage risks and capture emerging opportunities.

Overall, the Indian textile industry is poised for steady growth in FY 2025-26, and your Company is well-prepared to leverage its strengths, expand its market presence, and create long-term value for stakeholders.

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 a 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.

SUSTAINABILITY AT OUR PLANTS

	<u>Efficient Water Recycling and Treatment</u> We have installed a state-of-the-art Effluent Treatment Plant (ETP) with a Reverse Osmosis process for water recycling. Our aerobic ETP treats effluent water and generates significantly less CO2 compared to traditional anaerobic ETPs
	<u>Energy Recovery and Utilization</u> Residual heat is recovered and utilized for preheating atmospheric air used in HTM heaters. This process ensures proper fuel combustion, reducing overall fuel consumption and CO2 emissions
	<u>Innovative Cooling Solutions</u> Waste vapors from the system are converted into chilled water through vapor absorption chillers. This chilled water is used for air conditioning the plant, thereby significantly reducing the power requirements for cooling production areas
	<u>Power Saving Initiatives</u> Various power-saving methods are continuously implemented to minimize power consumption. This includes the purchase of energy-efficient motors and the installation of solar power panels
	<u>Sustainable Packaging Solutions</u> We have achieved a reduction in packing material requirements by recycling materials such as paper tubes, which are reused multiple times

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the financial year under review the Company has earned total revenue of Rs. 85,413.12/- Lakhs as compared to the previous years' revenue of Rs. 75,029.64 /- Lakhs. The Company has earned a profit of Rs. 1380.61/- Lakhs after considering exceptional items as compared to the previous years' of Rs. 404.30/-Lakhs.

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 micro fibre 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 resource is considered as the most valuable of all resources available to the Company. 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 continues to lay emphasis on building and sustaining an excellent organization climate based on human performance.

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 textile industry operates in a dynamic environment influenced by global economic conditions, raw material availability, policy changes, and evolving consumer preferences. While the long-term outlook remains positive, the sector continues to face several risks and concerns that may impact business performance:

1. Raw Material Price Volatility

The Company remains exposed to fluctuations in cotton, polyester, and other fiber prices, which are influenced by international trade dynamics, weather conditions, and government policies. Sudden price spikes can affect cost structures and margins.

2. Global Economic Uncertainty

A significant portion of India's textile output is export-oriented. Any slowdown in key markets such as the US and Europe, coupled with inflationary pressures and geopolitical tensions, may adversely affect demand for Indian textile products.

3. Foreign Exchange Risk

With considerable export revenues, the Company is exposed to currency fluctuations. Sharp movements in foreign exchange rates could impact profitability.

4. Competition

Indian manufacturers face intense competition from countries like Bangladesh, Vietnam, and Turkey, which enjoy cost advantages in labor and logistics. This increases pressure on pricing and profitability in international markets.

5. Regulatory and Compliance Challenges

Increasingly stringent global requirements on sustainability, environmental protection, and labor standards necessitate continuous investment in compliance. Failure to adapt may lead to loss of market access and reputational risk.

6. Operational Risks

Rising energy costs, logistics challenges, and dependence on migrant labor pose operational risks, especially for small and medium enterprises within the textile ecosystem.

7. Technological Obsolescence

Rapid technological changes in manufacturing, automation, and digital integration require continuous upgradation. Companies that lag behind may lose competitiveness.

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	2024-25	2023-24	% change	Explanation
Trade receivables turnover ratio (In	26.18	25.10	4%	-

times)				
Inventory Turnover (In times)	6.56	6.79	-3%	-
Current Ratio	0.83	0.93	-10%	-
Debt Equity Ratio	1.94	1.63	19%	-
Net Profit Margin (%)	1.63%	0.54%	202%	Due to increase in Revenue & Profit as compared to previous year
Return on Net Worth (%)	8.86%	11.01%	-20%	-

FORWARD LOOKING STATEMENTS:

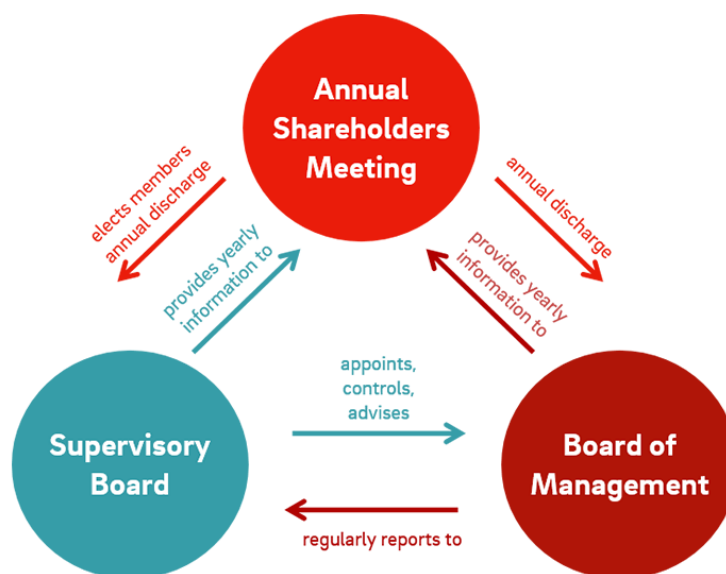
Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed 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, 2025, 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 5 times on 28th May, 2024, 13th August, 2024, , 14th November, 2024 , 11th February, 2025 and 18th March, 2025.

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, 2025 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 31 st March 2025	Committee Memberships	Committee Chairmanships	Last Annual General Meeting attended 30/09/2024
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Mr. Rajkumar Satyanarayan Agarwal	Managing Director	5	5	1*	0	0	Yes
Ms. Sapna Rajkumar Agarwal	Non – Executive Director	5	5	1*	2	0	Yes
Mr. Sandiip Satyanarayan Agarwal	Whole Time Director and CFO	5	5	1*	0	0	Yes
Mr. Vinodkumar Bajranglal Dalmia	Independent Director	5	5	2*#	2	1	Yes
Mr. Kailashnath Jeevan Koppikar	Independent Director	5	5	1*	1	1	Yes
Mrs. Supriya Mahesh Pujari	Independent Woman Director	5	5	1*	0	0	Yes

*The directorship includes the directorship of the Company.

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

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 2025. 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. Sandiip 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.	Mr. Kailashnath Jeevan Koppikar	Industry knowledge/experience & technical Expertise, Interpersonal skills, Ethics, Commitment
6.	Mrs. Supriya Mahesh Pujari	Industry knowledge/experience, Interpersonal skills, dedication, decision making & self-driven professional

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. They are also informed of the important policies of the Company including the Code of Conduct for Board Members and Senior Management Personnel and the Code of Conduct to Regulate, Monitor and Report, Trading by Insiders, etc.

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-programes-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 enrolment 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 28th February, 2025, *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 28th February, 2025.

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

- a. **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 and other responsibilities as entrusted under the statutory requirement.

- b. **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.
- c. **Meeting held and attendance:** During the year under review, Audit Committee met 4 times on 28th May, 2024, 13th August, 2024, 14th November, 2024, 11th February, 2025 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 Attended
Mr. Kailashnath Jeevan Koppikar	Chairman	4
Mr. Vinodkumar Bajranglal Dalmia	Member	4
Ms. Sapna Rajkumar Agarwal	Member	4

All the recommendations made by the Audit Committee during the year were accepted by the Board.

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 one time on 11th February, 2025. 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 Attended
Mr. Vinodkumar Bajranglal Dalmia	Chairman	1
Mrs. Sapna Rajkumar Agarwal	Member	1
Mr. Kailashnath Jeevan Koppikar	Member	1

Performance evaluation criteria for independent directors: The framework used to evaluate the performance of the Independent Directors is based on the expectation that they are performing their duties in a manner which should create and continue to build sustainable value for the shareholders, and in accordance with the duties and obligations imposed upon them.

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 28th May, 2024, 13th August, 2024, 14th November, 2024 , 11th February, 2025.

Name of member	Member/ Chairman	Number of Meetings Attended
Mr. Vinodkumar Bajranglal Dalmia	Chairman	4
Mrs. Sapna Rajkumar Agarwal	Member	4
Mr. Kailashnath Jeevan Koppikar	Member	4

The Committee meets at intervals to consider Shareholders' complaints. However, during the year under review the Company has not received request for share transfers/complaints or matters required to be considered/approved at the committee meeting. One request for the transmission received from shareholder during the last quarter, the same was duly addressed by Registrar and Share Transfer Agent.

Mr. Chintan Dharod, Company Secretary and Compliance Officer of the Company hold designation of the Compliance Officer.

Status of Shareholder complaints received during the year:

Opening balance at the beginning of the year: Nil
 Received during the year : 0
 Disposed during the year : 0
 Closing balance at the end of the year: Nil

VII. RISK MANAGEMENT COMMITTEE:

Pursuant to the provisions of Regulation 21 of the SEBI Listing Regulations, the Company has constituted Risk Management Committee has adopted the Risk Management Policy in accordance with the provisions of the SEBI Listing Regulations.

Brief description of terms of reference:

The roles and responsibilities of the Risk Management Committee include evaluating and monitoring key risks including strategic, operational, financial, cyber security and compliance risks & framing, implementing, monitoring and reviewing risk management plan, policies, systems and framework of the Company. In addition, the terms of reference of this Committee include as laid down under the provisions of Regulation 21 and Schedule II Part D (C) of the SEBI Listing Regulations.

Meetings and attendance during the year: During the year Risk Management Committee were met two times on 2nd May, 2024 and 14th November, 2024. The attendance at the Committee meeting was as follows:

Name of member	Member/ Chairman	Number of Meetings Held and Attended
Mr. Sandiip Satyanarayan Agarwal	Chairman	2
Mr. Vinodkumar Bajranglal Dalmia	Member	2
Mr. Kailashnath Jeevan Koppikar	Member	2

VIII. MANAGEMENT COMMITTEE:

The company has constituted the Managing committee and made responsible to approve all the matters related to Letter of Credit, for any banking services, rating, e-net services, trading account services etc. or any matters related to Human Resources like Provident fund, insurance, leave or any related matters under labour laws, Factory Acts and allied Acts etc. for operational convenience of the business at operational and administration level.

The Management Committee comprises of two executive directors of the company. Mr. Rajkumar Satyanarayan Agarwal, Managing Director and Mr. Sandiip Satyanarayan Agarwal, WTD & CFO of the company are holding position of Chairman and member of the committee respectively. The Committee generally meets fortnightly. The committee met 3 times during the year and both directors were present at the meetings held.

IX. REMUNERATION OF DIRECTORS:

The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the financial year 2024-25 except Mrs. Sapna Rajkumar Agarwal, Non-Executive Director, who is wife of Mr. Rajkumar Satyanarayan Agarwal, Managing Director and sister in law of Mr. Sandiip 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 being the initial financial years after the start of its production.

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

- a) 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;
- b) No stock options are offered to any of the Directors of the Company; and
- c) The Company was under IBC and still trying to be on its foot, the new Board members have also waived the remuneration in the year under review.

X. 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 Resolution(s) considered in the AGM/EGM
2021-2022	30-09-2022	VCOM	11.00 am	1. Ratification and continuation of appointment of Prof. Ramesh Chandra Agarwal (DIN: 09364549) as an Independent Director; 2. Ratification of appointment of Mr Vinodkumar Bajranglal Dalmia (DIN.: 03018994) as an Independent Director for term of five years; 3. Ratification of appointment of Mr. Kailashnath Jeevan koppikar (DIN: 03195681) as an Independent Director for term of five years; 4. Ratification of appointment and approve remuneration of Mr. Rajkumar Satyanarayan Agarwal (DIN: 00395370) as Managing Director of the company; 5. Ratification of appointment and approve remuneration of Mr. Sandiip Satyanarayan Agarwal (DIN:00395348) as CFO and Whole Time Director of the company; 6. Approval of related party transaction 7. Borrowing in excess of paid- up capital & free reserves; 8. Mortgage / Create Charge on the assets of the Company; 9. Deletion of the other Objects Clause of The Memorandum of Association; 10. Substitution of Headings, Sub Headings and References in Memorandum of Association 11. Amendment of The Liability Clause of Memorandum of Association;

				12. Amendment of The Objects to be pursued by the Company On Its Incorporation Of Memorandum of Association; and 13. Substitution Of Clause III (B) “The Matters Which Are Necessary For Furtherance of The Objects Specified In Clause III(A)” of The Memorandum of Association.
2022-2023	30-09-2023	VCOM	11.00 am	Approval of related party transactions
2023-2024	30-09-2024	VCOM	12.00 Noon	Approval of related party transactions

During the year under review, no resolution(s) was passed through postal ballot process.

WHETHER ANY SPECIAL RESOLUTION IS PROPOSED TO BE CONDUCTED THROUGH POSTAL BALLOT: None

XI. 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**

There was Non-compliance under Reg. 38 of SEBI (LODR), Regulations, 2015 with the requirements pertaining to the Minimum Public Shareholding (MPS) requirements from the June 2023 quarter till the date of this report and the Company has paid fines levied under Standard Operating Procedure (SOP) for suspension and revocation of trading of specified securities of listed entities with both exchanges BSE and NSE till the June, 2024 quarter (days) wise.

However, the Company has yet not paid fines levied under Standard Operating Procedure (SOP) by both exchanges BSE and NSE for the September, 2024, December, 2024 and March, 2025 quarter(s) (days) wise.

Further, BSE Ltd. and National Stock Exchange of India Limited on account of Non-compliance under Reg.38 of SEBI (LODR), Regulations, 2015 read with Rule 19(2)(b) and 19(A) of the Securities Contract (Regulation) Rule, 1957 have freeze the entire promoters demat account(s) till the non-compliances continues.

The Company was under IBC had taken action for OFS to achieve MPS in last financial year, however, the company could not achieve the MPS on time.

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(1) 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 modified opinions/ which is in the form of disclaimer from the Auditors about non availability of Bank Statement for the period prior i.e. before the new management has taken over the Company's accounting and the management has submitted statement of impact on modified opinion and commented in Directors Report that as and when the same is available the impact can be recorded.
- 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 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 which form a part of the financial statements as required under Ind AS-24 and the same forms part of this Annual Report.

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%20 Related%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. During the last Financial Year 2024-25, the company has started operational activities however, due to trial phases/ stages of production the company has not come across any risk which adversely affects any operational activities.

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 qualified institutions placement or preferential allotment.

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 2024-25 (Rs. In Lakhs)
Audit Fees	11.09

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 2024-25:

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 2024-25, the Company have not given any Loans and advances in the nature of loans to firms/companies in which directors are interested.

XII. Means of communication

Publication of Quarterly Results	The quarterly/half yearly/Nine Months/Annual results are regularly submitted to the Stock Exchanges in accordance with the SEBI Listing Regulations and published in English newspaper (mostly in Free Press Gujarat) and a Gujarati newspaper (Lokmitra). The quarterly/half yearly/Nine Months/ Annual results are also uploaded on the website of the Company at 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, 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.
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 or release news	N.A. - The Company has not made any presentations to institutional investors or to the analysts or released any news.

14. GENERAL SHAREHOLDER INFORMATION:

AGM Date	Tuesday, 30.09.2025
Time	Business Hours 12.00. noon
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 24-25.
Financial Year	April1,2024 to March 31,2025

Book Closure Date	NA
Dividend	Not Declared for the Financial Year 2024-25
Listing of Stock Exchange	BSE Limited National Stock Exchange of India Limited
Stock Code	BSE-530699 NSE Symbol- RAJRILTD
Demat ISIN No.	INE533D01032 (Equity) INE533D03020 (CCPS- Class - B) (Unlisted)
CIN	L17120DN1993PLC000368
Financial Calendar	Financial Year: 1stApril,2025 to 31stMarch,2026 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):	MUFG Intime India Pvt. Ltd. (Formerly known as Link Intime India Private Limited) C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083 Phone:02249186000 Email: rnt.helpdesk@in.mpms.mufg.com Website: https://in.mpms.mufg.com/
Address for Correspondence	For Transfer/ transmissionofshares,changeofaddress/bankmandatedetailsforphysicals hares, receipt of dividend warrant, loss of share certificates etc., should be addressed to: MUFG Intime India Pvt. Ltd. (Formerly known as Link Intime India Private Limited), C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083 Phone:02249186000 Email: rnt.helpdesk@in.mpms.mufg.com Website: https://in.mpms.mufg.com/ (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

Share Transfer System: The Securities and Exchange Board of India vide its Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024 has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz. issue of duplicate securities certificate; claim from Unclaimed Suspense Account; renewal/exchange of securities certificate; endorsement; subdivision/splitting of securities certificate; consolidation of securities

certificates/folios; transmission and transposition. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form as per applicability, which is available on the website of the Company and RTA.

Distribution of shareholding as at 31st March, 2025:

Slab of Shares		Shareholders	Percentage (%)	Total shares	Percentage (%)
From	To				
1	500	27128	93.3806	1540807	0.2771
501	1000	952	3.277	772732	0.1390
1001	2000	456	1.5697	694801	0.1249
2001	3000	165	0.568	413979	0.0744
3001	4000	57	0.1962	206050	0.0371
4001	5000	65	0.2237	306415	0.0551
5001	10000	116	0.3993	879565	0.1582
10001	and above	112	0.3855	551268146	99.1342
Total		29051*	100.0000	556082495	100.0000

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

Dematerialization of shares and liquidity:

As on 31st March, 2025, about 99.99% 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: Mr. Chintan Mukesh Dharod holds the position of Company Secretary and Compliance Officer of the Company.

Shareholding pattern of the Company as on 31st March 2025

	Category	Number of Shares Held	Percentage holding
A.	Promoters' Holding		
1.	Promoters		
	-Indian Promoters	52,34,62,647	94.13
	-Foreign Promoters	Nil	0.00
2.	Persons acting in Concert	Nil	0.00
	Sub-Total (1+2)	52,34,62,647	94.13
B.	Non-Promoters' Holding		
3.	Institutional Investors		
	a. Mutual Funds and UTI	Nil	Nil
	b. Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions, Non-Institutions)	Nil	Nil
	ASSET RECONSTRUCTION COMPANIES	253920	0.05
	Government Institutions	Nil	0.00
	NBFCs registered with RBI	180	0.00
	c. FIIs (Foreign Institutional Investors)	Nil	0.00
	Sub-Total	254100	0.00
4.	Others		
	a. Private Sector Corporate Bodies and others	819473	0.15
	b. Indian Public	31028347	5.58
	c. NRI	517928	0.09
	Grand Total	55,60,82,495	100.00

Credit Ratings:

The Company has been affirmed the rating of India Ratings and Research (Ind-Ra) vide their communication dated 18th July, 2023, IND BBB/Stable/IND A3+ for the Fund-based working capital limit, IND A3+ for Non-fund-based working capital limit, IND BBB / Stable for the Term Loans and IND A3+ for Derivative limits of the Company. There has been no change in ratings during the year.

Convertible Instruments:

1. The Company has not issued any American Depositary Receipts (ADRs)/ Global Depositary Receipts (GDRs).
2. The Company has allotted 25,00,000 Compulsory Convertible Preference Shares (CCPS) CLASS – B of Rs.100/- each on 10th June, 2022 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, 2025 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:

- (a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: 170 Equity shares of Re.1 each
- (b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Nil
- (c) 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.
- (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, 2025.

For Raj Rayon Industries Limited

RAJKUMAR SATYANARAYAN AGARWAL
Managing Director
00395370

SANDIIP SATYANARAYAN AGARWWAL
Whole Time Director and CFO
00395348

Place: Silvassa
Date: 29/05/2025

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, 2025, 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, 2025.

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 the followings:

1. *There was Non-compliance under Reg. 38 of SEBI (LODR), Regulations, 2015 with the requirements pertaining to the Minimum Public Shareholding (MPS) requirements from the June 2023 quarter till the date of this report and the Company has paid fines levied under Standard Operating Procedure (SOP) for suspension and revocation of trading of specified securities of listed entities with both exchanges BSE and NSE till the June, 2024 quarter (days) wise.*

However, the Company has yet not paid fines levied under Standard Operating Procedure (SOP) by both exchanges BSE and NSE for the September, 2024, December, 2024 and March, 2025 quarter(s) (days) wise.

Further, BSE Ltd. and National Stock Exchange of India Limited on account of Non-compliance under Reg.38 of SEBI (LODR), Regulations, 2015 read with Rule 19(2)(b) and 19(A) of the Securities Contract (Regulation) Rule, 1957 have freeze the entire promoters demat account(s) till the non-compliances continues.

The Company was under IBC had taken action for OFS to achieve MPS in last financial year, however, the company could not achieve the MPS on time.

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
Practicing Company Secretary
ACS No: 20168
CP No.: 17035
PR No.2037/2022
UDIN: A020168G000483422
Date: 29th May, 2025

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 2024-25 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: Silvassa
Date: 29/05/2025

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,
RAJ RAYON INDUSTRIES LIMITED

I have examined the relevant registers, records, forms, returns and disclosure received from the Directors of **RAJ RAYON INDUSTRIES LIMITED** (the Company) 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 2025 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.	MR. KAILASHNATH JEEVAN KOPPIKAR	03195681	07/02/2022
6.	Ms. SUPRIYA MAHESH PUJARI	07661070	27/05/2023

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
Practicing Company Secretary
ACS No: 20168
CP No.: 17035
PR No.2037/2022
UDIN: A020168G000483400
Place: Mumbai
Date: 29/05/2025

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (BRSR)

The Directors present the Business Responsibility and Sustainability Reporting for the financial year ended on 31st March, 2025.

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L17120DN1993PLC000368
2	Name of the Listed Entity	RAJ RAYON INDUSTRIES LIMITED
3	Year of incorporation	1993
4	Registered office address	SURVEY NO 177/1/3, VILLAGE SURANGI SILVASSA DN 396230 IN
5	Corporate address	A/13 Agarwal Golden Chambers, 3 rd Floor, Veera Desai Road, Off New Link Road, Andheri(W) Mumbai MH 400053 IN
6	E-mail	investors@rajrayon.com
7	Telephone	022-42509700
8	Website	www.rajrayon.com
9	Financial year for which reporting is being done	1 st April, 2024 to 31 st March, 2025
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) National Stock Exchange of India Limited (NSE)
11	Paid-up Capital	Rs.806,082,495/- divided into Rs.55,60,82,495/- Equity shares of Re.1/- each listed on BSE and NSE and Rs.25,00,00,000/- Compulsory Convertible Preference Shares (CCPS) CLASS B) of Rs.100/- each convertible into 25,00,00,000 equity shares of Re.1/- each to Promoter on a preferential basis.
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. SANDIIP SATYANARAYAN AGARWWAL Email: sandiip.agarwwal@svgindia.com Contact No.: 9820511388
13	Reporting boundary – Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone
14	Name of assurance provider	NA
15	Type of assurance obtained	NA

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

Sr. No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Manufacturing Chips, Partially Oriented Yarn(POY) & Polyester Texturised Yarn(PTY)	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code*	%of total Turnover contributed
1	Manufacturing of Chips	131	12.5%
2	Manufacturing of Partially Oriented Yarn(P.O.Y.)	131	62.5%
3	Manufacturing of Polyester Texturised Yarn(P.T.Y.)	131	25.00%

*NIC Code - 2008

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	1	1	0
International	0	0	0

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	13 States of India
International (No. of Countries)	N.A.

b. What is the contribution of exports as a percentage of the total turnover of the entity?
NIL

c. A brief on types of customers:

Raj Rayon We cater to customers across various geographies and socio-economic statuses, serving a wide range of segments including MSMEs, individuals, institutions and other diverse customer groups

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	126	111	88.10%	15	11.90%
2.	Other than Permanent (E)					
3.	Total employees (D + E)	126	111		15	
WORKERS						
4.	Permanent (F)	237	237	100%	-	
5.	Other than Permanent (G)					
6.	Total workers (F + G)	237			-	

b. Differently abled Employees and workers: **Not Applicable**

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED						
1.	Permanent (D)	-	-	-	-	-
2.	Other than Permanent (E)					
3.	Total differently abled employees (D + E)					
DIFFERENTLY ABLED						
4.	Permanent (F)				-	-
5.	Other than Permanent (G)					
6.	Total differently abled workers (F					

19. **Participation/Inclusion/Representation of women**

	Tota	No. and percentage of Females	
	(A)	No.	% (B / A)
Board of Directors	6	2	33.33
Key Management Personnel	1	0	0

20. **Turnover rate for permanent employees and workers**

(Disclose trends for the past 3 years)

	FY 2024-25 (Turnover rate in current FY)			FY 2023-24 (Turnover rate in previous FY)			FY 2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent	5%	-	5%	20.50	-	20.50	10.00	-	10.00
Permanent Workers	20%	-	20%	55.25	-	55.25	54.55	-	54.55

V. **Holding, Subsidiary and Associate Companies (including joint ventures) :**

21. (a) Names of holding / subsidiary / associate companies / joint ventures :

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	SVG Fashions Private Limited	Holding Company	84.88	Yes

VI. CSR Details:
Not Applicable

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **(Yes/No) : NO**

(i) Turnover (in Rs.) 8,49,37,93,749 /- FY 2024-25

(ii) Net worth (in Rs.) 1,22,47,09,140 /- FY 2024-25

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct ("NGRBC") :

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Policies which are required by the law is	0	0	NA	0	0	NA
Investors (other than shareholde	available on the website of the Company	0	0	NA	0	0	NA
Shareholders	i.e.	0	0	NA	0	0	NA
Employees and workers	https://w	0	0	NA	0	0	NA

Consumers	www.rajrayon.com/page.php?id=69	0	0	NA	0	0	NA
Value Chain		0	0	NA	0	0	NA
Other (please specify)		0	0	NA	0	0	NA

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Waste Management	Risk & Opportunity	Better waste segregation and collection Positive Management processes to improve the efficiency of the process, Raj Rayon has a robust collection process, intended to reduce use plastic, paper and other Consumption. The Company has maintained in-house Waste Management at Factory level.		Positive
2.	Human Rights	Risk	Changing regulations around human rights pose as a challenge parameters on human rights such as fair working environment equal opportunities, remuneration, freedom of association without ethnic discrimination will impact the performance of the company on the social front from the employee's perspective	Raj Rayon putting its efforts to ensure that no human right violations are ensured in the entire line of our business. The Company has adopted various policies namely code of conduct, Policy on Sexual Harassment, Whistleblower Policy to protect	Negative

				the Human Rights Issues of the Employees. The Policies are available on the website of the Company.	
3	Employee Engagement , safety and Well being	Opportunity	Employees are our biggest assets. Robust employee engagement, being drives enhanced productivity for the safety, and well Company. This material aspect is therefore an opportunity to integrate employees' views in the core functioning of the Company, while ensuring employee satisfaction and safety in each process.		Positive
4	Product Quality and safety	Opportunity	To distinguish ourselves as market Positive and safety leaders and to be the most preferred Consumer brand in Polyester Chips & Yarn products. Raj Rayon has established strong market connects and build legacy brands that ensure consumer satisfaction.		Positive
5	Supply Chain Management	Opportunity	Our supply chain has also ensured us to have competitive pricing and pass on its Benefit to our consumers without any business disruptions. Our management has identified all foreseeable risks in our supply chain with measures already underway to address risk if any.		Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC principles and core elements referred as P1-P9 as given below:

P1 - Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable.

P2 - Businesses should provide goods and services in a manner that is sustainable and safe.

P3 - Businesses should respect and promote the well-being of all employees, including those in their value chains.

P4 - Businesses should respect the interests of and be responsive to all its stakeholders.

P5 - Businesses should respect and promote human rights.

P6 - Businesses should respect and make efforts to protect and restore the environment.

P7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

P8 - Businesses should promote inclusive growth and equitable development.

P9 - Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes								
c. Web Link of the Policies, if available	All polices which are required to be disclosed under various governing regulations have been placed on the website https://www.rajrayon.com/page.php?id=69 https://www.rajrayon.com/page.php?id=69								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No								
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Our Products are BIS Certified (POY Yarn)								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	NO- but Company's policies outlines its commitments towards sustainability and responsible business								
6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	Performance of the Company is described in the Directors' Report and its Annexures forming part of this Annual Report.								

Governance, leadership and oversight	
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements <i>(listed entity has flexibility regarding the placement of this disclosure)</i>	The Company is committed to integrating ESG principles into its businesses which is central to improving the quality of life of the communities it serves. Ray Rayon follows a holistic approach towards Environmental, Social and Governance matters and values the trust reposed by its stakeholders including customers, the communities in which it operates and society at large and has strived hard to protect and preserve their interests.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	DIN.: 00395348 Name : MR. SANDIIP SATYANARAYAN AGARWWAL Designation : WTD & CFO Telephone: 022-42509700 Further our Board has overview on the Business Responsibility Policies. Respective Business Heads are responsible for implementing and driving the policies within their respective scope.
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. The Board has constituted Risk Management Committee <i>(hereinafter refer as RMC)</i> during the financial year on 27 th May, 2023. The Committee has formulated the risk management policy. The Board is yet to adopt the process of implementation of various measures/systems for sustainability and takes appropriate decisions. Further, the respective business heads are also be responsible for implementation and monitoring of ESG parameters within their scope.

10. Details of Review of NGRBCs by the Company:																		
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Committee of the Board									Annually								

Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Committee of the Board		Annually						
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	The independent assessment has not been carried out by the Company. However, an internal evaluation is carried out on a periodical basis.								

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	The policies are internally evaluated by various department heads, business heads and the management. Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness
Board of Directors	1	Recent Amendments in the SEBI Regulations, update programme on the plant operations	100
Key Managerial Personnel	1	Sexual Harassment of Women at Workplace (POSH) Act 2013, Values & Culture	100
Employees other than BoD and KMPs	1	POSH, Values, Health & Safety, Human Rights & Culture, Skill Enhancement	82
Workers	1	Topics / principles covered under the training and its impact: Health & Safety, Skill Enhancement, Quality & Manufacturing Circle	82

2. Details of fines/penalties/punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website): NIL

3.

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil				
Settlement					
Compounding					

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, Raj Rayon has a robust anti-corruption and anti-bribery policy outlined in its Code of Conduct and Ethics Policy. The policy applies to the Board of Directors, senior management personnel, and all employees. It strictly prohibits the acceptance or offering of gifts, donations, remuneration, or any other benefits to influence business favours. Bribery, whether direct or indirect, is strongly discouraged, aligning with the Prevention of Corruption Act, 1988, and other relevant legislation globally.

It is a part of our Code of Conduct. We ensure all our systems are operated ethically.

Link: <https://www.rajrayon.com/Pdf/Code-of-conduct-for-board-of-directors.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particulars	FY 2024-25	FY 2023-24
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

Particulars	FY 2024-25		FY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable.

8. Number of days of accounts payables (Amt in Lakhs)

	FY (2024-25)	PY (2023-24)
i) Accounts payable x 365 days	12,517.36	12116.22
ii) Cost of goods/services procured	68260.83	60735.88
iii) Number of days of accounts payables	67	72

9. Open-ness of business - Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format

Parameter	Metrics	FY (2024-25)	PY (2023-24)
Concentration of Purchases	a. i) Purchases from trading houses	682.62	192.49
	ii) Total purchases	70043.50	62148.00
	iii) Purchases from trading houses as % of total purchases	0.97%	0.31%
	b. Number of trading houses where purchases are made	2	1
	c. i) Purchases from top 10 trading houses	682.62	192.49
	ii) Total purchases from trading houses	682.62	192.49
	iii) Purchases from top 10 trading houses as % of total purchases from trading houses	100%	100%
Parameter	Metrics	FY (2024-25)	PY (2023-24)
Concentration of Sales	a. i) Sales to dealer / distributors	0	0
	ii) Total Sales	84937.94	74516.82
	iii) Sales to dealer / distributors as % of total sales	NA	NA
	b. Number of dealers / distributors to whom sales are made	NA	NA
	c. i) Sales to top 10 dealers / distributors	NA	NA
	ii) Total Sales to dealer / distributors	NA	NA
	iii) Sales to top 10 dealers / distributors as % of total sales to dealer / distributors	NA	NA
Parameter	Metrics	FY (2024-25)	PY (2023-24)
Share of RPTs in	a. i) Purchases (Purchases with related parties)	157.64	692.34
	ii) Total Purchases	70043.50	62148.00
	iii) Purchases (Purchases with related parties as % of Total Purchases)	0.23%	1.11%

b. i) . Sales (Sales to related parties)	3689.49	2282.14
ii) Total Sales	84937.94	74516.82
iii) Sales (Sales to related parties as % of Total Sales)	4.34%	3.06%
c. i) Loans & advances given to related parties	0	0
ii) Total loans & advances	0	0
iii) Loans & advances given to related parties as % of Total loans & advances	NA	NA
d. i) Investments in related parties	0	0
ii) Total Investments made	0	0
iii) Investments in related parties as % of Total Investments made	NA	NA

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
NO		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? If Yes, provide details of the same.

Yes, Raj Rayon implements stringent measures to prevent and manage conflict of interest among its Board members, senior management personnel, and employees. The Code of Conduct and Ethics policy prohibits Board members from engaging in activities conflicting with the Company's interests. Independent Directors are granted freedom in their professional endeavours, while ensuring transparency. Specific scenarios leading to conflicts, such as interference with duties or investments compromising responsibility, are outlined. Transactions involving related parties are disclosed to the Board as per legal requirements, with ordinary business dealings exempted.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2024-25	FY 2023-24	Details of improvements in environmental and social impacts
R&D	Not Available*	Not Available*	Our R&D department is not only focused on upgrading our technology but also focused on making our products more sustainable. To reduce the environment and social impact of our products the department works on projects considering optimal use of oil in operations, improvising safety features and operational efficiency.
Capex	Not Available*	Not Available*	

*We are in the process of capturing the specific Research and Development expenditure made to improve our products in their environmental and social impacts.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) Yes

Yes, the Company has formulated an operating procedure to approve vendors. Materials are procured from approved vendors. The quality assurance team of the Company conducts periodic audit of the vendors, especially those who supply key materials and there is very specific focus towards the conservation of energy, water & environment at their end.

b. If yes, what percentage of inputs were sourced sustainably? 95%

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Being in textile product and industries at the end of its life cycle, our products don't generate any plastic/e-waste, hazardous or any other waste.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC code	Name of Product/ Service	% of total turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by an independent external agency (Yes/No)	Results communicated in the public domain (Yes/No) If yes, provide the weblink
NO					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.

Name of Product/ Service	Description of the risk / concern	Action / taken
NA		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or reused input material to total material (%)	
	FY 2024-25	FY 2023-24
Raw Material	0	0

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2024-25			FY 2023-24		
	Reused	Recycled	Safely disposed	Reused	Recycled	Safely disposed
Plastics (including packaging)	NIL	NIL	NIL	NIL	NIL	NIL
E-waste	NIL	NIL	NIL	NIL	NIL	NIL
Hazardous waste	NIL	NIL	NIL	NIL	NIL	NIL
Other waste	NIL	NIL	NIL	NIL	NIL	NIL

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in the respective category
NIL	

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees: *

% of employees covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number	%	Number	%	Number	%	Number	%	Number	%
Permanent Employees and Other than Permanent Employees											
Male	NA	-	-	-	-	-		-	-	-	-
Female	NA	-	-	-	-	-		-	-	-	-

Total	NA	-	-	-	-	-	-	-	-	-	-
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b. Details of measures for the well-being of workers:

% of workers covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Numbe	%	Numbe	%	Numbe	%	Numbe	%	Numbe	%
Permanent Workers and Other than Permanent Workers											
Male	NA	-	-	-	-	-	-	-	-	-	-
Female	NA	-	-	-	-	-	-	-	-	-	-
Total	NA	-	-	-	-	-	-	-	-	-	-

* The Management of Company has started productions in this financial year after initiated the factory unit in previous financial year. Management will look out for suitable measures for the well-being of employees and it is in the process for doing the same.

C. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY (2024-25)	PY (2023-24)
i) Cost incurred on wellbeing measures (well-being measures means well-being of employees and workers (including male, female, permanent and other than permanent employees and workers))	19.46	22.14
ii) Total revenue of the company	84,937.94	74,516.82
iii) Cost incurred on wellbeing measures as a % of total revenue of the company	0.02%	0.03%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	84.13%	97.05%	Y	90.06	97.06	Y
Gratuity	100%	100%	Y	100	100	Y
ESI	NA	NA	N	NA	NA	N

Others- Please Specify	NA	NA	NA	NA	NA	NA
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3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the Company is fully committed to promoting inclusivity and diversity within its workforce. Our office and manufacturing unit are accessible to differently abled employees and workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

Yes, we emphasize on treating every individual with dignity and respect inside our organization and also within our supply chain. We also ensure that Human Rights Policy is strictly adhered in our premises and also encourage our supply chain partners to comply with our policy.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent Employees		Permanent Workers	
Gender	Return to work	Retention rate	Return to work	Retention rate
Male	-	-	-	-
Female	-	-	-	-
Total	-	-	-	-

None of the employees were on maternal leave in the last 3 financial years (including FY 24-25).

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers?

If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Employees	Yes*, we are having a grievance redressal mechanism which is elaborated in our Code of conduct through which employees & workers can raise their concerns and which are addressed at the earliest. Employees & Workers can promptly report to the management about any actual or possible violation of the Code of Conduct, or any event he or she becomes aware of that could affect the business or reputation of any unit of our Company to the appropriate person(s) as defined in the policy.
Other than Permanent Employees	
Permanent Workers	
Other than Permanent Workers	

*Detailed redressal mechanism can be viewed in specific policies

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity: **Not Applicable**

	FY 2024-25	FY 2023-24
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Category	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	-	-	-	-	-	-
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total Permanent Workers	-	-	-	-	-	-
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-

8. Details of training given to employees and workers:

Category	FY 2024-25					FY 2023-24				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (A)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C /		No. (E)	% (E /	No. (F)	% (F /
Employee										
Male	NA									
Female	N									
Total	NA									
Workers*										
Male	NA									
Female	N									
Total	NA									

9. Details of performance and career development reviews of employees and workers:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	111	111	100	172	172	100
Female	15	15	100	9	9	100
Total	126	126	100	181	181	100
Workers*						
Male	237	237	100	136	136	100
Female	0	0	0	0	0	0
Total	237	237	100	136	136	100

* Only employees joining before the cut-off date are eligible for performance review.

The Management of Company has processed the factory unit and started productions.

Management will do training and career development reviews of the workers and employee after the unit will start working in full swing in near span of time. The aforesaid details presented for performance reviews of employees and workers in FY 2024-25.

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such a system?

Yes, at Raj Rayon, we consider safety as a core value rather than a priority. To control safety events and raise awareness of the value of healthy lives, we employ proactive and preventive actions. We have implemented several safeguards, including safety audits, emergency preparedness action plans, fire safety measures, emergency training and other focused initiatives. We are committed to preventing injuries and occupational illness and we drive the same through our organization by promoting the requirements as per ISO 45001: 2018 and other similar guidelines.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

To find and eliminate any risks in our offices and manufacturing facility, we have put in place a systematic risk management procedure. Engineers, production-in-charge personnel, and Environment Health & Safety (EHS) team members are key stakeholders who are involved in risk assessments and the risk management process.

Documentation, approval and dissemination to all pertinent parties participating in the activity are necessary for all identified risks and risk mitigation plans. Accordingly, we have incorporated safety observations, rectification plans & procedures in all our operations which includes Hazard Identification & Risk Assessment for all manufacturing as well as administrative activities, contractor safety management, external audits, etc.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, we have a mechanism in place for employees to identify and report workplace dangers and make improvement suggestions. All personnel receive the necessary training to identify hazards and problems. At regular intervals, management representatives and workers on the shop floor conduct joint inspections, and appropriate corrective and preventive actions are performed to mitigate the identified risks. Employee participation and open discussion of safety-related topics are encouraged in order to foster an open and transparent safety culture throughout our organization.

As a practice, we impart training for work-related hazards in all our operations. Any hazards or hazardous conditions can immediately be reported to the operational head, safety head as well as supervisor.

The actions taken are discussed with workers in our quarterly safety committee meetings. Further, awareness sessions and documented procedures are implemented to prevent the recurrence of the hazard.

- d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

No, as the management has started the production during the last FY 22-23, the health insurance coverage are yet to be provided to all the employees and workers but management are in process of

procuring the suitable insurance coverage to insure the workers , Employees and their dependent family member to have access to external multispecialty reputed hospital which is in our proximity with all latest facilities, infrastructure for non-occupational medical and health care services, awareness programs are conducted by experts on different topics including: good health habits, blood disorders, varicose veins, cancer, etc.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.1	0.1
	Workers	0.1	0.1
Total recordable work-related injuries	Employees	1	2
	Workers	4	2
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

To control safety concerns and raise awareness of the value of healthy lives, we employ proactive and preventive actions. We have implemented several safeguards, including various audits, emergency preparedness action plans, fire safety measures, emergency training and other focused initiatives. Kaizens are made and implemented across the Company.

Safety hazards pertaining to all the activities carried out inside our manufacturing plants are timely identified, and the risk levels are attempted to bring to an acceptable level. Moreover, controls pertaining to safety hazards are periodically reviewed. We check and review our procedures to ensure a safe and healthy workplace are adhered to and any deviation is reported and acted upon timely to prevent repetition.

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	0	-	-	NA
Health & Safety	0	0	0	-	-	NA

We conduct yearly safety meeting that include all relevant stakeholders. Suggestions are taken from employees and workers proactively. The committee investigates the suggestion and implements it wherever relevant from time to time thus preventing any mishaps.

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
--	--

Health and safety practices	100* By entity
Working Conditions	100* By entity

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Our actions are addressed based on recommendations received by assessments in order to mitigate the risk & concerns arising at working locations proactively with horizontal deployment.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of the death of (A) Employees (Y/N) (B) Workers (Y/N):

(A) Employees – Yes, Raj Rayon provides either in form of mediclaim or accidental death insurance policy and other benefits.

(B) Workers – Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners:

Raj Rayon commits to complying with current regulations by withholding and depositing all applicable statutory dues related to its transactions. This adherence undergoes rigorous examination as part of internal statutory audits.

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		Number of Employees/Workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 24-25	FY 23-24	FY 24-25	FY 23-24
Employees	NIL	NIL	NIL	NIL
Worker	NIL	NIL	NIL	NIL

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

NO

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	NIL
Working conditions	NIL

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners:

NIL

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

- Describe the processes for identifying key stakeholder groups of the entity.
Through our Stakeholder Engagement and Materiality Assessment process, we have identified important internal and external groups of stakeholders. These stakeholders play an important role in activities related to Raj Rayon and can help our company shape a sustainable future.
- List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website,	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Community	No	Direct engagement	As and when required	To have an overview on the implementation and success of the projects
Shareholders/Investors	No	Email, SMS, Newspaper advertisement, website	Annually/ Half yearly/ Quarterly	Annual Financial statements and other related information, awareness programme on requirement for dematerialization of shares
Suppliers & Contractors	No	Regular supplier and contractor meets	As and when required	To resolve supplier and contractor concerns and encourage suppliers to adhere to Elecon's policies
Employees	No	Meetings, Email, SMS, Intranet, Posters, Slogans	Monthly/Quarterly meetings and continuous communications	Occupational Health & Safety and other Department updates

Regulatory Bodies	No	Direct engagement	As and when required	To comply with applicable regulations
Customers	No	Direct engagement, Customer satisfaction survey, Customer feedback	As and when required	To ensure product quality and safety, high customer satisfaction

Leadership Indicators:

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

Raj Rayon employs multiple communication channels to actively engage with its diverse stakeholders. This indomitable dedication to ongoing, proactive dialogue with key stakeholders empowers the Company to consistently enhance its strategies and performance. Priority is given to crafting policies and programmes that uphold principles of equity and transparency, fostering a well-rounded approach that considers the interests of all stakeholders.

2. **Whether stakeholder consultation is used to support identifying and managing environmental and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, Raj Rayon actively collaborates with a diverse range of stakeholders to gain profound insights into their expectations and benchmark its practices against industry standards. Continuously and actively striving to understand the impact of its sustainability strategy and future priorities, the Company engages in regular consultations with both internal and external stakeholders.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups**

Raj Rayon is dedicated to enhancing the well-being of marginalised and disadvantaged groups in society, emphasising sustainable livelihoods and nurturing a robust human capital ethos.

Raj Rayon strives to elevate living standards and contribute to overall societal advancement through the following initiatives:

- Collaborating with trusts and NGOs
- Initiating specific initiatives, such as vocational training
- Prioritising assistance to children, the elderly, women, differently-abled individuals.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	126	40	31.7%	181	10	5.52
Other than Permanent						
Total Employee						
Workers						
Permanent	237	22	9.3%	136	5	3.67
Other than Permanent						
Total Workers						

*We are in the process of implementing training and awareness using an online platform which will increase the scale and scope of trainings and trainees in the Company.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (A)	Equal to Minimu		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees (Permanent and Other than Permanent)										
Male		111	0	111	100%	17	-	0%	172	100%
Female		15	0	15	100%	9	-	0%	9	100%
Workers (Permanent and Other than Permanent)										
Male		237	0%	237	100%	136	-	0%	136	100%
Female	-	-	-	-	-	-	-	-	-	-

3. Details of remuneration/salary/wages, in the following format: FIG IN Rs. Lacs

a. Median remuneration / wages:

	Male		Female		Other	
	Number	Median remuneration/ salary/wages of respective category (in `)	Number	Median remuneration/ salary/wages of respective category (in `)	Number	Median remuneration/ salary/wages of respective category (in `)
Board of Directors (BoD)	4	0	2	0	0	
Key Managerial Personnel	1	0	0	0	0	
Employees other than BoD and KMP	0	0	0	0	0	0

Workers	0	0	0	0	0	0
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b. Gross wages paid to females:		
	FY (2024-25)	PY (2023-24)
Gross wages paid to females	0.00	0.00
Total wages	0.00	0.00
Gross wages paid to females (Gross wages paid to females as % of total wages)	0.00	0.00

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The HR Department and respective Business Heads are responsible for addressing human rights-related issues.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Yes. The HR Department is the focal point of contact for any human rights issue. After identifying and resolving the issue, a report is prepared, and in case of any severe human rights issues, the Board is presented with the report findings and further action to avoid repetition.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	NA	-	-	NA
Discrimination at workplace	-	-	NA	-	-	NA
Child Labour	-	-	NA	-	-	NA
Forced Labour/ Involuntary	-	-	NA	-	-	NA
Wages	-	-	NA	-	-	NA
Other human rights related	-	-	NA	-	-	NA

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

	FY (2024-25)	PY (2023-24)
i) Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0

ii) Average number of female employees/workers at the beginning of the year and as at end of the year	0	0
iii) Complaints on POSH as a % of female employees / workers		
iv) Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

We are dedicated towards preventing harassment in the workplace, particularly sexual harassment, and have zero tolerance for such behavior. We support reporting any concerns about harassment and take complaints about it or any unpleasant or uncomfortable behavior seriously. Committee have been established to investigate complaints of sexual harassment and to suggest appropriate action where necessary.

We have a Prevention of Sexual Harassment (POSH) Policy and Human Rights Policy that defines the mechanism of resolving any discrimination and harassment case, which has set guidelines for members of the grievance redressal mechanism.

9. Do human rights requirements form part of your business agreements and contracts?

(Yes/No)

Yes, we encourage our suppliers to adhere with our Supplier Code of Conduct and other policies.

10. Assessments for the year:

	% of plants and offices that were assessed (by entity or statutory)
Child labour	100%. Our HR team takes a survey by randomly selecting employees and contractors for evaluation. Regulatory inspectors also verify the processes being followed in our manufacturing plants.
Forced/involuntary labor	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

There were no significant risks / concerns arising from the human rights assessments.

Leadership Indicators:

1. Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints.

Despite no grievances or complaints regarding human rights issues, Raj Rayon remains proactive in implementing measures to uphold and protect the rights of all employees and workers. The Company's human rights policy is publicly accessible. It encompasses several essential principles, including the prohibition of child labour and forced labour, the promotion of a harassment-free workplace, ensuring non-discrimination through equal opportunity practices, fostering diversity and freedom of association, providing compensation above legal requirements, and adhering to standard working hours as mandated by relevant laws.

2. Details of the scope and coverage of any human rights due-diligence conducted:

Not Applicable

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, Raj Rayon ensures that the accessibility needs of visitors are accommodated at its offices or premises. In accordance with the Rights of Persons with Disabilities Act, 2016, the Company's plants and offices are designed to be accessible to individuals with different abilities.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil, the Company holds its value chain partners to the same high standards of corporate values, ethical principles, and human rights that it adheres to in all of its business operations. Although no specific evaluation regarding value chain partners has been conducted, this is an ongoing commitment.
Discrimination at workplace	
Child labour	
Forced Labour/Involuntary Labour	
Wages	
Others – Please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

We recognize that the climate change is not just an environment concern but business risk also and it is aware of its responsibility towards the environment. We have consistently invested in technology up gradation by means of our in-house research and development department to develop the products which are more efficient and continuous measures are being adapted for energy conservation.

We have taken various steps to protect and restore the environment through the installation of solar panels, rainwater harvesting systems, water recycling, and using treated wastewater for plantation activities, and installation of LED fitting aids in reducing carbon emissions.

Essential Indicators

- Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

(in Giga Joules)

Whether total energy consumption and energy intensity is applicable to the company?	Yes	
Parameter	FY 2024-25	FY 2023-24
Revenue from operations (in Rs.)	849379400	745097403
From renewable sources		
Total electricity consumption (A)	222192	218740

Total fuel consumption (B)	257530	805
Energy consumption through other sources (Renewable Energy) (C)	0.00	0.00
Total energy consumption (A+B+C)	479722	219545
From non-renewable sources		
Total electricity consumption (D)	0.00	0.00
Total fuel consumption (E)	0.00	0.00
Energy consumption through other	0.00	0.00
Total energy consumed from non-	0.00	0.00
Total energy consumed	479722	219545
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) – GJ/lakh INR	0.0000564791	0.0000294653
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	0.00	0.00
Energy intensity in terms of physical Output	0.00	0.00
Energy intensity (optional) – the relevant metric may be selected by the entity	0.00	0.00

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

If yes, name of the external agency.

No Such assessment or evaluation has been carried out during the year.

- Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable, as we do not have any recognized sites/facilities as a Designated Consumer (DC) under Perform, Achieve & Trade scheme.

- Provide details of the following disclosures related to water, in the following format:

Paramete	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	219000	91250
(iii) Third party water	44895	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	263895	91250
Total volume of water consumption (in kilolitres)	263895	91250

Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.0000310692	0.0000122467
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.00	0.00
Water intensity in terms of physical output	0.00	0.00
Water intensity (optional) – the relevant metric may be selected by the entity	0.00	0.00

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

If yes, name of the external agency.

No such assessment or evaluation has been carried out during the year.

4. Provide the following details related to water discharged:

Parameter	FY (2024-25)	PY (2023-24)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0.00	0.00
No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
(ii) To Groundwater	0.00	0.00
No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
(iii) To Seawater	0.00	0.00
No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
(iv) Sent to third-parties	0.00	0.00
No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
(v) Others	0.00	0.00
No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
Total water discharged (in kilolitres)	0.00	0.00

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

If yes, name of the external agency.

No such assessment or evaluation has been carried out during the year.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. Our approach to water stewardship focuses on minimizing our water intake through effective water use. We recycle all our used water after treatment to maintain and develop our green belt. We have also installed rainwater harvesting systems throughout our sizable industrial facility which is collected in our rainwater pit to replenish our groundwater level.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Units	FY 2024-25	FY 2023-24
NO2#	mg/Nm3	25	22
SO2#	mg/Nm3	32	18
Particulate matter (PM)*#	mg/Nm3	120	43
Persistent organic pollutants (POP)	mg/Nm3	NA	NA
Volatile organic compounds (VOC)	mg/Nm3	NA	NA
Hazardous air pollutants (HAP)	mg/Nm3	NA	NA
Others – please specify	mg/Nm3	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) Y

If yes, the name of the external agency.

Precitech Laboratories Pvt. Ltd.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format: No.

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	MtCO2e	NA	NA
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	MtCO2e	NA	NA
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	MtCO2e/ INR Lakh	NA	NA

Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	_____	NA	NA
Total Scope 1 and Scope 2 emission intensity in terms of physical output	_____	NA	NA
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	_____	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

If yes, name of the external agency.

No such independent assessment has been carried out during the year ended March 2025.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Energy conservation tasks and activities are taken up each year at our units to reduce energy consumption. This includes replacing old high electricity-consuming light fixtures with low electricity-consuming led-light fixtures and automating their switching action to avoid human error. We regularly maintain and replace our equipment to achieve high energy efficiency. We are continuously increasing efforts to replace our fuel consuming equipment with the electricity-based equipment in order to reduce GHG emissions and to conserve energy uses

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024-25		FY 2023-24	
Total Waste generated (in metric tonnes)				
Plastic waste (A)	25		32	
E Waste (B)	0		0	
Bio medical waste (C)	0		0	
Construction and Demolition Waste (D)	20		40	
Battery Waste (E)	0		0	
Radio-active waste (F)			-	
Hazardous waste. Please specify, if any. (G)	Waste	Weight (Mt)	Waste	Weight (Mt)
	Used Oil	3	Used Oil	5
	Discarded containers, barrels,	1150 Nos	Discarded containers, barrels,	573 Nos
	Paint	NA	Paint	NA
Non-hazardous waste generated (Glass, Metal, Paper, etc. (H) (Break-up by composition i.e. by materials relevant to the sector)	Waste	Weight (Mt)	Waste	Weight (Mt)
	Wooden Waste	25	Wooden Waste	5
	MS Scrap	34	MS Scrap	65
	CI Scrap	NA	CI Scrap	NA
	Paper Scrap	45	Paper Scrap	35
	Aluminum	NA	Aluminum	NA
	Foundry Slag	NA	Foundry Slag	NA
	Burnt Sand	NA	Burnt Sand	NA
Total (A to H) (MT)	152		182	

Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.0000000179	0.0000000244
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.00	0.00
Waste intensity in terms of physical output	0.00	0.00
Waste intensity (optional) – the relevant metric may be selected by the entity	0.00	0.00

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Parameter	FY 2024-25	FY 2023-24
Category of waste		
(i) Recycled*	0.00	0.00
(ii) Re-used*	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	0.00	0.00

*Waste recovery is done internally as well as through authorized recyclers.

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Parameter	FY 2024-25	FY 2023-24
Category of waste		
(i) Incineration	NA	NA
(ii) Landfilling	65	47.06
(iii) Other recovery operations	NA	NA
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

If yes, name of the external agency.

No.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We are manufacturing Polyester Yarn through the Chemical reaction Process ,we are using Petrochemical products to manufacture the Yarn but we are in zero waste producing category all the water generated In the Process as byproduct is recycled back for usage .

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable, as our plants/ offices are not situated in ecological sensitive areas where environmental approval/clearance is required.			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:
Please give details if any during the year

Name and brief details of project	EIA Notification No	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Environmental impact assessments are not applicable to us, and we have not performed the same during the financial year ended March 2025.					

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: We are compliant with.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not applicable, as we have not violated any ruled mentioned in the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act for the year ended March 2025.				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Not applicable, we are established away from water stress locations.

For each facility / plant located in areas of water stress, provide the following information: **NA**

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
i) Surface water (ii) Groundwater (iii) Third-party water (iv) Seawater/desalinated water (v) Others Total volume of water withdrawal (in kilolitres) Total volume of water consumption (in kilolitres) Water intensity per rupee of turnover (water consumed/turnover) Water intensity (optional) – the entity may select the relevant metric	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into surface water - No treatment - With treatment – please specify the level of treatment (ii) Into groundwater - No treatment - With treatment – please specify the level of treatment (iii) Into seawater - No treatment - With treatment – please specify the level of treatment (iv) Sent to third-parties - No treatment - With treatment – please specify the level of treatment (v) Others - No treatment - With treatment – please specify the level of treatment Total water discharged (in kilolitres)	NA	NA

2. Please provide details of total Scope 3 emissions & their intensity in the following format: **NA**

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalen	NA	NA
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the entity may select the relevant metric			

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities: **NA**

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr No.	Initiative undertaken	Details of the initiative (web-link, if any, may be provided alongwith summary)	Outcome of the initiative
1	Hot insulation of steam and utility systems	We have Changed the hot Insulation (LRB & Ceramic wool) of the Air Preheater Installed at the Outlet of the HTM heaters to have More Heat Recovery as was Open area	We got Improvement in heat recovery for Combustion & thus saved Fuel consumption

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/weblink:

Yes, Raj Rayon has a comprehensive business continuity plan in place which encompasses the following:

- Raj Rayon operates production facilities located in Silvasa
- Regular Data Backups: The Company follows a policy of regularly backing up systems to ensure swift restoration of data with minimal loss

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

NA

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

NIL

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.

We are not associated with any trade and Industry chambers/Associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations
1.	NA	

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of Authority	Brief of the Case	Corrective Action Taken
Not applicable, as no such adverse order is received from any authority for which corrective action must be taken by our Company for the year ended March 2025.		

Leadership Indicators

Details of public policy positions advocated by the entity:

Sr No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually/half yearly/Quarterly/ Others – please specify)	Weblink, if available

Not Applicable, Raj Rayon stands firm in its commitment to supporting the growth of the supplement and nutrition industry, while persistently striving to enhance the health and well-being of people worldwide.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	No. of Project Affected Families (PAFs)	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

We have grievance redressal mechanism in our Human Rights Policy.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/ small producers	6.27 %	7.52%
Sourced directly from within the district and neighboring districts	93.73%	92.48%

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

	FY (2024-25)	PY (2023-24)
1. Rural		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	1199.55	1145.78

ii) Total Wage Cost	1199.55	1145.78
iii) % of Job creation in Rural areas	100	100
2. Semi-urban		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	0.00	0.00
ii) Total Wage Cost	0.00	0.00
iii) % of Job creation in Semi-Urban areas	NA	NA
3. Urban		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	0.00	0.00
ii) Total Wage Cost	0.00	0.00
iii) % of Job creation in Urban areas	NA	NA
4. Metropolitan		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	0.00	0.00
ii) Total Wage Cost	0.00	0.00
iii) % of of Job creation in Metropolitan area	NA	NA

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

NA

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies: NIL

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)

No, the Company does not have a preferential procurement policy for suppliers from marginalised/vulnerable groups.

(b) From which marginalised/vulnerable groups do you procure? NA

(c) What percentage of total procurement (by value) does it constitute? NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

NA

5. Details of corrective actions taken or underway based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

NA

6. Details of beneficiaries of CSR Projects

NA

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

We have divided our operational geography amongst zone. Each zone head is responsible for customers in their respective zone. We have deployed service personnel in each of our zone.

Our customers can raise issues or complaints in the respective zone office or online in our central Customer Resolution Management System. These details are made available in our handbook to every customer. After lodging of a complaint, we deploy our competent personnel to resolve the complaint. After resolution, the service personnel shall inform the customer of the preventive action to be taken to avoid further complaints and safe operations of our equipment.

Complaints are reported to all concern HOD's/CEO/Vice President on quarterly basis and a Management Review Meeting (M.R.M.) is carried out every year.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total
Environmental and social parameters relevant to the product	
Safe and responsible usage	0.00 %
Recycling and/or safe disposal	0.00

3. Number of consumer complaints in respect of the following:

	FY 2024-25			FY 2023-24		
S. No.	Received during the year	Pending resolution at end of	Remarks	Received during the year	Pending resolution at end of	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential	-	-	-	-	-	-
Restrictive Trade	-	-	-	-	-	-
Unfair Trade	-	-	-	-	-	-
Other	-	-	-	-	-	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NIL	
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.
Yes, we secure our digital data and maintain privacy through various mechanisms. We have our own internal IT policy which is adhered to.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of Consumers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Nil

7. Provide the following information relating to data breaches:

- Number of instances of data breaches - NIL
- Percentage of data breaches involving personally identifiable information of customers – Not Applicable
- Impact, if any, of the data breaches – Not Applicable

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide weblink, if available).

www.rajrayon.com

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company's products include information on safe and responsible usage to educate customers accordingly.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services:

The Company maintains continuous communication with its customers to address any potential issues that may impact customer relationships and business operations proactively. If there are any delays in customer delivery due to factors within or beyond the Company's control, such as transportation disruptions or local disturbances, it promptly notifies its customers to prevent misunderstandings. Furthermore, Raj Rayon aims to minimise the occurrence of such incidents through diligent efforts.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

No, the Company adheres to the applicable laws and regulations regarding displaying the product label and related information.

For Raj Rayon Industries Limited

RAJKUMAR SATYANARAYAN AGARWAL
MANAGING DIRECTOR
00395370

SANDIIP SATYANARAYAN AGARWAL
Whole Time Director and CFO
00395348

Place: Silvassa
Date: 29/05/2025

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 comprise the Balance Sheet as at March 31, 2025, 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 material 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 March 31, 2025, its profit including total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

The Management is in the process to obtain details of three inoperative bank accounts which are continuing in the name of the Company from prior to the Corporate Insolvency Resolution Process when the current management was not in charge of the affairs of the Company. Accordingly, we are unable to comment on the impact, if any, on the financial statement arising out of subsequent availability of such pending bank statements.

The matter stated above was also the subject matter of qualification in our audit opinion for year ended March 31, 2024.

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.

Key Audit Matters

Sr. No.	Key Audit Matter	Auditor's Response
1.	Capitalisation of Property, plant & equipment Significant judgment and estimates are involved with respect to the following matter of Property, plant & equipment:- During the year ended March 31, 2025, the Company has incurred capital expenditure classified under capital work in progress. Assets in the course of construction are classified under capital work in progress and are capitalised under appropriate category of Property, Plant and Equipment when an asset is operating at management's intended use. Judgement is involved to determine that the aforesaid capitalisation meet the recognition requirement under Ind AS including determination of whether the criteria for intended use of the management has been met. Accordingly, the above matter relating to Property, Plant and Equipment has been considered as a key audit matter.	Our audit procedures included and were not limited to the following:- - Assessed the design and operating effectiveness of the controls with respect to capital expenditure incurred and classified under capital work in progress. - Assessed the nature of the additions made to Property, Plant and Equipment, and Capital work-in-progress on a test check basis to test whether they meet the recognition criteria as set out Ind AS 16 – Property, Plant and Equipment.

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

The Company's Board of Directors are 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.

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

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

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

Responsibilities of Management and those charged with Governance for the Financial Statements

The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are 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 INDAS specified under Section 133 of the Act and other accounting principles generally acceptable in India.

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.

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, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and except for the matter described in the "Basis for Qualified Opinion", obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) Except for the matters described in the "Basis for Qualified Opinion" paragraphs above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and records.
 - (c) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) Except for the matters described in the "Basis for Qualified Opinion" paragraphs above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015.

- (e) On the basis of the written representation received from the directors as on March 31, 2025 taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2025 from being appointed as a Directors in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements 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, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid remuneration 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. The Company does not have any pending litigation which would impact its financial position.
 - 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 if any, 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.
 - (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.
- v. The Company has not declared or paid any dividend during the year ended March 31, 2025 and hence reporting compliance of Section 123 of the Act is not applicable.
- vi. As more fully described in note 42 to the financial statements, based on our examination which included test checks, the Company has used accounting software for maintaining its books of

account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for direct changes to data in the underlying database and in the application when using certain privileged access rights. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software.

Additionally, the audit trail of relevant prior years has been preserved for record retention to the extent it was enabled and recorded in those respective years by the Company as per the statutory requirements for record retention.

For Bagaria & Co. LLP
Chartered Accountants
(Firm Registration No.113447W/W-100019)

Mohak Goel
Partner
Membership No. 159883
UDIN: 25159883BMITBX9664
Place: Mumbai
Date: May 29, 2025

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 Company has maintained proper records, showing full particulars including quantitative details and situation of Property, Plant and Equipment (PPE) and Capital work in progress.
 - B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment (PPE) under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment and capital work in progress were verified during the year and no material discrepancies were noticed on such verification.
- (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 revalued its Property, Plant and Equipment 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, 2025 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) According to the information and explanations given to us, the inventories have been physically verified during the year by the management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operation. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with the books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from a bank on the basis of security of current assets. In our opinion and according to the information and explanations given to us including the revised submissions made by the Company to its banker based on closure of books of accounts at the year end, the revised quarterly returns or statements comprising stock statements, book debt statements and other stipulated financial information filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.
- 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 and hence reporting under Clause iii (a) to iii (f) of the Order are not applicable to the Company.

- 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 made during the year. The Company has not made any investments and 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 and hence reporting under the Clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India, regarding the maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. 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, duty of customs, and other material statutory dues applicable to the Company.

There were 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.

- 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.

(b) The Company is not declared as wilful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(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 and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and hence reporting under Clause 3(ix)(e) of the Order is not applicable to the Company.

(f) Based on our audit procedures and on the basis of information and explanations given to us, during the year the Company has not raised any funds on the pledge of securities held in its subsidiaries and hence reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

- x. (a) The Company has not raised any money during the year by way of initial public offer / further public offer hence the reporting under 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 not made preferential allotment of shares, private placement of shares or fully or partly convertible debentures during the year and hence reporting under Clause 3(x)(b) of the Order is not applicable.
- 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 financial statements as required by the applicable Accounting Standard. *(Refer note no. 33 to the financial statements).*
- xiv. (a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has an adequate internal audit system commensurate with the size and nature of the business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedure.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, 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 and hence provisions of section 192 of the Act are not applicable to the Company.
- 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 no resignation of the statutory auditors of the Company during the year and hence reporting under clause 3(xviii) of the order is not applicable to the company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization 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, 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. According to the information and explanations given to us, and based on our examination of the records of the company, the company has incurred average net loss in the period of three immediately preceding financial years and hence, it is not required to spend any money under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause (xx) of the Order is not applicable to the Company for the year.

For Bagaria & Co. LLP
Chartered Accountants
(Firm Registration No.113447W/W-100019)

Mohak Goel
Partner
Membership No. 159883
UDIN: 25159883BMITBX9664
Place: Mumbai
Date: May 29, 2025

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 with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls with reference to financial statements of **Raj Rayon Industries Limited** (“the Company”) as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The 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 Company's Internal Financial Controls with reference to financial statements 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”) and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to financial statements included obtaining an understanding of Internal Financial Controls with reference to financial statements, 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 judgment, 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 Company’s internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls

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; (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; and (4) also provide reasonable assurance by the internal auditors through their internal audit reports given to the organization from time to time.

Inherent Limitations of Internal Financial Controls

Because of the inherent limitations of Internal Financial Controls, 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 to future periods are subject to the risk that the internal financial controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the best of our information and according to the explanations given to us, the Company has, broadly in all material respects, an adequate internal financial controls system with reference to financial statements and such Internal Financial Controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential Component of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements issued by the Institute of Chartered Accountants of India.

For Bagaria & Co. LLP
Chartered Accountants
(Firm Registration No.113447W/W-100019)

Mohak Goel
Partner
Membership No. 159883
UDIN: 25159883BMITBX9664
Place: Mumbai
Date: May 29, 2025

RAJ RAYON INDUSTRIES LIMITED

Balance Sheet as at 31st March 2025

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

	Note	As at 31 st March, 2025	As at 31 st March, 2024
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	21,241.55	21,870.10
Capital Work in progress	3a	10,145.72	276.61
Other Intangible Asset	3b	3.03	-
Financial Assets			
Other financial assets	4	131.09	12.86
Other Non-current assets	5	338.64	402.47
Total Non- current assets		31,860.03	22,562.04
Current Assets			
Inventories	7	10,866.43	10,246.20
Financial Assets			
Trade Receivables	8	2857.92	3,630.80
Cash and Cash Equivalents	9	802.81	702.95
Other Balances with Banks	10	1.21	2,245.92
Current tax assets (Net)	11	93.23	80.63
Other Current Assets	12	3,547.36	2,627.47
Total Current Assets		18,168.96	19,533.97
Total Assets		50,028.99	42,096.01
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	13	5,560.82	5,560.82
Instruments entirely equity in nature	14	2,500.00	2,500.00
Other Equity	15	4,186.27	2,759.26
Total Equity		12,247.09	10,820.09
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	16	15,971.87	9,654.83
Provisions	17	18.40	19.10
Deferred Tax Liabilities (Net)	6	23.30	573.13
Total Non-Current Liabilities		16,013.57	10,247.06

Current Liabilities

Financial liabilities			
Borrowings	18	7,771.48	7,977.81
Trade Payables	19		
Total outstanding dues of micro enterprises and small enterprises		436.01	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		12,492.49	12,116.22
Other Financial Liabilities	20	1,018.41	893.81
Other Current Liabilities	21	59.85	40.95
Provisions	22	0.09	0.07
Total Current Liabilities		21,768.33	21,028.86
Total Liabilities		37,781.90	31,275.92
Total Equity and Liabilities		50,028.99	42,096.01

Significant accounting policies and Key accounting estimates and judgements

See accompanying notes to the financial statements

1
1 to 45

Material Accounting Policies

1

The accompanying notes are an integral part of these standalone financial statements

As per our Report of even date

For Bagaria & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 113447W/W-100019

Mohak Goel

Partner

Membership No : 159883

Mumbai

29th May, 2025

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

Managing Director

DIN: 00395370

29th May, 2025

Mumbai

Sandiip Agarwal

WTD & CFO

DIN: 00395348

29th May, 2025

Mumbai

Chintan Dharod

Company Secretary

29th May, 2025

Mumbai

RAJ RAYON INDUSTRIES LIMITED

Statement of Profit and Loss for the year ended 31st March 2025

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

Particulars	Note	Year ended 31st March, 2025	Year ended 31st March, 2024
Revenue from Operations	23	84,937.94	74,516.82
Other Income	24	475.18	512.82
Total Income (I)		85,413.12	75,029.64
EXPENSES			
Cost of Materials Consumed	25	68,260.83	60,735.88
Changes in inventories of finished goods	26	986.19	(813.17)
Employee Benefits Expense	27	1,199.55	1,145.78
Finance Costs	28	1,358.02	1,119.58
Depreciation and Amortisation Expense	2	1,244.01	1,134.71
Other Expenses	29	11,538.17	10,713.88
Total Expenses (II)		84,586.77	74,036.66
Profit Before Tax and Exceptional Items (I-II)		826.35	992.98
Exceptional Items		-	-
Profit Before Tax		826.35	992.98
<u>Tax Expense</u>			
(1) Current Tax		-	-
(2) Deferred Tax	6	554.26	(588.68)
(3) Current taxes relating to earlier years		-	-
Profit for the period		1,380.61	404.30
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Re measurement of defined benefit plans		17.57	1.72
- Income tax expense / (benefit) related to items that will not be reclassified to Profit and loss		(4.42)	(0.43)
Total Other comprehensive income (Net of Tax)		13.15	1.29
Total Comprehensive income for the Year		1,393.76	405.59
Earnings per equity share of face value of ₹ 10 each			
Basic EPS (In ₹)		0.25	0.07
Diluted EPS (In ₹)		0.17	0.05
Significant Accounting Policies	1		

See accompanying Notes to the Financial Statements

1 to 45

As per our Report of even date

For Bagaria & Co. LLP

Chartered Accountants

ICAI Firm Registration Number:
113447W/W-100019

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

Rajkumar Agarwal

Managing Director

DIN: 00395370

29th May, 2025

Mumbai

Sandiip Agarwal

WTD & CFO

DIN: 00395348

29th May, 2025

Mumbai

Mohak Goel

Partner

Mem. No. 159883

Mumbai

29th May, 2025

Chintan Dharod

Company Secretary

29th May, 2025

Mumbai

RAJ RAYON INDUSTRIES LIMITED

CASH FLOW STATEMENT for the year ended 31st March, 2025

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

	Year Ended March 31, 2025	Year Ended March 31, 2024
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax and Extraordinary Items	826.36	992.99
Adjustment for:		
Depreciation	1,244.00	1,134.71
Provision for expected credit loss/doubtful debts	(0.77)	1.32
Provision for Employee Benefit	16.90	12.52
Sundry balance Written Off	(5.07)	--
Loss on Discard of property, plant and equipment (net)	38.24	--
Net unrealised foreign exchange loss/(gain)	(147.42)	(16.00)
(Profit) / Loss on Sale of property, plant and equipment (net)	5.30	(273.55)
Interest Income	(86.45)	(4.02)
Finance Costs	1,408.14	1,695.74
Operating Profit Before Working Capital Changes	3,299.23	3,543.71
Adjustment For:		
(Increase)/ Decrease in Trade Receivables	773.65	(1,324.32)
(Increase)/ Decrease in Financial and Other Assets	(856.05)	3,564.27
(Increase)/ Decrease in inventories	(620.23)	(2,835.51)
Increase/ (Decrease) in Trade Payables	949.70	5,090.28
Increase/ (Decrease) in Financial and Other liabilities	148.57	(88.11)
Cash Used in Operations	3,694.87	7,950.32
Direct Taxes Paid	(12.60)	(78.96)
NET CASH FLOW USED IN OPERATING ACTIVITIES	3,682.27	7,871.36
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(10,535.64)	(9,226.96)
Sale of Fixed Assets	4.50	306.00
Investments of FDRs	2,126.48	(2,145.19)
Interest Income	86.45	4.02
NET CASH FLOWS FROM INVESTING ACTIVITIES	(8,318.21)	(11,062.13)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital	--	--
Proceeds from issue of compulsory convertible	--	--

preference shares

Proceeds/(Repayment) of Long Term Borrowings

6,371.42

3,164.02

Proceeds/(Repayment) of Short Term Borrowings

(206.33)

1,629.16

Interest & Other Borrowing Cost

(1,429.28)

(919.71)

NET CASH USED IN FINANCING ACTIVITIES

4,735.81

3,873.47

**NET INCREASE IN CASH AND CASH EQUIVALENTS
(A+B+C)**

99.87

682.70

Opening Balance of Cash and Cash Equivalents

702.95

20.25

Closing Balance of Cash and Cash Equivalents

802.82

702.95

As per our Report of even date

For Bagaria & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 113447W/W-
100019

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

Rajkumar Agarwal

Managing Director

DIN: 00395370

29th May, 2025

Mumbai

Sandiip Agarwal

WTD & CFO

DIN: 00395348

29th May, 2025

Mumbai

Mohak Goel

Partner

Mem. No. 036732

Mumbai

29th May, 2025

Chintan Dharod

Company

Secretary

29th May, 2025

Mumbai

RAJ RAYON INDUSTRIES LIMITED**Statement of Changes in Equity for the year ended March 31, 2025**

A		Equity Share Capital	
Particulars	No. of Shares	Amount in Lakhs	
As at April 01, 2023	556,082,495	5,560.82	
Changes in equity share capital during the year	-	-	
Reduction in Share Capital by reduction in Number of Shares	-	-	
As at March 31, 2024	556,082,495	5,560.82	
Changes in equity share capital during the year	-	-	
Reduction in Share Capital by reduction in Number of Shares	-	-	
As at March 31, 2025	556,082,495	5,560.82	
B		Instruments entirely equity in nature	
Compulsorily Convertible Preference Shares (CCPS)	No. of Shares	Amount in Lakhs	
As at April 01, 2023	2,500,000.00	2,500.00	
Changes in CCPS during the year	-	-	
As at March 31, 2024	2,500,000.00	2,500.00	
Changes in CCPS during the year	-	-	
As at March 31, 2025	2,500,000.00	2,500.00	

C Other Equity

Particulars	<u>Reserves and Surplus</u>						Total
	Securities Premium Reserves	Capital Reserve	Retained Earnings	Share application money pending allotment	Capital Contribution	Remeasurement of net defined benefit plan through OCI	
Balance as on April 01, 2023	7682.73	3556.19	(8929.17)	-	43.91	-	2353.66
Profit/(loss) for the year	-	-	404.30	-	-	-	404.30
Capital Contribution during the year	-	-	-	-	-	-	-
Reduction in Share Capital by reduction in Number of Shares	-	-	-	-	-	-	-
Other Comprehensive Income / (loss)	-	-	1.29	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-
Dividends paid (incl. dividend distribution tax)	-	-	-	-	-	-	-
Issue of shares	-	-	-	-	-	-	-
Transfer to General Reserves	-	-	-	-	-	-	-
Balance as on March 31, 2024	7682.73	3556.19	(8523.57)	-	43.91	-	2759.27s

Profit/(loss) for the year			1380.61	33.24		1413.85
	-	-		-		
Reduction in Share Capital by reduction in Number of Shares	-	-		-		
Other Comprehensive Income / (loss)	-	-	13.15	-	-	13.15
Total Comprehensive Income for the year	-	-	-	-	-	-
Dividends paid (incl. dividend distribution tax)	-	-	-	-	-	-
Issue of shares	-	-	-	-	-	-
Transfer to General Reserves	-	-	-	-	-	-
Balance as on 31st March 2025	7,682.73	3,556.19	(7,129.81)	77.16	-	4186.27

RAJ RAYON INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March, 2025

General 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.

1A). MATERIAL ACCOUNTING POLICIES:

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

a. Statement of Compliance

The financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind-AS) prescribed under the Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirement of Division II of Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III), as applicable to financial statement.

Accordingly, the Company has prepared these financial statements which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "financial statements").

These financial statements are approved for issue by the Board of Directors on 29th May, 2025.

b. Basis of preparation and presentation

The financial statements have been prepared under the historical cost convention with the exception of certain financial instruments that are required to be measured at fair values at the end of each reporting period.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in account the characteristics of the asset or liability if market

participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind-AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

The financial statements are presented in INR and all values are rounded to the nearest crores, except when otherwise indicated.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised 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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

c. **Property, plant and equipment (PPE)**

Property, plant and equipment are stated at cost / allocated cost less accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Cost includes all costs relating to acquisition and installation of Property, plant and equipment including any incidental costs of bringing the assets to their working condition for their intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred.

Where cost of the part of the asset is significant to total cost of asset and useful life of that part is different from useful life of the asset, useful life and the value of that significant part shall be determined separately through internal/external expert. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

Assets in the course of construction are reflected in capital work in progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to appropriate category of Property, plant and equipment. Costs associated with the commissioning of an asset are capitalized where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed. Revenue (net of cost) generated from production during the trial period is capitalized.

Any assets whose value is less than Rs. 5,000 is charged to statement of profit and loss.

De-recognition

The carrying amount of a property, plant and equipment is de-recognized when no future economic benefits are expected from its use or on disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement profit & loss.

Machinery spares that can be used only in connection with an item of Property, plant and equipment & where use are expected is more than one year are capitalized along with plant & machinery.

Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised as to write off the cost of assets (other than freehold land and properties under construction) less their residual values.

Depreciation commences when the assets are ready for their intended use. Depreciation on all property plant and equipment except freehold land are provided on a straight-line method on the basis of the useful life prescribed in Schedule II of the Companies Act, 2013 or the economic useful lives determined as per technical assessment. In case of below mentioned class of assets, life of the assets has been determined as per technical assessment.

Class of assets	Years
Factory Building	3 - 30 years
Office Premises	60 years
Plant & Machinery	15 - 25 years
Furniture & Fixtures	10 years
Office Equipment	5 - 10 years
Computers	6 years

The useful lives are reviewed annually. If the expected useful life of the asset is significantly different from previous estimates, the depreciation period is changed accordingly.

d. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost / allocated cost less accumulated amortization and accumulated impairment losses, if any.

The cost of an intangible asset includes purchase cost (net of rebates and discounts), including any import duties and non-refundable taxes, and any directly attributable costs on making the asset ready for its intended use.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Costs incurred on technical know-how/ license fee relating to process design/ plants/ facilities are capitalized at the time of capitalization of the said plant/ facility and amortized on pro-rata basis over a period of five years. Computer software is capitalised on the date of installation and is amortised on pro-rata basis over a period of five years.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use. Gain and loss arising from de-recognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognized in the statement of profit and loss when the asset is de-recognized or on disposal.

e. Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials, production consumables and stores & spares includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress include cost of direct materials computed on specific identification method and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

f. Revenue from contract with customers

a) Revenue from sale of goods

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

The Company recognises revenue generally at the point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer. In contracts where freight is arranged by the Company and recovered from the customers, the same is treated as a separate performance obligation and revenue is recognized when such freight services are rendered.

In revenue arrangements with multiple performance obligations, the Company accounts for individual products and services separately if they are distinct – i.e., if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate products and services in the arrangement based on their stand-alone selling prices. Revenue from sale of by products is included in revenue.

b) Dividend & Interest Income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

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 is 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.

c) Export Incentives

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.

g. Foreign currency transactions

The Company's financials are presented in INR, which is functional currency of the Company. In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period:

- i. Monetary items denominated in foreign currencies are restated at the rates prevailing at that date.
- ii. Non-monetary items carried at fair value that are denominated in foreign currencies are restated at the 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 recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

- iii. Non-monetary items that are measured terms of historical cost in a foreign currency are not restated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in profit or loss in the period in which they arise.

h. Retirement and other employee benefits

Defined Contribution Plan

Payments to defined contribution retirement benefit plans such as provident fund are recognized as an expense in the statement of profit and loss when an employee renders the related service.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined Benefits Plan

For defined retirement benefit plans, such as gratuity the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense. Curtailment gains and losses are accounted for as past service costs.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service cost is recognized in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. These benefits include bonus/incentives and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

i. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of directors of the Company has been identified as the Chief Operating Decision Maker which reviews and assesses the financial performance and makes the strategic decisions.

j. Borrowing cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to finance cost.

Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period to get ready for its intended use.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.

k. Leases

The Company assesses at *contract inception* whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities and comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are amortised on a straight-line basis over shorter of its estimated useful life or the lease term.

Ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

Lease Liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured if there is a modification, a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Company as lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

I. Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

A. Financial assets

a) Recognition and initial measurement

A financial asset is initially recognised at fair value and, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

b) Classification of financial assets

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit and loss. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL;

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting year, with any gains and losses arising on remeasurement recognized in statement of profit and loss. The net gain or loss recognized in statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognized when:

- The Company's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the entity,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

c) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

d) Impairment

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet

The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions; the Company expects to recover the carrying amount of these assets.

e) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in statement of profit and loss and is included in the 'Other income' line item.

B. Financial liabilities and equity instruments

a) Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue, or cancellation of the Company's own equity instruments.

c) Financial liabilities

Financial liabilities are classified as other financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the Statement of Profit and Loss. For Liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risks are recognized in OCI.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Other financial liabilities:

The Company enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payments to supplier's banks for import of raw materials and property, plant and equipment. The banks and financial institutions are subsequently repaid by the Company at a later date providing working capital benefits. These arrangements are in the nature of credit extended in normal operating cycle and these arrangements for raw materials are recognized as Acceptances (under trade payables) and arrangements for property, plant and equipment are recognised as other financial liabilities. Interest borne by the Company on such arrangements is accounted as finance cost. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether attributable or not to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

m. Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

n. Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of common shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease earning per share from continuing operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

o. Income taxes

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items, which are never taxable or tax deductible. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing and applicable for the relevant assessment year.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

In the case of unused tax losses probability is evaluated considering factors like existence of sufficient taxable temporary differences, convincing evidence that sufficient taxable profit will be available. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets and, the Company recognizes a previously unrecognized Deferred Tax Asset to the extent that it has become probable that future taxable profit will allow the Deferred Tax Asset to be recovered.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all part of the asset to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the tax assets and liabilities (on a year-on-year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis

Current and Deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

p. Impairment of non-financial asset

The Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication based on internal/ external factors that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An asset's recoverable amount is the higher of an asset or cash-generating units (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When 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. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. 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 costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for Impairment at least annually, and whenever there is an indication that the asset may be impaired.

q. Provisions

Provisions are recognized when the Company has a 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.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material) discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Trade receivables above ninety days and against whom any legal cases filed/to be filed are treated as doubtful in nature and accordingly provision has been made.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Onerous contracts

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfill it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

Show cause notices issued by various government authorities are not considered as obligation. When the demand notices are raised against such show cause notices and are disputed by the Company then these are classified as possible obligations.

r. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize such contingent liability but discloses its existence in the financial statements.

s. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of less than three months or less that are readily convertible to a known amount of cash which are subject to an insignificant risk of changes in value.

1. B) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

2. C) Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Company's accounting policies, management has made the following judgment, estimates and assumptions which have the most significant effect on the amounts recognized in the financial statement

a) Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. This reassessment may result in change in depreciation and amortisation expected in future periods.

b) Contingent Liabilities

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

RAJ RAYON INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2025

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

2. Property, Plant & Equipment

Description of Assets	Freehold Land	Factory Building	Office Premises	Plant & Machinery	Furniture & Fixtures	Office Equipment	Computers	Total
Cost								
Balance as at March 31, 2023	279.79	6,908.21	45.39	30,239.93	18.93	17.22	38.16	37,547.64
Additions during the year	-	481.09	-	8,699.97	2.60	10.45	5.82	9,199.94
Disposals/ Reclassifications during the year	-		45.39					45.39
Balance as at March 31, 2024	279.79	7,389.30	-	38,939.90	21.53	27.67	43.98	46,702.18
Additions during the year	-	8.36	-	663.10	-	1.89	2.07	675.41
Disposals/ Reclassifications during the year	-	-	-	4,004.60	2.55	-	-	4,007.14
Balance as at March 31, 2025	279.79	7,397.66	-	35,598.40	18.99	29.56	46.05	43,370.45
Accumulated Depreciation								
Balance as at 31st March, 2023	-	3,982.93	12.72	19,711.88	0.34	0.64	1.74	23,710.26
Depreciation expense for the year	-	232.15	0.16	891.63	1.51	2.68	6.57	1,134.71
Eliminated on disposal of asset/ reclassifications	-		12.88					12.88
Balance as at 31st March, 2024	-	4,215.08	(0.00)	20,603.52	1.85	3.32	8.31	24,832.08
Depreciation expense for the year	-	249.44	-	981.74	1.66	3.48	6.99	1,243.32
Eliminated on disposal of asset/ reclassifications	-		-	3,946.48	-	-	-	3,946.48
Balance as at 31st March, 2025	-	4,464.52	(0.00)	17,638.77	3.51	6.80	15.30	22,128.91

Net Book Value

Balance as at 31st March, 2024	279.79	3,174.22	0.00	18,336.38	19.68	24.35	35.67	21,870.10
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Balance as at 31st March, 2025	279.79	2,933.14	0.00	17,959.63	15.48	22.77	30.75	21,241.55
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Note:

- i) The title deeds of immovable properties are held in the name of the Company.
- ii) Refer note 31 for the disclosure of contractual commitments for the acquisition of Property, Plant & Equipments.
- iii) Refer note 16 & note 18 on Property, Plant & Equipments hypothecated as security by the company.

3a. Capital Work In Progress

(Rs. In Lakhs)								
Description	Plant & Machinery	Building	Total	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
As at March 31, 2024								
Project in Progress	105.85	170.76	276.61	276.61	-	-	-	276.61
As at March 31, 2025								
Project in Progress	8,579.34	1,566.38	10,145.72	9,869.11	276.61	-	-	10,145.72

Note :

There are no capital work-in-progress where completion is overdue against original planned timelines or where estimated cost exceeded its original planned cost as on 31st March, 2025 and 31st March, 2024.

3b : Other Intangible Asset

PARTICULARS	OTHER SOFTWARE
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Gross Block (At Cost)

As at March 31, 2024	-
Additions	3.73
Disposals/ Reclassifications during the year	-
As at March 31, 2025	3.73

Accumulated Depreciation

As at March 31, 2024	-
charge for the year	0.70
Disposals/ Reclassifications during the year	-
As at March 31, 2025	0.70

Net Carrying Value

As a March 31, 2024	-
As a March 31, 2025	3.03

RAJ RAYON INDUSTRIES LIMITED
Notes on Financial Statements for the year ended 31st March, 2025
(All amounts are in ₹ Lakhs except unless otherwise stated)

4	OTHER FINANCIAL ASSETS	As at 31st March, 2025	As at 31st March, 2024
	TUFS Benefit Receivable (Interest Subsidy)	776.64	776.64
	Less: Provision for doubtful recovery of TUFS Interest Subsidy	(776.64)	(776.64)
	In term deposit accounts with Banks Margin Money	127.95	9.72
	Security Deposits - Unsecured & considered good	3.14	3.14
	Total	131.09	12.86
5	OTHER NON-CURRENT ASSETS	As at 31st March, 2025	As at 31st March, 2024
	Capital Advances	338.64	402.47
	Other Advances		
	VAT Payment under Protest	250.00	250.00
	Less: Provision for doubtful recovery of VAT Deposits	(250.00)	(250.00)
	Total	338.64	402.47
6.	Deferred Tax Assets (Net)	As at March 31, 2025	As at March 31, 2024
	Deferred Tax Liabilities		
	Arising on account of:		
	Difference between written down value of property, plant & equipment as per the books of accounts and Income Tax Act, 1961	(889.82)	(557.38)
	Increase in borrowing cost pursuant to application of effective interest rate method	(5.40)	(21.49)
	Provision for Employee Defined Benefit obligations	-	-
	Difference in carrying value and Tax base of investments measured at FVTPL and Amortised Cost	-	-
	Provision for Compensated Absences	4.66	4.82
	Deferred Tax Assets		
	Arising on account of:		
	Carry Forward Losses	866.54	-
	Allowances for Doubtful debt and Advances	-	0.91
	Provision for Compensated Absences	-	-
	Lease liability amortisation	-	-
	Allowances for Doubtful debt and Advances	0.72	-
	Provision for Compensated Absences	-	-
	Provision for bonus and ex Gratia	-	-
	Total	(23.30)	(573.13)

RAJ RAYON INDUSTRIES LIMITED
Notes on Financial Statements for the year ended 31st March, 2025

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

7	INVENTORIES	As at 31st March, 2025	As at 31st March, 2024
	a. Raw Materials	5,012.09	3,229.42
	b. Finished goods	4,422.95	5,409.14
	c. Store, Spares & Packing Material	1,431.40	1,607.64
	Total	10,866.43	10,246.20

Note: Inventories are hypothecated as security for borrowings as disclosed under note 16 & note 18.

8	TRADE RECEIVABLES	As at 31st March, 2025	As at 31st March, 2024
	Unsecured, considered good	2,857.92	3,630.80
	Unsecured, credit impaired	2.86	3.63
	Less: Provision for doubtful trade receivables	(2.86)	(3.63)
	Total	2,857.92	3,630.80

Note:

- Trade Receivables are given as security for borrowings as disclosed under note 16 & note 18.
- Refer note 33 on balances with related party transactions.
- Refer note 38 information about credit risk and market risk of trade receivables.

Particulars	As at March 31, 2025	As at March 31, 2024
Undisputed Trade Receivables - Considered Good		
Not Due	2,164.06	3,166.91
< 6 months	595.04	370.95
> 6 months but < 1 year	12.24	61.35
> 1 year but < 2 years	67.85	31.59
> 2 years but < 3 years	18.72	-
More than 3 years	-	-
Less: Provision for doubtful trade receivables	(2.86)	(3.63)
Total	2,855.06	3,627.16

Particulars	As at March 31, 2025	As at March 31, 2024
Undisputed Trade Receivables - Credit Impaired		
Not Due	2.17	3.17
< 6 months	0.60	0.37
> 6 months but < 1 year	0.01	0.06
> 1 year but < 2 years	0.07	0.03
> 2 years but < 3 years	0.02	-

More than 3 years	-	-
Less: Provision for doubtful trade receivables		
Total	2.86	3.63

9	CASH AND CASH EQUIVALENTS	As at 31st March, 2025	As at 31st March, 2024
	Cash in hand	0.35	0.50
	Balances with banks:		
	In Current Accounts	1.79	1.86
	In Overdraft Account	800.68	700.59
	Total	802.81	702.95

10	OTHER BALANCES WITH BANKS	As at 31st March, 2025	As at 31st March, 2024
	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		
	- Maturing in less than 3 months	-	1631.53
	- Maturing in more than 3 months but less than 12 months	0.41	613.59
	Total	1.21	2,245.92

11	Current Tax Assets (Net)	As at March 31, 2025	As at March 31, 2024
	Advance Income Tax (net)	93.23	80.63
	Total	93.23	80.63

12	OTHER CURRENT ASSETS	As at 31st March, 2025	As at 31st March, 2024
	Unsecured, considered good		
	Prepaid Expenses	93.49	97.04
	Advance to Suppliers	246.29	114.51
	Advances to Employees	5.20	3.63
	Balance with Revenue Authorities	3,202.38	2,412.30
	Total	3,547.36	2,627.48

RAJ RAYON INDUSTRIES LIMITED
NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2025
 (All amounts are in ₹ Lakhs except unless otherwise stated)

13. Equity Share Capital

Particulars	(Rs. In Lakhs)	
	As at March 31, 2025	As at March 31, 2024
Authorised		
60,00,00,000 (60,00,00,000) Equity Shares of Rs 1/- each	6,000.00	6,000.00
26,00,000 (26,00,000) Preference Shares of Rs. 100/- each	26.00	26.00
Total	6,026.00	6,026.00
Issued, subscribed and fully paid up	-	-
55,60,82,495 (As at March 31, 2024- 55,60,82,495) Equity Shares of Rs. 1/- each fully paid	5,560.82	5,560.82
Total	5,560.82	5,560.82

a) Reconciliation of number of shares

Equity Shares	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	Amount	No. of Shares	Amount in Lakhs
Shares outstanding at the beginning of the year	55,60,82,495	5,560.82	55,60,82,495	5,560.82
Add/(Less): Shares Issued during the year	-	-	-	-
Reduction in Share Capital by reduction in Number of Shares	-	-		
Shares outstanding at the end of the year	55,60,82,495	5,560.82	55,60,82,495	5,560.82

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

Equity Shares	As at March 31, 2025		As at March 31, 2024s	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Fully paid Equity Shares of Rs.1 each held by:				
SVG Fashions Private Limited	47,20,00,000	84.88	47,20,00,000	84.88

As per the records of the Company, including its registers of Shareholders/Members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Details of shareholding of promoters

Equity Shares	As at March 31, 2025			As at March 31, 2024		
	% of Holding	No. of Shares Held	% Change in Holding	% of Holding	No. of Shares Held	% Change in Holding
Fully paid Equity Shares of Rs.1 each held by:						
SVG Fashions Private Limited	84.88	47,20,00,000	0	84.88	47,20,00,000	0
Rajwada Silk Mills LLP	2.61	1,45,00,000	0	2.61	1,45,00,000	0
Satyanarayan Agarwal	1.35	75,00,000	0	1.35	75,00,000	0
Rajkumar Satyanarayan Agarwal	1.26	70,00,000	0	1.26	70,00,000	0
Sandiip Satyanarayan Agarwal	1.25	69,62,668	0	1.25	69,62,668	0
Rricha Sandiip Agarwal	0.63	35,00,000	0	0.63	35,00,000	0
Sapna Rajkumar Agarwal	0.63	35,00,000	0	0.63	35,00,000	0
Yashovardhan Rajkumar Agarwal	0.54	30,00,000	0	0.54	30,00,000	0
Harshvardhan Yogesh Rungta	0.18	10,00,000	0	0.18	10,00,000	0
Binaykia Synthetics Ltd	0.63	35,00,000	0	0.63	35,00,000	0
Deepak Synthetics Ltd	0.18	10,00,000	0	0.18	10,00,000	0

Rights, preferences and restrictions

The Company has only one class of equity shares having a par value of Re. 1 Per Share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the no. of equity shares held by shareholder.

No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current period/ year end.

No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

14. Instruments entirely equity in nature

Particulars	As at March 31, 2025	As at March 31, 2024
Compulsorily Convertible Preference Shares (CCPS)		
Balance as on beginning of the year	2,500.00	2,500.00
Issues during the year	-	-
Conversion into equity shares during the year		
Balance at the end of the year	2,500.00	2,500.00

15. Other Equity

Particulars	As at March 31, 2025	As at March 31, 2024
Securities Premium		
Balance as on beginning of the year	7,682.73	7,682.73
Changes during the year	-	-
Balance at the end of the year	7,682.73	7,682.73
Capital Reserve		
Balance as on beginning of the year	3,556.19	3,556.19
Reduction in Share Capital by reduction in Number of Shares	-	-
Balance at the end of the year	3,556.19	3,556.19

Share Application Money Pending Allotment		
Balance as on beginning of the year	-	-
Add : Application Money Received	-	-
Less: Share Issued	-	-
Balance at the end of the year	-	-
Retained Earnings		
Balance as on beginning of the year	(8,523.58)	(8,929.17)
Add: Profit / (Loss) for the year	1,380.61	404.30
Add: Other comprehensive income/(loss) arising from re-measurement of defined benefit obligation (net of tax)	13.15	1.29
Balance at the end of the year	(7,129.82)	(8,523.58)
Capital Contribution		
Balance as on beginning of the year	43.91	43.91
Add: Profit/(Loss) for the year	33.24	-
Balance at the end of the year	77.16	43.91
Total	4,186.26	2,759.25

The description of the nature and purpose of each reserve within equity is as follows:

Securities Premium

Securities premium reserve is created due to premium on issue of shares. This reserve is utilised in accordance with the provisions of the Companies Act.

Capital Reserve

Capital Reserve is created due to reduction in share capital in the FY 2021-22 due to the reduction in number of shares..

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

16	LONG TERM BORROWINGS	As at 31st March, 2025	As at 31st March, 2024
	Secured		
	Term Loans From Bank	18,011.87	11,694.83
	Less : Current Maturities of Long Term Borrowing	(2,040.00)	(2,040.00)
	Total	15,971.87	9,654.83

Refer note 38 for liquidity risk.

Nature of Security

Bank of Baroda Term Loan is secured by way of :

- Hypothecation of entire Property, Plant & Equipments of the Company (both present and future),
- Equitable mortgage of Factory Land & Building,
- Hypothecation of entire Current Assets (both present & future),
- Pledge of FDR of Rs. 3.70 Crores in the name of SVG Fashions Pvt. Ltd. (Corporate guarantor)."

HDFC Term Loan is secured by way of :

- Hypothecation of entire Property, Plant & Equipments of the Company (both present and future),
- Equitable mortgage of Factory Land & Building,
- Hypothecation of entire Current Assets (both present & future),
- Corporate guarantee of SVG Fashions Pvt. Ltd.,
- Personal Guarantee of Satyanarayan Agarwal , Sandiip Agarwwal and Rajkumar Agarwal.

Rate of Interest and Terms of Repayment	Rate of Interest	Terms of Repayment from Balance sheet date
Secured		
Term loans from Bank (Bank of Baroda)	9.10%	82 structured monthly instalments starting from July 2023 till June 2030
HDFC	8.50%	Repayable in 72 months post moratorium period of 12 months i.e., April 2026 till March 2032.

17	Provisions (Non-Current)	As at March 31, 2025	As at March 31, 2024
	Provision for Employee Benefit		
	Gratuity	18.40	19.10
	Total	18.40	19.10

18	Short Term Borrowings	As at March 31, 2025	As at March 31, 2024
	Secured - At Amortised Cost		
	Working Capital Loans		
	From Bank		
	Rupee Loans	2,496.65	1,119.09
	Unsecured		
	From Related Party		
	Inter-Corporate Loans	3,234.83	4,818.72
	Current maturities of Long Term Borrowings (refer note 16)	2,040.00	2,040.00
	Total	7,771.48	7,977.81

Nature of Security
Working Capital Loan from Bank
1. Bank of baroda

- Hypothecation of entire Current Assets of the Company (both present & future),
- Cash margin @ 15% for Bank Guarantee Limit/ Inland LC / Foreign LC ,
- Hypothecation of entire Property, Plant & Equipments of the Company (both present and future),
- Equitable mortgage of Factory Land & Building,
- Corporate guarantee of SVG Fashions Pvt. Ltd.

2. HDFC

HDFC Term Loan is secured by way of :

- Hypothecation of entire Property, Plant & Equipments of the Company (both present and future),
- Equitable mortgage of Factory Land & Building,
- Hypothecation of entire Current Assets (both present & future).
- Corporate guarantee of SVG Fashions Pvt. Ltd.
- Personal Guarantee of Satyanarayan Agarwal , Sandiip Agarwwal and Rajkumar Agarwal.

Rate of Interest

Secured working capital loan from bank carry interest rates at 9.10% per annum from bank of baroda & 8.5% from HDFC

Unsecured Inter- Corporate Loan from Related Party carry interest rate at 6.00% per annum.

19	TRADE PAYABLES	As at 31st March, 2025	As at 31st March, 2024
	(a) Dues to MSME	426.01	-
	(b) Others than MSME	12,492.49	12,116.22
	Total	12,918.51	12,116.22
	Note:		
	i) Refer note 33 on balances with related party transactions.		
	ii) Refer Note 38 for information about liquidity risk and market risk of trade payables.		

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:	As at March 31, 2025	As at March 31, 2024
(a) Amount remaining unpaid to any supplier at the end of each accounting year:	-	-
Principal amount due to MSME	426.01	-
Interest due on above	-	-
Total	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

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

Ageing of Trade Payables* due to other than MSME from due date of payments as at March 31, 2025 and March 31, 2024 are as follows:	As at March 31, 2025	As at March 31, 2024
Not Due	12,272.04	11,327.41
< 1 year	185.18	(99.20)
> 1 year but < 2 years	3.03	888.18
> 2 years but < 3 years	32.25	(0.17)
More than 3 years	-	-
Total	12,492.49	12,116.22

Ageing of Trade Payables* due to MSME from due date of payments as at March 31, 2025 and March 31, 2024 are as follows:	As at March 31, 2025	As at March 31, 2024
Not Due	426.01	-
< 1 year	-	-
> 1 year but < 2 years	-	-
> 2 years but < 3 years	-	-
More than 3 years	-	-
Total	426.01	12,116.22

Disclosure of payable to vendors as defined under the “Micro, Small and Medium Enterprise Development Act, 2006” is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no material overdue principal amounts to such vendors at the Balance Sheet date.

20	OTHER FINANCIAL LIABILITIES	As at 31st March, 2025	As at 31st March, 2024
	Unpaid Dividends	0.80	0.80
	Creditors for Capital Goods	422.52	469.48
	Salary and Wages Payable	103.75	88.90
	Other Payables	491.35	334.64
	Total	1,018.41	893.81
21	OTHER CURRENT LIABILITIES	As at 31st March, 2025	As at 31st March, 2024
	Advance from customers	1.48	2.57
	Statutory Dues	58.37	38.38
	Total	59.85	40.95
22	PROVISIONS (CURRENT)	As at 31st March, 2025	As at 31st March, 2024
	Provision for Employee Benefit		
	Gratuity	0.09	0.07
	Total	0.09	0.07

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Notes on Financial Statements for the year ended 31st March, 2025S
(All amounts are in ₹ Lakhs except unless otherwise stated)

23	REVENUE FROM OPERATIONS (NET OF GST)	Year ended 31st March, 2025	Year ended 31st March, 2024
	Sale of products (Net of Discounts and Sales Return)	84,935.36	74,516.82
	Sale of traded goods	2.58	-
	Total	84,937.94	74,516.82
Revenue from contract with customers differ from the revenue as per contracted price due to factors such as taxes recovered, volume rebate, discounts, etc.			
24	OTHER INCOME	Year ended 31st March, 2025	Year ended 31st March, 2024
	Interest Income		
	On Term Deposits	86.45	35.76
	On Others	135.72	92.00
	Insurance Claim	-	6.09
	Net Gain on foreign currency transactions	147.42	101.10
	Profit on Sale Of Fixed Assets	-	273.55
	Miscellaneous Income	105.59	4.33
	Total	475.18	512.82
25	COST OF RAW MATERIALS CONSUMED	Year ended 31st March, 2025	Year ended 31st March, 2024
	Inventory at the beginning of the year	3,229.42	1,817.30
	Add: Purchases of Raw Material	70,043.50	62,148.00
	Less: Inventory at the end of the year	5,012.09	3,229.42
	Total	68,260.83	60,735.88
26	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	Year ended 31st March, 2025	Year ended 31st March, 2024
	Inventory at the beginning of the year		
	a. Finished Goods	5,409.14	4,595.97
	b. Work in Process	-	-
	Inventory at the end of the year		
	a. Finished Goods	4,422.95	5,409.14
	b. Work in Process	-	-
	Total (Increase) / Decrease in Inventories	986.19	(813.17)
27	EMPLOYEE BENEFIT EXPENSES	Year ended 31st March, 2025	Year ended 31st March, 2024
	Salaries, Bonus and incentives	1,097.43	1,055.21
	Contribution to Provident and other funds (Refer note-32)	43.59	35.61
	Gratuity Expenses (Refer note- 32)	39.07	32.81
	Staff welfare expenses	19.46	22.14
	Total	1,199.55	1,145.78

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Notes on Financial Statements for the year ended 31st March, 2025
 (All amounts are in ₹ Lakhs except unless otherwise stated)

28	FINANCE COST	Year ended 31st March, 2025	Year ended 31st March, 2024
	Interest expense on Working Capital Loans	42.27	126.78
	Interest expense on Term Loans	920.88	628.38
	Interest expense on Others	254.34	126.36
	Other Borrowing Costs	140.52	238.05
	Total	1,358.02	1,119.58

29	OTHER EXPENSES	Year ended 31st March, 2025	Year ended 31st March, 2024
	Job work and Labour charges	1,342.50	1,633.08
	Power & Fuel	3,673.28	3,021.43
	Stores, Spares and Packing Material Consumed	5,322.08	5,113.55
	Legal & Professional Charges (refer note (i) below)	44.29	34.92
	Auditor Remuneration (refer note (i) below)	9.00	5.00
	Freight and transport charges	582.54	525.16
	Insurance Charges	135.09	100.49
	Printing, Stationery and Communication Expenses	3.08	4.41
	Travelling and Conveyance Expenses	42.60	42.73
	Rates and taxes	79.71	50.96
	Repairs & Maintenance		
	-Plant and machinery	16.71	9.49
	-Building	6.73	1.86
	-Others	15.25	8.12
	Provision for doubtful debts	-	1.32
	Security Charges	61.37	51.40
	Miscellaneous Expenses	203.93	109.93
	Total	11,538.17	10,713.88

(i)	Breakup of Auditor's Remuneration	Year ended 31st March, 2025	Year ended 31st March, 2024
	Payment of Auditors as		
	-For Statutory Audit	9.00	4.00
	-For Tax Audit	1.50	1.00
	-For Other Services	0.59	0.66
	Total	11.09	5.66

30. Contingent Liabilities

The Company has Rs. NIL contingent liabilities for the period ending March 31, 2025 (Rs. Nil for the period ending March 31, 2024)

31. Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

(Rs. In Lakhs)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Property, Plant and Equipments	10,483.31	701.04
Less: Capital advances and CWIP	(338.65)	(402.47)
Net Capital commitments	10,144.66	298.57

32. Assets and liabilities relating to Employee Benefits

See accounting policy in Note 1.(h)
For details about the related employee benefit expenses, see Note 27

A. Defined Contribution Plan:

The Company's defined contribution plans are superannuation, employees state insurance scheme and provident fund administered by Government since the Company has no further obligation beyond making the contributions.

The expenses recognised during the year towards defined contribution plans are as detailed below:

(Rs. In Lakhs)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Provident Fund and other Funds	43.59	35.61
Total (included in Note 27 - 'Contribution to provident and other funds')	43.59	35.61

B. Defined Benefit Obligation:

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972/ Company policy. Employees who are in continuous service for a period of 5 years or more are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employee's last drawn salary per month computed proportionately as per the Payment of Gratuity Act, 1972/ Company policy multiplied for the number of years of service.

RAJ RAYON INDUSTRIES LIMITED
Notes on Financial Statements for the year ended 31st March, 2025
(All amounts are in ₹ Lakhs except unless otherwise stated)

The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:

Actuarial study analysis	Gratuity	
	Year ended March 31, 2025	Year ended March 31, 2024
Principal actuarial assumptions		
Discount rate	6.55%	7.20%
Range of compensation increase	7.00%	7.00%
Withdrawal Rate:		
- 25 & Below	30.00%	10.00%
- 25 to 35	30.00%	8.00%
- 35 to 45	30.00%	6.00%
- 45 to 55	20.00%	4.00%
- 55 and above	20.00%	2.00%

Actuarial study analysis	Gratuity	
	Year ended March 31, 2025	Year ended March 31, 2024
Components of income statement charge		
Current service cost	15.52	13.74
Interest cost	1.38	0.50
Recognition of past service cost		
Immediate recognition of (gain)/losses	16.90	14.24
Settlement/curtailment/termination loss		
Total charged to statement of profit or loss	16.90	14.24
Total charged to Retained Earnings	-	-
Movements in net liability/(asset)		
Net liability at the beginning of the year	19.16	6.65
Employer contributions		
Total expense recognised in the statement of profit or loss	16.90	14.24
Total expense recognised in the Retained Earnings		
Total amount recognised in OCI	(17.57)	(1.72)
Net liability at the end of the year	18.49	19.16
Obligation at start of the year	19.16	6.65
Current service cost	15.52	13.74
Net Interest cost	1.38	0.50
Re-measurements of defined benefit plans	(17.57)	(1.72)
Benefits paid directly by the Group		-
Defined benefits obligations at the end of the year	18.49	19.16
Re-measurements of defined benefit plans		
Actuarial gain/(loss) due to changes in demographic assumptions	(14.67)	-

Actuarial gain/(loss) due to changes in financial assumptions	0.64	0.71
Actuarial gain/(loss) on account of experience adjustments	(3.53)	(2.43)
Total actuarial gain/(loss) recognised in OCI	(17.57)	(1.72)

Sensitivity analysis of significant assumptions

- C. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.
- D.

Sensitivity of DBO, Service Cost, and P&L Account	Gratuity			
	Year ended March 31, 2025		Year ended March 31, 2024	
	% increase in DBO	Liability	% increase in DBO	Liability
Discount rate				
+ 0.5% discount rate	-2.66%	18.01	-6.04%	18.01
- 0.5% discount rate	2.77%	19.01	6.61%	20.43
Salary increase				
+ 0.5% salary growth	2.64%	18.98	5.60%	20.24
- 0.5% salary growth	-2.56%	18.02	-5.28%	18.15
Withdrawal rate (W.R.) Sensitivity				
+ 110% X W.R.	-8.72%	16.88	-1.70%	18.84
+ 90% X W.R.	9.34%	20.22	1.85%	19.52

Note:
 Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.
 The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors as supply and demand in the employment market.

33. Related party disclosures as per Ind AS 24

Names of Related Parties and Description of Relationships

- a. **Holding Company**
 SVG Fashions Pvt Ltd
 - b. **Key Management Personnel:**
 Sandiip Satyanarayan Agarwwal (Whole-Time Director and CFO)
 Rajkumar Satyanarayan Agarwal
 Chintan Mukesh Dharod (Company Secretary)
 - c. **Non-Executive Directors**
 Sapna Rajkumar Agarwal
- Non-Executive Independent Directors**
- Vinodkumar Bajranglal Dalmia
 Ramesh Chandra Agarwal (Upto 09-11-2023)
 Kailashnath Jeevan Koppikar (Appointment w.e.f. 07-02-2022)
 Mrs. Supriya Mahesh Pujari (Appointment w.e.f. 27-05-2023)

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Notes on Financial Statements for the year ended 31st March, 2025
(All amounts are in ₹ Lakhs except unless otherwise stated)

- d. **Relatives of Key Management Personnel:**
Satyanaryan Agarwal
Harshvardhan Rungta
Rricha Agarwwal
Yashovardhan Agarwal

- e. **Entities where KMP/ Individual has control/ Significant Influence**

Binaykia Synthetics Limited
Deepak Synthetics Private Limited
Sunflag Filaments Limited
Rajwada Silk Mills LLP
Venkateshwer Udyog & Finance Private Limited
Seth Industries Private Limited
Kiran Print Pack Limited

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 Notes on Financial Statements for the year ended 31st March, 2025
 (All amounts are in ₹ Lakhs except unless otherwise stated)

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

(Rs. In Lakhs)										
Particulars	As at March 31, 2025					As at March 31, 2024				
	Referred in (a) above	Referred in (b) above	Referred in (c) above			Referred in (a) above	Referred in (b) above	Referred in (c) above	Referred in (d) above	Referred in (e) above
A. Transactions with related parties										
Sale of goods or services		-		-	-		-	-	-	
-SVG Fashions Pvt Ltd	3,686.49					2,282.12				
-Sunflag Filaments Limited										0.02
Purchase of goods or services		-	-	-			-	-	-	
-SVG Fashions Pvt Ltd	0.54					211.60				
-Sunflag Filaments Limited					157.11					480.74

Purchase of Property, Plant & Equipments	-	-	-	-		-	-	-	-	-
-Sunflag Filaments Limited					260.22					
Interest paid	-	-	-	-			-	-	-	-
-SVG Fashions Pvt Ltd					254.05	247.31				
Loan Taken		-	-	-	-		-	-	-	-
-SVG Fashions Pvt Ltd	3,307.00					3,628.00				
Loan Repaid		-	-	-	-		-	-	-	-
-SVG Fashions Pvt Ltd	5,119.53					2,618.82				
Reimbursement of Expenses		-	-	-	-		-	-	-	-
-SVG Fashions Pvt Ltd	14.65					11.54				
B. Outstanding balances with related parties										
Balance Receivables										

Trade Receivables		-	-	-	-		-	-	-	
-SVG Fashions Pvt Ltd	119.33					29.46				
-Sunflag Filaments Limited										0.02
Balance Payables										
Trade Payables	-	-	-	-		-	-	-	-	
-Sunflag Filaments Limited					3.54					148.55
Borrowings										
-SVG Fashions Pvt Ltd	3,234.83					4,818.72				
Other balances										
Corporate Guarantee										
-SVG Fashions Pvt Ltd	48,715.00					46,200.00				

3 Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm’s length transactions. There have been no guarantees provided or received for any related party receivables or payables. No balances in respect of the related parties has been provided for written off / written back, except what is stated above.

Related party relationship is as identified by the management and relied upon by the auditors.

RAJ RAYON INDUSTRIES LIMITED
Notes on Financial Statements for the year ended 31st March, 2025
(All amounts are in ₹ Lakhs except unless otherwise stated)

34 Segment Reporting

The Managing Director & CEO, and Executive Director & CFO are identified as Chief Operating Decision Maker of the Company. They are responsible for allocating resources and assessing the performance of the operating segments. Accordingly, they have determined “Textiles” as its operating Segment.

Thus the segment revenue, interest revenue, interest expense, depreciation and amortisation, segment assets and segment liabilities are all as reflected in the Financial Statement as at and for the year ended March 31, 2025.

Geographical Information

	(Rs. In Lakhs)	
a. Revenue from external customers	Year ended March 31, 2025	Year ended March 31, 2024
attributed to the Company’s country of domicile, India	84,937.94	74,516.82
attributed to all foreign countries	-	-
Total	84,937.94	74,516.82
b. Revenues from transactions with a customers exceeding 10% of the Company’s sales in current as well as previous year.		7,841.80

c. Non-current assets (excluding Deferred/ Current Tax and Financial Assets)	Year ended March 31, 2025	Year ended March 31, 2024
located in the Company’s country of domicile, India	31,728.94	22,549.18
located in all foreign countries	-	-
Total	31,728.94	22,549.18

35 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.
Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

i	Profit attributable to Equity holders of Company	(Rs. In Lakhs)	
	Particulars	As at March 31, 2025	As at March 31, 2024
	Profit attributable to equity share holders of the Company for basic and diluted earnings per share	1,393.76	405.59
ii	Weighted average number of ordinary shares	(Rs. In Lakhs)	
	Particulars	As at March 31, 2025	As at March 31, 2024
	Equity shares outstanding as at year end	5,560.82	5,560.82
	Weighted average number of shares as at year end for basic earnings per shares	5,560.82	5,560.82
	Weighted average number of shares as at year end for diluted earnings per shares	8,060.82	22.82
	Basic earnings per share	0.25	0.07
	Diluted earnings per share	0.17	0.05

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

36 Income tax		
A Current Tax		
The major component of income tax expense for the years ended 31st March, 2025 and 31st March, 2024 are as follows:		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(i) Tax expense recognised in the statement of profit and loss		
Current Tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	-
Total Current Tax Expense	-	-
Deferred Tax charge/ (credit) P&L	(554.26)	588.68
Total Deferred Tax Expense	(554.26)	588.68
Income tax expense recognised in the statement of profit and loss	(554.26)	588.68
(ii) Tax expense recognised in OCI		
Deferred Tax:		
Deferred Tax expense on Re-measurement of defined benefit plans	4.42	0.43
Income tax expense recognised in the statement of profit and loss	(549.84)	589.11

The details of Income tax Assets / Liabilities are as follows:-

Particulars	As at March 31, 2025	As at March 31, 2024
Advance Income Tax (Net of Provision for Tax)	93.23	80.63
Tax Payable (Net of Advance Tax & TDS)	-	-
Net Income Tax Liability at the end of the year	93.23	80.63

B Deferred Tax
 Components of Deferred tax (assets) and liabilities recognized in the financial statements of the Company are as follows:

Particulars	Balance Sheet as at		Statement of Profit & Loss and OCI for the year ended on	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Allowances for Doubtful debt and Advances	0.72	0.91	(0.19)	0.33
Carry Forward Losses	866.54		866.54	
Provision for Employee Benefits	4.66	4.82	4.25	3.58
Depreciation	(889.82)	(557.38)	(332.43)	(590.45)
Borrowings	(5.40)	(21.49)	16.09	(2.14)
Deferred tax expense / (income)			554.26	(588.68)
Net Deferred tax liabilities	(23.30)	(573.13)		-
Refelcted in the balance sheet as follows				
Deferred tax liabilities	(895.21)	(578.87)		-
Deferred tax assets	871.92	5.74		-
Deferred tax assets (net)	(23.30)	(573.13)		-

37 Fair Value Measurement

Financial instruments

The details of significant accounting policies, including criteria for recognition, the basis of measurement and the basis on which income and expenditure are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1.

A Calculation of fair values

The fair values of the financial assets and liabilities are defined as 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 following methods and assumptions were used to estimate the fair values of financial instruments:

- i. The fair value of the long-term borrowings carrying floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts as there is no significant change in the under-lying credit risk of the Company (since the date of inception of the loans).
- ii. Cash and cash equivalents, trade receivables, other financial assets, trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

Financial Assets and Liabilities

The accounting classification of each category of financial instruments, and their carrying amounts are set out as below:

a. Financial Assets

(Rs. In Lakhs)						
Instruments carried at fair value	FVOCI (Equity instruments)	FVOCI (Other instruments)	FVTPL	Instruments carried at amortized cost*	Total Fair Value	Total Carrying Value
As at March 31, 2025						
(i) Other Non-current financial assets	-	-	-	131.09	131.09	131.09
(ii) Trade receivables	-	-	-	2,857.92	2,857.92	2,857.92
(iii) Cash and cash equivalents	-	-	-	802.81	802.81	802.81
(iv) Other Balances with Banks	-	-	-	1.21	1.21	1.21
Total	-	-	-	3,793.02	3,793.02	3,793.02
As at March 31, 2024						
(i) Other Non-current financial assets	-	-	-	12.86	12.86	12.86
(ii) Trade receivables	-	-	-	3,630.80	3,630.80	3,630.80
(iii) Cash and cash equivalents	-	-	-	702.95	702.95	702.95
(iv) Other Balances with Banks	-	-	-	2,245.92	2,245.92	2,245.92
Total	-	-	-	6,592.52	6,592.52	6,592.52

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

b. Financial Liabilities				(Rs. In Lakhs)
Instruments carried at fair value	Fair value through profit & loss	At amortized cost*	Total carrying amount	Total Fair Value
As at March 31, 2025				
(i) Borrowings	-	23,743.34	23,743.34	23,743.34
(ii) Trade payables	-	12,918.51	12,918.51	12,918.51
Total	-	36,661.85	36,661.85	36,661.85
As at March 31, 2024				
(i) Borrowings	-	17,632.64	17,632.64	17,632.64
(ii) Trade payables	-	12,116.22	12,116.22	12,116.22
Total	-	29,748.86	29,748.86	29,748.86

*The carrying value and fair value approximation, if any.

c. Fair value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The categories used are as follows:

- **Level 1:** It includes financial instruments measured using quoted prices and the mutual funds are measured using the closing Net Asset Value (NAV).
- **Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The below table summarises the categories of financial assets and liabilities as at 31st March, 2025 and 31st March, 2024 measured at fair value:

As at March 31, 2025	Level 1	Level 2	Level 3	Total
Liabilities measured at FVTPL				
Financial guarantee contract	-	-	77.16	77.16
As at March 31, 2024	Level 1	Level 2	Level 3	Total
Liabilities measured at FVTPL				
Financial guarantee contract	-	-	43.91	43.91

38 Financial risk management

The Company’s Board of Directors has overall responsibility for the establishment and oversight of the Company’s risk management framework.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk; and
- Interest rate risk

(A) Credit risk

Credit risk arises from the possibility that the value of receivables or other financial assets of the Company may be impaired because counterparties cannot meet their payment or other performance obligations.

RAJ RAYON INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March, 2025

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To manage credit risks from trade receivables other than Related Party, the credit managers from Order to Cash department of the Company regularly analyse customer's receivables, overdue and payment behaviours. Some of these receivables are collateralised and the same is used according to conditions. These could include advance payments, security deposits, post-dated cheques etc. Credit limits for this trade receivables are evaluated and set in line with Company's internal guidelines. There is no significant concentration of default risk.

Credit risks from financial transactions are managed independently by Finance department. For banks and financial institutions, the Company has policies and operating guidelines in place to ensure that financial instrument transactions are only entered into with high quality banks and financial institutions. The Company had no other financial instrument that represents a significant concentration of credit risk.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through out each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in statement of profit & loss.

Credit risk is managed at Company level.

For other financial assets, the Company assesses and manages credit risk based on internal control and credit management system. The finance function consists of a separate team who assess and maintain an internal credit management system. Internal credit control and management is performed on a Company basis for each class of financial instruments with different characteristics.

The Company considers whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers available reasonable and supportive forward-looking information.

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) are also considered as part of the internal credit management system.

A default on a financial asset is when the counterparty fails to make payments as per contract. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

The Company measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, no additional provision has been considered necessary in respect of trade receivables more than 90 days for the 31st March 2025, since the management has taken suitable measures to recover the said dues and is hopeful of recovery in due course of time.

"The Company maintains exposure in cash and cash equivalents, deposits with banks, investments, and other financial assets. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Management of the Company. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company believes that the current value of trade receivables reflects the fair value/recoverable values.

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation. Due to the dynamic nature of underlying businesses, the Company maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecast of Company’s liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, the company’s liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. "

Maturities of financial liabilities

The tables below analyse the company’s financial liabilities into relevant maturity groupings based on their contractual maturities for: all non-derivative financial liabilities, and the amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(Rs. In Lakhs)

	As at March 31, 2025			As at March 31, 2024		
	Carrying amount	Contractual cash flows		Carrying amount	Contractual cash flows	
		Upto 1 year	More than 1 year		Upto 1 year	More than 1 year
Non-derivative financial liabilities						
Term Loans	18,011.87	2,040.00	15,971.87	11,694.83	2,040.00	9,654.83
Short Term Borrowings	5,731.48	5,731.48	-	5,937.81	5,937.81	-
Trade and Other Payables	12,918.51	12,918.51	-	12,116.22	12,116.22	-
Other Financial Liabilities	1,018.41	1,018.41	-	893.81	893.81	-

(C) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

The Company is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest rate risk and market value of its investments. Thus the Company’s exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies. "

(i) Foreign Currency Risk

Foreign currency opportunities and risks for the Company result from changes in exchange rates and the related changes in the value of financial instruments (including receivables and payables) in the functional currency (INR). The Company is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to US Dollar(USD).

The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company has put in place a Financial Risk Management Policy to Identify the most effective and efficient ways of managing the currency risks. "

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Exposure to currency risk
 The currency profile of financial assets and financial liabilities are as below:

(Rs. In Lakhs)				
	As at March 31, 2025		As at March 31, 2024	
	JYP (in Rupees)	USD (in Rupees)	EURO (in Rupees)	USD (in Rupees)
Financial Assets				
Trade Receivables	-	-	-	-
Total	-	-	-	-
Financial Liabilities				
	-	-	96.68	1,735.85
Total	-	-	96.68	1,735.85

The following significant exchange rates have been applied during the year.

Currency	Year-end Spot rate	
	March 31, 2025	March 31, 2024
USD	87.30	84.00
JPY	0.59	0.56
EURO	-	-

Sensitivity analysis

The following table details the Company’s sensitsivity to a 25 basis points increase and decrease in the Rupee against the relevant foreign currencies is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the net exposure outstanding on receivables or payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 0.25% change in foreign currency rate. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalised to fixed assets or recognised directly in reserves, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

(Rs. In Lakhs)				
	Year ended March 31, 2025		Year ended March 31, 2024	
	0.25% increase	0.25% increase	0.25% increase	0.25% decrease
USD	-	-	(4.34)	4.34
JYP	-	-	(0.24)	0.24

(D) Cash flow and fair value interest rate risk

- Interest rate risk management:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company’s exposure to the risk of changes in market rates relates primarily to the Company’s long-term debt obligations with floating interest rates.

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The Company’s approach to managing interest rate risk is to have a judicious mix of borrowed funds with fixed and floating interest rate obligation. Moreover, the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure.

The Company is also exposed to interest rate risk on its financial assets that includes fixed deposits, since the same are generally for short duration, the Company believes it has manageable risk and achieving satisfactory returns. The Company also has long - term fixed interest bearing assets. However the Company has in place an effective system to manage risk and maximise return.

- Interest rate risk exposure:

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	(Rs. In Lakhs)	
	As at March 31, 2025	As at March 31, 2024
Fixed-rate instruments		
Financial assets	0.41	2,245.12
Financial liabilities	18,011.87	11,694.83
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	5,731.48	5,937.81
Total	23,743.75	19,877.76

- Interest rate sensitivity

Interest rate sensitivity

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. In cases where the related interest rate risk is capitalised to fixed assets, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets.

(iii) Price Risk

The Company's exposure to price risk arises from investment in mutual funds and classified in the balance sheet as fair value through profit and loss. Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However, due to very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

39. Capital management

(a) Risk management

The Company's objectives when managing capital are to:

1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, reduce debt or sell assets."

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The gearing ratios were as follows:
 (Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Interest bearing loans and borrowings (note 16 and note 18)	23,743.34	17,632.64
(b) Less: cash and bank balance (including other bank balance and book overdraft)	(804.01)	(2,948.87)
(c) Net debt (a) - (b)	22,939.33	14,683.77
(d) Equity share capital (note 13)	5,560.82	5,560.82
(e) Other equity (note 15)	4,186.27	2,759.26
(f) Total capital (d) + (e)	9,747.10	8,320.09
(g) Total capital and net debt (c) + (f)	32,686.43	23,003.86
 (h) Gearing ratio (c)/(g)	 0.70	 0.64

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Sr. No.	Particulars	Numerator	Denominator	31st March, 2025	31st March, 2024	% variance	Explanation for change in ratio for more than 25%
1	Current ratio (in times)	Current Assets	Current Liabilities	0.83	0.93	-10%	
2	Debt – Equity Ratio (In times)	Total Debt	Shareholder’s Equity	1.94	1.63	19%	
3	Debt Service Coverage Ratio (In times)	Earnings available for debt service	Interest expenses (on long term borrowings)+ Principal repayments made during the year for long term loans)	0.76	1.17	-35%	Change is on account of increase in borrowings in current year
4	Return on Equity (%)	Net profit after tax and before exceptional items	Average Shareholder’s Equity	3.02%	1.87%	61%	Ratios has improved due to increase in business profits
5	Inventory Turnover (In times)	Cost of goods sold = Cost of material consumed + Change in inventory	Average Inventory	6.56	6.79	-3%	

6	Trade receivables turnover ratio (In times)	Revenue from operations	Average trade receivables	26.18	25.10	4%	
7	Trade payables turnover ratio (In times)	Net Credit Purchase s	Average trade payables	5.60	6.35	-12%	
8	Net profit ratio (%)	Net profit after tax before exceptional items	Revenue from operations	1.63%	0.54%	202%	Due to increase in Revenue & Profit as compared to previous year.
9	Net capital turnover ratio (No.of days)	Revenue from operations	Working Capital excl. Curr Mat of LTB	(23.60)	(49.85)	-53%	Due to increase in Revenue & Profit as compared to previous year.
10	Return on capital employed (%)	Earnings before Interest, tax and exceptional items	Average Capital Employed)	8.86%	11.01%	-20%	
11	Return on investment (%)	Dividend Income+ Profit/Loss/Fair Value Gain on Quoted Invst	Avg Market Value of Quoted Invst	0.00%	0.00%	0%	

41 Additional Regulatory Disclosures As Per Schedule III Of Companies Act, 2013

Additional Regulatory Information pursuant to Clause 6L of General Instructions for preparation of Balance Sheet as given in Part I of Division II of Schedule III to the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Financial Statements.

- a. The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- b. The Company does not have any transactions with companies which are struck off
- c. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- d. The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- e. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
 - i. 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
 - ii. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- f. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - i. 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
 - ii. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- g. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- h. The Company is not declared wilful defaulter by any bank or financial institution or lender during the year.
- i. The Company has Fund-based and Non-fund-based limits of Working Capital from a Bank. For the said facility, the revised submissions made by the Company to its banker based on closure of books of account at the year end, the revised quarterly returns or statements comprising stock statements, book debt statements, credit monitoring arrangement reports, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information filed by the Company with such bank are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.
- j. The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at Balance sheet date.

42 Audit Trail

With effect from April 1, 2023, the Ministry of Corporate Affairs (MCA) has made it mandatory for every company incorporated in India, which uses accounting software for maintaining its books of account, to use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company has been maintaining its books of accounts in the SAP which has feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, throughout the year as required by proviso to sub rule (1) of rule 3 of The Companies (Accounts) Rules, 2014 known as the Companies (Accounts) Amendment Rules, 2021. However, the audit trail feature is not enabled for direct changes to data in the underlying database. The Company as per its policy has not granted privilege access for change to data in the underlying database as evident from the manual log being maintained in this regard and

further privilege access rights to application are restricted only to specific authorised users for which audit trail exists.

Further, we did not come across any instance for the periods where audit trail (edit log) facility was enabled and operated for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

43 Events occurring after the reporting period

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements.

44 Certain financial assets and financial liabilities are subject to formal confirmations and reconciliations, if any. The management, however, is confident that the impact whereof for the year on the financial statements will not be material.

45 Previous year figures have been re-grouped /re-classified wherever necessary to conform current years' classification.

For Bagaria & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 113447W/W-100019

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

Mohak Goel
Partner
Mem. No. 159883
Mumbai
May 29, 2025

Rajkumar Agarwal
Managing Director
DIN: 00395370
May 29, 2025
Mumbai

Sandiip Agarwwal
WTD & CFO
DIN: 00395348
May 29, 2025
Mumbai

Chintan Dharod
Company Secretary
May 29, 2025
Mumbai