



RAJ RAYON INDUSTRIES LIMITED

(A Government Recognised Star Export House)



Corporate Off. : 5C/196 & 197, AKSHAY MITTAL INDUSTRIAL ESTATE, SAKINAKA, ANDHERI (E), MUMBAI-400 059 (INDIA)
☎ : +91 - 22 - 4034 3434 ● Fax : +91 - 22 - 4034 3400 ● E-mail : mumbai@rajrayon.com ● Website : www.rajrayon.com
CIN NO. : L17120DN1993PLC000368

Date: 19/09/2019

To,

The Secretary BOMBAY STOCK EXCHANGE LIMITED P J Towers Dalal Street, Fort, Mumbai 400 001	NATIONAL STOCK EXCHANGE OF INDIA LIMITED Listing Department Exchange Plaza, 5 th Floor, Bandra-kurla Complex, Bandra (East), Mumbai - 400 051.
Company Code No. : 530699	Company Code : RAJRAYON

Dear Sir,

Sub.: Notice of Annual General Meeting.

This is to informed you that 26th Annual General Meeting of the members of Raj Rayon Industries Limited will be held on Monday, September 30, 2019 at 10.00 a.m at Hotel Green Wood, Naroli Road, Opp DSB Bank Sillvassa 396230

The above is for your information and dissemination to all the stakeholders.

For RAJ RAYON INDUSTRIES LIMITED

Kanodia SN

(SUSHIL KUMAR KANODIA)
CEO CFO





RAJ RAYON INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 26th **Annual General Meeting** of the members of **Raj Rayon Industries Limited** will be held on Monday, September 30, 2019 at 10.00 a.m at Hotel Green Wood, Naroli Road, Opp DSB Bank Sillvassa 396230 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2019 and the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To Appoint Auditors of the Company

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 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. Chaturvedi & Patel Chartered Accountant Firm registration no.: 121351W), be and is hereby appointed as Auditors of the Company for FY 2018-19 to fill the casual vacancy caused by resignation of /s. H Rajan & Co. Chartered Accountant Firm registration no.: 108351W and to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the AGM of the Company to be held for the financial year 2023-24 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

3. 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 Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the Company hereby approves the appointment and remuneration of Mr. Mayadhar Ravindar Mahakud (DIN: 08340476), as the Managing Director of the Company for Three years with effect from 17/04/2019 upto 16/04/2022, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter refer to as ‘the Board which term shall be deemed to include Nomination & Remuneration Committee of the Board’) to alter and vary the terms and conditions of the said appointment/remuneration in such manner as may be agreed to between the Board and Mr. Mayadhar Ravindar Mahakud (DIN: 08340476)



RAJ RAYON INDUSTRIES LIMITED

“RESOLVED FURTHER THAT notwithstanding anything herein, where in any financial year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may subject to receipt of the requisite approvals including approval of Central Government, if any, pay to the Managing Director the above remuneration as the minimum remuneration by way of salary, perquisites, performance pay, other allowances and benefits as aforesaid and that the perquisites pertaining to contribution to provident fund, superannuation fund or annuity fund, gratuity and leave encashment shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of part II of Schedule V of the Act or any statutory act(s), rule(s), regulation(s), notification(s), modification(s), enactment(s) thereof.”

“RESOLVED FURTHER THAT the Board and / or Committee be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

**By order of the Board of Directors
Sd/-**

Place: Mumbai

Date: 27/07/2019

Registered Office:

SURVEY NO 177/1/3,

VILLAGE SURANGI

SILVASSA DN 396230 IN

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY(S) TO ATTEND AND VOTE (ON POLL) INSTEAD OF HIMSELF AND A PROXY(S) NEED NOT BE A MEMBER OF THE COMPANY.
2. Pursuant to the provisions of section 105 of the Companies, a person can act as proxy on behalf of not more than 50 (fifty) members and holding in aggregate not more than 10% (ten per) of the total share capital of the Company. However, a member holding more than 10% (ten percent) of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member.
3. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Notice. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.



RAJ RAYON INDUSTRIES LIMITED

4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Special Business of the meeting is annexed as Annexure I to the Notice.
6. The Notice of the Annual General Meeting along with the Annual Report 2018-2019 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. A copy of the notice of the AGM along with the Annual Report is also available for download on the website of the Company www.rajrayon.com. To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with the Company's registrar and transfer agents, M/s. Link Intime India Private Limited / Depositories.
7. Register of Members and the Share Transfer Books of the Company will remain closed between 21/09/2019 to 30/09/2019 (both days inclusive).
8. Pursuant to provisions of Section 124 (Section 205A of the erstwhile companies act, 1956) and section 125 and other applicable provisions, if any of the companies act, 2013, the dividend which remains unclaimed for a period of seven years, transferred by the company to the Investor Education and Protection Fund (IEPF).
9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
11. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013 will be available for inspection by Members at the AGM.
12. Voting through electronic means (e-voting):
Due to non-payment of NSDL and CDSL charges the company not able to provide e-voting facility to the members but all can vote at the venue of AGM
13. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 21/09/2019.



RAJ RAYON INDUSTRIES LIMITED

14. Ms. Riddhi Shah, Practicing Company Secretary, Mumbai has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
15. At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, order voting through ballot paper for all those members who are present but have not cast their votes electronically using the remote e-voting facility.
16. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favor of or against, if any, not later than three days after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorised by the Chairman, shall declare the result of the voting forthwith.
17. The Result along with the Scrutinizer's Report shall be placed on the Company's website: www.rajrayon.com and on the website of CDSL immediately after the result is declared by the Chairman or any other person authorised by Chairman, and the same shall be communicated to the BSE.
18. All documents referred to in the accompanying notice and explanatory statements are open for inspection at the registered office of the Company on all working days between 10.30 a.m. and 1.00 p.m., up to the date of the AGM.
19. The members are requested to note:
 - i. Change of Address/ Bank Details: Members holding shares in physical form are requested to inform M/s. Link Intime India Private Limited (Company's Registrar & Transfer Agent), immediately of any change in their address and bank details. Members holding shares in dematerialized form are requested to intimate all changes with respect to their address, bank details, mandate etc. to their respective Depository Participants. These changes will then be automatically reflected in the Company's records. This will help the Company to provide efficient and better service to the members.
 - ii. Section 72 of the Companies Act, 2013, provides for Nomination by the Shareholders of the Company in the prescribed Form No. SH-13 for shares held in physical form. Blank forms will be supplied by M/s. Link Intime India Private Limited on request. Members holding shares in dematerialized form may contact their respective Depository Participants for recording of nomination.
 - iii. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the Meeting.
 - iv. Members attending the Annual General Meeting are requested to bring with them the followings (as applicable):
 - a) Members holding shares in dematerialized form, their DP & Client ID Numbers.



RAJ RAYON INDUSTRIES LIMITED

- b) Members holding shares in physical form their folio numbers.
- c) Copy of the Annual Report & Notice.
- d) The Attendance slip duly completed as per the specimen signature lodged with the Company.
- e) Member Companies/Institutions are requested to send a copy of the resolution of their Board/ Governing Body,



RAJ RAYON INDUSTRIES LIMITED

Annexure -I

Explanatory Statement

The following explanatory statement, pursuant to Section 102 of the Companies Act, 2013 ('the Act'), sets out all material facts relating to the business mentioned at the accompanying Notice dated 27/07/2019.

ITEM NO. 3

The Board of Directors at their meeting held on 17/04/2019 based on the recommendation of Nomination & Remuneration Committee had approved the appointment of Mr. Mayadhar Ravindar Mahakud (DIN: 08340476) as Managing Director (MD) of the Company for a period of Three years, with effect from 17/04/2019 to 16/04/2022, subject to the approval of the members and he being non liable to retire by rotation.

The Company has received from Mr. Mayadhar Ravindar Mahakud (DIN: 08340476), (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act.

The profile and specific areas of expertise of Mr. Mayadhar Ravindar Mahakud (DIN: 08340476), as MD are as follows:

I. Tenure of appointment

For a period of three years commencing on 17/04/2019 to 16/04/2022.

II. Nature of Duties

The MD shall devote his whole time and attention to the business of the Company and exercise such powers and carry out such duties as may be entrusted to him by the Board from time to time, subject to superintendence, control and direction of the Board in and in the best interest of the business of the Company and the business of any one or more of its subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards of such subsidiaries or any other executive body or any committee of such company.

III. Remuneration

All inclusive salary of Rs. 3,00,000 p.a. which includes all benefits and reimbursements as may be permitted under the applicable tax laws.

The remuneration would be subject to annual review by the Board.



RAJ RAYON INDUSTRIES LIMITED

IV. Performance Incentive

As may be determined by the Board or its Committee thereof in each year.

V. Perquisites

- a. Medical insurance coverage for self and family as per the rules of the Company.
- b. Preventive medical check-up for self as per the policy of the Company.
- c. Term Insurance Policy as per policy of the Company.
- d. Employees Stock Options - As may be decided by the Nomination & Remuneration Committee / Board of Directors from time to time.

VI. Other terms and conditions

- a. The terms & conditions of the appointment of MD may be altered and varied from time to time by the Board of Directors of the Company as it may, in its absolute discretion deem fit, so as not to exceed the limits as specified in Schedule -V of the Companies Act, 2013 or any amendments made hereafter.
- b. The appointment may be terminated by giving three months notice on either side or payment in lieu of notice.
- c. The employment of MD may be terminated by the Company without notice or payment in lieu of notice:
 - i. if the MD is found guilty of any gross negligence ,default or misconduct in connection with or affecting the business of the Company ; or
 - ii. in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by the MD of any of the stipulations contained in the appointment letter to be issued by the Company to the MD; or
 - iii. in the event the Board expresses its loss of confidence in the MD.
- d. In the event the MD is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.
- e. Upon the termination by whatever means of the MD 's employment:
 - i. The MD shall immediately tender his resignation from office held by him in any subsidiaries companies and other entities without claim for compensation for loss of office;



RAJ RAYON INDUSTRIES LIMITED

- ii. The MD shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of the subsidiaries.
- f. He shall not be paid any sitting fee for attending the meetings of Board of Directors or Committee thereof.
- g. He shall not be liable to retire by rotation.
- h. He shall abide by the Code of Conduct applicable to the Board Members of the Company.

He is not related to any of the Directors and Key Managerial Personnel of the Company.

The Board of Directors recommend passing of the resolution set out in item No. 3 of the accompanying notice.

Except Mr. Mayadhar Ravindar Mahakud (DIN: 08340476), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Brief profile of Mr. Mayadhar Ravindar Mahakud

He is 10th Passed looking the General purchase in private company.

Information on Directors being appointed/re-appointed as required under Regulation 36 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards- 2 on General Meetings:

Name of the Director	Mr. Mayadhar Ravindar Mahakud
Date of Birth	28/10/1971
Date of appointment on the board	28/01/2019
Number of shares held in the company	NIL



RAJ RAYON INDUSTRIES LIMITED

Number of Meetings of the Board attended/ held	1/1
Directorships held in other public companies (excluding foreign companies and Government Bodies)	NIL
Chairman/ member in the committees of the boards of companies in which he is Director (includes only Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee)	Audit Committee NIL Stakeholders' Relationship Committee NIL Nomination and Remuneration Committee NIL



RAJ RAYON INDUSTRIES LIMITED

ATTENDANCE SLIP
(To be presented at the entrance)

Regd. Folio No./Client ID No. _____

No. of shares held _____

FOLIO NO/DP ID-CLIENT ID: _____

I certify that I am a Member/Proxy for the member of the Company. I hereby record my presence at 26th ANNUAL GENERAL MEETING of the **Raj Rayon Industries Limited**, held on Monday, 30th September, 2019 at 10.00 a.m at Hotel Green Wood, Naroli Road, Opp DSB Bank Silvassa 396230.

Member's/ Proxy's name in BLOCK Letters
Member/Proxy

Signature of

NOTE : Please fill up this attendance slip and hand it over at the entrance of the venue for the meeting. Members are requested to bring their copies of the Annual Report to the meeting.

FORM NO. MGT.11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L17120DN1993PLC000368

Name of the company : **RAJ RAYON INDUSTRIES LIMITED**

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

Name of the member (s):	
Registered address:	
E-mail Id:	
Folio No/ Client Id:	
DP ID:	

I/We, being the member(s) of shares of the above named company, hereby appoint

- Name:
Address:
E-mail Id:



RAJ RAYON INDUSTRIES LIMITED

- Signature: _____, or failing him
2. Name:
Address:
E-mail Id:
Signature: _____, or failing him
3. Name:
Address:
E-mail Id:
Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual general meeting of the company, to be held on Monday, September 30, 2019 at 10.00 a.m at Hotel Green Wood, Naroli Road, Opp DSB Bank Sillvassa 396230 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	For	Against
1	Adoption of Annual Accounts and Reports thereon for the financial year ended 31 st March, 2019.		
2	To appoint M/s. Chaturvedi & Patel Chartered Accountant Firm registration no.: 121351W to fill the casual vacancy caused due to resignation of M/s. H Rajan & Co. Chartered Accountant Firm registration no.: 108351W as a statutory auditors for the term of five years		
3	Appointment of Mr. Mayadhar Ravindar Mahakud (DIN: 08340476), as Managing Director and approve the remuneration		

*Affix Revenue
Stamp*

Signed this day of 2019

Signature of shareholder

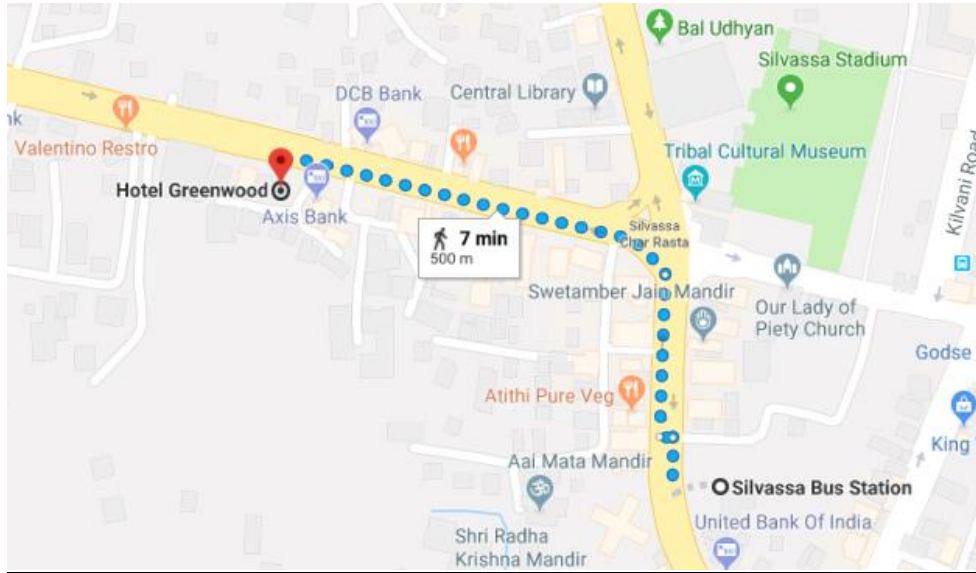
Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

MAP



RAJ RAYON INDUSTRIES LIMITED





RAJ RAYON INDUSTRIES LIMITED

26th ANNUAL REPORT
2018-2019

RAJ RAYON INDUSTRIES LIMITED
L17120DN1993PLC000368

“Spinning the Quality of Perfection”

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



RAJ RAYON INDUSTRIES LIMITED

Index

Sr. No	Particulars	Page Numbers
1.	Company Information	
2.	Notice of AGM	
3.	Directors Report	
4.	Annexures to Directors Report	
5.	Management Discussion Analysis	
6.	Corporate Governance Report	
7.	Auditors Report	
8.	Balance Sheet	
9.	Statement of Profit and Loss account	
10.	Cash Flow	
11.	Notes to accounts	



RAJ RAYON INDUSTRIES LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS:

Mrs. Rajkumari Kanodia
(Non Executive Chairperson & Director)
Mr. Mayadhar Ravindar Mahakud
(Managing Director)
Mr. Rajendraprasad Rampratap Sharma
(Independent Director)
Mr. Banti Parasar
(Independent Director)

Mr. Sushil Kumar Kanodia
(CEO & CFO)

Company Secretary

Mr. Nikunj Gatecha
(From 15/02/2019 till 23/04/2019)

REGISTERED OFFICE:

Survey No. 177/1/3,
Village - Surangi, Dist-Silvassa,
Dadra and Nagar Haveli (U.T.) - 396 230
(INDIA)
Tel: 7977290784
Website: www.rajrayon.com
Email: mumbai@rajrayon.com/
investors@rajrayon.com

CORPORATE OFFICE:

5- C, 196 & 197, "AKSHAY",
Mittal Industrial Estate, Sakinaka,
Andheri (East), Mumbai- 400 059,
Maharashtra (INDIA)
Tel: 7977290784
Website: www.rajrayon.com
Email: mumbai@rajrayon.com/
investors@rajrayon.com

PLANT LOCATIONS:

(i) Survey No. 272/1/1,
Plot No. 1, Village -Dadra,
Dadra-Demani Road, Dist-Silvassa,
Dadra & Nagar Haveli (U.T.) - 396 230
(INDIA)

SHARE TRANSFER AND DEMAT REGISTRARS:

M/S LINK INTIME INDIA PRIVATE
LIMITED
**C 101, 247 Park, LBS Rd, Surya Nagar,
Gandhi Nagar, Vikhroli West, Mumbai,
Maharashtra 400083**
Tel.: 022 - 4918 6000

AUDITORS:

M/s. Chaturvedi & Patel
Chartered Accountant
Firm registration no.: 121351W



RAJ RAYON INDUSTRIES LIMITED

BOARD'S REPORT

To
The Members,
RAJ RAYON INDUSTRIES LIMITED

Your Directors have pleasure in presenting 26th Annual Report of the Company together with the Audited Financial Statements of the Company for the year ended **31st March 2019**.

1. FINANCIAL RESULTS

Particular	For the financial year 2018-19 (Amount in Rs.)	For the financial year 2017-18 (Amount in Rs.)
Revenue from Operations	181598966	762704364.71
Other Income	1193844	4116590
Total Income	182792810	766820954.71
Less: Expenses	228055639.23	924165257.56
Less: Depreciation & Amortization Expenses.	366,963,719.67	369550630
Profit/ (Loss) before tax	(412226548.90)	(526894932.85)
Tax Expenses		
Tax adjustment for earlier years	NIL	30133
Profit/(Loss) after Tax	(412226548.90)	(526925065.85)

REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

During the financial year under review the Company has earned a total revenue of Rs. 182792810 /- as compared to the previous years' revenue of Rs. **766820954.71** /-. The Company has incurred a net loss of Rs. 412226548.90 /- as compared to the previous years' Net Loss of Rs. **526925065.85** /-. Your Directors are continuously looking for avenues for future growth of the company.

DIVIDEND:

In absence of profits for the year ended 31st March, 2019 and past accumulated losses, your directors do not recommend payment of any dividend for the year ended 31st March, 2019.

TRANSFER TO RESERVES:



RAJ RAYON INDUSTRIES LIMITED

In absence of profits for the year ended 31st March, 2019 and past accumulated losses, your directors does not recommend for transfer of any amount to reserves for the year ended 31st March, 2019

MDAR:

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

CORPORATE DEBT RESTRUCTURING (CDR):

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

Material changes and commitment affecting financial position between the end of the financial year and date of the report:

There have been no such material changes or commitments affecting the financial position from the end of the Financial Year 2018-2019 till date of this report, as may be deemed to be material enough to affect the financial position of the Company, otherwise than in the normal course of business.

MATTER LISTED WITH NCLT

One operational creditor (Khanna & Khanna Ltd.) has gone into Corporate Insolvency Resolution Process (CIRP) under the provisions of Insolvency & Bankruptcy Code, 2016 (Insolvency Code) in terms of order dated 29 May 2019 passed by Hon'ble NCLT, Ahmedabad Bench. However, the same stands withdrawn dated 28 June 2019 due to mutual consent.

Further the State Bank of India has filed the petition with NCLT Ahmedabad under section 7 of the Insolvency and Bankruptcy Code.

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.

SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:



RAJ RAYON INDUSTRIES LIMITED

Your Company does not have any subsidiary company or joint ventures Companies, and associate Company.

DEPOSITS

During the year under review, the Company has not accepted any deposits within the meaning of Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Hence there are no details to be disclosed under Rule 8(5) (v) of the Companies (Accounts) Rules, 2014.

STATUTORY AUDITORS:

M/s. Agarwal Desai & Shah., Chartered Accountants (Registration No. 124850W), had expressed their inability to continue as the Statutory Auditors of the Company, in view of their unforeseen circumstances and resigned as Auditors of the Company during the financial year under review.

The Company in terms of Section 139(8) of the Companies Act, 2013 took the consent of the members via postal ballot on 02/07/2018 and appointed M/s. Chaturvedi & Patel, Chartered Accountants (Firm Registration No. 121351W) as the Auditors of the Company for the financial year 2018-2019 to fill up the casual vacancy.

Pursuant to the provisions of section 139 and all other applicable provisions, if any of the Companies Act, 2013, and the rules framed thereunder, as amended from time to time, M/s. Chaturvedi & Patel, Chartered Accountants (Firm Registration No. 121351W) Membership No.: **175321** are to be appointed for the period of 5 years at the ensuing Annual General Meeting. Accordingly, the appointment of M/s. Chaturvedi &, Chartered Accountants (Firm Registration No. 121351W), as the Statutory Auditors of the Company to hold office from the conclusion of ensuing Annual General Meeting until the conclusion of the FY 2023-2024 of the Company.

The Notes on financial statements referred to in the Auditors Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

AUDITORS' OBSERVATION AND MANAGEMENT'S RESPONSE TO AUDITORS' OBSERVATION:

- 1. Due to defaults in payments of bank loans, the company's accounts have been classified as Non-Performing Assets (NPA) by the lenders under Consortium advance. The lenders have not charged interest on the company's borrowings / loan since April 2016. Therefore, no provision has been made for such Interest in the books of accounts of the company and to that extent, finance cost and total loss is estimated to be understated by Rs. 12,114.63 Lakhs for the financial year ended 31 March 2019.*
- 2. The Company's account stands exited from CDR Mechanism. Pursuant to provisions of Securitization and Reconstruction of Financial Assets and Enforcement of security Interest act 2002, State Bank of India*



RAJ RAYON INDUSTRIES LIMITED

has taken over the possession of the properties which is given in the possession notice dated 31 July 2018 published in free press journal newspaper. There has been no production activity carried out since then.

- 3. We draw attention to the note no. 42 of the attached statement regarding the financial results of the company having been prepared on the going concern basis which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company has been continuously incurring losses past many years and its net worth stands fully eroded. These conditions indicate the existence of material uncertainty that cast significant doubt about company's ability to continue as going concern.*
- 4. The properties of the company including Plant & Machineries has been taken into possession by the State Bank of India on 31 July 2018, hence physical verification of inventories and fixed assets could not be carried out by the management and by us. Hence, we are unable to comment on the actual physical existence of the same.*
- 5. The company has not complied with Ind AS – 19 with respect to employee benefits. The Company has made provision for gratuity and leave encashment for the year under audit on an estimated basis and actuarial valuation has not been done. In the absence of such valuation, relevant disclosures as per Ind AS – 19 have not been provided. We are unable to determine consequential impact of the same on the Audited Financial Statements.*
- 6. The company has obtained unsecured loans amounting to Rs. 1,000.00 Lakhs, the same is outstanding from previous year and has been shown under Long-Term Borrowings in the Balance Sheet. However, loan agreement in respect of these loans have not been furnished and in absence of the same the terms of repayment, chargeability of interest and other terms are not verifiable.*
- 7. Balances under sundry debtors and sundry creditors, loans and advances given by the company and parties from whom unsecured loans have been taken are subject to confirmations and adjustments, if any. In the absence of such pending confirmations and reconciliations, consequential impact of the same on financial statements of the company cannot be ascertained.*
- 8. In view of pending confirmations / reconciliations from banks, lender liabilities, trade payables and any other liabilities including contingent, we are unable to comment on the impact, if any, on the financial statement arising out of such pending confirmations / reconciliations. In the absence of such pending confirmations and reconciliations, consequential impact of the same on financial statements of the company cannot be ascertained.*

It is clarified that management is continuously implementing various long term measures to improve its cash flows and revival of the operation of the company and accordingly the companies's financial statement have been prepared on a going concern basis.

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



RAJ RAYON INDUSTRIES LIMITED

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:

The Central Government had approved appointment of M/s S S Sawant & Co, Cost Accountant, Mumbai as Cost Auditor to conduct Cost Audit relating to the products manufactured by your Company for the financial year 2018-2019, the E-Form CRA-2 for his appointment was not filed as this year no production. Further the Company no not appointing the Cost Auditor to conduct the Cost Audit for the financial year 2019-2020, as per Section 148 of Companies Act, 2013 due to non- production year.

SECRETARIAL AUDITOR:

Appointment

The Company had appointed Ms. Pooja Malkan, Practicing Company Secretaries, Mumbai to undertake Secretarial Audit of the Company, pursuant to Section 204 of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 to conduct Secretarial Audit for the financial year 2018-2019.

The Secretarial Audit Report for the financial year 2018-2019 forms part of the Annual Report as Annexure II to the Board's Report.

Secretarial Auditors' observation and Management's response to Auditors' observation:

- *It was observed that as per the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, M/s. Fine Fashion Private Limited falls into Promoter or Promoter Group but the same has been inadvertently missed out to reclassify in promoter or promoter group.*
- *Due to resignation of the Board of directors the Board was not as per the Companies Act, 2013 and Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (LODR)*
- *The management has appointed the Board members at the Board meeting 28/01/2019 due to which the AGM was not scheduled and conducted within the time limit of Companies Act, 2013 and the Company didn't received any extension for the same.*
- *The Company was not able to conduct Board meeting as per the Companies Act 2013 and Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and Exchange compliance for the quarter ended 30th September, 2018 and 31st December, 2018 was not as per the time line of LODR and company has received the notice for suspension of trading form exchanges on January 2019.*



RAJ RAYON INDUSTRIES LIMITED

- *The Company has paid the penalty and completed the compliances with exchanges for the quarter ended 30th September, 2018 and 31st December, 2018 and pursuant to which the suspension of trading was revoked.*
- *The Company secretary of the Company put her resignation on July 19, 2017 and post appointment of new board Mr. Nikunj Gatecha was appointed as a Company Secretary on 15th February, 2019 but due to poor financial position of the Company he resigned in short time on 23rd April, 2019. Management are looking forward to appoint Company secretary.*
- *The creditors i.e. State Bank of India has filed the petition with NCLT Ahmedabad under section 7 of the Insolvency and Bankruptcy Code.*
- *The Statutory Auditor i.e. M/s. Rajen & Co., Chartered Accountant Firm Registration no 108351W put their resignation on 27/05/2019 as a Statutory Auditor due to pre-occupation and other administrative dispute with management due to which the Audit was not conducted in time and last quarter i.e. 31.03.2019 and year ended account was not submitted on time with BSE.*
- *The Board has appointed M/s. Chaturvedi & Patel Chartered Accountant Firm registration no.: 121351W as a statutory auditor for FY 18-19 and recommended their appointment as Auditor till FY 2023-2024*
- *The Internal Auditors was not appointed due to non- operation*

INTERNAL AUDITOR:

The Board of directors was decided that since the company is not in a position to meet the remuneration of internal auditors due to huge losses, the company has postponed the appointment of the internal auditors.

SHARE CAPITAL AND NET WORTH:

During the financial year there was no change in the paid up Share Capital of the Company.

Further the net worth of the Company has Decreased due to Loss from Rs. (48864.28 lakh) to Rs. (52986.55 Lakh) and net worth of the Company had fully eroded.

EXTRACT OF THE ANNUAL RETURN

Pursuant to Section 134 (3) (a) of the Companies Act, 2013 an extract of the Annual Return in Form No. MGT - 9 is annexed herewith as Annexure I.

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:

Use of LED LIGHTS for saving electrical consumption

We have taken a forward steps towards the conservation of energy in terms of electrical power saving by using the LED LIGHTS . In this year we have replaced the plant lighting bulbs by the energy saving LED LIGHTS. Step by step we will try to replace the whole lighting bulbs by these LED .



RAJ RAYON INDUSTRIES LIMITED

Less use of Pta charging electrical host for saving electrical consumption.

Pta is the key raw material for CP plant. Now we bring the Pta in tankers to our plant which save the electrical energy consumed during the PTA bag lifting up & down movement of electrical hoist.

Demand Based Use of Cooling tower Fan & Air Cooler Fan.

Due to the day & night atmosphere temperature difference. In day we require the 2 fans of both types of cooler to be run. In night we stopped the one electrical fan of both cooler.

Demand Based Reduction of load on chiller & cooling tower.

By optimizing the plant process parameter & process activity we reduce the load on cooling tower & chiller.

Use of turbo vent in place of electrical operated exhaust fan

B) Technology absorption

Installed HT Capacitor Bank for increasing power factor

We have taken our steps towards the modern days technology absorption by installing the H.T. Power capacitor bank which will increase the power factor so thus it will save the power consumption directly

Installing direct polymer melt (DPM) to poy

We have installed the direct melt line to poy which will save the energy consumption along with convenient source for supplying the polymer to poy.

Installing new POY plant

We have installed the new poy plant which will decrease the power consumption ratio of per ton of production. New poy plant all machinery equipment efficiency is higher as compared to the old one.

Saving of power cost (Power Purchase from IEX)

We have taken a forward step by purchasing power from (Short Term Open Access) Power Exchange & its per unit power rate is too less compared to the DNHPCL power rate.

(C) Foreign exchange earnings and Outgo:

The particulars regarding foreign exchange earnings and outgo are given in Note No. 42 to 45 of Financial statement.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

The Company has constituted a Corporate Social Responsibility (CSR) Committee as per provisions of Section 135 of Companies Act, 2013 to spend in various CSR initiatives as provided under schedule VII of the Companies Act, 2013 and rules made thereunder.

However due to losses suffered and your company been into Corporate Debt Restructuring (CDR), the company has not spent on any CSR activities/projects. However your Company is enthusiastic to serve the society at large, which it will do in the coming years.

LISTING AND DEMATERIALISATION:



RAJ RAYON INDUSTRIES LIMITED

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.

The Details of Directors and Key Managerial Personnel Who Were Appointed or Resigned During the year:

During the year under review following directors were resigned

Name of Directors	Designation	Date of resignation
Mr. Prahlad Rai Jajodia	Independent Director	11-06-2018
Mr. Naval Babulal Kanodia	Whole Time Director	12-03-2018
Mr. Jugal Parikh	Independent Director	04-08-2018
Mr. Raju Chowkidar	Independent Director	27-06-2018

Post above resignation the Board were not constituted as per the Companies Act, 2013 and as per LODR

After efforts by Management the following members were appointed as directors.

Name of Directors	Designation	Date of appointment
Rajendraprasad Rampratap Sharma	Independent Director	28/01/2019
Banti Parasar	Independent Director	28/01/2019
Mayadhar Ravindar Mahakud	Additional Director	28/01/2019

Post above appointment the Board were constituted properly.

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.

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



RAJ RAYON INDUSTRIES LIMITED

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.

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, 2019, the Board consists of four members CFO and three are independent directors. The Company has framed a Nomination, Remuneration and one Nominee Director and Evaluation Policy.

Board of Directors Meeting:

Committees of Board

Following are the various Committees formed by Board:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- Allotment Committee
- Risk Management Committee
- Corporate Social Responsibility Committee

The details of the composition of committees, its roles and responsibility along with no. of meetings held are given in the Report of Corporate Governance and is also placed on the Company's website at (<http://rajrayonindustries.com/Pdf/COMMITTEE.pdf>).

VIGIL MECHANISM

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



RAJ RAYON INDUSTRIES LIMITED

Financial Year 2018-19. During the year under review, no employee was denied access to the Audit Committee.

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. Details of AOC-2 are given under Annexure-IV. the policy on Materiality of Related Party Transactions as approved by the Board of Directors is uploaded on company's website.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

Due to losses the Company has not paid any remuneration to the Board of directors except CFO Mr. Sushil Kumar Kanodia that to at diminishing rate under cost cutting policy of management. 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 as Annexure III.

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.

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;



RAJ RAYON INDUSTRIES LIMITED

- (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.

RISK MANAGEMENT POLICY:

Although the company has long been following the principle of risk minimization as is the norm in every industry, it has now become a compulsion.

Therefore, in accordance with Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board members were informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the company.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, Competition, Business risk, Technology obsolescence, Investments, Retention of talent and Expansion of facilities.

Risk Management framework shall primarily focus on the elements such as Risk to Company Assets and Property, Employees Related Risks, Foreign Currency Risks, Risks associated with Non-Compliance of Statutory enactments, Competition Risks, Operational Risks and various other types of risks which may affect the business or organization. Business risk, inter-alia, further includes financial risk, Political risk, Fidelity risk, Legal risk. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

Pursuant the provision of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the formation of the Risk Management Committee is not applicable to your Company. Detailed policy framework is disclosed on the website of the Company at <http://rajrayonindustries.com/admin/Pdf/risk-management-policy.pdf>.



RAJ RAYON INDUSTRIES LIMITED

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE:

There are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its future operations. Hence, disclosure pursuant to Rule 8 (5) (vii) of Companies (Accounts) Rules, 2014 is not required.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

The Company has adopted Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the workplace, to provide protection to employees at the workplace. The Company has constituted Internal Complaints Committee as per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 to consider and redress complaints of sexual harassment. The Committee has not received any complaints of sexual harassment during the year.

UNCLAIMED DIVIDEND:

Your Company would like to bring to the notice of the shareholders that the unpaid dividend transferred to Investor Education & Protection Fund as per Section 125 of the Companies Act, 2013.

Other Disclosures / Reporting:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a) Issue of equity shares with differential rights as to dividend, voting or otherwise,
- b) Issue of shares (including sweat equity shares) to employees of the Company under any scheme,

Voting rights which are not directly exercised by the employees in respect of shares for the subscription/purchase of which loan was given by the Company (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).



RAJ RAYON INDUSTRIES LIMITED

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

SD/-

**Non Executive Chairperson & Director
Rajkumari Kanodia**

Place: Mumbai

Dated: 27/07/2019



RAJ RAYON INDUSTRIES LIMITED

Annexure - I

EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2019

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT - 9

I. REGISTRATION AND OTHER DETAILS

i.	CIN	L17120DN1993PLC00368
ii.	Registration Date	17th August, 1993
iii.	Name of the Company	Raj Rayon Industries Limited
iv.	Category / Sub-Category of the Company	Public Company Limited by shares Indian Non-Government Company
v.	Address of the Registered office and contact details	Survey No. 177/1/3, Village-Surangi, Dist-Silvassa, Dadra & Nagar Haveli (U.T.) - 396 230 (INDIA) Tel: 91- 07096038229, Fax:-91-0260-2699185 E-mail: investors@rajrayon.com
vi.	Whether listed company	Yes listed on BSE and NSE
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Link Intime India Private Limited C-13, Pannalal Silk Mills Compound L. B. Marg, Bhandup (w) Mumbai - 400 078 Tel.: 022 - 25923837

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10% or more of the total turnover of the company:-

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Textured Yarn of Polyesters and Polyesters Chips	131	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

SR No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	NIL				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding



RAJ RAYON INDUSTRIES LIMITED

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	2331500	0	2331500	'6.7296	2331500	0	2331500	'6.7296	'0.0000
(b)	Central Government / State Government (s)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Any Other (Specify)									
	Bodies Corporate	9472093	0	9472093	'27.3401	9472093	0	9472093	'27.3401	'0.0000
	Sub Total (A)(1)	118035930	0	118035930	'34.0697	118035930	0	118035930	'34.0697	'0.0000
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b)	Government	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Institutions	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Foreign	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000



RAJ RAYON INDUSTRIES LIMITED

	/ State Government (s)/ President of India									
	Sub Total (B)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	66682595	759100	67441695	'19.4663	80648210	729100	81377310	'23.4886	'4.0223
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	87920758	300000	90920758	'26.2432	72663368	3000000	75663368	'21.8394	'-4.4038
(b)	NBFCs registered with RBI	0	0	0	'0.0000	281371	0	281371	'0.0812	'0.0812
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Any Other (Specify)									
	Hindu Undivided Family	28171611	0	28171611	'8.1314	30928474	0	30928474	'8.9272	'0.7958
	Non Resident Indians (Non Repat)	528070	0	528070	'0.1524	537660	0	537660	'0.1552	'0.0028
	Non Resident Indians (Repat)	5116656	71000	5187656	'1.4974	5185656	71000	5256656	'1.5173	'0.0199
	Clearing Member	506784	0	506784	'0.1463	804581	0	804581	'0.2322	'0.0859



RAJ RAYON INDUSTRIES LIMITED

	Market Maker	46664	0	46664	'0.0135	8207	0	8207	'0.0024	'-0.0111
	Bodies Corporate	34116869	79000	34195869	'9.8702	32314480	79000	32393480	'9.3500	'-0.5202
	Sub Total (B)(3)	223090007	3909100	226999107	'65.5207	223372007	3879100	227251107	'65.5934	'0.0727
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	224508970	3909100	228418070	'65.9303	224538970	3879100	228418070	'65.9303	'0.0000
	Total (A)+(B)	342544900	3909100	346454000	'100.0000	342574900	3879100	346454000	'100.0000	'0.0000
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total (A)+(B)+(C)	342544900	3909100	346454000	'100.0000	342574900	3879100	346454000	'100.0000	

Shareholding of Promoters -

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2018			Shareholding at the end of the year - 2019			% change in share holding during the year
		NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	RAJ MONEY MARKET LTD	94720930	'27.3401	'27.3401	94720930	'27.3401	'27.3401	'0.0000
2	RAJKUMARI KANODIA	9175000	'2.6483	'2.6483	9175000	'2.6483	'2.6483	'0.0000



RAJ RAYON INDUSTRIES LIMITED

3	SUSHIL KUMAR KANODIA	6800000	'1.9627	'1.9627	680000	'1.9627	'1.9627	'0.0000
4	AKANKSHA JATIN MEHTA	1818000	'0.5247	'0.5247	181800	'0.5247	'0.5247	'0.0000
5	RADHESHYA M KANODIA (H.U.F.)	1700000	'0.4907	'0.4907	170000	'0.4907	'0.4907	'0.0000
6	SUSHIL KUMAR KANODIA	1648000	'0.4757	'0.4757	164800	'0.4757	'0.4757	'0.0000
7	SAMIKSHA KANODIA	1574000	'0.4543	'0.4543	157400	'0.4543	'0.4543	'0.0000
8	SAVITA AGRAWAL	600000	'0.1732	'0.1732	600000	'0.1732	'0.1732	'0.0000
	Total	118035930	'34.0697	'34.0697	118035930	'34.0697	'34.0697	'0.0000

ii) Change in Promoters' Shareholding :

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	RAJ MONEY MARKET LTD	94720930	27.3401			94720930	27.3401
	AT THE END OF THE YEAR					94720930	27.3401
2	RAJKUMARI KANODIA	9175000	2.6483			9175000	2.6483
	AT THE END OF THE YEAR					9175000	2.6483
3	SUSHIL KUMAR KANODIA	6800000	1.9627			6800000	1.9627
	AT THE END OF THE YEAR					6800000	1.9627
4	AKANKSHA JATIN	1818000	0.5247			1818000	0.5247



RAJ RAYON INDUSTRIES LIMITED

	MEHTA						
	AT THE END OF THE YEAR					1818000	0.5247
5	RADHESHYA M KANODIA (H.U.F.)	1700000	0.4907			1700000	0.4907
	AT THE END OF THE YEAR					1700000	0.4907
6	SUSHIL KUMAR KANODIA	1648000	0.4757			1648000	0.4757
	AT THE END OF THE YEAR					1648000	0.4757
7	SAMIKSHA KANODIA	1574000	0.4543			1574000	0.4543
	AT THE END OF THE YEAR					1574000	0.4543
8	SAVITA AGRAWAL	600000	0.1732			600000	0.1732
	AT THE END OF THE YEAR					600000	0.1732

iii) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) :

	Name & Type of Transaction	NO.OF SHARE S HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSA CTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	FINE FASHIO N PRIVAT E LIMITED	23682769	6.8358			23682769	6.8358
	Market sell			06 Apr 2018	-33100	23649669	6.8262
	Market sell			13 Apr 2018	-750000	22899669	6.6097
	Market sell			20 Apr 2018	-769859	22129810	6.3875
	Market sell			27 Apr 2018	-380000	21749810	6.2778
	Market sell			04 May 2018	-88552	21661258	6.2523
	AT THE					21661258	6.2523



RAJ RAYON INDUSTRIES LIMITED

	END OF THE YEAR						
2	JITENDR A B SALECH A	13644848	3.9384			13644848	3.9384
	Market Buy			15 Jun 2018	7000000	20644848	5.9589
	AT THE END OF THE YEAR					20644848	5.9589
3	SUBRA MANIA N P	12197200	3.5206			12197200	3.5206
	AT THE END OF THE YEAR					12197200	3.5206
4	SAMPO ODEVI KAILAS HCHAN DRA KANODI A	10450100	3.0163			10450100	3.0163
	AT THE END OF THE YEAR					10450100	3.0163
5	LOYAL APPARE LS PVT LTD	6500000	1.8762			6500000	1.8762
	AT THE END OF THE YEAR					6500000	1.8762
6	SURYAK ANT KAILAS HCHAN D KANODI A	10220100	2.9499			10220100	2.9499
	Market sell			08 Jun 2018	-75000	10145100	2.9283



RAJ RAYON INDUSTRIES LIMITED

	Market sell			15 Jun 2018	-190000	9955100	2.8734
	Market sell			22 Jun 2018	-265000	9690100	2.7969
	Market sell			30 Jun 2018	-330000	9360100	2.7017
	Market sell			06 Jul 2018	-50000	9310100	2.6873
	Market sell			13 Jul 2018	-35000	9275100	2.6772
	Market sell			20 Jul 2018	-25000	9250100	2.6699
	Market sell			24 Aug 2018	-40000	9210100	2.6584
	Market sell			31 Aug 2018	-200000	9010100	2.6007
	Market sell			07 Sep 2018	-280000	8730100	2.5198
	Market sell			14 Sep 2018	-280000	8450100	2.439
	Market sell			21 Sep 2018	-270000	8180100	2.3611
	Market sell			29 Sep 2018	-172621	8007479	2.3113
	Market sell			05 Oct 2018	-108943	7898536	2.2798
	Market sell			12 Oct 2018	-40000	7858536	2.2683
	Market sell			19 Oct 2018	-40000	7818536	2.2567
	Market sell			26 Oct 2018	-203120	7615416	2.1981
	Market sell			02 Nov 2018	-144266	7471150	2.1565
	Market sell			09 Nov 2018	-20000	7451150	2.1507
	Market sell			16 Nov 2018	-374059	7077091	2.0427
	Market sell			23 Nov 2018	-225000	6852091	1.9778
	Market sell			18 Jan 2019	-100000	6752091	1.9489
	Market sell			25 Jan 2019	-400000	6352091	1.8335
	Market sell			01 Feb 2019	-400000	5952091	1.718
	Market sell			08 Feb 2019	-100000	5852091	1.6891



RAJ RAYON INDUSTRIES LIMITED

	Market sell			08 Mar 2019	-100000	5752091	1.6603
	Market sell			29 Mar 2019	-200000	5552091	1.6025
	AT THE END OF THE YEAR					5552091	1.6025
7	RITU AJAY KANODI A	9990100	2.8835			9990100	2.8835
	Market sell			15 Jun 2018	-100000	9890100	2.8547
	Market sell			22 Jun 2018	-265000	9625100	2.7782
	Market sell			30 Jun 2018	-337927	9287173	2.6806
	Market sell			06 Jul 2018	-45000	9242173	2.6676
	Market sell			13 Jul 2018	-35000	9207173	2.6575
	Market sell			20 Jul 2018	-25000	9182173	2.6503
	Market sell			24 Aug 2018	-40000	9142173	2.6388
	Market sell			31 Aug 2018	-200000	8942173	2.5811
	Market sell			07 Sep 2018	-280000	8662173	2.5002
	Market sell			14 Sep 2018	-280000	8382173	2.4194
	Market sell			21 Sep 2018	-270000	8112173	2.3415
	Market sell			29 Sep 2018	-190000	7922173	2.2866
	Market sell			05 Oct 2018	-120000	7802173	2.252
	Market sell			12 Oct 2018	-40000	7762173	2.2405
	Market sell			19 Oct 2018	-40000	7722173	2.2289
	Market sell			26 Oct 2018	-220000	7502173	2.1654
	Market sell			02 Nov 2018	-193903	7308270	2.1094
	Market sell			09 Nov 2018	-40000	7268270	2.0979



RAJ RAYON INDUSTRIES LIMITED

	Market sell			16 Nov 2018	-440000	6828270	1.9709
	Market sell			23 Nov 2018	-225000	6603270	1.906
	Market sell			18 Jan 2019	-100000	6503270	1.8771
	Market sell			25 Jan 2019	-400000	6103270	1.7616
	Market sell			01 Feb 2019	-500000	5603270	1.6173
	Market sell			08 Feb 2019	-189441	5413829	1.5626
	Market sell			08 Mar 2019	-100000	5313829	1.5338
	Market sell			29 Mar 2019	-200000	5113829	1.476
	AT THE END OF THE YEAR					5113829	1.476
8	AJAYKU MAR KAILAS HCHANDRA KANODIA	10057350	2.9029			10057350	2.9029
	Market sell			15 Jun 2018	-100000	9957350	2.8741
	Market sell			22 Jun 2018	-265000	9692350	2.7976
	Market sell			30 Jun 2018	-350000	9342350	2.6966
	Market sell			06 Jul 2018	-60000	9282350	2.6792
	Market sell			13 Jul 2018	-55000	9227350	2.6634
	Market sell			20 Jul 2018	-25000	9202350	2.6562
	Market sell			24 Aug 2018	-40000	9162350	2.6446
	Market sell			31 Aug 2018	-200000	8962350	2.5869
	Market sell			07 Sep 2018	-300000	8662350	2.5003
	Market sell			14 Sep 2018	-280000	8382350	2.4195
	Market			21 Sep	-270000	8112350	2.3415



RAJ RAYON INDUSTRIES LIMITED

	sell			2018			
	Market sell			29 Sep 2018	-190000	7922350	2.2867
	Market sell			05 Oct 2018	-120000	7802350	2.2521
	Market sell			12 Oct 2018	-60000	7742350	2.2347
	Market sell			19 Oct 2018	-40000	7702350	2.2232
	Market sell			26 Oct 2018	-220000	7482350	2.1597
	Market sell			02 Nov 2018	-240000	7242350	2.0904
	Market sell			09 Nov 2018	-35000	7207350	2.0803
	Market sell			16 Nov 2018	-420000	6787350	1.9591
	Market sell			23 Nov 2018	-225000	6562350	1.8941
	Market sell			18 Jan 2019	-100000	6462350	1.8653
	Market sell			25 Jan 2019	-400000	6062350	1.7498
	Market sell			01 Feb 2019	-500000	5562350	1.6055
	Market sell			08 Feb 2019	-240054	5322296	1.5362
	Market sell			08 Mar 2019	-100000	5222296	1.5074
	Market sell			29 Mar 2019	-200000	5022296	1.4496
	AT THE END OF THE YEAR					5022296	1.4496
9	SEEMAD EVI SURYAK ANT KANODI A	9975822	2.8794			9975822	2.8794
	Market sell			22 Jun 2018	-100000	9875822	2.8505
	Market sell			30 Jun 2018	-350000	9525822	2.7495
	Market sell			06 Jul 2018	-25000	9500822	2.7423
	Market			13 Jul 2018	-60000	9440822	2.725



RAJ RAYON INDUSTRIES LIMITED

	sell						
	Market sell			20 Jul 2018	-25000	9415822	2.7178
	Market sell			24 Aug 2018	-40000	9375822	2.7062
	Market sell			31 Aug 2018	-200000	9175822	2.6485
	Market sell			07 Sep 2018	-300000	8875822	2.5619
	Market sell			14 Sep 2018	-280000	8595822	2.4811
	Market sell			21 Sep 2018	-270000	8325822	2.4032
	Market sell			29 Sep 2018	-190000	8135822	2.3483
	Market sell			05 Oct 2018	-120000	8015822	2.3137
	Market sell			12 Oct 2018	-97830	7917992	2.2854
	Market sell			19 Oct 2018	-66772	7851220	2.2662
	Market sell			26 Oct 2018	-220000	7631220	2.2027
	Market sell			02 Nov 2018	-220000	7411220	2.1392
	Market sell			09 Nov 2018	-40000	7371220	2.1276
	Market sell			16 Nov 2018	-423700	6947520	2.0053
	Market sell			23 Nov 2018	-235000	6712520	1.9375
	Market sell			18 Jan 2019	-100000	6612520	1.9086
	Market sell			25 Jan 2019	-400000	6212520	1.7932
	Market sell			01 Feb 2019	-500000	5712520	1.6489
	Market sell			08 Feb 2019	-428439	5284081	1.5252
	Market sell			08 Mar 2019	-136182	5147899	1.4859
	Market sell			29 Mar 2019	-200000	4947899	1.4282
	AT THE END OF THE YEAR					4947899	1.4282



RAJ RAYON INDUSTRIES LIMITED

10	ROSHA NI NEETIS H DOSHI	4297890	1.2405			4297890	1.2405
	AT THE END OF THE YEAR					4297890	1.2405
11	SURYAK ANT KAILAS HCHAN D KANODI A	7570100	2.185			7570100	2.185
	Market sell			08 Jun 2018	-75000	7495100	2.1634
	Market sell			15 Jun 2018	-190000	7305100	2.1085
	Market sell			22 Jun 2018	-265000	7040100	2.032
	Market sell			30 Jun 2018	-330000	6710100	1.9368
	Market sell			06 Jul 2018	-25000	6685100	1.9296
	Market sell			13 Jul 2018	-35000	6650100	1.9195
	Market sell			20 Jul 2018	-25000	6625100	1.9123
	Market sell			24 Aug 2018	-40000	6585100	1.9007
	Market sell			31 Aug 2018	-200000	6385100	1.843
	Market sell			07 Sep 2018	-280000	6105100	1.7622
	Market sell			14 Sep 2018	-280000	5825100	1.6813
	Market sell			21 Sep 2018	-270000	5555100	1.6034
	Market sell			29 Sep 2018	-190000	5365100	1.5486
	Market sell			05 Oct 2018	-120000	5245100	1.5139
	Market sell			12 Oct 2018	-40000	5205100	1.5024
	Market sell			19 Oct 2018	-40000	5165100	1.4908



RAJ RAYON INDUSTRIES LIMITED

	Market sell			26 Oct 2018	-220000	4945100	1.4273
	Market sell			02 Nov 2018	-165780	4779320	1.3795
	Market sell			09 Nov 2018	-22723	4756597	1.3729
	Market sell			16 Nov 2018	-420000	4336597	1.2517
	Market sell			23 Nov 2018	-225000	4111597	1.1868
	Market sell			18 Jan 2019	-100000	4011597	1.1579
	Market sell			25 Jan 2019	-400000	3611597	1.0424
	Market sell			01 Feb 2019	-404124	3207473	0.9258
	Market sell			08 Feb 2019	-100000	3107473	0.8969
	Market sell			08 Mar 2019	-100000	3007473	0.8681
	Market sell			29 Mar 2019	-200000	2807473	0.8103
	AT THE END OF THE YEAR					2807473	0.8103
12	SANJAY B JAIN	7000000	2.0205			7000000	2.0205
	Market sell			15 Jun 2018	-7000000	0	0
	AT THE END OF THE YEAR					0	0

iv) Shareholding of Directors and Key Managerial Personnel

SR. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	Mrs. Rajkumari Kanodia				
	At the beginning of the year	9175000	2.65	9175000	2.65



RAJ RAYON INDUSTRIES LIMITED

	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	No Change during the year			
	At the end of the year	9175000	2.65	9175000	2.65
2	Mr. Sushil Kumar Kanodia				
	At the beginning of the year	8448000	2.43	8448000	2.43
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	No Change during the year			
	At the end of the year	8448000	2.43	8448000	2.43

V. INDEBTEDNESS :

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	69386.45		NIL	69386.45
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the Year			NIL	
• Addition	(407.73)			(407.73)
• Reduction				
Net Change				
Indebtedness at the end of the				
i) Principal Amount	68978.72		NIL	68978.72
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ ii+ iii)				



RAJ RAYON INDUSTRIES LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNAL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Nil

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL

Siting Fees

Rs. in lakh

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Jajodia	Chokidar	Jugal	
1.	Independent Directors				
	• Fee for attending board committee meetings	0.10	0.01	0.10	0.21
	• Commission				
	• Others, please specify				
	Total (1)				
2.	Other Non- Executive Directors	Mrs. Rajkumari Kanodia		-	-
	• Fee for attending board committee meetings	0.10	0	0	0.10
	• Commission	-		-	-
	• Others, please specify	-		-	-
	Total (2)				0.10
	Total (B) = (1+2)				0.31
	Total Managerial				
	Overall Ceiling as per the		As per Schedule V of Companies Act,		



RAJ RAYON INDUSTRIES LIMITED

B. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Sushil Kumar Kanodia CEO & CFO		Total In lakh
1	Gross Salary			
	(a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	10.59	NIL	10.59
	(b) Value of perquisites u/s. 17 (2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of Salary under section 17 (3) Income - tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - Others, specify..	-	-	-
5	Others, please specify	-	-	-
	Total	10.59	NIL	10.59

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL



RAJ RAYON INDUSTRIES LIMITED

Annexure -II
Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

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

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

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

Based on my verification of the M/s. **Raj Rayon Industries Limited**'s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019 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 2019 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;



RAJ RAYON INDUSTRIES LIMITED

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') ;
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit period)**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit period)**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit period)**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit period)** and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit period)**
- (vi) Other laws as per the representation made by the Company are as follows;
- Factories Act, 1948
 - Industrial Disputes Act, 1947
 - Payment of Wages Act, 1936
 - Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - Employees State Insurance Act, 1948
 - Environment Protection Act, 1986
 - Indian Contracts Act, 1872
 - Income Tax Act, 1961 and Indirect Tax Laws
 - Pollution Control Laws

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

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



RAJ RAYON INDUSTRIES 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:

- *We further report that, the Company's account stands exited from CDR Mechanism.*
- *We further report that, due to defaults in payments of Bank loans, the company's accounts have been classified as Non- Performing Assets (NPA) by the bankers under Consortium.*
- *Company has not filed the promoter disclosure and changes in the same w.r.t. Regulation 30(1) and 30(2) - SEBI Takeover Regulations 2011 but details of open offer were there with BSE.*
- *We further report that*
 - *It was observed that as per the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, M/s. Fine Fashion Private Limited falls into Promoter or Promoter Group but the same has been inadvertently missed out to reclassify in promoter or promoter group.*
 - *Due to resignation of the Board of directors the Board was not as per the Companies Act, 2013 and Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (LODR)*
 - *The management has appointed the Board members at the Board meeting 28/01/2019 due to which the AGM was not scheduled and conducted within the time limit of Companies Act, 2013 and the Company didn't received any extension for the same.*
 - *The Company was not able to conduct Board meeting as per the Companies Act 2013 and Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and Exchange compliance for the quarter ended 30th September, 2018 and 31st December, 2018 was not as per the time line of LODR and company has received the notice for suspension of trading form exchanges on January 2019.*
 - *The Company has paid the penalty and completed the compliances with exchanges for the quarter ended 30th September, 2018 and 31st December, 2018 and pursuant to which the suspension of trading was revoked.*
 - *The Company secretary of the Company put her resignation on July 19, 2017 and post appointment of new board Mr. Nikunj Gatecha was appointed as a Company Secretary on 15th February, 2019 but due to poor financial position of the Company he resigned in short time on 23rd April, 2019. Management are looking forward to appoint Company secretary.*
 - *The creditors i.e. State Bank of India has filed the petition with NCLT Ahmedabad under section 7 of the Insolvency and Bankruptcy Code.*
 - *The Statutory Auditor i.e. M/s. Rajen & Co., Chartered Accountant Firm Registration no 108351W put their resignation on 27/05/2019 as a Statutory Auditor due to pre-occupation and other administrative dispute with management due to which the Audit was not conducted in time and last quarter i.e. 31.03.2019 and year ended account was not submitted on time with BSE.*
 - *The Board has appointed M/s. Chaturvedi & Patel Chartered Accountant Firm registration no.: 121351W as a statutory auditor for FY 18-19 and recommended their appointment as Auditor till FY 2023-2024*
 - *The Internal Auditors was not appointed due to non- operation*



RAJ RAYON INDUSTRIES LIMITED

I have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, laws and regulations to the Company.

I further report that:

The Board of Directors of the Company is not duly constituted due to resignation of directors but with the efforts of management the Board constitutes as per Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 w.e.f 28/01/2019.

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

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

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

I further report that during the audit period there were 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



RAJ RAYON INDUSTRIES LIMITED

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

Place: Mumbai
Date: 27/07/2019

POOJA APURVA MALKAN
C.P. No. : 19938



RAJ RAYON INDUSTRIES LIMITED

Annexure-III

(I) The percentage increase in remuneration of each Director, other Key Managerial Personnel (KMP), Ratio of the remuneration of each director to the median remuneration of the employees of the company and the comparison of the remuneration of each KMP against the performance of the Company during the financial year 2017-18 are as under					
	Director's/ KMP/ Manager's Name	Remuneration of Director/KMP for financial year 2018-19	% increase in Remuneration in the Financial Year 2018-19	Ratio to median remuneration	Comparison of the Remuneration of the KMP against the performance of the Company
1					The Company incurred a Net Loss of Rs. 4825.88 Lakhs for the year ended March 31, 2019 as compared to previous year's ended March 31, 2018 Net Loss of 5264.87 Lakhs.
2	Mr. Sushil Kumar Kanodia CEO & Chief Financial Officer	10.59 lakh	Nil	NA	
3					

No remuneration or sitting fees is paid to the Non-executive Directors or Independent Directors of the Company.



RAJ RAYON INDUSTRIES LIMITED

Annexure- IV
AOC-2

Note 40: Related Party Disclosures (as per Ind AS 24 issued by ICAI) :

- I) Names of related parties and description of relationships
- a) Party owning an interest in voting power of the company that gives it significance influence over the company:
Raj Money Market Limited
Fine Fashion Private Limited
- b) Non-Execuitve Directors
- c) Key management personnel:
- ii) Mr. Sushil Kumar Kanodia - Chief Executive Officer (C.E.O.) & Chief Financial Officer (C.F.O.)
- d) Relatives of Key management personnel:
- i) Pawan Kanodia (Brother of Sushil Kumar Kanodia)
ii) Akanksha Mehta (Daughter of Sushil Kumar Kanodia)
iii) Samiksha Arya (Daughter of Sushil Kumar Kanodia)

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

A) Expenses Details with Related Parties

Particulars	(Amount in Rs.)	
	Value of Transactions	
Expenses:	2018-19	2017-18
Director's Remuneration		
Mr. Naval Babulal Kanodia	-	200,000.00
Directors Sitting Fees		
Shri Prahladrai Jajodia	10,000.00	25,000.00
Smt. Rajkumari Kanodia	10,000.00	25,000.00
Shri Rajubhai Baba bhai Chokidar (Appointment w.e.f. 20/09/2017)	1,000.00	20,000.00
Shri Suresh Gupta (Resigned w.e.f. 31/03/2017)	-	-
Shri Jugal Kishore Pareek (Appointed w.e.f. 12/08/2016)	10,000.00	25,000.00
Shri Bibhuti Bhusan Das (Resigned w.e.f. 14/11/2017)	-	-
Salary		
Mr. Sushil Kumar Kanodia - (C.E.O. & C.F.O.)	10,58,680.00	2,997,120.00
Mr. Pawan Kanodia	-	588,000.00
Mrs Akansha Mehta	8,17,600.00	1,680,000.00
Mrs Samiksha Arya	5,81,000.00	1,008,000.00



RAJ RAYON INDUSTRIES LIMITED

B) Investments in Related Parties

Investments in Shares		2018-19	2017-18
Raj Money Market Limited		10,01,000.00	10,01,000.00
Sales (net of returns / rebate / discount)			
Fine Fashion Private Limited		18,49,31,579.00	61,33,23,237.00
Interest received			
Fine Fashion Private Limited		-	-
Interest paid			
Fine Fashion Private Limited		-	-
Unsecured Loan			
Fine Fashion Private Limited	Taken	-	-
	Repayment	-	-
Purchase			
Fine Fashion Private Limited		-	-
Third party payments / Receipts			
Fine Fashion Private Limited	Receipt from Customers	12,19,88,000.00	8,77,26,335.00
	Payments to Suppliers	4,37,42,007.00	47,13,09,811.00



RAJ RAYON INDUSTRIES LIMITED

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Forward-Looking Statements

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements, based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements, could thus differ materially from those projected in any such forward- looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

Overview

General:

Your Company enjoys a Star Export House status by the Director General of Foreign Trade and has certification of ISO 9001:2008 by Bureau Veritas (UKAS) and Bureau Veritas (NABCB). Your Company exports its product to countries in South America, Europe, Middle East, Africa, Far East, South East Asia etc.

Industry outlook:

Indian Textile Industry Overview

India is the second largest manufacturer of textile and apparel in the world after China. Make in India campaign was launched to attract manufacturers and FDI. Technology Mission for Technical Textile has been continued. Under Union Budget 2015-16, government of India has allocated around USD584.49 million for Textile Industry. The major focus of this Budget is to attract the manufacturers, technology upgradation Integrated textiles parks, etc. Measures were also announced to be taken to foster faster clearance of import and export.

Textile plays a major role in the Indian economy

It contributes 14 per cent to industrial production and 4 per cent to GDP With over 45 million people, the industry is one of the largest source of employment generation in the country The industry accounts for nearly 13 per cent of total exports The size of India's textile market in 2014 was USD99.0 billion which is expected to touch USD226 billion market by 2023 at a CAGR of 8.7 per cent between 2009-23E.

Opportunities:

- Buoyant domestic economy leading to higher market growth.
- Growth of organized retail would increase the consumption of apparel.
- 100% FDI allowed in textile sector through the automated route.
- Export demand expected to pick up with global economic recovery leading to increased opportunities in export market.



RAJ RAYON INDUSTRIES LIMITED

- Demand of Man-made Fibers (MMF) is likely to improve, primarily driven by increased substitution of cotton by MMF.

Threats:

- Volatility of input costs
- Shortage of raw material in domestic market
- Cost increase in crude oil based raw materials due to weak rupee.
- High fluctuation in INR/USD rates has adversely impacted company's cost structure as the company was rely on imports of its main input raw material viz. PTA

Internal Controls:

- RRIL's well defined organisation structure, policy guidelines, predefined authority levels and an extensive system of internal controls, ensure optimal utilisation and protection of resources, IT security, accurate reporting of financial transactions and compliance with applicable laws and regulations.
- RRIL has adequate system of internal control in place to ensure that assets are safeguarded against loss from unauthorised use or disposition, and that transactions are authorised, recorded, and reported correctly.
- RRIL's internal audit function is empowered to examine the adequacy, relevance and effectiveness of control systems, compliance with laws, regulations and policies, plans and statutory requirements.
- RRIL has an exhaustive 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.

Research & Development:

The Company always strives to be innovative and cost competitive, aided by its fully equipped R & D facilities. Besides producing POY of Denier range fine to coarse, the Company's array of products includes yarn of various cross sections namely Round, Trilobal and Octalobal, as also Full Dull, Semi Dull, Bright Yarns, Cationic Yarn, Doped Dyed Yarn, Fire Retardant and Anti Microbial yarns.

Quality Management:

RRIL continues to take quality improvement measures to enhance quality of various polyester yarns and polyester chips. The Company's ISO certification in respect of its products and processes stands upgraded to ISO 9001:2008 by Bureau Veritas (UKAS) and Bureau Veritas (NABCB).

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.



RAJ RAYON INDUSTRIES LIMITED

Human Resources and Industrial Relations:

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

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

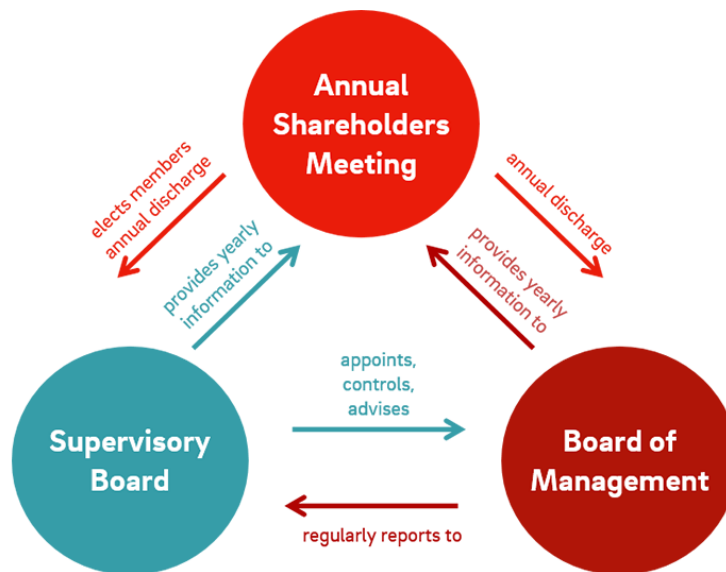


CORPORATE GOVERNANCE REPORT

I. PHILOSOPHY ON CORPORATE GOVERNANCE

At Raj Rayon Industries Limited, we believe in adopting the best Corporate Governance practices and appropriate disclosure norms towards protecting rights and interest of stakeholders. The Company believes in transparency, professionalism and accountability, which are also the basic principles of Corporate Governance. The Company would constantly endeavor to improve on these aspects.

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



Our Corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance. As the Board has developed the corporate governance framework to fulfill their responsibility.

II. BOARD OF DIRECTORS

A. Composition of the Board:

The current policy is to have an appropriate mix of Executive, Non-Executive and Independent Directors (IDs) to maintain the independence of the Board, and separate its functions of governance and management. Listing regulations mandates that for a company with Non-executive Chairman (Promoter Director), at least one-half of the Board should be Independent Directors. As on 31st March, 2019 Board consist Four (4) members out of that two are independent directors and one is executive director and one is promoter & women director non executive.



RAJ RAYON INDUSTRIES LIMITED

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company.

During the year under review, the Board of Directors of the Company consisted of following Directors:

Mrs. Rajkumari Kanodia – Chairperson and Non- Executive Director,
Mr. Mayadhar Ravindar Mahakud- Managing Director
Mr. Rajendraprasad Rampratap Sharma & Mr. Banti Parasar Independent Director,
Mr Sushil Kumar Kanodia- CEO & CFO

All the Directors have periodically and regularly informed the Company about their Directorship and Membership on the Board/Committees of the Board of other companies. As per the disclosure received, none of the Directors of your Company hold memberships/Chairmanships more than the prescribed limits across all companies in which he/she is a Director.:

Name of the Director	Category of Director	No. of Board Meetings held	No. of Board Meetings attended	No. of other Directorships	Committee Memberships	Committee Chairmanships	Last Annual General Meeting attended
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Mrs. Rajkumari Sushilkumar Kanodia	Promoter Director & women Director	3	3	-	-	-	YES
Mr. Rajendraprasad Rampratap Sharma	Independent Director	3	3	-	-	-	YES
Mr. Banti Parasar	Independent Director	3	3	-	-	-	YES
Mr. Mayadhar Ravindar Mahakud	Managing Director	3	3	-	-	-	YES

Three (4) meetings of the Board of Directors were held during the financial year 2018-19.
28/05/2018, 28/01/2019, 13/02/2019 and 15/2/2019

III. 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



RAJ RAYON INDUSTRIES LIMITED

Independent Directors of the Company should hold atleast one separate meeting in a year without the presence of Non-independent Directors and members of the Management. These meetings are expected to review the following:

- 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 February 15, 2019.

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.
- 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.

During the year under review, the composition of the Audit Committee of the Board comprised the following Non-Executive Directors

Name of member	Member/ Chairman	Number of Meetings Held and Attended
Mr. Prahlad Rai Jajodia	Chairman	1/1
Mrs. Rajkumari Kanodia	Member	1/1
Mr. Raju Chowkidar	Member	1/1
Mr. Rajendraprasad Rampratap Sharma	Chairman	2/2
Mr. Banti Parasar	Member	2/2
Mr. Mayadhar Ravindar Mahakud	Member	2/2

Note: Committee reconstituted on 28/01/2019 and Mr. Prahlad Rai Jajodia Mrs. Rajkumari Kanodia Mr. Raju Chowkidara are no more a committee members

Meetings of the Audit Committee:

During the year under review Three (3) meetings of the Audit Committee were held on the following dates: 28/05/2018, 28/01/2019 & 13/02/2019



RAJ RAYON INDUSTRIES LIMITED

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

V. Nomination & Remuneration Committee:

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

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

- a. **Nomination & Remuneration Committee** was constituted by the Board of Directors as follows :

Name of member	Member/ Chairman	Number of Meetings held & Attended
Rajendraprasad Rampratap Sharma	Chairman	1/1
Banti Parasar	Member	1/1
Mayadhar Ravindar Mahakud	Member	1/1

During the year under review one (1) meeting were held on 15/02/2019

VI. Stakeholders Relationship Committee

A Committee was reconstituted as follows:

Name of member	Member/ Chairman	Number of Meetings Held and Attended
Mr. Prahlad Rai Jajodia	Chairperson	1/1
Mrs. Rajkumari Kanodia	Member	1/1
Mr. Raju Chowkidar	Member	1/1
Rajendraprasad Rampratap Sharma	Chairperson	2/2
Banti Parasar	Member	2/2
Mayadhar Ravindar Mahakud	Member	2/2

Note: Committee reconstituted on 28/01/2019 and Mr. Prahlad Rai Jajodia Mrs. Rajkumari Kanodia Mr. Raju Chowkidara are no more a committee members

The Committee meets at frequent intervals to consider Shareholders' complaints. All valid share transfers received during the year 2018-19 have been approved and attended



RAJ RAYON INDUSTRIES LIMITED

to by the Committee. It may also be noted here that the Company now has a common Registrar and Transfer Agent for its physical and demat segments.

During the year under review Three (3) meetings of the Stakeholders Relationship Committee were held on the following dates : 28/05/2018, 28/01/2019 & 13/02/2019

Number of Shareholder complaints received during the year:

During the year under review, no investor complaints was received.

VII. 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 Passed in the AGM/EGM
2015-2016 AGM	30/09/2016	Survey No. 177/1/3, Village-Surangi, Dist -Silvassa, Dadra & Nagar Haveli (U.T.) - 396 230	10.00 a.m	1) Approval under section 188 of companies act, 2013 & Regulation 23 of SEBI (Listing Obligation and Disclosure Regulations) 2015 for enter into transaction with related parties for maximum amount of Rs. 150.00 cro 2) Approval of remuneration payable to Cost Auditor of the Company
2016-2017 AGM	20-09-2017	Survey No. 177/1/3, Village-Surangi, Dist -Silvassa, Dadra & Nagar Haveli (U.T.) - 396 230	10.00 a.m	NIL
2017-2018	24-02-2019	Hotel Green Wood, Naroli Road, Opp DSB Bank Sillvassa 396230	10.00 am	NIL

VIII. 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.



RAJ RAYON INDUSTRIES LIMITED

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

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

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

IX. Means of communication

Publication of Quarterly Results	Quarterly Results are published in 'The Financial Express', Ahmedabad edition in English and Gujarati and in 'The Financial Express', in English in all edition newspapers and also displayed on the Company's website www.rajrayon.com .
Website	www.rajrayon.com In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, stock quotes, Annual Report, Quarterly/Half yearly/ Nine-months and Annual financial results along with the applicable policies of the Company
Stock Exchange	Your Company makes timely disclosures of necessary information to BSE Limited and the National Stock Exchange of India Limited in terms of the Listing Regulations and other rules and regulations issued by the SEBI NEAPS(NSE Electronic Application Processing System) NEAPS is 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, inter alia, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others are in accordance with the Listing Regulations filed electronically. Corp filing: Various announcements, Quarterly Results, Shareholding Pattern etc. of the Company are also posted on www.corpfiling.co.in .



RAJ RAYON INDUSTRIES LIMITED

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/R&TA/Depositories.
The presentations made to institutional investors or to	N.A.

14. GENERAL SHAREHOLDER INFORMATION:

AGM Date	30 th September, 2019
Time	10.00 A.M.
Venue	Hotel Green Wood, Naroli Road, Opp DSB Bank Silvassa 396230
Registered office	Survey No. 177/1/3, Village-Suranghi, Dist-Silvassa, Dadra & Nagar Haveli (U.T.) - 396 230 (INDIA)
Corporate Office	5-C, 196/197, "Akshay" Mittal Industrial Estate, Sakinaka, Andheri (East), Mumbai - 400 059, Maharashtra (INDIA) Tel: 91-22- 40343434, Fax: 91-22- 40343400 E-mail: investors@rajrayon.com
Plant Location	1) Survey No. 272/1/1, Plot No. 1, Village Dadra, Dadra-Demani Road, Dist - Silvassa, Dadra & Nagar Haveli (U.T.) - 396 230(INDIA) 2)Survey No. 185/1/1, Plot No.17, Dokmandi, Village - Amla, Dist- Silvassa, Dadra & Nagar Haveli (U.T.) - 396 230 (INDIA) 3)Survey No. 177/1/3, Village - Suranghi, Dist - Silvassa, Dadra and Nagar Haveli (U.T.) - 396 230(INDIA)
Financial Year	April 1, 2018 to March 31, 2019
Book Closure Date	21/09/2019 to 30/09/2019 (both days Inclusive) for 26 th Annual General Meeting.



RAJ RAYON INDUSTRIES LIMITED

Dividend	Not Declared for the financial Year 2018-19
Listing of Stock Exchange	Bombay Stock Exchange Limited National Stock Exchange of India Limited
Stock Code	BSE-530699 NSE Symbol-RAJRAYON
Demat ISIN No.	INE533D01024
CIN	L17120DN1993PLC000368
Financial Calender	Financial Year: 1st April, 2019 to 31st March, 2020 Results for the quarter ending June Mid week of August Results for quarter ending September Mid week of November Results for quarter ending December Mid week of February Results for year ending March 31, Last week of May, Annual General Meeting September
Registrars and Transfer Agents (R&TA):	LINK INTIME INDIA PRIVATE LIMITED 247, Lal Bahadur Shastri Marg, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083 Phone:022 4918 6000 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in
Address for Correspondence	For Transfer/ transmission of shares, change of address / bank mandate details for physical shares, receipt of dividend warrant, loss of share certificates etc., should be addressed to: Link Intime India Private Limited 247, Lal Bahadur Shastri Marg, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083 Phone:022 4918 6000 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in (OR) Directly to the Company to: Director Raj Rayon Industries Ltd. Corporate office: 5-C, 196/197, "Akshay" Mittal Industrial Estate, Sakinaka, Andheri (East), Mumbai - 400 059, Maharashtra (INDIA) Tel: 91-22- 40343434, Fax: 91-22- 40343400 E-mail: investors@rajrayon.com Tel Nos.:022-40343434,40343412 Fax Nos.: 40343400

Market Price Data: High & Low price of equity shares on the Stock Exchange, Mumbai is as under:



RAJ RAYON INDUSTRIES LIMITED

Month	High (Rs.)	Low (Rs.)
April 2018	0.33	0.21
May 2018	0.26	0.22
June 2018	0.24	0.19
July 2018	0.2	0.19
August 2018	0.2	0.19
September 2018	0.19	0.19
October 2018	0.19	0.19
November 2018	0.19	0.19
December, 2018	0.2	0.19
January 2019	0.19	0.19
February 2019	0.19	0.19
March 2019	0.33	0.21

Share Transfer System: The Company (now the Company's Registrars and Share Transfer Agents) normally registers shares sent for transfer in physical form within 30 days of the receipt of the documents. Shares under objection are returned within two weeks. The Company has, as per SEBI guidelines, also offered the facility of transfer-cum-demat.

Compliance Officer: The Company has appointed Mr. Sushil Kumar Radheshyam Kanodia, the CEO & CFO of the Company as the Compliance Officer.

Shareholding pattern of the Company as on 31st March 2019

	Category	Number of Shares Held	Percentage holding
A.	Promoters' Holding		
1.	Promoters		
	- Indian Promoters	11,80,35,930	34.07
	- Foreign Promoters	Nil	0.00
2.	Persons acting in Concert	Nil	0.00
	Sub-Total (1+2)	11,80,35,930	34.07
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-Government Institutions	1166963	0.34
	c. FIIs (Foreign Institutional Investors)	Nil	0.00
	Sub-Total	Nil	Nil
4.	Others		
	a. Private Sector Corporate Bodies and others	32393480	9.35
	b. Indian Public	194857627	56.24
	Grand Total	346454000	100.00



RAJ RAYON INDUSTRIES LIMITED

Subsidiary Companies

The Company does not have any subsidiary.

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, 2018 is annexed and forms part of this Report.

Compliance Report on Corporate Governance

Pursuant to The SEBI (Listing Obligation and Disclosures Requirements) Regulation, 2015, Compliance Report on Corporate Governance is not applicable to our Company.

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, 2019.

For Raj Rayon Industries Limited

Sd/-

Rajkumari Kanodia
Non Executive Chairperson & Director

Place: Mumbai

Date: 27/07/2019



RAJ RAYON INDUSTRIES LIMITED

**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 2018-19 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

Sd/-

**SUSHIL KUMAR KANODIA
CEO & CFO**

**Place: Mumbai
Date: 27/07/2019**



RAJ RAYON INDUSTRIES LIMITED

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members
Raj Rayon Industries Limited

We have examined the compliance of conditions of Corporate Governance by **Raj Rayon Industries Limited**, for the year ended March 31, 2019 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the condition of the corporate governance stipulated in SEBI Listing Regulations.

Our examination is limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We Conducted Our Examination in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and Standards on Auditing specified under section 143(10) of Companies Act, 201, in so far applicable for the purpose of this certificate. The Guidance Note on Reports or Certificate for special purpose require that we comply with ethical requirements of the Code of Ethics issued by ICAI

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015 *except the following:*

- 1. As per section 149(1) of the Companies Act, 2013, every public company shall have 3 Directors. However, from 04.08.2018 to 28.01.2019 the Company had only 1 Director.*
- 2. The Board of Directors of the Company was not duly constituted with respect to proper balance of Executive Directors, Non-Executive Directors, Independent Directors form 04.08.2018 to 28.01.2019.*
- 3. As per Regulation 19(1)(a) of the SEBI (Listing Obligation and Disclosure Requirements), 2015, the Nomination and remuneration committee shall comprise of at least 3 Directors. Hence, the quarterly results for the Quarter ended 30th June, 2018 and 30th September, 2018, could not be adopted within due dates, Annual General Meeting of the Company could not be convened and held within due date nor extension has been sought from the Registrar of Companies.*



RAJ RAYON INDUSTRIES LIMITED

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

This certificate is addressed and provided to the members of the company solely for the purpose to enable the company to comply with the requirements of Stock Exchange and SEBI Listing Regulations, and it should not be used by any other person or for any other purpose.

Accordingly, we do not accept or assume any liability or any duty of care for another purpose or any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For M/s Chaturvedi & Patel
Chartered Accountants
Firm Registration No.: 121351W

Deepak Karwa
Proprietor
Membership No.: 175321

Place: Mumbai
Date: 27/07/2019



RAJ RAYON INDUSTRIES LIMITED

CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS

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

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

I have examined the relevant registers, records, forms, returns and disclosure received from the Directors of RAJ RAYON INDUSTRIES LIMITED having CIN L17120DN1993PLC000368 and having registered office at SURVEY NO 177/1/3, VILLAGE SURANGI SILVASSA DN 396230 IN (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 2019 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.	RAJKUMARI SUSHILKUMAR KANODIA	00229331	28/12/2003
2.	BANTI PARASAR	08340462	28/01/2019
3.	RAJENDRAPRASAD RAMPRATAP SHARMA	08340471	28/01/2019
4.	MAYADHAR RAVINDAR MAHAKUD	08340476	28/01/2019

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.

POOJA APURVA MALKAN
C.P. No. : 19938

Date: 27/07/2019
Place: Mumbai

CHATURVEDI & PATEL <i>Chartered Accountants</i>		
PAN – AADFC7598N FIRM REGD NO. 121351W Mobile: 9082841065		Ground Floor, Tushar Banglow, Near Thakur House, Ashok Chakravati Road, Kandivali East, Mumbai 400 101 E-mail: deepak@cnp.firm.in

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RAJ RAYON INDUSTRIES LIMITED

Qualified Opinion

We have audited the standalone financial statements of **Raj Rayon Industries Limited** (“the Company”), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, **except for the possible effect of the matters described in Basis for Qualified Opinion section of our report**, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis of Qualified Opinion:

1. *Due to defaults in payments of bank loans, the company's accounts have been classified as Non-Performing Assets (NPA) by the lenders under Consortium advance. The lenders have not charged interest on the company's borrowings / loan since April 2016. Therefore, no provision has been made for such Interest in the books of accounts of the company and to that extent, finance cost and total loss is estimated to be understated by Rs. 12,114.63 Lakhs for the financial year ended 31 March 2019.*
2. *The Company's account stands exited from CDR Mechanism. Pursuant to provisions of Securitization and Reconstruction of Financial Assets and Enforcement of security Interest act 2002, State Bank of India has taken over the possession of the properties which is given in the possession notice dated 31 July 2018 published in free press journal newspaper. There has been no production activity carried out since then.*
3. *We draw attention to the note no. 42 of the attached statement regarding the financial results of the company having been prepared on the going concern basis which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company has been continuously incurring losses past many years and its net worth stands fully eroded. These conditions indicate the existence of material uncertainty that cast significant doubt about company's ability to continue as going concern.*
4. *The properties of the company including Plant & Machineries has been taken into possession by the State Bank of India on 31 July 2018, hence physical verification of inventories and fixed assets could not be carried out by the management and by us. Hence, we are unable to comment on the actual physical existence of the same.*
5. *The company has not complied with Ind AS – 19 with respect to employee benefits. The Company has made provision for gratuity and leave encashment for the year under audit on an estimated basis and actuarial valuation has not been done. In the absence of such valuation, relevant disclosures as per Ind AS – 19 have not been provided. We are unable to determine consequential impact of the same on the Audited Financial Statements.*
6. *The company has obtained unsecured loans amounting to Rs. 1,000.00 Lakhs, the same is outstanding from previous year and has been shown under Long-Term Borrowings in the Balance*

Sheet. However, loan agreement in respect of these loans have not been furnished and in absence of the same the terms of repayment, chargeability of interest and other terms are not verifiable.

- 7. Balances under sundry debtors and sundry creditors, loans and advances given by the company and parties from whom unsecured loans have been taken are subject to confirmations and adjustments, if any. In the absence of such pending confirmations and reconciliations, consequential impact of the same on financial statements of the company cannot be ascertained.*
- 8. In view of pending confirmations / reconciliations from banks, lender liabilities, trade payables and any other liabilities including contingent, we are unable to comment on the impact, if any, on the financial statement arising out of such pending confirmations / reconciliations. In the absence of such pending confirmations and reconciliations, consequential impact of the same on financial statements of the company cannot be ascertained.*

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

Material Uncertainty Related to Going Concern:

We draw attention to the Note No. 42 accompanying the financial statements, regarding preparation of financial statements on going concern basis, notwithstanding the fact that the company continue to incurred the cash losses, defaulted to repayment of principal and interest to its lenders, resulting into impairment for non-current assets and substantial erosion of its net-worth, also its current liability exceeds current assets by Rs. 72,170.79 Lakhs. These conditions coupled with weakened internal controls and other matters set forth in notes to the financial statements indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The appropriateness of the assumptions of the going concern is critically depended upon the Company's ability to raise finance and generate cash flows in future to meet its obligation and to restructure its borrowing with the lenders. Our opinion is not modified in respect of this matter.

Emphasis of Matter:

- 1. One operational creditor (Khanna & Khanna Ltd.) has gone into Corporate Insolvency Resolution Process (CIRP) under the provisions of Insolvency & Bankruptcy Code, 2016 (Insolvency Code) in terms of order dated 29 May 2019 passed by Hon'ble NCLT, Ahmedabad Bench. However, the same stands withdrawn dated 28 June 2019 due to mutual consent.*
- 2. The company has not carried out detailed assessment of the useful life of Company's assets and hence depreciation has not been adjusted, as per the notification to Schedule II of the Companies Act, 2013. We are unable to comment on the impact on statement of Profit & Loss Account.*
- 3. In our opinion, securities provided to banks are not adequate to cover the amounts outstanding to them as on the date of Balance Sheet.*
- 4. During the year, Company has received notice of demand from the income tax department for the Assessment Year 2011 – 2012 and 2012 – 2013 for Rs. 1,25,24,480/- & Rs. 1,60,68,990/- respectively, liability for which is not provided for as the company has preferred an appeal against the same.*
- 5. Due to resignation of the Board of Directors, the Board was not as per the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).*
- 6. The management has appointed the Board Members at the Board meeting dated 28 January 2019 due to which the AGM was not scheduled and conducted within the time limit of Companies Act, 2013 and the Company didn't received any extension for the same.*

7. *The Company was not able to conduct Board meeting as per the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Exchange compliance for the quarter ended 30th September, 2018 and 31st December, 2018 was not as per the time line of LODR and company has received the notice for suspension of trading from exchanges on January 2019. The Company has paid the penalty and completed the compliances with exchanges for the quarter ended 30th September, 2018 and 31st December, 2018 and pursuant to which the suspension of trading was revoked.*

Our opinion is not modified in respect of these matters.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Non-Verification of Fixed Assets and Inventories:

Refer Note No 3.5 and 8.2 wherein it is stated by the management that due to possession of factory premises by lenders, the company was unable to physically verify Fixed Assets and Inventories of the company. We have considered the same as a Key Audit Matter due to following reasons:

As at 31 March 2019, value of Net Block of Fixed Assets of Rs. 19,828.93 Lakhs and Inventories of Rs. 60.38 Lakhs is significant item which was not verified physically and no assurance could have been provided for physical existence of the same.

Our procedures included the following:

We have approached with alternate method of analysing the fixed asset register which again was not available with the company leading us to qualify the matter. In case of Inventories, since physical verification was not done, we were unable to confirm its existence thereby leading us to qualify the matter. These issues were discussed with the management.

2. Non conduct of Internal Audit and Non availability of Internal Financial Controls:

We were not provided with copy of Internal Audit Report and Risk Control Matrix including Standard Operating Procedures of the company which we consider to be significant key matter.

Our procedures included the following:

In the absence of Internal Financial Controls, we have discussed the issues with the management at length and to conclude have qualified the report.

Other Information:

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 **except for matters described in the 'Basis for Qualified Opinion' and 'Emphasis of Matters' para stated above.**

Management's Responsibility for the Standalone Financial Statements:

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements:

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. 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.

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. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of sub-section (11) of the Act, we give in Annexure 'A' to this Report, a statement on the matters specified in paragraph 3 and 4 of the said Order, to the extent applicable.
2. **As required by Section 143 (3) of the Act, based on our audit we report that:**
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books **except for matters described in the 'Basis for Qualified Opinion' and 'Emphasis of Matters' para stated above;**
 - c. The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the **Companies (Accounts) Rules, 2014 except for matters described in the 'Basis for Qualified Opinion' and 'Emphasis of Matters' para stated above;**
 - e. In our opinion, the matter described in the Basis for Qualified Opinion paragraph above, may have an adverse effect on the functioning of the Company.
 - f. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the board of directors, none of the directors are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - h. With respect to the other matters to be included in the auditor's report in accordance with the requirements of Section 197(16) of the Act (as amended); In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year; and
 - i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts, if any.
- iii. There is no amount outstanding which needs to be transferred to investor education and protection fund.

For Chaturvedi & Patel
Chartered Accountants
FRN: 121351W

CA Deepak Karwa
Partner
M.N: 175321
UDIN: 19175321AAAABQ4055
Place: Mumbai
Dated: 27 July 2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of RAJ RAYON INDUSTRIES LIMITED of even date)

- (i). **(a)** As per the information and explanation given by the management, the Company has **not** maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
(b) As per the information and explanation given by the management, the Fixed Assets have **not** been physically verified by the management during the year due to possession of premises by the lenders. In the absence of such physical verification, we are unable to comment on the physical existence of such fixed assets and relied on management certificate in this regards.
(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.
- (ii) As per the information and explanation given by the management, the management has **not** conducted the physical verification of inventory at year end due to possession of premises by the lenders. In the absence of such physical verification, we are unable to comment on the physical existence of such inventories and relied on management certificate in this regards.
- (iii) As per the information and explanation given by the management, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- (v) As per the information and explanation given by the management, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) As informed to us, the maintenance of Cost Records has been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribe accounts and records have been made and maintained. We have not however made detailed examination of the records with a view to determine whether they are accurate and complete.
- (vii) **a)** According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues of provident fund, income-tax, sales tax, value added tax, cess and professional tax during the year with appropriate authorities and there have not been serious delays in a large number of cases.
b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax as at 31 March 2019 which have not been deposited with statutory authorities on account of a dispute pending are given as below:

Name of the Statute	Nature of the Dues	Amount in Lakhs Excluding penalties and interest, if any except otherwise stated)		Period to which the amount relate*	Forum where dispute is Pending	
Central Excise Duty	Excise Duty	23.89		1995-1996	Additional Directorate of Anti Evasion	
		32.09		1996-1997		
		38.30		1997-1998		
		25.82		1998-1999		
		7.40		1999-2000		
			127.50			
			0.09#	1999-2000	The company is in the process of refund	
			2.95	2003-2004	Appellate tribunal of central excise	
			3.35	2003-2004 & 2004-2005	the company has filed reply to show cause notice received from superintendent of central excise	
			2.84#	2003-2004	The company has filed the appeal in the customs, excise & service tax appellate tribunal, Ahmedabad	
	174.57	2012-2013				
	283.52 (**)	2005-2006 & 2006-2007				
Textile Committee Act	Cess	0.35		1997-1998	Textile Cess Appellate Tribunal	
		0.88		1998-1999		
		2.13		1999-2000		
		3.10		2000-2001		
		1.37		2001-2002		
			7.82			
Gujarat Tax on Entry of Specified Goods into Local area Tax,2001 (including penalties & interest	Entry Tax		308.83 (Net of 250.00 Lakhs being amount recovered by the Department)	01-04-2012 to 31.01.2014	The company is in the process of filing reply to the show cause notice issued by the commercial tax officer, Ahmedabad	
State Bank of India	Loan		1,00,808.99	2017-2018	-	
Phoenix ARC Pvt Ltd	Loan		6,548.21	2018-2019	-	
Income Tax Department	Income Tax		125.24	2011-2012	-	
Income Tax Department	Income Tax		160.69	2012-2013	-	
# Payment made under protest						
* Assessment year						
** Represents penalty demand						

- (viii) In our opinion and according to the information and explanations given to us and records of the Company examined by us, *the Company has defaulted in repayment of loans or borrowings to banks and financial institutions for which the lender wise details are as follows.* The Company has not taken loan from the government and has not issued any debentures.

Default in Repayment of dues to Bank towards Term Loan (Rs. In Lakhs)

Particulars	Period of Default	As at 31/03/2019	
		Principal	Interest
State Bank of India	Since 2015-16	26,449.57	13,209.60
State Bank of Hyderabad	Since 2015-16	12,801.50	7,794.22
State Bank of Mysore	Since 2015-16	5,040.89	2,757.19
State Bank of Travancore	Since 2015-16	4,862.46	2,541.82
State Bank of Bikaner & Jaipur	Since 2015-16	2,698.80	1,272.67
State Bank of Patiala	Since 2015-16	3,023.16	1,782.57
Phoenix ARC Private Limited (*)	Since 2015-16	4,063.03	1,863.04
Total		58,939.42	31,221.11

The Facilities being classified as Non-Performing Assets (NPAs), hence entire outstanding amount is considered as a Short Term Loan by the Company.

(*) Phoenix ARC Pvt. Ltd. (an Assets Reconstruction Company) has acquired the loans from South Indian Bank.

Default in Repayment of dues to Bank towards Working Capital Facilities (Rs. In Lakhs)

Particulars	Period of Default	As at 31/03/2019	
		Principal	Interest
State Bank of India	Since 2015-16	4,611.06	3,850.06
State Bank of Hyderabad	Since 2015-16	1,689.99	674.46
State Bank of Mysore	Since 2015-16	491.61	231.59
State Bank of Travancore	Since 2015-16	820.13	337.52
State Bank of Bikaner & Jaipur	Since 2015-16	1,415.77	570.14
Phoenix ARC Private Limited (*)	Since 2015-16	1,010.73	385.27
Total		10,039.30	6,049.04

The Facilities being classified as Non-Performing Assets (NPAs), the lenders have reduced the Drawing Power to "NIL", hence entire outstanding amount is considered as default by the Company.

(*) Phoenix ARC Pvt. Ltd. (an Assets Reconstruction Company) has acquired the loans from South Indian Bank.

- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xii) In our opinion and explanation given to us, all transactions with the related parties, if any are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

- (xiii) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) In our opinion and explanation given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For Chaturvedi & Patel
Chartered Accountants
FRN: 121351W

CA Deepak Karwa
Partner
M.N: 175321
UDIN: 19175321AAAABQ4055
Place: Mumbai
Dated: 27 July 2019

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **RAJ RAYON INDUSTRIES LIMITED** of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **RAJ RAYON INDUSTRIES LIMITED** (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations

of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

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

Disclaimer of Opinion:

The system of Internal Financial Control Over Financial Reporting with regard to the company were not made available to us to enable us to determine if the company has established adequate internal financial control over financial reporting and whether such internal financial control was operating effectively. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2019.

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

For Chaturvedi & Patel
Chartered Accountants
FRN: 121351W

CA Deepak Karwa
Partner
M.N: 175321
UDIN: 19175321AAAABQ4055
Place: Mumbai
Dated: 27 July 2019

RAJ RAYON INDUSTRIES LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31st March 2019

1. COMPANY OVERVIEW:

Raj Rayon Industries Limited (“the company”) is a limited company domiciled and incorporated in India and its shares are publically 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.

2. SIGNIFICANT ACCOUNTING POLICIES:

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

2.1 STATEMENT OF COMPLIANCE:

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

2.2 BASIS OF PREPARATION:

The Financial Statements are presented in the format prescribed in the Schedule III to the Companies Act, (the Act) 2013. The statement of Cash flows has been prepared and presented as per the requirement of Ind AS-7 “Statement of Cash Flows”. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss as prescribed in schedule III of the Act are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under notified Accounting Standards and SEBI (LODR) Regulations 2015, as amended.

2.3 CURRENT AND NON-CURRENT CLASSIFICATION:

All Assets and Liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current /non-current classification of assets and liabilities.

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

2.4 USE OF ESTIMATES AND CRITICAL ACCOUNTING JUDGMENTS:

In the preparation of financial statements the Company makes critical judgments, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the results are known. Key sources of estimation of uncertainty at the date of standalone financial statements, which may cause material adjustments to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property, plant and equipment intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, fair value measurement and are discussed below;

a) Impairment of Assets:

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

b) Employee Benefits:

Short term employee benefits are recognized as an expense in the statement of profit and loss or the year in which the related services are rendered. Leave encashment being a defined benefit plan is accounted for using the projected unit credit method on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet Date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the year in which they arise. Contribution to Provident Fund, a defined contribution plan is made in accordance with the statute and is recognized as an expense in the year in which employees have rendered services the cost of providing gratuity. A defined benefit plan is determined using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in the statement of profit and loss. Re-measurements of defined benefit plan in respect of post-employment and other long term benefits are charged to the other comprehensive income in the year in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

c) Fair Value Measurement:

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly

transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market in the most advantageous market for the asset or liability.

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

Off-Setting Financial Instruments:

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

d) Income Tax:

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

e) Contingencies:

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

f) Impairment of Financial Assets:

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

g) Impairments of Non-Financial Asset:

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

h) Define Benefit Parts:

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

2.5 Property, Plant and Equipment:

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

2.6 Intangible Assets:

Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets. Identifiable intangible assets are recognized when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Computer software are capitalized at the amounts paid to acquire the respective license for use and are amortized over the period of useful lives or period of three years whichever is less. The assets' useful lives are reviewed at each financial year end. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and thy carrying amount of the asset and are recognized in the statement of profit and loss when the asset is de-recognized.

2.7 Leases:

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

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

2.8 Inventories:

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

2.9 Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized when the company has 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. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

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

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

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

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

Financial Assets – Initial Recognition and Measurement:

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

Financial Assets – Subsequent Recognition and Measurement:

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

- (a) Financial assets at fair value
- (b) Financial assets at amortized cost

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

Business Model Test:

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

Cash Flow Characteristics Test:

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

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

Business Model Test:

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

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

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

Financial Assets – Derecognition:

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

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

Financial Liabilities Initial Recognition and Measurement:

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

Financial liabilities - Subsequent Measurement:

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

2.11 Investment Properties:

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

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

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

2.12 Cash and Cash Equivalents:

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

2.13 No Current Assets Held for Sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when a sale is highly probable from the date of classification, Management are committed to the sale and the asset is available for immediate sale in its present condition. Non-current assets are classified as held for sale from the date these conditions are met and are measured at lower of carrying amount and fair value less cost to sell. Any resulting impairment loss is recognized in the statement of profit and loss as a separate line item. On classification as held for sale, the assets are no longer depreciated. Assets and liabilities classified as held for sale are presented separately as current items in the Balance Sheet.

2.14 Dividend Distribution:

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

2.15 Revenue Recognition and Export Incentive Revenue Recognition:

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

Other Operating Income:

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

Interest Income:

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

Dividend income:

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

2.16 Foreign Currency Reinstatement and Translation:

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

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

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

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

2.17 Taxes on Income:

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

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

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

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

2.18 Borrowing Costs:

Borrowing costs specifically relating to the acquisition or construction or qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporary deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing cost capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

2.19 Earnings per Share:

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

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder and weighted average number of equity and potential equity shares outstanding

during the year including share options. Convertible preference shares and debentures. Except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share. From the beginning of the year or date of issuance of such potential equity shares to the date of conversion.

2.20 Recoverability of Trade Receivables:

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

2.21 Provisions:

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

2.22 Fair Value Measurement of Financial Instruments:

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

Important Note:

Restructuring — Corporate Debt Restructuring (CDR):

The Company, Raj Rayon Industries Limited, hereinafter referred to as 'the Borrower', have availed various financial facilities from the secured lenders from time-to-time. Due to defaults in payment of dues to the lenders the account of the Company has been classified as Non-Performing Asset (NPA) as per RBI norms during the financial year 2013-14. The lenders have approved a CDR proposal of the Company for which the cut-off date was 01 August 2016.

As per Master Restructuring Agreement (MRA) executed between the borrower and the CDR Lenders as well as the provisions of the Master Circular on CDR issued by the Reserve Bank of India it gives a right to the CDR Lenders to get a recompense or their waiver and sacrifices made as a part of the CDR proposal. The recompense payable by the Borrower is contingent on various factors including improved performance of the Borrower and many other conditions. The outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as a contingent liability. The aggregate present value of the outstanding sacrifice made to be made by CDR Lenders as per the MRA was approximately Rs. 37.06 Cr. for the Company.

However, as per the CDR EG meeting held on 29th August 2016 and the letter (Ref: CDR(DAP)/No. 223/2016 – 17 from the State Bank of India dated 30th August 2016 the account of the Company stands exited from CDR mechanism on account of failure of the approved restructuring package. State Bank of

India (Lead Banker) acting as a leader of consortium lenders has taken symbolic possession of the assets/properties of the Company i.e. entire current assets, hypothecated movable plant and machineries and immovable properties (Land and Buildings) located at Mumbai, Surangi, Amlī and Dadra & Nagar Haveli as described under section 13(4) of the Securitization and Reconstruction of Financial Assets and Enforcement of the Security Interest Act, 2002 and published the E-auction sale notice.

The Lenders have approached the Debt Recovery Tribunal (DRT) under section 19 of the Recovery of Debts Due to Banks and Financial Institution Act, 1993 and the Company is served with a Summon/Notice by Debt Recovery Tribunal (DRT), Ahmedabad calling upon to appear and file written statement before the DRT against the recovery of aggregate claim of Rs. 100808.99 Lakhs. The Management of the Company is taking necessary steps in this regard to safeguard the interest and assets of the Company. The matter is sub—judiced

Corporate Insolvency Resolution Process:

One operational creditor (Khanna & Khanna Ltd.) has gone into Corporate Insolvency Resolution Process (CIRP) under the provisions of Insolvency & Bankruptcy Code, 2016 (Insolvency Code) in terms of order dated 29 May 2019 passed by Hon'ble NCLT, Ahmedabad Bench. **However, the same stands withdrawn dated 28 June 2019 due to mutual consent.**

RAJ RAYON INDUSTRIES LIMITED

BALANCE SHEET AS AT 31st March 2019

(All amounts are in Rs. Lakhs except unless otherwise stated)

Particulars	Notes	Year Ended March 31, 2019	Year Ended March 31, 2018
I Assets			
1- Non Current Assets			
(a) Property, Plant and Equipment	3(a)	19,828.93	23,690.34
(b) Intangible Assets	3(b)	-	-
(c) Capital Work In Progress		-	-
(d) Financial Assets			
I - Investments	4	10.02	10.02
II - Other Financial Assets	5	9.33	79.73
(e) Deferred Tax Assets (Net)	6	-	-
(g) Other Non-Current Assets	7	1,050.48	1,056.87
Sub Total - Non-Current Assets		20,898.76	24,836.96
2- Current Assets			
(a) Inventories	8	60.38	664.75
(b) Financial Assets			
I- Trade Receivables	9	1,670.01	2,251.83
II- Cash And Cash Equivalents	10	(0.85)	45.70
III- Bank Balances Other Than (II) Above	11	1.21	276.35
IV- Other Financial Assets	12	370.74	399.57
(c) Other Current Assets	13	0.77	44.05
Sub Total - Current Assets		2,102.26	3,682.25
Total Assets		23,001.02	28,519.20
II Equity and Liabilities			
1- Equity			
(a) Equity Share Capital	14	3,464.54	3,464.54
(b) Other Equity	15	(57,154.71)	(52,328.83)
Sub Total Equity		(53,690.17)	(48,864.29)
2- Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
I- Borrowings	16	2,400.00	2,400.00
(b) Provisions	17	18.14	10.32
(c) Other Non- Current Liabilities		-	-
Sub Total - Non-Current Liabilities		2,418.14	2,410.32
Current Liabilities			
(a) Financial Liabilities			
I- Borrowings	18	68,978.72	69,386.45
II- Trade Payables	19		
Total Outstanding Dues of Micro Enterprises and Small Enterprises			
Total Outstanding Dues of Creditors other than Micro Enterprises And Small Enterprises		132.27	358.30
III- Other Financial Liabilities	20	5,159.95	5,213.17
(b) Other Current Liabilities	21	2.11	5.18
(c) Provisions	22	-	10.07
Sub Total - Current Liabilities		74,273.05	74,973.17
Total Equity and Liabilities		23,001.02	28,519.20
Significant accounting policies Notes to Accounts	1 to 45		

The accompanying notes are an Integral part of the Standalone Financial Statements

As per our attached report of even date
For Chaturvedi & Patel
Chartered Accountants
Firm Registration No. 121351W

For and on behalf of the board
For Raj Royan Industries Ltd.

CA. Deepak Karwa
Partner
Membership No. 175321
UDIN: 19175321AAAABQ4055

Rajkumari Kanodia
Director
DIN No. 00229331

Mayadhar Ravindar Mahakud
Director
DIN No. 08340476

Sushil Kumar Kanodia
C.E.O. & C.F.O.

Place: Mumbai
Dated: 27th July, 2019

Dated: 27th July, 2019

RAJ RAYON INDUSTRIES LIMITED
STATEMENT OF PROFIT AND LOSS for the Financial Year Ended 31s March 2019

(All amounts are in Rs. Lakhs except share data unless otherwise stated)

Particulars	Notes	Year Ended March 31, 2019	Year Ended March 31, 2018
Income			
Revenue From Operations	23	1,815.99	7,627.04
Other Income	24	25.98	41.17
Total Income (I)		1,841.97	7,668.21
Expenses			
Cost Of Materials Consumed	25	1,152.68	5,954.22
Purchases Of Stock-In-Trade		-	-
Changes In Inventories of Finished Goods, Work In Progress and Manufactured Components	26	464.78	1,045.48
Employee Benefits Expense	27	90.28	299.84
Finance Cost	28	1.61	4.24
Depreciation And Amortisation Expense	29	3,669.64	3,695.51
Other Expenses	30	1,288.87	1,933.49
Total Expenses (II)		6,667.85	12,932.77
Profit / (Loss) Before Exceptional Items and Tax		(4,825.88)	(5,264.56)
Exceptional Item (Net)			
Profit / (Loss) Before Tax (I-II)			
Tax Expense:			
Current Tax		-	-
Deferred Tax		-	-
Mat Credit Entitlement		-	-
Tax Adjustment For Earlier Years		-	0.30
			0.30
Profit / (Loss) for the Period		(4,825.88)	(5,264.87)
Other Comprehensive Income			
Item that will not be reclassified to Profit or Loss			
Re-Measurement Gain / (Loss) on Defined Benefit Plans		-	-
Income Tax Effect on Above		-	-
Total Other Comprehensive Income / (Loss)			
Total Comprehensive Income For The Year		(4,825.88)	(5,264.87)
Earning Per Equity Share	31		
Basic		(1.39)	(1.52)
Diluted		(1.39)	(1.52)
Significant Accounting Policies	1 to 45		
The accompanying notes are an Integral part of the Standalone Financial Statements			
As per our attached report of even date		For and on behalf of the board	
For Chaturvedi & Patel		For Raj Royan Industries Ltd.	
Chartered Accountants			
Firm Registration No. 121351W			
CA. Deepak Karwa	Rajkumari Kanodia	Mayadhar Ravindar Mahakud	
Partner	Director	Director	
Membership No. 175321	DIN No. 00229331	DIN No. 08340476	
UDIN: 19175321AAAABQ4055		Sushil Kumar Kanodia	
		C.E.O. & C.F.O.	
Place: Mumbai		Dated: 27th July, 2019	
Dated: 27th July, 2019			

RAJ RAYON INDUSTRIES LIMITED
CASH FLOW STATEMENT for the period ended 31st March, 2019

(All amounts are in Rs. Lakhs except unless otherwise stated)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax and Extraordinary Items	(4,825.88)	(5,268.95)
Adjustment for:		
Depreciation	3,669.64	3,695.51
Provision for Bad & Doubtful Debts	695.70	-
Exchange Rate Change	(0.65)	0.65
(Profit) / Loss on Sale of Fixed Asset	6.82	28.80
Rent Income	-	-
Interest / Other Income	(14.30)	(28.68)
Expenses for Increase in Authorised Share Capital	-	-
Finance Costs	1.61	4.24
Operating Profit Before Working Capital Changes	(467.07)	(1,568.43)
Adjustment For:		
Inventories	604.37	1,149.55
Trade Receivables	(113.23)	(156.13)
Other Receivables, Loans & Advances (Current / Non Current)	78.49	719.71
Trade Payables	(226.03)	(242.26)
Other Payables, Provisions (Current / Non Current)	(58.53)	(56.36)
Cash Used in Operations	(182.00)	(153.92)
Direct Taxes Paid	-	45.54
(Including Reversal of MAT Credit Entitlement)		
Cash Flow Before Extraordinary Items	(182.00)	(108.38)
Extraordinary Items	-	-
NET CASH FLOW USED IN OPERATING ACTIVITIES	(182.00)	(108.38)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1.54)	(0.23)
Sale of Fixed Assets	-	8.25
Investments / (Maturity) of FDRs	182.07	(6.06)
Interest / Other Income	-	77.89
NET CASH FLOWS FROM INVESTING ACTIVITIES	180.53	79.85
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long Term Borrowings	-	(1.85)
Change in Working Capital Borrowing from Banks	(43.46)	(98.31)
Interest & Other Borrowing Cost	(1.61)	(4.24)
NET CASH USED IN FINANCING ACTIVITIES	(45.08)	(104.39)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(46.55)	(132.92)
Opening Balance of Cash and Cash Equivalents	45.70	178.62
Closing Balance of Cash and Cash Equivalents	(0.85)	45.70
	(46.55)	(132.92)

As per our attached report of even date
For Chaturvedi & Patel
 Chartered Accountants
 Firm Registration No. 121351W

For and on behalf of the board
For Raj Royan Industries Ltd.

CA. Deepak Karwa
 Partner
 Membership No. 175321
 UDIN: 19175321AAAABQ4055

Rajkumari Kanodia
 Director
 DIN No. 00229331

Mayadhar Ravindar Mahakud
 Director
 DIN No. 08340476

Sushil Kumar Kanodia
 C.E.O. & C.F.O.

Place: Mumbai
 Dated: 27th July, 2019

Dated: 27th July, 2019

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March 2019

(All amounts are in Rs. Lakhs except unless otherwise stated)

Note 3 (a): Property, Plant & Equipments

PARTICULARS	GROSS BLOCK (At Cost)				DEPRECIATION				NET BLOCK	
	GROSS CARRYING VALUE AS ON APRIL 1, 2018	ADDITIONS	DISPOSAL / ADJUSTMENT	GROSS CARRYING VALUE AS ON MARCH 31, 2019	ACCUMULATED DEPRECIATION AS ON APRIL 1, 2018	DEPRECIATION FOR THE PERIOD	DISPOSAL / ADJUSTMENT	ACCUMULATED DEPRECIATION AS ON MARCH 31, 2019	CARRYING VALUE AS ON MARCH 31, 2019	CARRYING VALUE AS ON MARCH 31, 2018
Tangible Assets										
Land	296.83	-	6.30	290.53	-	-	-	-	290.53	296.83
Air Condition System	628.56	-	27.52	601.04	577.01	9.27	26.15	560.14	40.90	51.55
Electrical Installation	3,431.78	-	28.57	3,403.21	2,683.66	152.14	26.84	2,808.96	594.25	748.13
Factory Building	6,803.85	-	93.11	6,710.74	1,915.15	216.28	55.92	2,075.51	4,635.23	4,888.71
D.G.Sets	190.96	-	-	190.96	93.79	8.06	-	101.85	89.11	97.17
Plant & Machinery	46,145.26	-	324.26	45,821.00	28,602.59	3,274.11	178.18	31,698.51	14,122.48	17,542.67
Furniture & Fixtures	157.49	-	4.20	153.29	139.28	5.03	3.89	140.41	12.87	18.22
Vehicle	40.51	-	1.76	38.75	36.70	1.79	1.67	36.81	1.94	3.81
Office Equipments	33.37	-	0.39	32.99	29.55	0.99	0.37	30.17	2.82	3.83
Computers	105.78	1.54	9.84	97.48	103.36	1.24	9.62	94.99	2.49	2.42
Office Premises	45.39	-	-	45.39	8.38	0.72	-	9.11	36.29	37.01
Total Tangible Assets	57,879.80	1.54	495.96	57,385.38	34,189.46	3,669.64	302.64	37,556.45	19,828.93	23,690.34
Note 3 (b): Intangible Assets										
Computer Software	7.50	-	-	7.50	7.50	-	-	7.50	-	-
Total Intangible Assets	7.50	-	-	7.50	7.50	-	-	7.50	-	-
Gross Total Fixed Assets	57,887.30	1.54	495.96	57,392.88	34,196.96	3,669.64	302.64	37,563.95	19,828.93	23,690.34

3.1: Property, plant and equipment are pledged as collateral against borrowings.

3.2: In accordance with the Indian Accounting Standard (Ind AS -36) on " Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said Ind AS. On the basis of review carried out by the management, there was no impairment loss on property, plant and equipment during the year ended 31st March, 2019.

3.3: Other intangible assets represents Computer software other than self generated.

3.4: State Bank of India (lead banker) acting as a leader of Consortium lenders (Banks), pursuant to provisions of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, has taken over the possession of the properties mortgaged with State Bank of India, description of the properties taken over by the Bank is given in the possession notice dated 31-07-2018 published in Free Press Journal Newspaper. The entire amount of net disposal of assets (after depreciation) of Rs. 193.32 Lakhs is on account of such possession taken over by State Bank of India. Company has booked loss of Rs. 6.82 Lakhs on account of such transfer.

3.5: Due to possession of factory premises by lenders, the company was unable to physically verify fixed assets of the company.

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 4: Financial Assets- Investments		
Other than Trade: (Unquoted At Cost):		
Investments in fully paid equity instruments		
Raj Money Markets Limited - 1,00,100 (1,00,100) Shares having face value of Rs. 10/- each	10.01	10.01
The Bharat Co-operative Bank (Mumbai) Limited - 10 (10) Shares having face value of Rs. 100/- each	0.01	0.01
Total	10.02	10.02

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 5: Other Financial Assets		
Fixed Deposit with bank with maturity period more than 12 months held as security, deposit, margin money for letter of credit and bank guarantees issued.	-	61.82
Interest accrued on Fixed Deposits (Maturity Period more than 12 months)	-	8.97
Security Deposits	9.33	8.93
Total	9.33	79.73

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 6: Deferred Tax Assets (Net)	-	-
Total	-	-

6.1: In view of the heavy Losses & uncertainty of profits, no provision was made for Deferred Tax Assets.

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 7: Other Non-Current Assets		
TUFS Benefit Receivable (Interest Subsidy)	776.64	776.64
Capital Advances	-	5.44
Prepaid Expenses	-	2.14
Prepaid Taxes (Net of Provisions)	23.84	22.64
Others (VAT Payment under Protest)	250.00	250.00
Unsecured, Considered Doubtful		
Capital Advances	117.79	117.79
Less: Provision for doubtful Capital advances	(117.79)	(117.79)
Total	1,050.48	1,056.87

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 8: Inventories (As Certified by Management)		
Raw Materials	38.34	156.01
Work in Progress	9.84	247.14
Manufactured Components	-	19.10
Finished Goods	0.54	208.92
Stores, Spares and Others	10.63	23.43
Packing Materials	1.02	10.15
Total	60.38	664.75

8.1: Inventories are pledged / hypothecated as collateral against borrowings.

8.2: Due to possession of factory premises by lenders, the company was unable to physically verify inventories of the company.

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 9: Trade Receivables		
Outstanding for a period exceeding six months from the date they are due for payments		
Unsecured, considered good	1,669.51	609.98
Unsecured, considered doubtful	11,053.49	10,357.80
	12,723.01	10,967.78
Less: Provision for doubtful trade receivables	(11,053.49)	(10,357.80)
	1,669.51	609.98
Outstanding for a period less than six months from the date they are due for payments		
Unsecured, considered good	0.50	1,641.84
Unsecured, considered doubtful	-	-
	0.50	1,641.84
Total	1,670.01	2,251.83

9.1: In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. There has been no significant change in the credit quality of receivables past due for more than 180 days.

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 10: Cash and Cash Equivalents		
Balances with Banks	(1.63)	43.20
Cheques on Hand	-	-
Cash in Hand	0.77	2.50
Total	(0.85)	45.70

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 11: Bank Balances other than Cash and Cash Equivalents		
~ Balances with Banks in Unpaid Dividend Accounts	0.80	0.80
~ Fixed Deposits with Banks held as Security, Deposit, Margin Money for Letter of Credit and Bank Guarantees Issued	0.41	337.38
~ Less: Amount disclosed under Other Non Current Assets	-	(61.82)
Total	1.21	276.35

11.1: Deposit lien with banks includes Rs. Nil Lakhs (As at 31st March, 2018 Rs. 337.37 Lakhs) pledged as security with a bank for the credit facilities availed

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 12: Other Financial Assets		
Unsecured, Considered Good		
Advances to Suppliers	0.03	2.83
Advances to Staff	0.40	0.09
Cenvat Credit Receivable (Net of Provision)	356.14	383.94
Balance with Excise Department	0.90	0.90
Prepaid Expenses	1.59	8.03
Deposits	1.50	1.50
Others	10.19	2.29
Unsecured, Considered Doubtful		
Advances to Suppliers	81.82	83.48
Less: Provision for Doubtful Advances to Suppliers	(81.82)	(83.48)
Total	370.74	399.57

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 13: Other Current Assets		
Interest accrued on Fixed Deposits	0.77	16.91
Less: Amount disclosed under Other Financial Assets (Maturity period less than 12 months)	-	(8.97)
	0.77	7.94
Export Benefit Receivable	-	36.11
Total	0.77	44.05

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 14: Equity Share capital		
Authorised:		
71,00,00,000 (71,00,00,000) Equity Shares of Rs 1/- each	7,100.00	7,100.00
1,50,00,000 (1,50,00,000) Preference Shares of Rs. 10/- each	1,500.00	1,500.00
Total	8,600.00	8,600.00
Issued, Subscribed and paid-up :		
34,64,54,000 (34,64,54,000) Equity Shares of Rs. 1/- each fully paid	3,464.54	3,464.54
Total	3,464.54	3,464.54
14.a Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period :-		
(i) Equity shares :-		
Particulars	Year Ended March 31, 2019	
	Number of Shares	Rs. (In Lakhs)
Outstanding at the beginning of the reporting period	34,64,54,000	3,464.54
Issued during the reporting period	-	-
Bought back during the reporting period	-	-
Outstanding at the end of the reporting period	34,64,54,000	3,464.54
Particulars	Year Ended March 31, 2018	
	Number of Shares	Rs. (In Lakhs)
Outstanding at the beginning of the reporting period	34,64,54,000	3,464.54
Issued during the reporting period	-	-
Bought back during the reporting period	-	-
Outstanding at the end of the reporting period	34,64,54,000	3,464.54
14.b Terms / Rights Attached to Equity Shares		
The principle rights,powers,preferences and restrictions relating to each class of share capital are as follows:		
Equity Shares - The Company has issued only one class of Equity Shares having a par value of Rs. 1/- per share. Each Holder of Equity Shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		
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 number of Equity shares held by the Shareholders.		
14.c Shareholders holding more than 5% share capital at the end of the year :		
Name of Shareholders	Year Ended March 31, 2019	
	Number of Shares	% of Holding
Equity Shares		
Raj Money Market Limited	9,47,20,930.00	27.34
Fine Fashion Private Limited	2,16,61,258.00	6.25
Jitendra B Salecha	2,06,44,848.00	5.96
Name of Shareholders	Year Ended March 31, 2018	
	Number of Shares	% of Holding
Equity Shares		
Raj Money Market Limited	9,47,20,930.00	27.34
Jitendra B. Salecha HUF	1,40,00,000.00	4.04
Fine Fashion Private Limited	2,36,82,769.00	6.84
14.d Information regarding issue of shares in the last five years		
a) The Company has not issued any shares without payment being received in cash.		
b) The Company has not issued any bonus shares.		
c) The Company has not undertaken any buy-back of shares.		
Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 15: Other Equity		
Capital Reserve on Forfeited Shares / Share Warrants:	114.47	114.47
Securities Premium Reserve	7,630.73	7,630.73
Surplus in Statement of Profit and Loss:		
Balance at the Beginning of the Year	(60,074.03)	(54,809.16)
Add (Less): Profit (Loss) After Tax for the Reporting Period	(4,825.88)	(5,264.87)
	(64,899.91)	(60,074.03)
Total	(57,154.71)	(52,328.83)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 16: Long Term Borrowings		
Secured loans:		
Term loans		
From Banks		
Rupee Loans	58,939.42	59,303.19
	58,939.42	59,303.19
Less: Transfer to Short Term Borrowings (Including instalment defaulted and remained unpaid as at Balance Sheet Date)	58,939.42	59,303.19
Sub-Total	-	-
Unsecured Loans:		
Inter-corporate loans	1,000.00	1,000.00
15% Non Convertible Non Cumulative Redeemable Preference Shares of Rs. 10/- each	1,400.00	1,400.00
Sub-Total	2,400.00	2,400.00
Total	2,400.00	2,400.00

A. Particulars of Securities and Rate of Interest:

- In case of financial facilities from Lenders, Term Loan (TL), Working Capital Term Loan (WCTL) and Funded Interest Term Loan (FITL) aggregated to Rs. 58,939.42 Lakhs and Fund Based Working Capital of Rs. 10,039.30 Lakhs are secured by –
 - All chargeable present and future tangible / intangible movable assets of the Company, first charge on all chargeable on all present & future immovable assets of the Company, first charge on all the present & future chargeable current assets
 - Extension of equitable mortgage on residential Flat no.T-35/706, 7th Floor, "Golden Heights" Co-operative Housing Society Limited owned by Mrs. Rajkumari Kanodia.
 - Personal Guarantee of Mr. Gourishankar Poddar, Mrs. Rajkumari Kanodia and Mr Sushil Kumar Kanodia.
 - Corporate Guarantee of M/s Raj Money Market Limited.
 - Pledge of 11,80,35,930 Equity Shares of the Company (held by promoters).
 - Rupee loan from banks and financial institution has been turned into NPA. Continuing on the routine compliance, the lenders are moving on the recovery measure and already serve the call up notice for their exposure. Therefore instead of structured repayment schedule, the entire exposure of that banks / financial institution is fallen due on immediate demand basis. Accordingly, all the Term Loans and Cash Credits from Banks have been classified as Loans Repayable
- Rate of Interest on Term Loans ranges between 12% to 15.75%

B. Period and amount of continuing defaults as on the balance sheet date in repayment of principal and interest inclusive of earlier years

Particulars	Year Ended March 31, 2019	
	Principal	Interest (*)
State Bank of India	26,449.57	13,209.60
State Bank of Hyderabad	12,801.50	7,794.22
State Bank of Mysore	5,040.89	2,757.19
State Bank of Travancore	4,862.46	2,541.82
State Bank of Bikaner & Jaipur	2,698.80	1,272.67
State Bank of Patiala	3,023.16	1,782.57
Phoenix ARC Private Limited	4,063.03	1,863.04
Total	58,939.41	31,221.11

Particulars	Year Ended March 31, 2018	
	Principal	Interest (*)
State Bank of India	29,326.14	8,750.84
State Bank of Hyderabad	12,801.50	5,349.92
State Bank of Mysore	5,040.89	1,841.71
State Bank of Travancore	4,862.46	1,691.09
State Bank of Bikaner & Jaipur	2,698.80	832.06
State Bank of Patiala	3,196.14	1,214.98
Phoenix ARC Private Limited	4,076.05	1,192.30
Total	62,001.98	20,872.90

(*) Interest default comprises of interest reversed by bank since classification of account as Non Performing Assets (NPA) as well as Interest computed for current year though neither charged by bankers nor provided by Company.

C. The Company has not provided for interest on loan on accrual basis and the same is accounted as and when recovered by respective lenders.

(All amounts are in Rs. Lakhs except unless otherwise stated)

D. Preference Shares:

The preference shareholders shall have the right to receive all notices of General Meetings of the Company but shall not confer thereon the right to vote at any meeting. The Preference Shareholders shall be entitled to receive dividend @15% per annum from the date of allotment till the date of redemption on proportionate basis. The preference shareholders shall rank in priority to the equity shares for repayment of capital and payment of dividend. The Company shall redeem starting from the end of thirteenth year on yearly basis 1/3rd Preference Shares from the date of allotment at the rate of Rs. 10/- each at a premium of Rs. 20/- each till the end of fifteenth year. The Company shall have the option to prematurely redeem in part or in full the outstanding amount on preference shares at a price of Rs. 10/- each at a premium of Rs. 20/- each at any point of time after the end of three years from the date of allotment by giving three month notice in writing to the preference shareholders.

In term of section 47 (2) of the companies act 2013, the preference shareholders have been vested with the right to vote on all the resolutions placed before the company being dividend not paid for a period of more than 2 years.

The Company has reclassified 15% Non Convertible Non Cumulative Redeemable Preference Shares of Rs. 10/- each as Financial Liability as required by Para 18(a) of Ind AS 32 "Financial Instruments - Presentation". However, the Company has not provided for the Preference dividend on the same as required to be provided by Para 36 of the said standard. Accordingly, the loss for the year ended 31st March, 2019 has been understated by Rs. 210 Lakhs.

Shareholder holding more than 5% preference share capital at the end of the year :

Name of Shareholders	% of Holding	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Preference Shares Nakoda Limited (No of Shares CY 14000000, PY 14000000)	100.00	100.00

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 17: Provisions		
Provision for Employee Benefits	18.14	10.32
Total	18.14	10.32

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 18: Borrowings		
Secured Loans:		
Loan Payable on Demand / Working Capital Loans from Banks		
Cash Credit / Demand Loans / Short Term / Regrouping of Long Term Loans	68,978.72	69,386.45
Total	68,978.72	69,386.45
Nature of Security:		
(i) Rate of Interest on Working Capital (Cash Credit) ranges between 10% to 13%. For details of security, refer comments of long-term borrowings.		
(ii) The Working Capital Facilities being classified as non performing assets (NPA) The lenders have reduced the drawing power to Nil hence the Company has defaulted in repayment to the extent of outstanding amount and interest amount (approx) of Rs 6,049.04 Lakhs.		

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 19: Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	132.27	358.30
Total	132.27	358.30

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

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 20: Other Financial Liabilities		
Interest Accrued & Due on Bank Loans	4,952.71	4,952.71
Interest Accrued & Due on Unsecured Loans	114.00	114.00
Advances from Customers	-	2.85
Unpaid Dividends	0.80	0.80
Other Liabilities	92.44	142.81
Total	5,159.95	5,213.17

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 21: Other Current Liabilities		
Statutory Liabilities	2.11	5.18
Total	2.11	5.18

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 22: Provisions		
Provision for Employees Benefits (Gratuity)	-	10.07
Total	-	10.07

Notes on Financial Statements for the year ended 31st March 2019

(All amounts are in Rs. Lakhs except unless otherwise stated)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 23: Revenue From Operations		
Sale of Products		
Yarn - Local	1,793.58	7,826.04
Chips	-	0.68
PTA / MEG / Others	10.93	10.65
	1,804.51	7,837.37
Other Operating Revenues		
Scrap and Other Sales	11.48	13.06
	1,815.99	7,850.43
Less: Excise Duty	-	223.38
Total	1,815.99	7,627.04

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 24: Other Income		
Interest Income:		
On Fixed Deposits with Banks	14.12	25.56
On Delayed Payments from Customers	-	0.24
On Loan / Deposit / Others	0.19	2.88
	14.30	28.68
Other Miscellaneous Income	11.67	12.49
Total	25.98	41.17

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 25: Cost of Materials Consumed		
Chips	1,094.41	5,359.45
POY / FDY / PTY	-	294.90
PTA / MEG / Others	4.97	2.40
Yarn Oil	34.80	217.60
Spin Finish Oil	18.50	79.86
Total	1,152.68	5,954.22

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 26: Changes in inventories of Finished Goods & Work-in-Process		
Opening Inventories:		
Finished Goods	208.92	569.44
Manufactured Components	19.10	248.82
Stock in Process	247.14	765.65
	475.16	1,583.91
Less: Closing Inventories:		
Finished Goods	0.54	208.92
Manufactured Components	-	19.10
Stock in Process	9.84	247.14
	10.39	475.16
Add/Less: Provision for Excise Duty on Finished Goods (Net)	-	(63.27)
Total	464.78	1,045.48

Notes on Financial Statements for the year ended 31st March 2019

(All amounts are in Rs. Lakhs except unless otherwise stated)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 27: Employee Benefit Expenses		
Salaries and Wages	84.04	283.12
Contribution to Provident Fund and Other Funds	5.53	13.49
Staff Welfare Expenses	0.70	3.23
Total	90.28	299.84

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 28: Finance Cost		
Interest Expense	0.00	0.29
Other Borrowing Costs	1.61	3.95
Net Loss (Gain) on Foreign Currency Transactions	-	-
Total	1.61	4.24

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 29: Depreciation and Amortisation Expenses		
Depreciation	3,669.64	3,695.51
Total	3,669.64	3,695.51

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Note 30: Other Expenses		
Manufacturing Expenses:		
Power and Fuel	280.62	1,100.36
Inward Transportation and Freight	7.51	19.26
Consumption of Stores and Spares	4.96	133.83
Repairs to Factory Buildings	-	0.22
Repairs to Machineries	0.18	11.23
Consumption of Packing Material	19.36	283.80
Labour / Job Charges	49.10	193.45
Administrative Expenses:		
Printing and Stationery	1.52	3.80
Postage and Courier	0.98	2.52
Telephone and Communication Charges	1.56	3.23
Travelling and Conveyance	53.30	32.02
Auditors' Remuneration	1.65	4.02
General Expenses	50.72	10.76
Rates and Taxes	7.93	8.36
Sundry Balance Written Off	45.88	19.90
Electricity Expenses	1.85	3.57
Insurance	6.27	25.96
Repairs and Maintenance	3.68	14.04
Legal and Professional Charges	36.56	22.27
Director Sitting Fees	0.31	0.95
Loss on Sale / Discard of Fixed Assets (Net)	6.82	28.80
Provision for Doubtful Trade Receivables	695.70	-
Selling, Distribution and Other Expenses:		
Advertisement and Publicity	13.06	3.96
Commission and Brokerage	-	5.17
Carriage Outward	-	1.79
Net Foreign Exchange (Loss)	(0.65)	0.21
Total	1,288.87	1,933.49

Note 31: Earning per Equity Share

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Net Profit / (Loss) After Tax	(4,825.88)	(5,264.87)
Weighted average number of shares used in computing basic earnings per share	3,465	3,465
Weighted average number of shares used in computing diluted earnings per share	3,465	3,465
Face Value of Equity Shares	1	1
Basic Earnings Per Share	(1.39)	(1.52)
Diluted Earnings Per Share	(1.39)	(1.52)

Note 32: Contingent Liabilities and Commitments (to the extent not provided for)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(i) Contingent Liabilities:		
(a) Notices / Show Cause Notices received from Excise Department .	594.81	594.81
(b) Show cause notices for levy of cess.	7.82	7.82
(c) Notice received from SEBI, for delay in submission of certain information to BSE.	-	1.75
(d) Order of assessment by Entry Tax / Commercial Tax Officer Ahmedabad (Net of Rs. 250.00 Lakhs being amount Recovered by the Department)	308.83	308.83
(e) Legal Suit Filed by the supplier (Withdrawal from Garden Silk Mills)	-	199.08
(f) Bank Guarantee	-	175.60
(g) Notice from Debts Recovery Tribunals	1,00,808.99	1,00,808.99
(h) Notice from Debts Recovery Tribunals (Phoenix ARC Pvt Ltd.)	6,548.21	-
(i) Demand Notice from Income Tax Department for Assessment Year 2011-12	125.24	-
(j) Demand Notice from Income Tax Department for Assessment Year 2012-13	160.69	-
(ii) Contingent commitments		
Estimated amount of contracts, net of advances, remaining to be executed on Capital Account.	-	-
Other Commitments (Raw Materials)	-	-

Note 33: Payment to Auditors (Excluding service tax)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Statutory Audit under the Companies Act 1956	1.65	3.45
Taxation Matters	-	0.55
Reimbursement of Cess	-	0.02
Total	1.65	4.02

Note 34: Segment Reporting

The company operates in a single segment i.e. textile having same risk and return. Hence reporting as per Ind AS-108 'Segment Reporting' is not applicable to the company.

Note 35: Related Party Disclosures (As Per Ind AS 24 Issued by ICAI) :

i) Names of Related Parties and Description of Relationships
a) Party owning an interest in voting power of the company that gives it significance influence over the company:
Raj Money Market Limited
Fine Fashion Private Limited
b) Non-Executive Directors
Shri Prahladrai Jajodia (Resigned w.e.f. 11/06/2018)
Shri Jugal Kishore Pareek (Resigned w.e.f. 04/08/2018)
Shri Rajubhai Baba bhai Chokidar (Resigned w.e.f. 27/06/2018)
Shri Rajendra Prasad Rampratap Sharma (Appointment w.e.f. 28-01-2019)
Shri Banti Parasar (Appointment w.e.f. 28-01-2019)
Shri Mayadhar Ravindar Mahakud (Appointment w.e.f. 28-01-2019)
c) Key Management Personnel:
i) Mr. Mayadhar Ravindar Mahakud - Managing Director (Appointment w.e.f. 28-01-2019)
ii) Mr. Sushil Kumar Kanodia - Chief Executive Officer (C.E.O.) & Chief Financial Officer (C.F.O.)
d) Relatives of Key Management Personnel:
i) Pawan Kanodia (Brother of Sushil Kumar Kanodia)
ii) Akanksha Mehta (Daughter of Sushil Kumar Kanodia)
iii) Samiksha Arya (Daughter of Sushil Kumar Kanodia)

II) Transactions during the period and balances outstanding for the period ended with the related parties are as follows:		
Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Expenses:		
Director's Remuneration		
Mr. Naval Babulal Kanodia (Resigned w.e.f. 12/03/2018)	-	2.00
Directors Sitting Fees		
Shri Prahladrai Jajodia (Resigned w.e.f. 11/06/2018)	0.10	0.25
Smt. Rajkumari Kanodia	0.10	0.25
Shri Rajubhai Baba bhai Chokidar (Appointment w.e.f. 20/09/2017)	0.01	0.20
Shri Jugal Kishore Pareek (Appointed w.e.f. 12/08/2016)	0.10	0.25
Salary		
Mr. Sushil Kumar Kanodia - (C.E.O. & C.F.O.)	10.59	29.97
Mr. Pawan Kanodia	-	5.88
Mrs Akansha Mehta	8.18	16.80
Mrs Samiksha Arya	5.81	10.08
Sales (Net of Returns / Rebate / Discount)		
Fine Fashion Private Limited	1,849.32	6,133.23
Third Party Payments / Receipts on Company's Behalf		
Receipt from Fine Fashion Private Limited	1,219.88	877.26
Payments to Suppliers by Fine Fashion Private Limited	437.42	4,713.10
Investments in Shares		
Raj Money Market Limited	10.01	10.01
Closing Balance		
Fine Fashion Private Limited	1,640.55	1,448.53

Note 36: C. I. F. Value of Imports:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Raw Materials / Stock in Trade	-	-
Capital Goods	-	-

Note 37: Expenditure in Foreign Currency

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Commission *	-	0.03
Travelling	18.32	12.48

* Considered on payment basis and previous year amount has been regrouped accordingly

Note 38: Raw material consumed and total value of imported and indigenous raw material, spare parts, components consumed and % of each to total consumption

Note 38.1: Raw Material Consumed	Year Ended March 31, 2019	Year Ended March 31, 2018
PTA /MEG / Others	4.97	2.40
Chips	1,094.41	5,359.45
POY/FDY/PTY	-	294.90
Yarn Oil	34.80	217.60
Spin Finish Oil	18.50	79.86
Total	1,152.68	5,954.22

Note 38.2: Total value of imported and indigenous raw material, spare parts, components consumed and % of each to total consumption

Particulars	Year Ended March 31, 2019	
	Consumption in Rs.	% to total consumption
(a) Raw Materials:		
Indigenous	1,152.68	100.00
Imported	-	-
Total consumption and %	1,152.68	100.00
(b) Spare Parts and Components:		
Indigenous	4.96	100.00
Imported	-	-
Total consumption and %	4.96	100.00

Particulars	Year Ended March 31, 2018	
	Consumption in Rs.	% to total consumption
(a) Raw Materials:		
Indigenous	5,954.22	100.00
Imported	-	-
Total consumption and %	5,954.22	100.00
(b) Spare Parts and Components:		
Indigenous	133.83	100.00
Imported	-	-
Total consumption and %	133.83	100.00

Note 39: Earning in Foreign Currency		
FOB Value of Exports	-	-
Above FOB value Includes FOB value as per shipping bill and custom rate for pending shipping bills for which BRCs are pending as on date	-	-

Note 40: Financial, Derivatives and Unhedged Transaction		
The forward exchange contract (the "FEC") entered into by the company and outstanding at end of the reporting period is as under.		
Particulars	Year Ended March 31, 2019	
	IN USD	Rs in Lakhs
Unhedge Foreign Currency Exposure		
Export Receivables	27,783.24	19,42,882.00

Particulars	Year Ended March 31, 2018	
	IN USD	Rs in Lakhs
Unhedge foreign currency exposure		
Export Receivables	23,262.40	14,95,771.00

Note 41: Employee Benefit Expenditure
The disclosures required under Ind AS-19 "Employee Benefits" :
The Company has made provision for gratuity and leave encashment for the year on an estimated basis and actuarial valuation has not been done. In the absence of such valuation, relevant disclosures as per Ind AS-19 Employee Benefits have not been given.

Note 42: The management has prepared the Company's financial statements on a going concern basis notwithstanding the fact that the company has incurred net loss of Rs. 4,826.46 Lakhs during the year ended 31st March 2019 and have accumulated losses of Rs. 64,899.91 Lakhs as on that date. As of this date, the company's total liabilities exceed its total assets and its networth has been fully eroded. The financial performance of the Company had deteriorated substantially. State Bank of India (lead banker) acting as a leader of consortium lenders has taken symbolic possession of the assets / properties of the Company. The Company continue to deal with a range of uncertainties. The Company is not able to service its debts.

Note 43: In the Opinion of the Board, the Current Assets / Non Current Assets, Loans & Advances (including Export Benefits / Incentive / Interest Subsidy under TUF), Trade Payables are approximately of the value stated, if realized / paid in the ordinary course of business and are subject to confirmation / reconciliation.
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Note 44: The third party payments made / received on behalf of the Company as well as payment to third parties on behalf of suppliers by the Company are subject to confirmations from respective parties.

Note 45: Figures for the previous year have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

The accompanying notes are an Integral part of the Standalone Financial Statements		
As per our attached report of even date		For and on behalf of the board
For Chaturvedi & Patel		For Raj Royan Industries Ltd.
Chartered Accountants		
Firm Registration No. 121351W		
CA. Deepak Karwa	Rajkumari Kanodia	Mayadhar Ravindar Mahakud
Partner	Director	Director
Membership No. 175321	DIN No. 00229331	DIN No. 08340476
UDIN: 19175321AAAABQ4055		
		Sushil Kumar Kanodia
		C.E.O. & C.F.O.
Place: Mumbai		Dated: 27th July, 2019
Dated: 27th July, 2019		