



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)
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CIN NO. : L17120DN1993PLC000368

Date: November 10, 2020

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: Proceedings of the Board meeting held on November 10, 2020

Ref:Regulation 30 and 33 read with Para A of Part A of Schedule III and 52 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015('Listing Regulations')

The Board of Directors of the Company at its meeting held on **November 10, 2020** has inter- alia approved and taken on record the un-audited Financial Results of the Company for the second quarter ended September 30, 2020, copy of the same is attached at **Annexure – I**.

Please find enclosed herewith the Summarized un-audited Financial Results for the second quarter ended September 30, 2020 and the Limited Review Report on the Financial Results of the Auditors thereon, for your kind information and records. Extract of audited financial results would also be published in one English and one vernacular newspaper as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Board Meeting commenced at 4.15 p.m. and concluded at 6.20.p.m.

Kindly take the above information on your record and acknowledge.

Thanking you,

Yours faithfully,

For RAJ RAYON INDUSTRIES LIMITED

Kanodia SN

(SUSHIL KUMAR KANODIA)
CEO CFO



RAJ RAYON INDUSTRIES LIMITED

Regd. Office: Survey No. 177/1/3, Village – Surangi, 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 SIX MONTHS ENDED: 30TH SEPTEMBER, 2020

Sr.No.	Particulars	(Rs. in Lakhs)					
		Quarter ended 30-09-2020 (Unaudited)	Quarter ended 30-06-2020 (Unaudited)	Quarter ended 30-06-2019 (Unaudited)	Six Months ended 30-09-2020 (Unaudited)	Six Months ended 30-09-2019 (Unaudited)	Year ended 31-03-2020 (Audited)
1	Income						
	(a) Revenue from Operations	-	-	-	-	-	-
	(b) Other Income	1.02	0.52	0.35	1.54	0.35	340.61
	Total income	1.02	0.52	0.35	1.54	0.35	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	-	-	-	-	0.01	-
	(g) Depreciation and amortisation expense	887.75	887.58	903.66	1,775.33	1,807.33	3,610.58
	(h) Other expenses	4.79	0.94	37.15	5.73	69.76	121.14
	Total expenses	892.54	888.52	940.81	1,781.06	1,877.10	3,731.72
3	Profit(Loss)Before exceptional and extraordinary items and tax (1-2)	(891.53)	(888.00)	(940.46)	(1,779.53)	(1,876.75)	(3,391.11)
4	Exceptional Items / Extraordinary items	-	-	-	-	-	-
5	Profit/(Loss) before tax (3-4)	(891.53)	(888.00)	(940.46)	(1,779.53)	(1,876.75)	(3,391.11)
6	Tax Expenses						
	(i) Current Tax	-	-	-	-	-	-
	(ii) Deferred Tax	-	-	-	-	-	-
7	Profit/(Loss) for the period(5-6)	(891.53)	(888.00)	(940.46)	(1,779.53)	(1,876.75)	(3,391.11)
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)	(891.53)	(888.00)	(940.46)	(1,779.53)	(1,876.75)	(3,391.11)
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	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	-0.26	-0.26	-0.27	-0.51	-0.54	-0.98
	- Diluted	-0.26	-0.26	-0.27	-0.51	-0.54	-0.98

Sr. No	Notes:
1	These un-audited financial results have been prepared by the management of the company and certified by Mr. Sushil Kumar Kanodia, Chief Executive Officer (CEO). The limited review of the quarter and six months ended on 30th September 2020, 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 23th 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.
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.
4	As the powers of the board of directors have been suspended, the above unaudited 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 July 2020 - September 2020. The Company has not made any provision for Interest on Bank Borrowings and accordingly the loss & finance cost for the quarter and half year ended 30th September, 2020 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. 891.53 Lakhs during the quarter ended 30th September 2020 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 half year ended 30th September 2020 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

Rajkumari Kanodia
Non Executive Chairperson & Director

Mayadhar Ravindar Mahakud

Mayadhar Ravindar Mahakud
Managing Director
DIN No. 08340476

**For Raj Rayon Industries Limited
(under CIRP)**

Kanodia SA

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

**For Raj Rayon Industries Limited
(under CIRP)**

Abhishek Nagori

Mr. Abhishek Nagori
Resolution Professional



Place : Mumbai

Date : 10th November 2020

1. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH SEPTEMBER, 2020

(Rs. In Lakhs)

Sr.No.	Particulars	As at 30-09-2020 (Unaudited)	As at 31-03-2020 (Audited)
A	ASSETS		
1	Non-Current Assets		
	(a) Property, Plant and Equipment	14,343.26	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	1,049.69	1,052.25
	Total Non-Current Assets	15,403.25	17,190.20
2	Current Assets		
	(a) Inventories	60.38	60.38
	(b) Financial Assets		
	i- Investments	-	-
	ii- Trade Receivables	1,486.81	1,489.47
	iii- Cash and Cash equivalents	13.30	0.78
	iv- Bank Balances other than (ii) above	1.21	1.21
	v- Other Financial Assets	360.21	361.05
	(c) Other Current Assets	0.77	0.77
	Total Current Assets	1,922.68	1,913.65
	Total Assets (1+2)	17,325.92	19,103.85
B	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity Share Capital	3,464.54	3,464.54
	(b) Other Equity	(62,325.36)	(60,545.83)
	Total Equity	(58,860.82)	(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	87.56	86.93
	iii- Other Financial Liabilities	5,160.81	5,159.95
	(b) Other Current Liabilities	(0.34)	(0.46)
	(c) Provisions	-	-
	(d) Current Tax Liabilities (Net)	-	-
	Total Current Liabilities	73,786.75	73,785.14
	Total Equity And Liabilities (1+2)	17,325.92	19,103.85

2. CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2020

(Rs. In Lakhs)

Particulars	Six Months Ended 30 September, 2020	Six Months Ended 30 September, 2019
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax and Extraordinary Items	(1,779.53)	(1,876.75)
Adjustment for:		
Depreciation	1,775.34	1,807.33
Provision for Bad & Doubtful Debts	-	-
Exchange Rate Change	-	-
(Profit) / Loss on Sale of Fixed Asset	-	-
Rent Income	-	-
Interest / Other Income	(1.54)	(0.35)
Expenses for Increase in Authorised Share Capital	-	-
Finance Costs	-	-
Operating Profit Before Working Capital Changes	(5.73)	(69.77)
Adjustment For:		
Inventories	-	-
Trade Receivables	2.65	113.08
Other Receivables, Loans & Advances (Current / Non Current)	12.45	8.50
Trade Payables	0.63	(33.54)
Other Payables, Provisions (Current / Non Current)	0.96	(17.02)
Cash Used in Operations	10.96	1.26
Direct Taxes Paid	-	-
(Including Reversal of MAT Credit Entitlement)		
Cash Flow Before Extraordinary Items	10.96	1.26
Extraordinary Items	-	-
NET CASH FLOW USED IN OPERATING ACTIVITIES	10.96	1.26
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	-
Sale of Fixed Assets	-	-
Investments / (Maturity) of FDRs	-	-
Interest / Other Income	1.54	0.35
NET CASH FLOWS FROM INVESTING ACTIVITIES	1.54	0.35
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long Term Borrowings	-	-
Change in Working Capital Borrowing from Banks	-	-
Interest & Other Borrowing Cost	-	-
NET CASH USED IN FINANCING ACTIVITIES	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	12.52	1.61
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	13.30	0.76

Abhishek Nagori
Insolvency Professional
Resolution Professional for M/s Raj Rayon Industries Limited
(Under Corporate Insolvency Resolution Process)
Regn. No. IBBI/IPA-001/IP-P00020/2016-2017/10044
330/348, Third Floor, Tower-A, Atlantis K-10,
Opp. Vadodara Central, Sarabhai Main Road,
Vadodara-390 023, Gujarat- India
E-mail: cirp.rril@ddip.in; jlnusb@gmail.com

Report of Resolution Professional

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

The Statement of Standalone Financial Results for the quarter ended 30th September, 2020 and for the half year ended 30th September, 2020 have been prepared by the management of company and certified by Ms. Rajkumari Kanodia - Non-Executive Chairperson and Director (suspended), Mr. Banti Parasar- Director (Suspended) and Mr. Sushilkumar Kanodia - Chief Financial Officer (suspended). The Resolution Professional has relied upon the certifications, representations and statements made by the management while reviewing the financial results.

The Resolution Professional has, however not authenticated the correctness of enclosed the Statement of Standalone Financial Results for the quarter ended 30th September, 2020 and for the half year ended 30th September, 2020 of the company for any purpose whatsoever including but not limited to the Companies Act, 2013 and the Securities and Exchange Board of India Act, 1992 when they belong to the period before initiation of the Corporate Insolvency Resolution Process i.e. 23.01.2020.

It may be noted that the writing off of any receivable or assets in the Statement of Unaudited Standalone Financial Results doesn't denote that the amount cannot be realized by the Resolution Professional.

Yours sincerely,



Abhishek Nagori

Resolution Professional for M/s Raj Rayon Industries Limited
IBBI/IPA-001/IP-P00020/2016-2017/10044



Date: 9th November, 2020

Place: Vadodara

CHATURVEDI & PATEL

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT Raj Rayon Industries Limited

Chaturvedi & Patel
Chartered Accountants
Ground Floor, Tushar Banglow, Near
Thakur House, Ashok Chakravati Road,
Kandivali East, Mumbai 400101
Mobile – 9082841065
E-mail id: deepak@cnp.firm.in

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS

TO THE IRP / RP OF RAJ RAYON INDUSTRIES LIMITED

We have reviewed the accompanying Statement of Standalone Unaudited Financial Results (the "statements") of **Raj Rayon Industries Limited** ("the Company"), for the quarter ended 30th September 2020 and year to date from 1st July 2020 to 30th September 2020 being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

This Statement, which is the responsibility of the Company management and has been signed by the Chief Executive Officer / Director and Chief Financial Officer of the Company has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("IND AS 34"), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standards on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent auditor of the entity" issued by the Institute of Chartered Accountants of India (ICAI). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the standalone financial statements are free of material misstatement. A review is limited primarily to inquiry of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review conducted as stated in paragraph 3 above, **except our qualified opinion given below** nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Accounting Standards as per section 133 of the companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Qualification Conclusions:

- 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.*
- 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 31st 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. 7 of the attached Statement regarding the financial results of the company having been prepared on the going concern basis which contemplates the*

CHATURVEDI & PATEL

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

Raj Rayon Industries Limited

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 company has obtained unsecured loans amounting to Rs. 1,000.00 Lakhs, the same is outstanding from previous years 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.
5. 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.
6. 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 results of the company cannot be ascertained.
7. 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 results of the company cannot be ascertained.
8. Internal Audit Report is not available since management has not appointed Internal Auditor as required under section 138 of Companies Act, 2013.

Qualified Opinion:

In our opinion, except for the effects of the matter described in Point No. 1 to 8 above, the financial results 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 30th September 2020 and its loss for the quarter ended on that date.

For Chaturvedi & Patel
Chartered Accountants
FRN: 121351W



CA Deepak Karwa
Partner
M.N: 175321
UDIN: 20175321AAAAGF6553
Place: Mumbai
Dated: 10th November 2020