



RAJ RAYON INDUSTRIES LIMITED

(A Government Recognised Star Export House)



Corporate Office: 102/108 & 107, Raj Rayon Industrial Estate, Bandra, Ahmednagar, Mumbai-400 051 (India)
☎ +91 22 40043434 • Fax +91 22 40043400 • Email: rajrayon@rajrayon.com • Website: www.rajrayon.com
CIN NO. : L17120DN1983PLC000368

Date: 26.7.2021

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.: Clarification on Audited Financial Results of the Company for the year ended on March 31, 2021.

We would like to reply for the following:

1. Limited Review Report/ Independent Auditor's Report is not in the format prescribed by SEBI

- *We have attached the Audit Report as per the format prescribed by SEBI*

2. Financial results submitted is not as per format prescribed by SEBI

- *We have attached the financial Results as per format prescribed by SEBI*

3. The company has not submitted the Statement of Modified Opinion or in case of unmodified opinion(s), a declaration to that effect to the Stock Exchange. (1. As per 33 (3)(e), the listed entity shall also submit the audited 75[or limited reviewed] financial results in respect of the last quarter along-with the results for the entire financial year, with a note stating that the figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter of the current financial year.

- *We have attached herewith the Statement of Impact of Audit Qualifications by the Listed Entities*

2. Disclosure of the Impact of Audit Qualifications by the Listed Entities not submitted

- *We have attached herewith the Statement of Impact of Audit Qualifications by the Listed Entities*

3. UDIN missing in auditor's report)

- *UDIN is generated and mentioned in Auditors Report*



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Thanking you,
Yours faithfully,
For RAJ RAYON INDUSTRIES LIMITED



Mr. Abhishek Nagori
Resolution Professional

CHATURVEDI & PATEL <i>Chartered Accountants</i>		
GSTN – 27AADFC7598N1ZN FIRM REGD NO. 121351W Ph: 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 Resolution Professional (RP) of,

In the matter of Raj Rayon Industries Limited

IBBI Reg. No. IBBI/IPA-001/IP-P00020/2016-2017/10044

1. The Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") by an order dated 23rd January, 2020 admitted the Corporate Insolvency Resolution Process ("CIRP") application filed against Raj Rayon Industries Limited and appointed Mr. Abhishek Nagori as the Interim Resolution Professional ("IRP") in term of the Insolvency and Bankruptcy Code, 2016 ("Code") to manage the affairs of the Company as per the provisions of the Code. On 15th February, 2020 Mr. Abhishek Nagori confirmed as Resolution Professional ("RP") of M/s Raj Rayon Industries Limited by passing unanimous resolution in the 1st Committee of Creditor meeting at Mumbai. In view of ongoing CIRP and suspension of powers of Board of Directors and as explained to us, the power of adoption of this standalone financial results vests with the RP under the provision of the Code.
2. As per Section 134 of the Companies Act, 2013, the financial statements of the Company are required to be authenticated by the chairperson of the board of directors, where authorized by the board or at least two directors, of which one shall be the managing director or the CEO (being a director), the CFO and the Company Secretary where they are appointed. Under said Code, such power shall vest with Mr. Abhishek Nagori.
3. We have audited the accompanying Statement of Standalone Financial Results of **Raj Rayon Industries Limited** ("the Company"), Survey No. 177/1/3, Village – Surangi, Dist –Silvassa, Dadra & Nagar Haveli (UT) – 396 230 for the year ended 31st March, 2021 being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/15/2015 dated November 30, 2015 & SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016.
4. This Statement, which is the responsibility of the Company's Management and taken on record at the meeting of Raj Rayon Industries Limited on its Board (power suspended) and the Resolution Professional held on 1st July 2021, has been prepared in accordance with the recognition and measurement principal prescribed under Section 133 of the

Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the statement based on our audit of such standalone Ind AS financial statements.

5. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

Basis of Qualified Opinion:

6. *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 understated.*
7. *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.*
8. *We draw attention to the note no. 7 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.*
9. *The Company has, on the basis of their internal evaluation, valued inventories at Rs. 60.38 lakh. In the view of current CIRP Process and in absence of valuation report, we are unable to comment on the realisability of the inventories.*

10. *Internal Audit Report is not available since management has not appointed Internal Auditor as required under section 138 of Companies Act, 2013.*
11. *Company Secretary of the Company has resigned from the company dated 23rd April, 2019, Company has not appointed full time Company Secretary required under section 203 (and Rule 8 and Rule 8A of companies' appointments & remuneration of Managerial Personnel Rule 2014) of Companies Act, 2013.*
12. *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.*
13. *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.*
14. *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.*

Qualified Opinion:

15. In our opinion, except for the effects of the matter described in the Paragraph No. 6 to 14 above, the 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 2021 and its loss for the year ended on that date.

Matter of Emphasis:

16. The Company is undergoing Corporate Insolvency Resolution Process (CIRP) under the provisions of Insolvency & bankruptcy Code, 2016 (Insolvency Code) in terms of Order dated. 23rd January, 2020 passed by Hon'ble NCLT, Ahmedabad Bench. In terms of Section 20 of Insolvency code, the management and operations of the Company are being managed by Resolution Professional (RP).
17. These events cast significant doubt on the ability of the Company to continue as a going concern. The appropriateness of the said basis is inter-alia dependent on the Company's ability to infuse requisite funds for meeting its obligations (including statutory liabilities and those in respect of contracts entered into for purchase of goods and assets), rescheduling of debt/other liabilities and resuming normal operations.

18. 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.
19. In our opinion, securities provided to banks are not adequate to cover the amounts outstanding to them as on the date of Balance Sheet.
20. The Company has received the 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.
21. *The company has not complied with Ind AS – 19 with respect to employee benefits. Actuarial valuation certificate has not been obtained for gratuity and other post-employment benefits.*
22. *We draw attention to the note no. 10 of the attached statement regarding the financial results of the company which describes the management's assessment of the financial impact of the events arising out of Coronavirus (Covid-19) pandemic, for which a definitive assessment of the impact in the subsequent period is dependent upon the circumstances as they evolve.*
23. 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).

Our opinion is not qualified in respect of the paragraph 18 to 23 stated above.

**For Chaturvedi & Patel
Chartered Accountants
FRN: 121351W**



**CA Deepak Karwa
Partner
M.N: 175321
UDIN: 21175321AAAABK2767
Place: Mumbai
Dated: 26th July 2021**

RAJ RAYON INDUSTRIES LIMITED

Regd. Office: Survey No. 177/1/3, Village – Suranji, Dist –Silvassa, Dadra & Nagar Haveli (UT) – 396 230

Tel: 91-22-40343434, Fax: 91-22-40343400, e-mail: investors@rajrayon.com, website: www.rajrayon.com

CIN No. L17120DN1993PLC000368

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED: 31ST MARCH, 2021

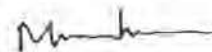
(Rs. in Lakhs)						
Sr.No.	Particulars	Quarter ended 31-03-2021 (Audited)	Quarter ended 31-12-2020 (Unaudited)	Quarter ended 31-03-2020 (Audited)	Year ended 31-03-2021 (Audited)	Year ended 31-03-2020 (Audited)
1	Income					
	(a) Revenue from Operations	-	-	-	-	-
	(b) Other Income	92.56	-	-	95.61	340.61
	Total income	92.56	-	-	95.61	340.61
2	Expenses					
	(a) Cost of materials consumed	-	-	-	-	-
	(b) Purchases of stock-in-trade	-	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress & stock in trade	-	-	-	-	-
	(e) Employee benefits expense	-	-	-	-	-
	(f) Finance Costs	-	-	-	-	-
	(g) Depreciation and amortisation expense	887.50	887.53	901.63	3,550.36	3,610.58
	(h) Other expenses	13.35	3.99	0.50	23.07	121.15
	Total expenses	900.84	891.52	902.13	3,573.43	3,731.73
3	Profit(Loss)Before exceptional and extraordinary items and tax (1-2)	(808.29)	(891.52)	(902.13)	(3,477.82)	(3,391.12)
4	Exceptional Items / Extraordinary Items	-	-	-	-	-
5	Profit/(Loss) before tax (3-4)	(808.29)	(891.52)	(902.13)	(3,477.82)	(3,391.12)
6	Tax Expenses					
	(i) Current Tax	-	-	-	-	-
	(ii) Deferred Tax	-	-	-	-	-
7	Profit/(Loss) for the period (5-6)	(808.29)	(891.52)	(902.13)	(3,477.82)	(3,391.12)
8	Other Comprehensive Income net of taxes					
	a) Items that will not be reclassified to profit or loss	-	-	-	-	-
	b) Items that will be reclassified to profit or loss	-	-	-	-	-
9	Total Comprehensive Income (8+9)	(808.29)	(891.52)	(902.13)	(3,477.82)	(3,391.12)
10	Paid-up Equity Share Capital (Face Value of Rs. 1/- each)	3,464.54	3,464.54	3,464.54	3,464.54	3,464.54
11	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year					(60,545.83)
12	(i) Earning Per Share					
	- Basic	(0.23)	(0.26)	(0.26)	(1.00)	(0.98)
	- Diluted	(0.23)	(0.26)	(0.26)	(1.00)	(0.98)

Sr. No	Notes:
1	These audited financial results have been prepared by the management of the company in consultation with Resolution Professional of the Company. The limited review of the quarter and year ended on 31st March 2021, as required under Regulation 33 of SEBI (Listing Obligation & disclosure requirements) Regulation, 2015 has been carried out by the Statutory Auditors of the Company.
2	The Company is undergoing Corporate Insolvency Resolution Process (CIRP) under the provisions of Insolvency & Bankruptcy Code, 2016 (Insolvency Code) in terms of Order dated 23rd January 2020 passed by Hon'ble NCLT, Ahmedabad Bench. In terms of Section 20 of Insolvency code, the management and operations of the Company are being managed by Interim Resolution Professional (IRP) / Resolution Professional (RP) after commencement of CIRP. The Board of Directors has accepted books of accounts subject to their objection on director remuneration / CFO Remuneration / Director Sitting Fees not being paid to them. RP has explained that the same will be provided, once approved by CoC.
3	An application was filed against Raj Rayon Industries Limited under Section 10 of Insolvency and Bankruptcy Code, 2016 read with Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 before the Hon'ble NCLT Ahmedabad with a prayer to commence the Corporate Insolvency Resolution Process (CIRP) in respect of itself. The said application for initiation of Corporate Insolvency Resolution Process (CIRP), which was registered as C.P. (IB) No. 350/NCLT/AHM/2019, has been admitted by Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench, Ahmedabad (Hon'ble NCLT/Hon'ble Adjudicating Authority) vide its order dated 23/01/2020. Under the IBC proceedings, the power of the Board were suspended with effect from 23/01/2020. The NCLT order also provided for a moratorium with effect from 23rd January 2020 till the completion of the Corporate Insolvency Resolution process (CIRP) or until it approves the resolution plan under section 1(1) or passes an order for liquidation of the company under section 33, whichever is earlier. Currently, the CIRP process in respect of the company is in progress. Resolution Plan passed by CoC and filed application to the Hon'ble National Company Law Tribunal (NCLT) for approval of Resolution plan. Approval of the Resolution plan is pending.
4	As the powers of the board of directors have been suspended, the above audited financial results have been considered and recommended by the Board of Directors alongwith the Resolution Professional.
5	In view of the heavy Losses & uncertainty of profits, no provision was made for Deferred Tax Assets.
6	The Company's bank accounts have been classified as Non Performing Asset (NPA) by the lenders under consortium advance. The Lenders have not charged any interest during January 2020- March 2021. The Company has not made any provision for Interest on Bank Borrowings and accordingly the loss & finance cost for the quarter and year ended 31st March, 2021 are understated and not quantifiable.
7	The management has prepared the Company's Financial Results on a going concern basis notwithstanding the fact that the company has incurred net loss of Rs. 808.29 Lakhs during the quarter ended 31st March 2021 and have accumulated losses of Rs. 60,545.83 Lakhs as on 31st March 2020. 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. The Company continue to deal with a range of uncertainties and presently not able to service its debts.
8	The company is primarily engaged in a single business segment of Manufacturing & Marketing of Textiles Yarns.
9	The previous period figures have been regrouped / rearranged wherever necessary.
10	The World health organization announced a global health emergency because of a new strain of coronavirus (COVID-19) and classified its outbreak as a pandemic on 11 March, 2020. On 24th March 2020, The Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which was further extended till 3rd May 2020. This pandemic and government response are creating disruption in the global supply chain and adversely impacting most of the industries which has resulted in global shutdown. The management has made an assessment of the impact of COVID-19 on the Company's operation, financial performance and position as at quarter and year ended 31st March 2021 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

For Raj Rayon Industries Limited
(under CIRP)



Rajkumari Kanodia
Non Executive Chairperson & Director




Mayadhar Ravindar Mahakud
Managing Director
DIN No. 08340476

For Raj Rayon Industries Limited
(under CIRP)



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

For Raj Rayon Industries Limited
(under CIRP)



Mr. Abhishek Nagori
Resolution Professional

Place : Mumbai

Date : 26/07/2021

1. STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2021

(Rs. In Lakhs)

Sr.No.	Particulars	As at 31-03-2021 (Audited)	As at 31-03-2020 (Audited)
A	ASSETS		
1	Non-Current Assets		
	(a) Property, Plant and Equipment	12,568.24	16,118.60
	(b) Capital Work-in-progress	-	-
	(c) Intangible Assets	-	-
	(d) Intangible Assets under development	-	-
	(e) Financial Assets		
	i- Investments	10.02	10.02
	ii-Other Financial Assets	0.27	9.33
	(f) Deferred Tax Assets (net)	-	-
	(g) Other Non-Current Assets	1,045.15	1,052.25
	Total Non-Current Assets	13,623.68	17,190.20
2	Current Assets		
	(a) Inventories	60.38	60.38
	(b) Financial Assets		
	i- Investments	-	-
	ii- Trade Receivables	1,477.89	1,489.47
	iii- Cash and Cash equivalents	5.86	0.78
	iv- Bank Balances other than (ii) above	1.21	1.21
	v- Other Financial Assets	361.45	361.05
	(c) Other Current Assets	2.27	0.77
	Total Current Assets	1,909.05	1,913.65
	Total Assets (1+2)	15,532.74	19,103.85
B	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity Share Capital	3,464.54	3,464.54
	(b) Other Equity	(64,023.65)	(60,545.83)
	Total Equity	(60,559.11)	(57,081.29)
2	Liabilities		
	Non-Current Liabilities		
	(a) Financial Liabilities		
	i- Borrowings	2,400.00	2,400.00
	(b) Provisions	-	-
	Total Non-Current Liabilities	2,400.00	2,400.00
	Current Liabilities		
	(a) Financial Liabilities		
	i- Borrowings	68,538.72	68,538.72
	ii- Trade Payables		
	Total outstanding dues of micro and small enterprises		
	Total outstanding dues of creditors other than micro and small enterprises	85.82	86.93
	iii- Other Financial Liabilities	5,067.51	5,159.95
	(b) Other Current Liabilities	(0.54)	(0.46)
	(c) Provisions	0.35	-
	(d) Current Tax Liabilities (Net)	-	-
	Total Current Liabilities	73,691.84	73,785.14
	Total Equity And Liabilities (1+2)	15,532.74	19,103.85

2. CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(Rs. In Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax and Extraordinary Items	(3,477.82)	(3,394.17)
Adjustment for:		
Depreciation	3,550.36	3,610.58
Provision for Bad & Doubtful Debts	-	-
Exchange Rate Change	-	-
(Profit) / Loss on Sale of Fixed Asset	-	(340.26)
Rent Income	-	-
Interest / Other Income	(3.21)	(0.35)
Expenses for Increase in Authorised Share Capital	-	-
Finance Costs	-	-
Operating Profit Before Working Capital Changes	69.33	(124.19)
Adjustment For:		
Inventories	-	-
Trade Receivables	11.58	183.59
Other Receivables, Loans & Advances (Current / Non Current)	14.26	7.93
Trade Payables	(1.11)	(45.34)
Other Payables, Provisions (Current / Non Current)	(92.18)	(20.71)
Cash Used in Operations	1.87	1.28
Direct Taxes Paid	-	-
(Including Reversal of MAT Credit Entitlement)	-	-
Cash Flow Before Extraordinary Items	1.87	1.28
Extraordinary Items	-	-
NET CASH FLOW USED IN OPERATING ACTIVITIES	1.87	1.28
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	-
Sale of Fixed Assets	-	440.00
Investments / (Maturity) of FDRs	-	-
Interest / Other Income	3.21	0.35
NET CASH FLOWS FROM INVESTING ACTIVITIES	3.21	440.35
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long Term Borrowings	-	-
Change in Working Capital Borrowing from Banks	-	(440.00)
Interest & Other Borrowing Cost	-	-
NET CASH USED IN FINANCING ACTIVITIES	-	(440.00)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	5.08	1.63
Effect of Foreign Exchange on Cash and Cash Equivalent	-	-
Opening Balance of Cash and Cash Equivalents	0.78	(0.85)
Closing Balance of Cash and Cash Equivalents	5.86	0.78



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ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results - Standalone

Statement on Impact of Audit Qualifications for the Financial Year ended March 31 , 2021 [See Regulation 33/ 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I	Sr No	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs. In Lacs	Adjusted Figures (audited figures after adjusting for qualifications) Rs. In Lacs
	1.	Turnover / Total income	95.61	95.61
	2.	Total Expenditure	3573.43	3573.43
	3.	Net Profit/(Loss)	(3477.82)	(3477.82)
	4.	Earnings Per Share	(1.00)	(1.00)
	5.	Total Assets	15532.74	15532.74
	6.	Total Liabilities	15532.74	15532.74
	7.	Net Worth	(60559.11)	(60559.11)
	8.	Any other financial item(s) (as felt appropriate by the management)	--	--
II	Audit Qualification (each audit qualification separately):			

a.	Details of Audit Qualification:	<p>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 understated.</p> <p>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.</p>
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			<p>3. We draw attention to the note no. 7 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.</p> <p>4. The Company has, on the basis of their internal evaluation, valued inventories at Rs. 60.38 lakh. In the view of current CIRP Process and in absence of valuation report, we are unable to comment on the reliability of the inventories.</p> <p>5. Internal Audit Report is not available since management has not appointed Internal Auditor as required under section 138 of Companies Act, 2013.</p> <p>6. Company Secretary of the Company has resigned from the company dated 23rd April, 2019, Company has not appointed full time Company Secretary required under section 203 (and Rule 8 and Rule 8A of companies' appointments & remuneration of Managerial Personnel Rule 2014) of Companies Act, 2013.</p> <p>7. 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.</p> <p>8. Balances under sundry debtors and sundry creditors, loans and advances given by the company and parties</p>
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			<p>from whom unsecured loans have been taken are subject to confirmations and adjustments, if any.</p> <p>9. 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.</p>
			<p>Company management informed that: The Financial condition of the company is not proper and due to which the Loan became NPA and company is not in operation i.e no production is going on.</p> <p>Further management is trying to revive the company from this situation.</p>
	b.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified
	c.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive - from last year
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:	
		i. Management's estimation on the impact of audit qualification:	NA
		ii If management is unable to estimate the impact, reasons for the same	The Company will try to ratify the qualification raised by the Auditors.
		iii Auditors' Comments on (i) or (ii) above:	Agree with management comments
	III	Signatories	



RAJ RAYON INDUSTRIES LIMITED

(A Government Recognised Star Export House)



AN ISO 9001 : 2008 CERTIFIED COMPANY

Corporate Off. : 5C/196 & 197, AKSHAY MITTAL INDUSTRIAL ESTATE, SAKINAKA, ANDHERI (E), MUMBAI-400 059 (INDIA)
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Kanodia SJ



Sushilkumar Kanodia
Chief Financial Officer

Suyal



For Chaturvedi & Patel
Chartered Accountants
FRN: 121351W

Rajkumari Kanodia



Rajkumari Kanodia
Non Executive Chairperson & Director
00229331

Banti



Banti Parasar
Director
08340462

Abhishek Nagori

Mr. Abhishek Nagori
Interim Resolution Professional
In the matter of Raj Rayon Industries Limited
IBBI Reg. No. IBBI/IPA-001/IP-P00020/2016-2017/10044

Place Mumbai
Date: 26/07/2021

Place Mumbai
Date: 26/07/2021