

RAJRAYON INDUSTRIES LIMITED

CIN NO.: L17120DN1993PLC000368

REGD. OFFICE & FACTORY : SURVEY NO. 177/1/3 & 177/1/4, VILLAGE : SURANGI, SILVASSA - 396 230 (U. T. OF DADRA & NAGAR HAVELI & DAMAN & DIU)

Contact : +91 98795 04195, 99988 20661 • E-mail : admin.surang@rajrayon.com

Date: 12/08/2022

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 : RAJRILT

Dear Sir,

Sub.: Proceedings of the Board meeting held on August 12, 2022

We wish to inform you that, the Board of Directors of the Company, at its meeting held today August 12, 2022 has *inter- alia* considered, approved and taken on record:

1. The Un-audited Financial Results of the Company for the first quarter ended June 30, 2022

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulation"), we enclose herewith the Unaudited Financial Results along with the limited review report of the auditors for the quarter ended on June 30, 2022., copy of the same is attached at **Annexure – I**.

2. Authorised Mr. Sandeep Agarwal- Whole Time Director and Chief Financial Officer of the Company under Regulation 30(5) of the SEBI (LODR), 2015 for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s)
3. Adopted the revised Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as per Reg. 8 of the SEBI (PIT), Regulations, 2015
4. Accepted the resignation of M/s. MKPS & Associates Chartered Accountant (Firm Registration No.: 302014E), Statutory Auditors of the Company from the closing working hours of 12th August, 2022.

The reason of resignation as given in letter of resignation, pursuant to the provisions of Regulation 30 the LODR, 2015 is as under:

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The volume of transactions and the related work of the Company have been increasing and the existing fee level is very less. Pursuant to which the current Auditor finding it challenging to maintain quality of services and timelines of deliverables at the current fee levels and hence submitted their resignation and relived themselves from the responsibility of Statutory Auditor from closure of Business hours w.e.f 12.08.2022 .

5. Based on recommendation of Audit Committee the Board has appointed M/s. Bagaria & Co. LLP Chartered Accountants (Firm Registration No – 113447W/W-100019) as Statutory Auditors of the Company w.e.f 13.08.2022, pursuant to the provisions of Section 139(8) of the Companies Act, 2013 on account of casual Vacancy to hold office upto the conclusion of ensuing Annual General Meeting of the Company.

The Board recommended his appointment to be regularized in the ensuing Annual General Meeting of the Company for the FY 2022-23.

The requisite disclosures under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as **Annexure II**.

6. Subject to Members approval at the ensuing Annual General Meeting of the Company and pursuant to Companies Act 2013;
- Deletion of the other Objects Clause of the Memorandum of Association of the Company (MOA).
 - Substitution of headings, sub headings and references in MOA.
 - Amendment of the liability clause of MOA.
 - Amendment of the objects to be pursued by the Company on its incorporation in MOA.
 - substitution of Clause III (B) “*the matters which are necessary for furtherance of the objects specified in Clause III(A)*” in MOA.
 - Reclassify the Authorised Share Capital of the Company and consequent amend capital clause of the MOA.

The brief details of the changes in MOA and Authorised Share Capital is mentioned in **Annexure III**

7. The following address as a corporate office address of the Company, where in the Company will keep its books of accounts.

Corporate Office Address:

A/13 Agarwal Golden Chambers, 3rd Floor, Veera Desai Road,
Behind Balaji Telefilms Limited,
Andheri (W),
Mumbai, Maharashtra 400053

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Further the Board has kept on hold the decision with regards to raising of funds.

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 11.45 a.m. and concluded at 1.45.p.m.

Kindly take the above information on your record and acknowledge.

Thanking you,
Yours faithfully,

For RAJ RAYON INDUSTRIES LIMITED



RAJKUMAR SATYANARAYAN AGARWAL
MANAGING DIRECTOR
DIN: 00395370

Encl.: A/a

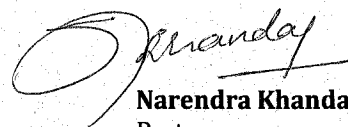
**To the Board of Directors
RAJ RAYON INDUSTRIES LIMITED**

1. We have reviewed the accompanying statement of unaudited financial results of **RAJ RAYON INDUSTRIES LIMITED** ("the Company") for the quarter ended 30th June, 2022 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing, Obligations and Disclosure requirements) Regulations, 2015.

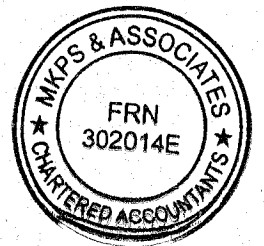
The statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to issue a report on this financial Statement based on our review.

2. We conducted our review in accordance with the Standard 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries 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.
3. Based on our review conducted as above, **except for the effect of the matter described in the basis of 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 the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards (IND AS) specified under section 133 of the Companies Act, 2013 as amended and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. Attention is drawn to the facts that:
- (a) The comparative financial information of the Company for the corresponding quarter ended June 30, 2021 were reviewed by predecessor auditor who expressed an qualified conclusion on those standalone financial results vide their report dated August 13, 2021 respectively.
- (b) The figures for the quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter for the previous financial year which were subjected to limited review by us.
5. **Basis for qualified conclusion:**
- (a) In view of the pending confirmations from banks, we are unable to comment on the impact, if any, on the financial statement arising out of such pending confirmations and reconciliations, consequential impact of the same on financial results of the company cannot be ascertained.

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


Narendra Khandal

Partner
Membership No. 065025
UDIN: 22065025 AOW FTL 4951



Mumbai
12 August, 2022

701, Stanford Office Condominium
Near Shopper Stop, S.V. Road
Andheri (West) Mumbai – 400058, India

Phone: +91 22 6239 2666

E-mail: mumbai@mkps.in | web : www.mkps.in

RAJ RAYON INDUSTRIES LIMITED
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022
Registered office: Survey No. 177/1/3, Village - Surangi, Dist - Silvassa, Dadra & Nagar Haveli (UT) - 396 230.
Tel: 91-22-40343434, Fax: 91-22-40343400, email: investors@rajrayon.com, website: www.rajrayon.com
CIN No. L17120DN1993PLC000368

(₹ in Lakhs, unless otherwise stated)(except per equity share data)

Particulars	Quarter Ended			Year Ended
	30th June, 2022	31st March, 2022	30th June, 2021	31st March, 2022
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
1 INCOME				
(a) Revenue from Operations	-	-	-	5.50
(b) Other Income	28.55	-	0.04	0.04
TOTAL INCOME	28.55	-	0.04	5.54
2 EXPENSES				
(a) Cost Of Materials Consumed	-	-	-	-
(b) Purchases Of Stock-In-Trade	-	-	-	-
(c) Changes In Inventories of Finished Goods, Work In Progress and Manufactured Components	-	-	-	-
(d) Employee Benefits Expense	5.48	4.28	-	5.59
(e) Finance Cost	0.40	0.30	-	0.32
(f) Depreciation And Amortisation Expense (Refer Note 6)	333.58	371.42	869.17	2,798.91
(g) Other Expenses	34.10	48.08	3.20	236.48
TOTAL EXPENSES	373.56	424.08	872.37	3,041.30
3 PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (1-2)	(345.01)	(424.08)	(872.33)	(3,035.76)
4 Exceptional Items (Refer Note 5)	-	(1,026.64)	-	67,113.12
5 PROFIT BEFORE TAX (3-4)	(345.01)	(1,450.72)	(872.33)	64,077.36
6 TAX EXPENSE				
Current Tax	-	-	-	-
Deferred Tax	-	-	-	-
TOTAL TAX EXPENSE	-	-	-	-
7 PROFIT AFTER TAX (5-6)	(345.01)	(1,450.72)	(872.33)	64,077.36
8 Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Re-Measurement Gain / (Loss) on Defined Benefit Plans	-	-	-	-
Income Tax Effect on Above	-	-	-	-
9 TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (7+8)	(345.01)	(1,450.72)	(872.33)	64,077.36
10 Paid-up Equity Share Capital (Face Value of Re. 1/- each)	5,512.82	22.82	3,464.54	22.82
11 Other Equity				
12 Earning Per Equity Share (Face Value of Re. 1/- each)				
Basic (in ₹) (Not annualised)	(0.06)	(63.56)	(0.25)	2,807.34
Diluted (in ₹) (Not annualised)	(0.04)	(63.56)	(0.25)	2,807.34

See accompanying notes to the financial results



Notes to Financial Results

1	The above unaudited results for the quarter ended June 30, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on August 12, 2022. The unaudited results for the quarter ended June 30, 2022 has been subjected to limited review by the Statutory Auditors of the Company.
2	The figures for the 3 months ended 31 March 2022 as reported in these financial results are the balancing figures between the audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year.
3	The Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT") has approved the resolution plan ("Approved Resolution Plan") submitted by SVG Fashions Private Limited ('Resolution Applicant' or 'New Management') vide their order dated October 05, 2021 ("NCLT Order"). Pursuant to the said order Corporate Insolvency Resolution Process ("CIRP") has been completed. The New Management has taken over the operations of the Company from the Resolution Professional ("RP") and is fulfilling the conditions as per NCLT order and the resolution plan submitted. Pursuant to the Approved Resolution Plan, a Monitoring Committee has been formed w.e.f. October 07, 2021 to overlook the implementation of the approved resolution plan. Considering the above, the financial statements are being presented on a 'Going Concern' basis.
4	In accordance with the Approved Resolution Plan, Resolution Applicant had brought in capital of Rs. 54.90 crores for which Company has received in principal approval on 4th May, 2022. On 10th June, 2022 the Company has allotted 54.90 crores equity shares to the entities defined by Resolution Applicant in Promoter and Public Category and Listing approval was also received from the exchanges on 21st July 2022. Further, the Company has issued Compulsory Convertible Preference Shares Class- B of Rs. 25 crores to Resolution Applicant for Cash and Compulsory Convertible Preference Shares Class A of Rs. 1 crore to its Financial Creditor for Conversion of their Loan.
5	Exceptional Items for the Year ended 31st March, 2022 on account of gains recognised in accordance with the approved resolution plan
6	The Management has re-assessed the depreciation for the year ended March 31, 2022 and the net block as at March 31, 2022 in accordance with the useful life of the assets and the impact of such re-assessment has been provided in the above financial results.
7	The Company is primarily engaged in a single business segment of Manufacturing & Marketing of Textiles Yarns.
8	Figures for the previous period/year have been regrouped and reclassified, wherever required.

For Raj Rayon Industries Limited



Mr. Rajkumar Satyanarayan Agarwal
Managing Director



Place: Mumbai

Date: August 12, 2022

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Annexure II

Appointment of M/s. Bagaria & Co. LLP, Chartered Accountants (Firm Registration No – 113447W/W-100019) as auditors of the Company

We hereby submit the following details as required under Regulation 30 of the SEBI (LODR), Regulation, 2015 read with Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015.

Particulars	Details
Name of Auditor	Bagaria & Co. LLP, Chartered Accountants
Reason for change viz. appointment, resignation, removal, death or otherwise	Appointment due to casual vacancy
Date of appointment/cessation (as applicable)	13/08/2022
Term of appointment	To hold office upto the conclusion of ensuing Annual General Meeting of the Company.
Brief profile (in case of appointment);	Bagaria & Co LLP, established in 1985 evolved into one of India's premier niche professional firms. They have tailored services in Assurance, Tax, Finance, and Transaction advisory. Bagaria & Co LLP are auditors of many listed companies and are also the auditors of the SVG Fashion Pvt. Ltd, the promoter entity.
Disclosure of relationships between directors (in case of appointment of a director).	Not Applicable



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Annexure –III

- a. Deletion of the other Objects Clause of the Memorandum of Association of the Company (MOA) Pursuant to Companies Act , 2013 other Objects Clause should not be part of MOA basis that
- b. Substitution of headings, sub headings and references in MOA.
The reference of Companies Act, 1956 to change with Companies Act, 2013
- c. Amendment of the liability clause of MOA.
change as per Companies Act, 2013
- d. Amendment of the objects to be pursued by the Company on its incorporation in MOA.
To amend and extend the object to the company to give more clarity about the business
- e. substitution of Clause III (B) "*the matters which are necessary for furtherance of the objects specified in Clause III(A)*" in MOA.
To give effect to the provisions of Companies Act, 2013
- f. Reclassify the Authorised Share Capital of the Company and consequent amend capital clause of the MOA.
The unclassified/ Unissued shares to be classified as follows:

Existing Authorised Capital	Post Board approval subject to Members Approval
56,00,00,000 (56 Crore) Equity Shares of Re. 1/- each	60,00,00,000 (60 Crore) Equity Shares of Re. 1/- each
26,00,000 Compulsory Convertible Preference Shares (CCPS)	26,00,000 Compulsory Convertible Preference Shares (CCPS)
<ul style="list-style-type: none">• 1,00,000 Compulsory Convertible Preference Shares (CCPS) – Class – A for financial Creditors of Rs. 100/- each• 25,00,000 Compulsory Convertible Preference Shares (CCPS) – Class – B for Promoters of Rs. 100/- each	<ul style="list-style-type: none">• 1,00,000 Compulsory Convertible Preference Shares (CCPS) – Class – A for financial Creditors of Rs. 100/- each• 25,00,000 Compulsory Convertible Preference Shares (CCPS) – Class – B for Promoters of Rs. 100/- each
4,00,000 Non- Cumulative preference Shares of Rs. 100/- each	
Total 86 Crores	Total 86 Crores

